

First Trust Variable Insurance Trust
Annual Report
For the Year Ended December 31, 2018

**First Trust Variable Insurance Trust
Annual Report
December 31, 2018**

Shareholder Letter	1
Portfolio Commentary and Performance Summary	
First Trust/Dow Jones Dividend & Income Allocation Portfolio	2
First Trust Multi Income Allocation Portfolio	7
First Trust Dorsey Wright Tactical Core Portfolio	12
Understanding Your Fund Expenses	15
Portfolio of Investments	
First Trust/Dow Jones Dividend & Income Allocation Portfolio	16
First Trust Multi Income Allocation Portfolio	44
First Trust Dorsey Wright Tactical Core Portfolio	54
Statements of Assets and Liabilities	55
Statements of Operations	56
Statements of Changes in Net Assets	57
Financial Highlights	60
Notes to Financial Statements	63
Report of Independent Registered Public Accounting Firm	77
Additional Information	78
Board of Trustees and Officers	85
Privacy Policy	87

Caution Regarding Forward-Looking Statements

This report contains certain forward-looking statements within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements regarding the goals, beliefs, plans or current expectations of First Trust Advisors L.P. (“First Trust” or the “Advisor”), Energy Income Partners, LLC (“EIP” or a “Sub-Advisor”), Stonebridge Advisors LLC (“Stonebridge” or a “Sub-Advisor”) and their representatives, taking into account the information currently available to them. Forward-looking statements include all statements that do not relate solely to current or historical fact. For example, forward-looking statements include the use of words such as “anticipate,” “estimate,” “intend,” “expect,” “believe,” “plan,” “may,” “should,” “would” or other words that convey uncertainty of future events or outcomes.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of any series of the First Trust Variable Insurance Trust (the “Trust”) to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. When evaluating the information included in this report, you are cautioned not to place undue reliance on these forward-looking statements, which reflect the judgment of the Advisor and/or Sub-Advisors and their representatives only as of the date hereof. We undertake no obligation to publicly revise or update these forward-looking statements to reflect events and circumstances that arise after the date hereof.

Performance and Risk Disclosure

There is no assurance that any series (individually called a “Fund” and collectively the “Funds”) of the Trust will achieve its investment objectives. Each Fund is subject to market risk, which is the possibility that the market values of securities owned by the Fund will decline and that the value of the Fund shares may therefore be less than what you paid for them. Accordingly, you can lose money by investing in a Fund. See “Risk Considerations” in the Additional Information section of this report for a discussion of certain other risks of investing in the Funds.

Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. For the most recent month-end performance figures, please visit www.ftportfolios.com or speak with your financial advisor. Investment returns and net asset value will fluctuate and Fund shares, when sold, may be worth more or less than their original cost.

The Advisor may also periodically provide additional information on Fund performance on each Fund’s webpage at www.ftportfolios.com.

How to Read This Report

This report contains information that may help you evaluate your investment in each Fund. It includes details about each Fund and presents data and analysis that provide insight into each Fund’s performance.

By reading the portfolio commentary by each Fund’s portfolio management team, you may obtain an understanding of how the market environment affected each Fund’s performance. The statistical information that follows may help you understand each Fund’s performance compared to that of relevant market benchmarks.

It is important to keep in mind that the opinions expressed by personnel of First Trust and/or the Sub-Advisors are just that: informed opinions. They should not be considered to be promises or advice. The opinions, like the statistics, cover the period through the date on the cover of this report. The material risks of investing in each Fund are spelled out in the prospectus, the statement of additional information, this report and other Fund regulatory filings.

**First Trust Variable Insurance Trust
Annual Letter from the Chairman and CEO
December 31, 2018**

Dear Shareholders:

First Trust is pleased to provide you with the annual report for the First Trust Variable Insurance Trust (the “Funds”), which contains detailed information about the Funds for the twelve months ended December 31, 2018, including a market overview and performance analysis. We encourage you to read this report carefully and discuss it with your financial advisor.

As I wrote in my June 2018 letter, investors were hoping for another strong year in the markets for 2018. For the entire year, however, increased market volatility was the norm for U.S. and global markets. Despite the volatility, August was a strong month for stocks, and the Dow Jones Industrial Average (“DJIA”) finished the month just under its previous high in January 2018. At the close of the third quarter in September, the markets had moved higher into positive territory. In fact, all three major U.S. indices (the Nasdaq Composite Index, the DJIA and the S&P 500® Index) hit record levels during the third quarter. Yet, in October, markets were again very volatile, surprising analysts and investors alike. Both global markets and U.S. markets fell on fears of slowing growth, trade wars and higher interest rates. The DJIA was down 5% for October and the MSCI EAFE Index, an index of stocks in 21 developed markets (excluding the U.S. and Canada), was down 9% for the month. However, investors cheered as November ended, and the DJIA climbed 617 points (2.5%) to its biggest one-day gain in eight months. The MSCI EAFE Index ended November down slightly. December held its own shocks as it became the worst December for stocks since the Great Depression. The DJIA and the MSCI EAFE Index ended December with year-to-date returns of -3.48% and -13.79%, respectively.

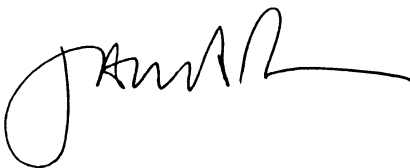
Based on continued strong job growth and the economic outlook in the U.S., the Federal Reserve (the “Fed”) raised interest rates in March, June and September. At their September meeting, the Fed indicated the possibility of one additional rate hike in 2018 and three more in 2019. At their November meeting, the Fed did not raise interest rates. However, at their December 19 meeting, the Fed did raise interest rates by 25 basis points. Analysts and investors will be watching to see what the Fed does with rates in 2019.

While trade tensions have had an impact on markets around the world and could continue to do so in the future, our economists believe that the long-term impact of U.S. tariffs will be to encourage countries to come back to the table and talk about more equal trade. Despite market volatility, we continue to believe that the combination of low interest rates, low inflation and strong corporate earnings still point to a positive economic environment and further growth, though we understand that past performance can never guarantee future performance.

We continue to believe that you should invest for the long term and be prepared for market movements, which can happen at any time. You can do this by keeping current on your portfolio and by speaking regularly with your investment professional. Markets go up and they also go down, but savvy investors are prepared for either through careful attention to investment goals.

Thank you for giving First Trust the opportunity to be a part of your financial plan. We value our relationship with you and will report on the Funds again in six months.

Sincerely,



James A. Bowen
Chairman of the Board of Trustees
Chief Executive Officer of First Trust Advisors L.P.

**First Trust/Dow Jones Dividend & Income Allocation Portfolio
Annual Report
December 31, 2018 (Unaudited)**

First Trust/Dow Jones Dividend & Income Allocation Portfolio

For the year ended December 31, 2018, the First Trust/Dow Jones Dividend & Income Allocation Portfolio (the “Fund”) Class I Shares returned -4.92% versus -3.60% for the Blended Benchmark: 50% Russell 3000® Index and 50% Bloomberg Barclays U.S Corporate Investment-Grade Index. As of December 31, 2018, the total investments for the Fund were allocated as follows: Equities, 54.3% and Fixed Income, 45.7%.

Equities Commentary

U.S. equity markets were volatile in the first quarter of 2018 with the Russell 3000® Index declining -0.64%. The index rallied 5.27% in January, however the market quickly changed course in early February as stronger than expected January wage growth led to speculation that the Federal Reserve (the “Fed”) might tighten monetary policy at an accelerated pace. Other headwinds included U.S. President Donald Trump’s March announcement of additional tariffs on \$60 billion worth of Chinese exports to the U.S., citing Chinese theft of intellectual property. The new policy, combined with Chinese retaliatory measures, sparked fears of an escalating trade conflict causing uncertainty and volatility which continued into the second quarter. Despite the ongoing trade tensions, the solid fundamental backdrop helped investors earn decent equity returns as the Russell 3000® Index showed a 3.89% gain in the second quarter of 2018. Energy was the best performing sector during the second quarter as the rally in crude oil prices elevated the sector to the top. Domestic macroeconomic reports released during the second quarter generally evidenced broad based economic strength. According to the June payroll release, the U.S. labor market added a greater than expected 218,000 jobs during May, with stronger than expected wage growth of 2.70% year over year. U.S. equity markets continued to show strength in the third quarter of 2018 as the Russell 3000® Index gained 7.12%. Investors focused on the robust U.S. economy with new jobs added, wage growth, and another quarter of solid earnings reports. Health care was the strongest sector for the quarter as the Russell 3000® Health Care Index climbed 13.61%. After gaining 10.57% during the first three quarters of 2018, U.S. equities reversed course as the Russell 3000® Index returned -14.30% in the fourth quarter. The Fed’s Chairman Jerome Powell’s comments about interest rates being “a long way from neutral”, as well as the uncertainty of both the U.S. mid-term elections and the ongoing trade dispute with China, all contributed to the Russell 3000® Index suffering its most significant quarterly decline since third quarter 2011. Energy and Technology took the biggest blows with the Russell 3000® Energy Index declining -25.76% and the Russell 3000® Technology Index declining -17.89% during the quarter. This benefited the Fund on a relative performance basis as it was underweight in both sectors.

The equity portion of the Fund has a quarterly rebalance in early January, April, July and October. The selection process is focused on identifying stocks exhibiting dividend strength, capital strength and price stability. This process resulted in overweight positions in Financials, Industrials, Consumer Staples and Consumer Discretionary stocks, while Health Care, Information Technology, Communication Services, Energy and Real Estate stocks were underweight.

Of the eleven GICS sectors, six had a positive total attribution effect (allocation effect combined with selection effect), four had a negative total attribution effect and one was flat. The Energy sector had a positive allocation effect while Health Care, Industrials, Financials and Information Technology had a negative allocation effect. Four sectors had a positive selection effect: Financials, Industrials, Consumer Staples and Communication Services. Two sectors had a negative selection effect: Consumer Discretionary and Information Technology. The equity portion of the Fund benefited from a positive selection effect but was hindered by a negative allocation effect.

The Energy sector was the largest overall contributor to relative performance. The equity portion of the Fund was underweight the worst performing sector in the benchmark, which led to a positive allocation effect and an overall relative outperformance for the sector. The Fund had positions in Exxon Mobil Corp., Phillips 66 and Valero Energy Corp.

The Health Care sector was the biggest detractor from relative performance. The equity portion of the Fund was underweight the best performing sector in the Russell 3000® Index, which led to a negative allocation effect and an overall relative underperformance for the sector.

**First Trust/Dow Jones Dividend & Income Allocation Portfolio
Annual Report
December 31, 2018 (Unaudited)**

Relative to the Russell 3000® Index, the equity portion of the Fund also outperformed in the Consumer Staples, Financials and Communication Services sectors. The Fund was overweight the slightly underperforming Consumer Staples sector resulting in a flat allocation effect, but the relative performance for the sector was helped by positive stock selection. In the Financials sector, the Fund was overweight the underperforming sector resulting in a negative allocation effect, however the Fund's positions in the sector outperformed the benchmark's positions resulting in a positive selection effect. In the Communication Services sector, the Fund was underweight the market-performing sector resulting in a flat allocation effect, however the Fund's positions in the sector outperformed the benchmark's positions resulting in a positive selection effect.

The equity portion of the Fund's top five contributors to performance were WD-40 Co., Validus Holdings, Ltd., Exponent, Inc., CME Group Inc. and Church & Dwight Co., Inc. The top five detractors from performance were Big Lots, Inc., BWX Technologies, Inc., ProAssurance Corp., Principal Financial Group, Inc. and Ingredion Inc.

Heading into 2019, we believe the overall state of the economy remains strong from employment and wage markets, to corporate earnings, gross domestic product growth ("GDP") and industrial production. While trade risks exist, lower taxes and growing corporate earnings along with GDP growth should continue to drive U.S. demand.

Fixed-Income Commentary

The investment-grade corporate bond market experienced a major sell-off during 2018. Spreads widened dramatically against a backdrop of fear about elevated corporate leverage, slowing global growth and earnings, deterioration in the buyer base, and tightening financial conditions.

For the 12-month period ended December 31, 2018, corporate bonds underperformed Treasuries. As measured by the Bloomberg Barclays U.S. Corporate Investment-Grade Index, spreads widened by 60 basis points ("bps") to 153 bps at year end. Investment-grade corporate bonds had a negative total return for the year as the widening in credit spreads, along with the move higher in Treasury rates, more than offset the carry provided by corporate bonds.

Despite a period of strength during the summer of 2018, credit spreads saw a slow and steady leak all year, with the widening gathering speed during the fourth quarter. We believe the Fed's Chairman Powell's poorly received December 2018 press conference was the catalyst for the year-end financial market sell-off, but underlying support for investment-grade credit was already pressured. The fundamental backdrop has been strong for several years, supporting robust earnings and cash flow – but this, along with a prolonged period of low interest rates, has led corporations to increase leverage. As the U.S. expansion has progressed, concerns about how companies with elevated leverage will fare during the next downturn have grown. Such fears have been exacerbated over the past year by slowing overseas growth, political dysfunction at home, and by the overhang of trade friction with China and Brexit. Valuation has also been a concern, as the market came into 2018 at spread levels that appeared somewhat stretched by historic standards. Such a valuation was sustainable over the past several years due to the strong demand arising from a global reach for yield, but as the Fed's rate hiking cycle has progressed, a flatter yield curve has increased the relative value of cash-like assets – and higher currency hedging costs have made U.S. investment grade much less attractive compared with local currency alternatives for offshore investors.

The fixed-income portion of the Fund seeks to provide income along with preservation of capital. To accomplish this, the selection process is primarily value oriented, strongly emphasizes downside protection and focuses on free cash flow, leverage, interest coverage and revenue growth rates. This process resulted in overweight positions in Banking, Electric, and Transportation bonds, while Consumer Non-Cyclical, Communications, and Real Estate Investment Trusts were the largest underweights.

The total return for the fixed-income portion of the Fund outperformed the Bloomberg Barclays U.S. Corporate Investment-Grade Index. Yield curve changes had a positive effect on relative performance. Treasury yields increased during the year with short-term yields leading the way. The result was a dramatically flatter yield curve. The portfolio maintained a moderate duration underweight throughout the period, with the underweight primarily at the front-end of the curve. Among credit quality and maturity cohorts, underweights in lower credit quality (the BBB credit rating category) and in long credit duration (the 25+ year maturity bucket) added the most to relative return.

**First Trust/Dow Jones Dividend & Income Allocation Portfolio
Annual Report
December 31, 2018 (Unaudited)**

Among the 18 fixed-income industry groups, twelve had positive contributions to relative performance from allocation decisions. The allocations to Treasury securities and to Government Owned, No Guarantee were additional positive contributors. Allocations to Consumer Non-Cyclical, Communications, and Technology had the greatest positive impacts. Allocations to Banking, Electric, and Energy had the greatest negative impacts. Overall, the allocation effect had a net positive impact on relative performance.

As weighted by percent of market value, security selection within the top three issuer allocations held in the fixed-income portion of the Fund contributed to relative performance. Overall security selection added to relative performance as well. Issuer allocation also contributed to relative performance, though it was hurt somewhat by the Fund's overweight in Banking.

As we begin 2019, we have a near-term positive outlook for credit spreads given the severe credit spread widening experienced toward the end of 2018. Simply put, the market enters 2019 at valuations that make sense given our base-case outlook for economic and earnings growth to slow, but not reverse, during the upcoming year, in our view. Moreover, we are seeing a trend toward slightly lower leverage for the investment grade credit market. This is the result of earnings growing faster than debt. That said, against the backdrop of a less forgiving credit market, the negative impact on a company's credit spreads of poor operating performance has dramatically increased as late-cycle concerns increase, in our opinion. As such, we expect the importance of issuer selection to be even more important during the upcoming year than usual. Moreover, the headwinds of trade, Brexit, the U.S. Federal government shutdown, slowing global growth, and the gradual removal of global quantitative easing will be tough for financial markets to navigate smoothly. As a result, the more cautious outlook we had for 2018 shifts to one of heightened concern as we look further into the new year and beyond. Accordingly, our focus for the portfolio will be on our process -- and on issuers and sectors with credit profiles well suited to weather the upcoming challenges.

Portfolio Commentary and Performance Summary (Continued)

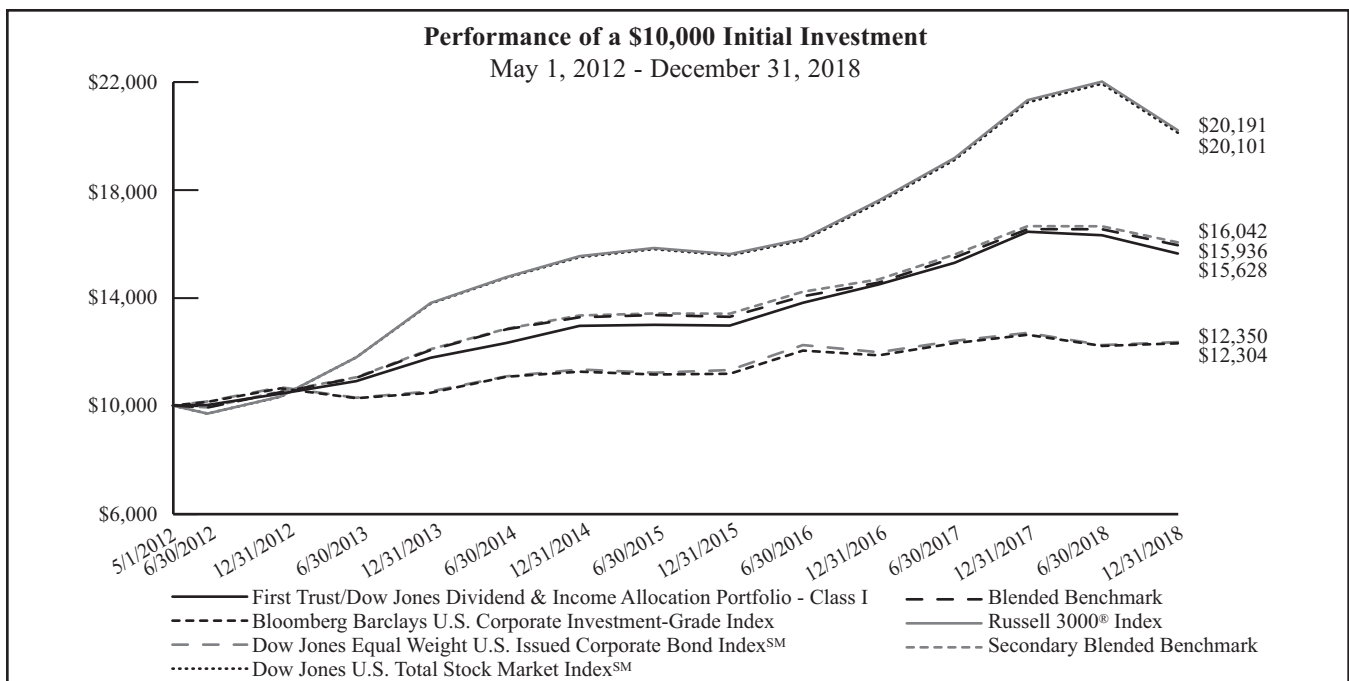
**First Trust/Dow Jones Dividend & Income Allocation Portfolio
Annual Report
December 31, 2018 (Unaudited)**

Return Comparison	Inception Date	1 Year Annual Total Return	Period ended December 31, 2018	
			5 Year Average Annual Total Return	Since Inception Average Annual Total Return
First Trust/Dow Jones Dividend & Income Allocation Portfolio - Class I	5/1/12	-4.92%	5.83%	6.92%
Blended Benchmark (a)		-3.60%	5.74%	7.24%
Bloomberg Barclays U.S. Corporate Investment-Grade Index (b)		-2.51%	3.28%	3.16%
Russell 3000® Index (c)		-5.24%	7.91%	11.11%
Secondary Blended Benchmark (d)		-3.61%	5.82%	7.34%
Dow Jones Equal Weight U.S. Issued Corporate Bond Index SM (e)		-2.69%	3.26%	3.21%
Dow Jones U.S. Total Stock Market Index SM (f)		-5.30%	7.85%	11.03%

	Inception Date	1 Year Annual Total Return	Since Inception
			Average Total Return
First Trust/Dow Jones Dividend & Income Allocation Portfolio - Class II	5/1/14	-4.60%	6.03%
Blended Benchmark (a)		-3.60%	5.41%
Bloomberg Barclays U.S. Corporate Investment-Grade Index (b)		-2.51%	2.54%
Russell 3000® Index (c)		-5.24%	8.01%
Secondary Blended Benchmark (d)		-3.61%	5.51%
Dow Jones Equal Weight U.S. Issued Corporate Bond Index SM (e)		-2.69%	2.57%
Dow Jones U.S. Total Stock Market Index SM (f)		-5.30%	7.94%

- (a) The Blended Benchmark returns are a 50/50 split between the Russell 3000® Index and the Bloomberg Barclays U.S. Corporate Investment-Grade Index returns.
- (b) Bloomberg Barclays U.S. Corporate Investment-Grade Index measures the performance of investment grade U.S. corporate bonds. The index includes all publicly issued, dollar-denominated corporate bonds with a minimum of \$250 million par outstanding that are investment grade-rated (Baa3/BBB- or higher). The index excludes bonds having less than one year to final maturity as well as floating rate bonds, non-registered private placements, structured notes, hybrids, and convertible securities. (Bloomberg). (The index reflects no deduction for fees, expenses or taxes).
- (c) The Russell 3000® Index is composed of 3,000 large U.S. companies, as determined by market capitalization. This index represents approximately 98% of the investable U.S. equity market. (Bloomberg). (The index reflects no deduction for fees, expenses or taxes).
- (d) The Secondary Blended Benchmark return is a 50/50 split between the Dow Jones U.S. Total Stock Market IndexSM and the Dow Jones Equal Weight U.S. Issued Corporate Bond IndexSM returns.
- (e) The Dow Jones Equal Weight U.S. Issued Corporate Bond IndexSM measures the return of readily tradable, high-grade U.S. corporate bonds. The index includes an equally weighted basket of 96 recently issued investment-grade corporate bonds with laddered maturities. (The index reflects no deduction for fees, expenses or taxes).
- (f) The Dow Jones U.S. Total Stock Market IndexSM measures all U.S. equity securities that have readily available prices. (The index reflects no deduction for fees, expenses or taxes).

The returns for the Fund do not reflect the deduction of expenses associated with variable products, such as mortality and expense risk charges, separate account charges, and sales charges or the effect of taxes. These expenses would reduce the overall returns shown.



Portfolio Commentary and Performance Summary (Continued)

First Trust/Dow Jones Dividend & Income Allocation Portfolio Annual Report December 31, 2018 (Unaudited)

Top Equity Holdings	% of Total Investments
Starbucks Corp.	0.5%
Church & Dwight Co., Inc.	0.5
CME Group, Inc.	0.5
Procter & Gamble (The) Co.	0.5
Cracker Barrel Old Country Store, Inc.	0.4
Hormel Foods Corp.	0.4
OGE Energy Corp.	0.4
Omnicom Group, Inc.	0.4
WD-40 Co.	0.4
NextEra Energy, Inc.	0.4
Total	4.4%

Top Fixed-Income Holdings by Issuer	% of Total Investments
Bank of America Corp.	2.1%
U.S. Government	2.0
Citigroup, Inc.	2.0
Goldman Sachs Group (The), Inc.	1.9
JPMorgan Chase & Co.	1.9
Morgan Stanley	1.4
Wells Fargo & Co.	1.3
UnitedHealth Group, Inc.	0.9
Apple, Inc.	0.8
Home Depot (The), Inc.	0.7
Total	15.0%

Credit Quality ⁽¹⁾	% of Total Fixed-Income Investments
AAA	5.8%
AA+	1.7
AA	6.1
AA-	9.1
A+	15.0
A	20.5
A-	15.9
BBB+	9.6
BBB	12.8
BBB-	3.4
A-2 (short-term)	0.1
Total	100.0%

Sector Allocation	% of Total Investments
Common Stocks:	
Financials	16.3%
Industrials	11.7
Consumer Discretionary	6.4
Information Technology	5.8
Consumer Staples	5.1
Materials	2.1
Utilities	1.7
Communication Services	1.6
Health Care	1.5
Real Estate	1.2
Energy	0.9
Total Common Stocks	54.3
Corporate Bonds & Notes:	
Financials	14.4
Utilities	5.2
Health Care	3.9
Industrials	3.5
Energy	3.4
Information Technology	3.2
Consumer Staples	2.6
Communication Services	2.5
Consumer Discretionary	1.0
Materials	1.0
Total Corporate Bonds & Notes	40.7
Foreign Corporate Bonds & Notes:	
Financials	1.6
Energy	0.7
Health Care	0.2
Materials	0.2
Communication Services	0.1
Utilities	0.1
Industrials	0.1
Information Technology	0.0*
Total Foreign Corporate Bonds & Notes	3.0
U.S. Government Bonds & Notes	2.0
Commercial Paper:	
Utilities	0.0*
Total Commercial Paper	0.0*
Total	100.0%

* Amount is less than 0.1%.

⁽¹⁾ The credit quality and ratings information presented reflects the ratings assigned by one or more nationally recognized statistical rating organizations (NRSROs), including Standard & Poor's Ratings Group, a division of the McGraw-Hill Companies, Inc., Moody's Investors Service, Inc., Fitch Ratings or a comparably rated NRSRO. For situations in which a security is rated by more than one NRSRO and ratings are not equivalent, the highest rating is used. Sub-investment grade ratings are those rated BB+/Ba1 or lower. Investment grade ratings are those rated BBB-/Baa3 or higher. The credit ratings shown relate to the creditworthiness of the issuers of the underlying securities in the Fund, and not to the Fund or its shares. Credit ratings are subject to change.

**First Trust Multi Income Allocation Portfolio
Annual Report
December 31, 2018 (Unaudited)**

First Trust Multi Income Allocation Portfolio

For the year ended December 31, 2018, the First Trust Multi Income Allocation Portfolio (the “Fund”) Class I Shares returned -4.44% versus -1.82% for the Broad Blended Benchmark (60% Bloomberg Barclays U.S. Aggregate Bond Index and 40% Russell 3000® Index) and -3.56% for the Multi Asset Class Blended Benchmark (15% Russell 3000® Index; 8% ICE BofAML Fixed Rate Preferred Securities Index; 15% Alerian MLP Index; 15% S&P U.S. REIT Index; 8% ICE BofAML U.S. High Yield Index; 15% S&P/LSTA Leveraged Loan Index; 8% Bloomberg Barclays U.S. Corporate Investment-Grade Index; 8% ICE BofAML U.S. MBS Index; and 8% ICE BofAML U.S. Inflation-Linked Treasury Index).

The Fund invests in nine asset classes which are: dividend-paying stocks, preferred stocks, energy infrastructure companies and master limited partnerships (“MLPs”), real estate investment trusts (“REITs”), high yield or “junk” bonds, floating-rate loans, corporate bonds, mortgage-backed securities (“MBS”) and Treasury Inflation Protected Securities (“TIPS”). The weight assigned to each asset class is determined on a quarterly basis. As of December 31, 2018, the dividend-paying securities were the highest-weighted asset class, while the high yield asset class was the lowest-weighted asset class. As of December 31, 2018, the Fund held approximately 2.7% in cash. The following asset classes had the most positive impact on the overall Fund performance: MBS and TIPS, while the following asset classes had the most negative impact on the overall Fund performance: MLPs and dividend-paying stocks.

Dividend-paying stocks returned -3.66% (Gross of Fees) for the year ended December 31, 2018 and represented 18.0% of the portfolio as of December 31, 2018. After a relatively calm 2017 in equity markets, volatility returned in 2018 especially in the fourth quarter. The end result for U.S. equity markets was the first down year since 2008. The first three quarters of 2018 were essentially a continuation of 2017 with growth significantly outperforming value. The Russell 3000® Growth Index returned 17.0% through the third quarter compared to 4.2% for the Russell 3000® Value Index. This was a tough period for the portfolio as dividend paying stocks tend to lean more toward the value side of the market. The portfolio lagged its benchmark in the first two quarters of the year and modestly outperformed the benchmark in the third quarter. Roles were reversed in the fourth quarter as value outperformed growth by over 400 basis points (“bps”) (-12.3% vs -16.3%) amid concern about the ongoing trade war, the Federal Reserve’s (the “Fed”) monetary policy and global economic growth. Additionally, the low volatility factor and dividend yield factors were top performers in the fourth quarter which was a benefit to the portfolio given the portfolio objective. In breaking down portfolio performance, stock selection was the primary driver of outperformance as sector allocation was a drag on relative performance. Communication services, health care, energy and consumer staples were all sectors with strong stock selection. Financials and information technology were the only sectors to suffer a notable stock selection drag. Overweights in the cyclical sectors of industrials, energy and materials were a drag from a sector allocation perspective. An overweight to health care was a notable positive contributor on an allocation basis.

The preferred stocks returned -4.81% (Gross of Fees) for the year ended December 31, 2018 and represented 7.1% of the portfolio as of December 31, 2018. The performance of preferred securities had a negative impact on the overall performance of the Fund. The preferred and hybrid securities market was adversely affected by the rise in the long end of the U.S. Treasury yield curve and an increase in geopolitical risks. The largest detractor to the Fund’s preferred allocation was exposure to \$25 par securities which were negatively impacted by rising interest rates and a technical sell-off driven by general outflows from preferred securities funds and year-end tax loss selling.

The energy infrastructure companies and MLPs returned -11.72% (Gross of Fees) for the year ended December 31, 2018 and represented 15.3% of the portfolio as of December 31, 2018. The performance of the equity securities of energy infrastructure companies underperformed the overall performance of the Fund. Negative sentiment across the entire energy sector and a regulatory change weighed on the pipeline-related MLPs that more than offset the positive contribution from the regulated utilities in the portfolio.

REITs returned -3.31% (Gross of Fees) for the year ended December 31, 2018 and represented 11.9% of the portfolio as of December 31, 2018. REITs outperformed the broader market during 2018. Evaluation of the REIT sector’s performance should consider the Fed financial conditions and the risk on/off swings in the market. Throughout the year, the 30-Year Treasury yield increased 28 bps to 3.02%, likely diminishing investor sentiment in the sector. During the fourth quarter,

**First Trust Multi Income Allocation Portfolio
Annual Report
December 31, 2018 (Unaudited)**

REITs benefitted from defensive sentiment, achieving relative positive performance against the market while investors sought safety. As the market sell-off diminished growth opportunities, REITs' steady cash flows and inexpensive valuations provided investors with an outlet to de-risk portfolios, driving strong relative outperformance during the quarter. Within the portfolio, sector allocation diminished the portfolio's returns relative to its asset class benchmark. Underperformance was largely due to an overweight allocation to Hotel & Resort REITs which was the second worst performing sector in the index. Selection and interaction of Office REIT securities also lagged the benchmark. Stock selection in aggregate was beneficial to relative performance. Specifically, relative performance was most aided by selection within Retail REITs and Health Care REITs. The best performing equities by contribution to return were STORE Capital Corp.; National Retail Properties, Inc.; and Omega Healthcare Investors, Inc. The worst performing equities were QTS Realty Trust, Inc.; Highwoods Properties, Inc.; and SL Green Realty Corp.

High-yield bonds returned -2.28% (Gross of Fees) for the year ended December 31, 2018 and represented 6.0% of the portfolio as of December 31, 2018. High-yield bond spreads over U.S. Treasuries were rangebound for the first 10 months of the year, but ended 2018 at T+534 bps, a widening of 171 bps during the year. Given the recent widening, spreads are in-line with the historic average (the long-term average spread over U.S. Treasuries is T+573 bps, December 1997 – December 2018) and we believe there is room for tightening throughout the remaining cycle given that spreads are significantly wider than the lowest spreads experienced in the previous business cycle (T+245 bps in May 2007). Moreover, the high-yield bond default rate remains low at 1.81% within the JP Morgan High-Yield Bond Universe. This remains well below the long-term average default rate of 3.17% (March 1999 – December 2018). We believe the low default rate is reflective of the sound financial condition of most companies in the high-yield market and the supporting backdrop of a healthy macroeconomic environment.

Floating-rate loans returned -1.25% (Gross of Fees) for the year ended December 31, 2018 and represented 15.2% of the portfolio as of December 31, 2018. Performance was impacted by the risk-off tone from equities, driven by mounting fears regarding the pace of rate hikes by the Fed, a potential trade war between the U.S. and China, oil prices falling 38% and concerns over slowing global growth. Senior loan spreads over 3-month London Interbank Offered Rate ("LIBOR") were rangebound for the first 10 months of the year but ended 2018 at L+551 bps, a widening of 146 bps during the year. Given the recent widening, spreads compare favorably to the pre-credit crisis average spread of L+372 bps (December 1997 – June 2007) as well as the long-term average spread of L+515 bps (December 1997 – December 2018). Meanwhile, fundamental performance remained sound, as the senior loan default rate declined to 1.63% within the S&P/LSTA Leveraged Loan Index from 2.05% entering 2018. The current default rate remains well below the 2.97% long-term average default rate dating back to March 1999.

Corporate bonds returned -3.05% (Gross of Fees) for the year ended December 31, 2018 and represented 7.3% of the portfolio as of December 31, 2018. The investment-grade corporate bond market experienced a major sell-off during 2018. Spreads widened dramatically against a backdrop of fear about elevated corporate leverage, slowing global growth and earnings, deterioration in the buyer base, and tightening financial conditions. For the 12-month period ended December 31, 2018, corporate bonds underperformed Treasuries. As measured by the Bloomberg Barclays U.S. Corporate Investment-Grade Index, spreads widened by 60 bps to 153 bps at year-end. Investment-grade corporate bonds had a negative total return for the year as the widening in credit spreads, along with the move higher in Treasury rates, more than offset the carry provided by corporate bonds.

The MBS asset class returned 2.08% (Gross of Fees) for the year ended December 31, 2018 and represented 9.7% of the portfolio as of December 31, 2018. The MBS sleeve improved performance by allocating a portion of its overall duration budget in longer maturity U.S. Treasury securities and benefited from a flatter yield curve. Overall, the Fund continues to manage its duration defensively with a focus on higher coupon Agency MBS, elevated cash balances as well as maintaining exposure to U.S. Treasury securities.

TIPS returned -1.42% (Gross of Fees) for the year ended December 31, 2018 and represented 9.5% of the portfolio as of December 31, 2018. Monthly readings of inflation were generally well behaved during 2018 and this contributed to fairly stable inflation expectation over the first three quarters. As the fourth quarter began, concerns over U.S. and China trade, weaker economic activity in Europe, and rising geopolitical risks contributed to broad-based flight to safety. These factors, in

**First Trust Multi Income Allocation Portfolio
Annual Report
December 31, 2018 (Unaudited)**

addition to a \$30 drop in WTI crude prices (-40%), helped drive inflation expectations significantly lower. As a result, U.S. TIPS underperformed nominal Treasury bonds by 222 bps for the year as measured by the ICE BofAML US Inflation-Linked Treasury Index, with all of the underperformance occurring in the fourth quarter. The 5-year TIPS breakeven tightened 39 bps during the year while the 10-year breakeven tightened 23 bps. Portfolio performance was broadly in line with the benchmark, achieving some outperformance through security selection in front-end bonds.

Investment Climate

Aside from the tariff conflict between the U.S. and its major trading partners, one of the top stories in 2018 was the acceleration of U.S. gross domestic product (“GDP”) growth, in our opinion. In July 2018, the U.S. entered its tenth year of the current economic recovery. Not only is this recovery nearly twice the length of the average U.S. expansion (58.4 months or roughly five years) since the end of World War II (1945-2009), we believe it is strengthening. We noted last year that the passage of the Tax Cuts and Jobs Act of 2017 in December 2017 could potentially boost economic activity in the U.S. moving forward and we believe that it has. It is reflected in the first three quarters of annualized real U.S. GDP growth in 2018: 2.2% (first quarter); 4.2% (second quarter) and 3.4% (third quarter), according to data from the Bureau of Economic Analysis. U.S. economic growth in the second and third quarters of 2018 were the highest registered since the third quarter of 2014. Brian Wesbury, Chief Economist at First Trust Advisors L.P., is forecasting 3.0% U.S. economic growth in 2019. Wesbury believes that the benefits to growth from the cut in the corporate tax rate and less regulation in the U.S. are going to take years to play out.

We also noted last year that companies were expected to begin repatriating overseas profits to the U.S. Data from the Commerce Department indicates that U.S. corporations repatriated \$294.9 billion in the first quarter of 2018, \$183.7 billion in the second quarter of 2018 and \$92.7 billion in the third quarter of 2018 (most recent data), according to Bloomberg. The \$92.7 billion reported for the third quarter was up from \$55.1 billion in the third quarter of 2017 – before the new tax law was passed in December 2018. U.S. multinationals have offshore cash and equivalent holdings totaling an estimated \$2.5 trillion, according to the American Action Forum. That is a lot of dry powder that companies can potentially tap moving forward, in our opinion.

The Fed raised the federal funds target rate (upper bound) four times in 2018. The Fed has raised this rate a total of nine times in the current tightening cycle that commenced in December 2015. Over that span, the rate has increased from 0.25% to 2.50%. While up significantly from where it stood three years ago, it is still well below its 30-year average of 3.18%, according to Bloomberg. Wesbury has been steadfast in saying that Fed monetary policy is not tight at current levels, just less loose. Fed Chairman Jerome Powell announced on January 4, 2019, that the Fed will be adopting a “patient” approach to tightening monetary policy moving forward. One of the things the Fed has not had to worry much about is higher inflation. The rate of inflation, as measured by the Consumer Price Index (“CPI”), decreased from 2.1% on December 31, 2017 to 1.9% on December 31, 2018, according to data from the Bureau of Labor Statistics. From 1926-2018, the CPI has averaged 3.0%. We believe a relatively stable interest rate climate in 2019 would be a welcome sight for income-oriented investors. The chances of it coming to fruition could improve if inflation remains subdued, in our view.

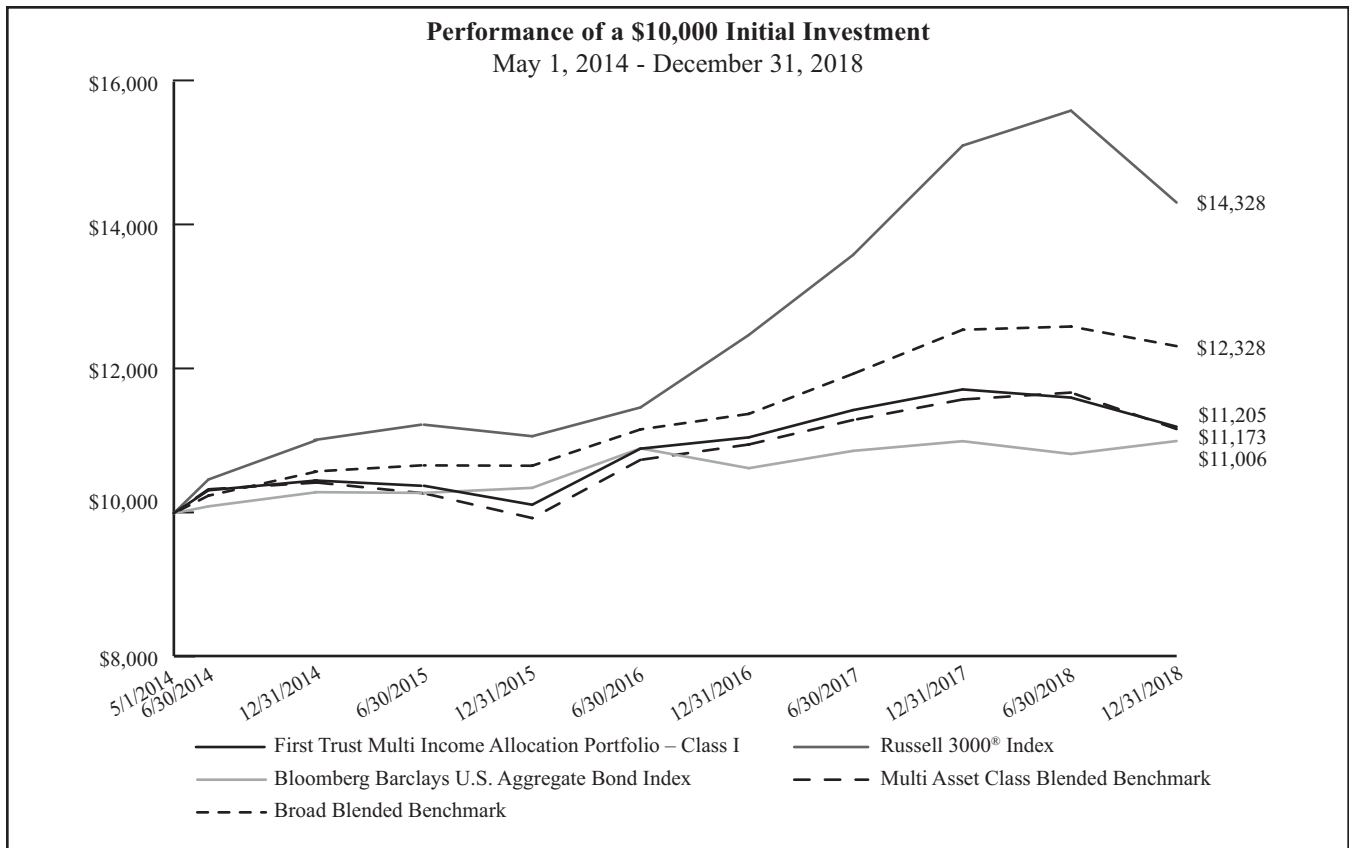
Portfolio Commentary and Performance Summary (Continued)

**First Trust Multi Income Allocation Portfolio
Annual Report
December 31, 2018 (Unaudited)**

Return Comparison	Inception Date	Period ended December 31, 2018	
		1 Year Annual Total Return	Since Inception Average Annual Total Return
First Trust Multi Income Allocation Portfolio - Class I	5/1/14	-4.44%	2.47%
First Trust Multi Income Allocation Portfolio - Class II	5/1/14	-4.11%	2.72%
Broad Blended Benchmark (a)		-1.82%	4.58%
Bloomberg Barclays U.S. Aggregate Bond Index (b)		0.01%	2.07%
Russell 3000® Index (c)		-5.24%	8.01%
Multi Asset Class Blended Benchmark (d)		-3.56%	2.40%

- (a) The Broad Blended Benchmark return is split between the Bloomberg Barclays U.S. Aggregate Bond Index (60%) and the Russell 3000® Index (40%).
- (b) The Bloomberg Barclays U.S. Aggregate Bond Index represents the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. Bonds included in the index are U.S. dollar denominated; have a fixed rate coupon; carry an investment-grade rating; have at least one year to final maturity; and meet certain criteria for minimum amount of outstanding par value. (The index reflects no deduction for fees, expenses or taxes).
- (c) The Russell 3000® Index is composed of 3,000 large U.S. companies, as determined by market capitalization. This index represents approximately 98% of the investable U.S. equity market. (Bloomberg). (The index reflects no deduction for fees, expenses or taxes).
- (d) The Multi Asset Class Blended Benchmark is weighted to include nine indexes: Russell 3000® Index (15%), ICE BofAML Fixed Rate Preferred Securities Index (8%), Alerian MLP Index (15%), S&P U.S. REIT Index (15%), ICE BofAML U.S. High Yield Index (8%), S&P/LSTA Leveraged Loan Index (15%), Bloomberg Barclays U.S. Corporate Investment-Grade Index (8%), ICE BofAML U.S. MBS Index (8%), and ICE BofAML U.S. Inflation-Linked Treasury Index (8%).

The returns for the Fund do not reflect the deduction of expenses associated with variable products, such as mortality and expense risk charges, separate account charges, and sales charges or the effect of taxes. These expenses would reduce the overall returns shown.



Portfolio Commentary and Performance Summary (Continued)

First Trust Multi Income Allocation Portfolio Annual Report December 31, 2018 (Unaudited)

Top 10 Holdings	% of Total Investments
First Trust Senior Loan Fund	15.1%
First Trust Tactical High Yield ETF	6.1
iShares iBoxx \$ Investment Grade Corporate Bond ETF	6.1
First Trust Preferred Securities and Income ETF	5.3
iShares MBS ETF	3.5
Enterprise Products Partners, L.P.	1.8
First Trust Institutional Preferred Securities and Income ETF	1.8
iShares Floating Rate Bond ETF	1.4
Magellan Midstream Partners, L.P.	1.2
Enbridge, Inc.	1.0
Total	<u>43.3%</u>

Sector Allocation	% of Total Investments
Exchange-Traded Funds	40.2%
Common Stocks:	
Energy	4.3
Information Technology	4.0
Health Care	3.6
Utilities	3.3
Financials	2.2
Consumer Discretionary	2.0
Consumer Staples	1.6
Industrials	1.6
Materials	0.7
Communication Services	0.5
Total Common Stocks	23.8
Real Estate Investment Trusts:	
Financials	11.9
Total Real Estate Investment Trusts	11.9
Master Limited Partnerships:	
Energy	8.2
Utilities	1.0
Materials	0.3
Total Master Limited Partnerships	9.5
U.S. Government Bonds & Notes	9.5
U.S. Government Agency Mortgage-Backed Securities	4.9
U.S. Treasury Bills	0.1
Mortgage-Backed Securities	0.1
Asset-Backed Securities	0.0*
Total	<u>100.0%</u>

* Amount is less than 0.1%.

**First Trust Dorsey Wright Tactical Core Portfolio
Annual Report
December 31, 2018 (Unaudited)**

First Trust Dorsey Wright Tactical Core Portfolio

For the year ended December 31, 2018, the First Trust Dorsey Wright Tactical Core Portfolio (the “Fund”) Class I Shares returned -8.00% versus -2.35% for the Broad Blended Benchmark: 60% S&P 500® Index and 40% Bloomberg Barclays U.S. Aggregate Bond Index.

The Fund seeks to provide total return. The Fund seeks to achieve its investment objective by investing, under normal market conditions, at least 80% of its net assets (plus any investment borrowings) in exchange-traded funds (“ETFs”) and cash and cash equivalents that comprise the Dorsey Wright Tactical Tilt Moderate Core Index (the “Index”). It is expected that a majority of the ETFs in which the Fund invests will be advised by First Trust.

The Index is owned and was developed by Dorsey, Wright & Associates (the “Index Provider”). The Index is constructed pursuant to the Index Provider’s proprietary methodology, which takes into account the performance of four distinct asset classes relative to one another. The Index is designed to strategically allocate its investments among (i) domestic equity securities; (ii) international equity securities; (iii) fixed income securities; and (iv) cash and cash equivalents. The Index will gain exposure to the first three asset classes by investing in ETFs that invest in such assets. The Index Provider has retained Nasdaq, Inc. (“Nasdaq”) to calculate and maintain the Index.

The Index will utilize the Dynamic Asset Level Investing (“DALI”) asset allocation process developed by the Index Provider in order to allocate assets over the four asset classes. The asset class allocations are determined using a relative strength methodology that is based upon each asset class’s market performance and characteristics that offer the greatest potential to outperform the other asset classes at a given time. Relative strength is a momentum technique that relies on unbiased, unemotional and objective data, rather than biased forecasting and subjective research. Relative strength is a way of recording historic performance patterns, and the Index Provider uses relative strength signals as a trend indicator for current momentum trends of each asset class against the others.

Performance Review

The Fund began 2018 with the following allocations to the four asset classes: domestic equity securities (74.3%), international equity securities (4.9%), fixed income securities (18.8%), and cash (2.0%). Throughout 2018, the DALI asset allocation to the four asset classes remained largely the same. At the end of 2018, the Fund had the following allocations: domestic equity securities (70.5%), international equity securities (5.1%), fixed income securities (22.8%), and cash (1.6%).

The Fund’s largest holdings contributing to performance in 2018 were the First Trust Dow Jones Internet Index Fund and First Trust Mid Cap Core AlphaDEX® Fund. The Fund’s largest holdings detracting from performance were the First Trust NYSE Arca Biotechnology Index Fund and the First Trust Mid Cap Growth AlphaDEX® Fund.

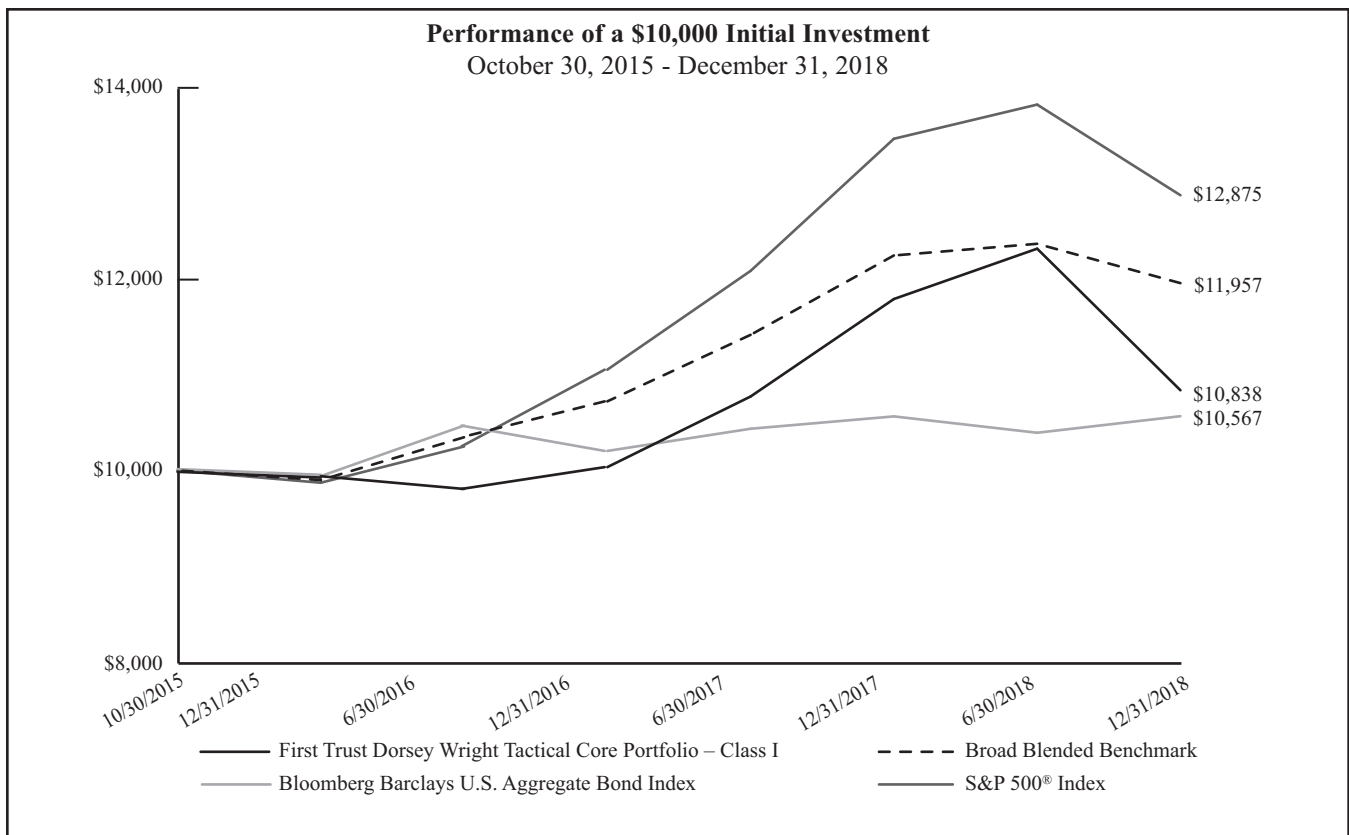
Portfolio Commentary and Performance Summary (Continued)

**First Trust Dorsey Wright Tactical Core Portfolio
Annual Report
December 31, 2018 (Unaudited)**

Return Comparison	Inception Date	Period ended December 31, 2018	
		1 Year Annual Total Return	Since Inception Average Annual Total Return
First Trust Dorsey Wright Tactical Core Portfolio - Class I	10/30/15	-8.00%	2.57%
First Trust Dorsey Wright Tactical Core Portfolio - Class II	10/30/15	-7.77%	2.81%
Broad Blended Benchmark (a)		-2.35%	5.80%
Bloomberg Barclays U.S. Aggregate Bond Index (b)		0.01%	1.76%
S&P 500® Index (c)		-4.38%	8.30%

- (a) The Broad Blended Benchmark return is split between the Bloomberg Barclays U.S. Aggregate Bond Index (40%) and the S&P 500® Index (60%).
- (b) The Bloomberg Barclays U.S. Aggregate Bond Index represents the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. Bonds included in the index are U.S. dollar denominated; have a fixed rate coupon; carry an investment-grade rating; have at least one year to final maturity; and meet certain criteria for minimum amount of outstanding par value. (The index reflects no deduction for fees, expenses or taxes).
- (c) The S&P 500® Index is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance. (The index reflects no deduction for fees, expenses or taxes).

The returns for the Fund do not reflect the deduction of expenses associated with variable products, such as mortality and expense risk charges, separate account charges, and sales charges or the effect of taxes. These expenses would reduce the overall returns shown.



Portfolio Commentary and Performance Summary (Continued)**First Trust Dorsey Wright Tactical Core Portfolio
Annual Report
December 31, 2018 (Unaudited)**

Top 10 Holdings	% of Total Investments
First Trust Large Cap Growth AlphaDEX® Fund	9.8%
First Trust Mid Cap Growth AlphaDEX® Fund	9.2
First Trust NASDAQ-100-Technology Sector Index Fund	9.1
First Trust Small Cap Growth AlphaDEX® Fund	9.1
First Trust Technology AlphaDEX® Fund	8.9
First Trust Health Care AlphaDEX® Fund	8.7
First Trust Dow Jones Internet Index Fund	8.7
First Trust NYSE Arca Biotechnology Index Fund	8.2
iShares Core U.S. Aggregate Bond ETF	7.2
SPDR Nuveen Bloomberg Barclays Municipal Bond ETF	4.1
Total	<u>83.0%</u>

First Trust Variable Insurance Trust
Understanding Your Fund Expenses
December 31, 2018 (Unaudited)

As a shareholder of First Trust/Dow Jones Dividend & Income Allocation Portfolio, First Trust Multi Income Allocation Portfolio or First Trust Dorsey Wright Tactical Core Portfolio (each a “Fund” and collectively, the “Funds”), you incur two types of costs: (1) transaction costs; and (2) ongoing costs, including management fees; distribution and/or service (12b-1) fees, if any; and other Fund expenses. This Example is intended to help you understand your ongoing costs (in U.S. dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held through the six-month period ended December 31, 2018.

Actual Expenses

The first three columns of the table below provide information about actual account values and actual expenses. You may use the information in these columns, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the third column under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during the period.

Hypothetical Example for Comparison Purposes

The next three columns of the table below provide information about hypothetical account values and hypothetical expenses based on each Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not each Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing cost of investing in the Funds and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads) or contingent deferred sales charges. Therefore, the hypothetical section of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Actual Expenses			Hypothetical (5% Return Before Expenses)			
	Beginning Account Value 7/1/2018	Ending Account Value 12/31/2018	Expenses Paid During Period 7/1/2018- 12/31/2018 (a)	Beginning Account Value 7/1/2018	Ending Account Value 12/31/2018	Expenses Paid During Period 7/1/2018- 12/31/2018 (a)	Annual- ized Expense Ratio (b)
First Trust/Dow Jones Dividend & Income Allocation Portfolio							
Class I	\$1,000.00	\$ 958.40	\$ 5.92	\$1,000.00	\$1,019.16	\$ 6.11	1.20%
Class II	\$1,000.00	\$ 959.80	\$ 4.69	\$1,000.00	\$1,020.42	\$ 4.84	0.95%
First Trust Multi Income Allocation Portfolio (c)							
Class I	\$1,000.00	\$ 965.00	\$ 4.11	\$1,000.00	\$1,021.02	\$ 4.23	0.83%
Class II	\$1,000.00	\$ 966.30	\$ 2.83	\$1,000.00	\$1,022.33	\$ 2.91	0.57%
First Trust Dorsey Wright Tactical Core Portfolio (c)							
Class I	\$1,000.00	\$ 879.90	\$ 3.51	\$1,000.00	\$1,021.48	\$ 3.77	0.74%
Class II	\$1,000.00	\$ 880.40	\$ 2.32	\$1,000.00	\$1,022.74	\$ 2.50	0.49%

- (a) Expenses are equal to the annualized expense ratio as indicated in the table multiplied by the average account value over the period (July 1, 2018 through December 31, 2018), multiplied by 184/365 (to reflect the six-month period).
- (b) The expense ratios reflect an expense cap. First Trust Multi Income Allocation Portfolio expense ratios reflect an additional waiver. See Note 3 in the Notes to Financial Statements.
- (c) Annualized expense ratio and expenses paid during the six-month period do not include fees and expenses of the underlying funds in which the Fund invests.

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Portfolio of Investments
December 31, 2018

Shares	Description	Value
COMMON STOCKS – 53.7%		
Aerospace & Defense – 2.2%		
50,297	BWX Technologies, Inc.	\$ 1,922,854
15,365	General Dynamics Corp.	2,415,531
33,964	HEICO Corp.	2,631,531
46,913	Hexcel Corp.	2,689,991
12,283	Huntington Ingalls Industries, Inc.	2,337,578
9,911	Northrop Grumman Corp.	2,427,204
15,219	Raytheon Co.	2,333,834
		16,758,523
Air Freight & Logistics – 0.6%		
42,777	Expeditors International of Washington, Inc.	2,912,686
13,062	FedEx Corp.	2,107,292
		5,019,978
Airlines – 0.3%		
50,369	Southwest Airlines Co.	2,341,151
Auto Components – 0.7%		
146,574	Gentex Corp.	2,962,260
21,695	Lear Corp.	2,665,448
		5,627,708
Banks – 4.7%		
96,191	BancorpSouth Bank	2,514,433
39,860	Bank of Hawaii Corp.	2,683,375
50,593	Banner Corp.	2,705,714
75,903	Cathay General Bancorp	2,545,027
112,138	CenterState Bank Corp.	2,359,383
50,022	Commerce Bancshares, Inc.	2,819,740
51,504	Community Bank System, Inc.	3,002,683
70,212	First Interstate BancSystem, Inc., Class A	2,566,951
69,914	First Merchants Corp.	2,395,953
54,185	Heartland Financial USA, Inc.	2,381,431
23,097	PNC Financial Services Group (The), Inc.	2,700,270
38,358	South State Corp.	2,299,562
68,693	Synovus Financial Corp.	2,197,489
59,561	US Bancorp	2,721,938
		35,893,949
Beverages – 0.7%		
14,587	Constellation Brands, Inc., Class A	2,345,882
28,134	PepsiCo, Inc.	3,108,244
		5,454,126
Building Products – 0.7%		
34,729	Allegion PLC	2,768,249
58,937	AO Smith Corp.	2,516,610
		5,284,859
Capital Markets – 3.4%		
6,674	BlackRock, Inc.	2,621,681
32,778	CBOE Global Markets, Inc.	3,206,672
18,480	CME Group, Inc.	3,476,457
14,061	FactSet Research Systems, Inc.	2,814,028

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Shares	Description	Value
COMMON STOCKS (Continued)		
Capital Markets (Continued)		
41,998	Intercontinental Exchange, Inc.	\$ 3,163,709
17,730	MSCI, Inc.	2,613,934
36,659	Nasdaq, Inc.	2,990,275
30,798	Northern Trust Corp.	2,574,405
28,811	T Rowe Price Group, Inc.	2,659,831
		26,120,992
Chemicals – 1.4%		
18,830	Air Products & Chemicals, Inc.	3,013,741
27,593	Celanese Corp.	2,482,542
32,862	Eastman Chemical Co.	2,402,541
30,685	LyondellBasell Industries N.V., Class A	2,551,765
		10,450,589
Commercial Services & Supplies – 1.7%		
15,902	Cintas Corp.	2,671,377
57,746	McGrath Rent Corp.	2,972,764
77,742	Rollins, Inc.	2,806,486
46,054	Tetra Tech, Inc.	2,384,216
18,112	UniFirst Corp.	2,591,284
		13,426,127
Communications Equipment – 0.3%		
39,316	InterDigital, Inc.	2,611,762
Containers & Packaging – 0.3%		
113,145	Silgan Holdings, Inc.	2,672,485
Distributors – 0.4%		
18,848	Pool Corp.	2,801,755
Diversified Consumer Services – 0.4%		
71,163	Service Corp. International	2,865,022
Electric Utilities – 0.9%		
18,767	NextEra Energy, Inc.	3,262,080
86,605	OGE Energy Corp.	3,394,050
		6,656,130
Electrical Equipment – 0.7%		
39,756	AMETEK, Inc.	2,691,481
36,266	Eaton Corp PLC	2,490,024
		5,181,505
Electronic Equipment, Instruments & Components – 1.1%		
33,456	Amphenol Corp., Class A	2,710,605
35,373	CDW Corp.	2,866,982
35,771	TE Connectivity, Ltd.	2,705,361
		8,282,948
Entertainment – 0.4%		
26,896	Walt Disney (The) Co.	2,949,146
Equity Real Estate Investment Trusts – 1.2%		
100,173	First Industrial Realty Trust, Inc.	2,890,993
24,750	PS Business Parks, Inc.	3,242,250

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Shares	Description	Value
COMMON STOCKS (Continued)		
Equity Real Estate Investment Trusts (Continued)		
15,601	Public Storage	\$ 3,157,798
		<u>9,291,041</u>
Food & Staples Retailing – 0.4%		
43,149	Walgreens Boots Alliance, Inc.	2,948,371
Food Products – 1.9%		
79,833	Hormel Foods Corp.	3,407,272
29,967	Ingredion, Inc.	2,738,984
30,656	JM Smucker (The) Co.	2,866,029
57,076	Kraft Heinz (The) Co.	2,456,551
73,219	Mondelez International, Inc., Class A	2,930,957
		<u>14,399,793</u>
Gas Utilities – 0.8%		
33,495	Atmos Energy Corp.	3,105,657
38,229	ONE Gas, Inc.	3,043,028
		<u>6,148,685</u>
Health Care Providers & Services – 1.1%		
9,843	Chemed Corp.	2,788,325
29,149	Quest Diagnostics, Inc.	2,427,237
11,821	UnitedHealth Group, Inc.	2,944,848
		<u>8,160,410</u>
Hotels, Restaurants & Leisure – 2.0%		
58,748	Cheesecake Factory (The), Inc.	2,556,125
21,379	Cracker Barrel Old Country Store, Inc.	3,417,647
71,814	International Speedway Corp., Class A	3,149,762
55,339	Starbucks Corp.	3,563,832
11,463	Vail Resorts, Inc.	2,416,630
		<u>15,103,996</u>
Household Durables – 0.3%		
74,571	DR Horton, Inc.	2,584,631
Household Products – 1.3%		
52,982	Church & Dwight Co., Inc.	3,484,096
37,794	Procter & Gamble (The) Co.	3,474,025
18,278	WD-40 Co.	3,349,626
		<u>10,307,747</u>
Industrial Conglomerates – 1.1%		
14,929	3M Co.	2,844,572
25,825	Carlisle Cos., Inc.	2,595,929
10,620	Roper Technologies, Inc.	2,830,442
		<u>8,270,943</u>
Insurance – 6.2%		
66,825	Aflac, Inc.	3,044,547
31,869	Allstate (The) Corp.	2,633,336
28,345	American Financial Group, Inc.	2,566,073
74,483	Assured Guaranty, Ltd.	2,851,209
106,373	Brown & Brown, Inc.	2,931,640
40,950	Cincinnati Financial Corp.	3,170,349

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Shares	Description	Value
COMMON STOCKS (Continued)		
Insurance (Continued)		
13,769	Everest Re Group, Ltd.	\$ 2,998,337
79,934	Fidelity National Financial, Inc.	2,513,125
60,970	First American Financial Corp.	2,721,701
38,024	Marsh & McLennan Cos., Inc.	3,032,414
53,685	Principal Financial Group, Inc.	2,371,266
44,277	Progressive (The) Corp.	2,671,231
31,044	Prudential Financial, Inc.	2,531,638
21,759	Reinsurance Group of America, Inc.	3,051,265
36,284	Torchmark Corp.	2,704,247
24,248	Travelers (The) Cos., Inc.	2,903,698
39,351	WR Berkley Corp.	2,908,432
		47,604,508
IT Services – 2.4%		
18,481	Accenture PLC, Class A	2,606,006
20,878	Automatic Data Processing, Inc.	2,737,523
23,839	Broadridge Financial Solutions, Inc.	2,294,504
19,650	Jack Henry & Associates, Inc.	2,486,118
14,131	MasterCard, Inc., Class A	2,665,813
42,708	Paychex, Inc.	2,782,426
20,958	Visa, Inc., Class A	2,765,199
		18,337,589
Machinery – 2.1%		
67,877	Graco, Inc.	2,840,652
20,878	IDEX Corp.	2,636,056
22,288	Illinois Tool Works, Inc.	2,823,667
30,747	Ingersoll-Rand PLC	2,805,049
17,131	Snap-on, Inc.	2,488,963
52,450	Toro (The) Co.	2,930,906
		16,525,293
Media – 1.2%		
88,829	Comcast Corp., Class A	3,024,627
137,536	Interpublic Group of (The) Cos., Inc.	2,837,368
46,242	Omnicom Group, Inc.	3,386,764
		9,248,759
Metals & Mining – 0.3%		
36,881	Reliance Steel & Aluminum Co.	2,624,821
Mortgage Real Estate Investment Trusts – 1.5%		
168,838	AGNC Investment Corp.	2,961,419
307,474	Annaly Capital Management, Inc.	3,019,395
427,953	MFA Financial, Inc.	2,858,726
210,679	Two Harbors Investment Corp.	2,705,118
		11,544,658
Multiline Retail – 0.3%		
75,268	Big Lots, Inc.	2,176,751
Oil, Gas & Consumable Fuels – 0.9%		
36,997	Exxon Mobil Corp.	2,522,825
27,906	Phillips 66	2,404,102

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Shares	Description	Value
COMMON STOCKS (Continued)		
Oil, Gas & Consumable Fuels (Continued)		
27,652	Valero Energy Corp.	\$ 2,073,071
		<u>6,999,998</u>
Personal Products – 0.4%		
21,644	Estee Lauder (The) Cos., Inc., Class A	2,815,884
Pharmaceuticals – 0.4%		
71,375	Pfizer, Inc.	3,115,519
Road & Rail – 1.0%		
25,783	Landstar System, Inc.	2,466,659
19,317	Union Pacific Corp.	2,670,189
88,981	Werner Enterprises, Inc.	2,628,499
		<u>7,765,347</u>
Semiconductors & Semiconductor Equipment – 1.6%		
12,748	Broadcom, Inc.	3,241,561
66,514	Intel Corp.	3,121,502
20,733	Lam Research Corp.	2,823,213
29,317	Texas Instruments, Inc.	2,770,457
		<u>11,956,733</u>
Software – 0.4%		
13,833	Intuit, Inc.	2,723,026
Specialty Retail – 1.3%		
39,636	Best Buy Co., Inc.	2,099,122
15,184	Home Depot (The), Inc.	2,608,915
31,740	Ross Stores, Inc.	2,640,768
56,159	TJX (The) Cos., Inc.	2,512,554
		<u>9,861,359</u>
Textiles, Apparel & Luxury Goods – 1.0%		
31,901	Carter’s, Inc.	2,603,760
37,127	NIKE, Inc., Class B	2,752,596
33,659	VF Corp.	2,401,233
		<u>7,757,589</u>
Thriffs & Mortgage Finance – 0.4%		
181,609	Northwest Bancshares, Inc.	3,076,456
Tobacco – 0.3%		
52,156	Altria Group, Inc.	2,575,985
Trading Companies & Distributors – 1.0%		
54,214	Fastenal Co.	2,834,850
35,697	MSC Industrial Direct Co., Inc., Class A	2,745,813
17,662	Watsco, Inc.	2,457,491
		<u>8,038,154</u>
	Total Common Stocks	<u>412,362,801</u>
	(Cost \$413,500,434)	

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Principal Value	Description	Stated Coupon	Stated Maturity	Value
CORPORATE BONDS AND NOTES – 40.3%				
Aerospace & Defense – 1.0%				
\$ 175,000	Boeing (The) Co.	1.88%	06/15/23	\$ 165,964
100,000	Boeing (The) Co.	2.60%	10/30/25	94,964
175,000	Boeing (The) Co.	2.25%	06/15/26	161,554
250,000	Boeing (The) Co.	2.80%	03/01/27	238,520
500,000	Boeing (The) Co.	3.25%	03/01/28	490,345
500,000	Boeing (The) Co.	3.45%	11/01/28	495,139
308,000	Boeing (The) Co.	3.38%	06/15/46	274,131
250,000	Boeing (The) Co.	3.65%	03/01/47	232,075
500,000	Boeing (The) Co.	3.63%	03/01/48	461,640
300,000	Boeing Capital Corp.	4.70%	10/27/19	303,768
500,000	General Dynamics Corp.	3.38%	05/15/23	503,759
500,000	General Dynamics Corp.	3.50%	05/15/25	498,380
500,000	General Dynamics Corp.	3.75%	05/15/28	505,129
250,000	Lockheed Martin Corp.	3.55%	01/15/26	248,456
248,000	Lockheed Martin Corp.	4.09%	09/15/52	232,510
250,000	Northrop Grumman Corp.	2.08%	10/15/20	245,281
500,000	Northrop Grumman Corp.	2.55%	10/15/22	484,258
250,000	Northrop Grumman Corp.	2.93%	01/15/25	237,545
500,000	Northrop Grumman Corp.	3.25%	01/15/28	467,399
500,000	Northrop Grumman Corp.	4.03%	10/15/47	456,616
250,000	United Technologies Corp.	3.35%	08/16/21	249,479
250,000	United Technologies Corp.	3.65%	08/16/23	249,283
250,000	United Technologies Corp.	3.95%	08/16/25	248,422
				7,544,617
Air Freight & Logistics – 1.1%				
300,000	FedEx Corp.	3.20%	02/01/25	290,595
850,000	FedEx Corp.	3.30%	03/15/27	809,661
500,000	FedEx Corp.	3.40%	02/15/28	475,151
500,000	FedEx Corp.	4.20%	10/17/28	497,708
250,000	FedEx Corp.	4.75%	11/15/45	236,579
648,000	FedEx Corp.	4.55%	04/01/46	591,151
550,000	FedEx Corp.	4.40%	01/15/47	495,992
500,000	FedEx Corp.	4.05%	02/15/48	420,485
500,000	FedEx Corp.	4.95%	10/17/48	485,033
1,000,000	United Parcel Service, Inc.	2.05%	04/01/21	982,847
500,000	United Parcel Service, Inc.	2.35%	05/16/22	488,064
545,000	United Parcel Service, Inc.	2.45%	10/01/22	533,859
500,000	United Parcel Service, Inc.	2.50%	04/01/23	486,731
250,000	United Parcel Service, Inc.	2.80%	11/15/24	239,935
500,000	United Parcel Service, Inc.	2.40%	11/15/26	461,338
250,000	United Parcel Service, Inc.	3.05%	11/15/27	238,395
500,000	United Parcel Service, Inc.	3.40%	11/15/46	431,865
				8,165,389
Airlines – 0.1%				
420,000	Southwest Airlines Co.	2.65%	11/05/20	414,587
250,000	Southwest Airlines Co.	3.00%	11/15/26	233,718
				648,305

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Principal Value	Description	Stated Coupon	Stated Maturity	Value
CORPORATE BONDS AND NOTES (Continued)				
Automobiles – 0.1%				
\$ 250,000	General Motors Co.	5.00%	10/01/28	\$ 237,331
250,000	General Motors Co.	5.95%	04/01/49	226,172
				463,503
Banks – 7.6%				
100,000	Bank of America Corp.	2.63%	10/19/20	98,978
600,000	Bank of America Corp.	2.63%	04/19/21	592,035
500,000	Bank of America Corp. (a)	2.37%	07/21/21	491,163
250,000	Bank of America Corp. (a)	2.33%	10/01/21	245,182
500,000	Bank of America Corp. (a)	2.74%	01/23/22	492,559
250,000	Bank of America Corp.	2.50%	10/21/22	240,837
500,000	Bank of America Corp. (a)	2.88%	04/24/23	486,524
500,000	Bank of America Corp. (a)	2.82%	07/21/23	483,878
1,207,000	Bank of America Corp. (a)	3.00%	12/20/23	1,173,864
250,000	Bank of America Corp. (a)	3.55%	03/05/24	247,119
450,000	Bank of America Corp.	4.00%	04/01/24	452,813
500,000	Bank of America Corp. (a)	3.86%	07/23/24	499,119
500,000	Bank of America Corp. (a)	3.09%	10/01/25	474,465
250,000	Bank of America Corp. (a)	3.37%	01/23/26	239,217
400,000	Bank of America Corp.	4.45%	03/03/26	396,039
950,000	Bank of America Corp.	3.50%	04/19/26	915,091
150,000	Bank of America Corp.	3.25%	10/21/27	139,003
250,000	Bank of America Corp.	4.18%	11/25/27	240,731
500,000	Bank of America Corp. (a)	3.82%	01/20/28	485,548
500,000	Bank of America Corp. (a)	3.71%	04/24/28	480,142
500,000	Bank of America Corp. (a)	3.59%	07/21/28	474,675
1,091,000	Bank of America Corp. (a)	3.42%	12/20/28	1,020,317
250,000	Bank of America Corp. (a)	3.97%	03/05/29	243,286
500,000	Bank of America Corp. (a)	4.27%	07/23/29	498,234
250,000	Bank of America Corp. (a)	4.24%	04/24/38	238,269
225,000	Bank of America Corp.	5.88%	02/07/42	261,678
250,000	Bank of America Corp. (a)	4.44%	01/20/48	240,824
500,000	Bank of America Corp.	3.95%	01/23/49	446,454
286,000	Bank of America Corp., 3 Mo. LIBOR + 0.38% (b)	2.86%	01/23/22	280,408
444,000	Bank of America Corp., 3 Mo. LIBOR + 0.65% (b)	3.47%	06/25/22	438,561
1,000,000	Bank of America Corp., 3 Mo. LIBOR + 0.77% (b)	3.35%	02/05/26	946,268
500,000	Bank of America Corp., 3 Mo. LIBOR + 0.96% (b)	3.44%	07/23/24	491,105
1,000,000	Bank of America Corp., 3 Mo. LIBOR + 1.16% (b)	3.63%	01/20/23	999,696
250,000	Bank of America Corp., 3 Mo. LIBOR + 1.18% (b)	3.65%	10/21/22	250,193
583,000	Bank of America N.A., 3 Mo. LIBOR + 0.25% (b)	2.96%	08/28/20	581,039
500,000	Citibank N.A.	1.85%	09/18/19	495,879
250,000	Citibank N.A.	3.40%	07/23/21	250,406
500,000	Citibank N.A., 3 Mo. LIBOR + 0.32% (b)	2.86%	05/01/20	498,368
300,000	Citigroup, Inc.	2.05%	06/07/19	298,767
500,000	Citigroup, Inc.	2.45%	01/10/20	496,108
250,000	Citigroup, Inc.	2.40%	02/18/20	247,798
600,000	Citigroup, Inc.	2.70%	03/30/21	591,281
350,000	Citigroup, Inc.	2.35%	08/02/21	340,222
250,000	Citigroup, Inc.	2.90%	12/08/21	246,128
775,000	Citigroup, Inc.	4.50%	01/14/22	792,402

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Principal Value	Description	Stated Coupon	Stated Maturity	Value
CORPORATE BONDS AND NOTES (Continued)				
Banks (Continued)				
\$ 500,000	Citigroup, Inc.	2.75%	04/25/22	\$ 486,067
500,000	Citigroup, Inc.	2.70%	10/27/22	482,408
500,000	Citigroup, Inc. (a)	2.88%	07/24/23	484,269
250,000	Citigroup, Inc. (a)	4.04%	06/01/24	250,953
450,000	Citigroup, Inc.	4.60%	03/09/26	444,795
300,000	Citigroup, Inc.	3.40%	05/01/26	282,636
250,000	Citigroup, Inc.	3.20%	10/21/26	231,032
300,000	Citigroup, Inc.	4.30%	11/20/26	288,961
350,000	Citigroup, Inc.	4.45%	09/29/27	337,697
500,000	Citigroup, Inc. (a)	3.89%	01/10/28	482,946
1,000,000	Citigroup, Inc. (a)	3.67%	07/24/28	945,701
500,000	Citigroup, Inc.	4.13%	07/25/28	469,769
500,000	Citigroup, Inc. (a)	3.52%	10/27/28	467,164
250,000	Citigroup, Inc. (a)	4.08%	04/23/29	243,517
500,000	Citigroup, Inc. (a)	3.88%	01/24/39	447,503
200,000	Citigroup, Inc.	5.88%	01/30/42	226,789
100,000	Citigroup, Inc.	6.68%	09/13/43	118,353
750,000	Citigroup, Inc.	4.75%	05/18/46	695,903
500,000	Citigroup, Inc. (a)	4.28%	04/24/48	463,734
500,000	Citigroup, Inc.	4.65%	07/23/48	490,596
1,000,000	Citigroup, Inc., 3 Mo. LIBOR + 0.79% (b)	3.20%	01/10/20	1,001,468
250,000	Citigroup, Inc., 3 Mo. LIBOR + 1.02% (b)	3.76%	06/01/24	245,057
1,000,000	Citigroup, Inc., 3 Mo. LIBOR + 1.07% (b)	3.84%	12/08/21	999,522
500,000	Citigroup, Inc., 3 Mo. LIBOR + 1.10% (b)	3.74%	05/17/24	488,157
250,000	Fifth Third Bancorp	3.95%	03/14/28	248,479
600,000	HSBC Bank USA N.A.	4.88%	08/24/20	614,894
250,000	Huntington National Bank (The)	3.55%	10/06/23	249,342
150,000	JPMorgan Chase & Co.	2.55%	03/01/21	147,931
550,000	JPMorgan Chase & Co.	4.63%	05/10/21	566,208
450,000	JPMorgan Chase & Co.	2.40%	06/07/21	440,301
325,000	JPMorgan Chase & Co.	3.20%	01/25/23	320,446
250,000	JPMorgan Chase & Co. (a)	2.78%	04/25/23	242,525
500,000	JPMorgan Chase & Co.	2.70%	05/18/23	480,559
400,000	JPMorgan Chase & Co.	3.88%	02/01/24	401,298
250,000	JPMorgan Chase & Co. (a)	3.56%	04/23/24	248,257
250,000	JPMorgan Chase & Co. (a)	3.80%	07/23/24	250,607
850,000	JPMorgan Chase & Co.	3.30%	04/01/26	810,255
300,000	JPMorgan Chase & Co.	4.13%	12/15/26	293,194
250,000	JPMorgan Chase & Co.	3.63%	12/01/27	233,077
500,000	JPMorgan Chase & Co. (a)	3.78%	02/01/28	485,861
500,000	JPMorgan Chase & Co. (a)	3.54%	05/01/28	477,202
500,000	JPMorgan Chase & Co. (a)	3.51%	01/23/29	473,995
250,000	JPMorgan Chase & Co. (a)	4.01%	04/23/29	245,373
500,000	JPMorgan Chase & Co. (a)	4.20%	07/23/29	499,064
400,000	JPMorgan Chase & Co.	6.40%	05/15/38	487,289
250,000	JPMorgan Chase & Co. (a)	3.88%	07/24/38	227,484
100,000	JPMorgan Chase & Co.	4.85%	02/01/44	102,056
150,000	JPMorgan Chase & Co.	4.95%	06/01/45	152,457
500,000	JPMorgan Chase & Co. (a)	4.26%	02/22/48	466,149

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Principal Value	Description	Stated Coupon	Stated Maturity	Value
CORPORATE BONDS AND NOTES (Continued)				
Banks (Continued)				
\$ 500,000	JPMorgan Chase & Co. (a)	4.03%	07/24/48	\$ 448,565
250,000	JPMorgan Chase & Co. (a)	3.96%	11/15/48	221,832
500,000	JPMorgan Chase & Co. (a)	3.90%	01/23/49	439,619
1,000,000	JPMorgan Chase & Co., 3 Mo. LIBOR + 0.55% (b)	3.32%	03/09/21	995,503
250,000	JPMorgan Chase & Co., 3 Mo. LIBOR + 0.73% (b)	3.21%	04/23/24	241,710
500,000	JPMorgan Chase & Co., 3 Mo. LIBOR + 0.85% (b)	3.26%	01/10/25	479,133
250,000	JPMorgan Chase & Co., 3 Mo. LIBOR + 0.89% (b)	3.37%	07/23/24	244,438
1,000,000	JPMorgan Chase & Co., 3 Mo. LIBOR + 1.00% (b)	3.44%	01/15/23	991,036
250,000	JPMorgan Chase & Co., 3 Mo. LIBOR + 1.23% (b)	3.72%	10/24/23	250,100
500,000	JPMorgan Chase Bank N.A. (a)	2.60%	02/01/21	496,107
250,000	JPMorgan Chase Bank N.A. (a)	3.09%	04/26/21	249,037
375,000	JPMorgan Chase Bank N.A., 3 Mo. LIBOR + 0.23% (b)	2.97%	09/01/20	373,638
333,000	JPMorgan Chase Bank N.A., 3 Mo. LIBOR + 0.29% (b)	2.83%	02/01/21	330,723
250,000	JPMorgan Chase Bank N.A., 3 Mo. LIBOR + 0.34% (b)	2.85%	04/26/21	247,764
500,000	Regions Bank	2.75%	04/01/21	492,037
250,000	Regions Bank, 3 Mo. LIBOR + 0.38% (b)	3.18%	04/01/21	245,362
250,000	Santander Holdings USA, Inc.	3.70%	03/28/22	245,709
250,000	Santander Holdings USA, Inc.	4.40%	07/13/27	236,967
250,000	SunTrust Bank (a)	3.69%	08/02/24	249,164
200,000	Wells Fargo & Co.	2.15%	01/30/20	197,856
100,000	Wells Fargo & Co.	2.55%	12/07/20	98,618
900,000	Wells Fargo & Co.	3.00%	01/22/21	896,247
550,000	Wells Fargo & Co.	2.50%	03/04/21	541,135
300,000	Wells Fargo & Co.	2.10%	07/26/21	290,741
500,000	Wells Fargo & Co.	2.63%	07/22/22	482,373
425,000	Wells Fargo & Co.	3.30%	09/09/24	411,436
550,000	Wells Fargo & Co.	3.00%	04/22/26	513,008
100,000	Wells Fargo & Co.	4.10%	06/03/26	97,746
250,000	Wells Fargo & Co.	3.00%	10/23/26	231,669
200,000	Wells Fargo & Co.	4.30%	07/22/27	197,081
500,000	Wells Fargo & Co. (a)	3.58%	05/22/28	480,553
100,000	Wells Fargo & Co.	4.90%	11/17/45	97,723
275,000	Wells Fargo & Co.	4.40%	06/14/46	252,841
750,000	Wells Fargo & Co.	4.75%	12/07/46	723,779
1,000,000	Wells Fargo & Co., 3 Mo. LIBOR + 0.93% (b)	3.55%	02/11/22	993,957
1,000,000	Wells Fargo & Co., 3 Mo. LIBOR + 1.11% (b)	3.60%	01/24/23	990,885
250,000	Wells Fargo & Co., 3 Mo. LIBOR + 1.23% (b)	3.76%	10/31/23	249,390
250,000	Wells Fargo Bank N.A. (a)	3.33%	07/23/21	249,813
1,000,000	Wells Fargo Bank N.A.	3.63%	10/22/21	1,006,317
200,000	Wells Fargo Bank N.A.	5.95%	08/26/36	230,553
207,000	Wells Fargo Bank N.A., 3 Mo. LIBOR + 0.50% (b)	2.98%	07/23/21	205,895
500,000	Wells Fargo Bank N.A., 3 Mo. LIBOR + 0.65% (b)	3.39%	12/06/19	501,286
				58,201,319
Beverages – 0.9%				
600,000	Anheuser-Busch Cos., LLC/Anheuser-Busch InBev Worldwide, Inc. (c)	3.65%	02/01/26	567,851
875,000	Anheuser-Busch Cos., LLC/Anheuser-Busch InBev Worldwide, Inc. (c)	4.70%	02/01/36	813,790

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Principal Value	Description	Stated Coupon	Stated Maturity	Value
CORPORATE BONDS AND NOTES (Continued)				
Beverages (Continued)				
\$ 1,100,000	Anheuser-Busch Cos., LLC/Anheuser-Busch InBev Worldwide, Inc. (c)	4.90%	02/01/46	\$ 1,022,334
337,000	Anheuser-Busch Inbev Finance, Inc.	2.65%	02/01/21	331,570
625,000	Anheuser-Busch Inbev Finance, Inc.	3.30%	02/01/23	608,291
200,000	Anheuser-Busch Inbev Worldwide, Inc.	2.50%	07/15/22	191,117
250,000	Anheuser-Busch Inbev Worldwide, Inc.	3.50%	01/12/24	244,815
250,000	Anheuser-Busch Inbev Worldwide, Inc.	4.38%	04/15/38	223,747
250,000	Anheuser-Busch Inbev Worldwide, Inc.	4.60%	04/15/48	224,920
250,000	Anheuser-Busch Inbev Worldwide, Inc.	4.75%	04/15/58	218,448
500,000	Anheuser-Busch Inbev Worldwide, Inc., 3 Mo. LIBOR + 0.74% (b)	3.17%	01/12/24	485,683
150,000	Coca-Cola (The) Co.	1.88%	10/27/20	147,469
975,000	Coca-Cola (The) Co.	3.20%	11/01/23	978,685
250,000	Constellation Brands, Inc.	3.20%	02/15/23	242,658
250,000	Constellation Brands, Inc.	3.60%	02/15/28	230,673
250,000	Constellation Brands, Inc.	4.10%	02/15/48	211,550
500,000	Constellation Brands, Inc.	5.25%	11/15/48	503,613
				7,247,214
Biotechnology – 0.6%				
350,000	AbbVie, Inc.	2.50%	05/14/20	346,793
250,000	AbbVie, Inc.	3.38%	11/14/21	249,934
375,000	AbbVie, Inc.	2.90%	11/06/22	365,214
250,000	AbbVie, Inc.	3.75%	11/14/23	249,011
250,000	AbbVie, Inc.	3.60%	05/14/25	240,133
250,000	AbbVie, Inc.	4.25%	11/14/28	243,182
275,000	AbbVie, Inc.	4.40%	11/06/42	242,686
300,000	AbbVie, Inc.	4.70%	05/14/45	273,811
250,000	AbbVie, Inc.	4.88%	11/14/48	234,135
450,000	Amgen, Inc.	2.70%	05/01/22	441,001
500,000	Amgen, Inc.	2.65%	05/11/22	489,160
200,000	Amgen, Inc.	3.63%	05/22/24	199,635
100,000	Amgen, Inc.	2.60%	08/19/26	91,024
500,000	Amgen, Inc.	3.20%	11/02/27	469,435
350,000	Amgen, Inc.	4.40%	05/01/45	328,555
				4,463,709
Building Products – 0.2%				
450,000	Masco Corp.	3.50%	04/01/21	448,139
250,000	Masco Corp.	3.50%	11/15/27	230,888
250,000	Masco Corp.	4.50%	05/15/47	214,311
500,000	Owens Corning	4.30%	07/15/47	377,887
250,000	Owens Corning	4.40%	01/30/48	189,653
				1,460,878
Capital Markets – 3.3%				
500,000	Goldman Sachs Bank USA	3.20%	06/05/20	499,199
500,000	Goldman Sachs Group (The), Inc.	1.95%	07/23/19	496,740
600,000	Goldman Sachs Group (The), Inc.	2.55%	10/23/19	596,328
500,000	Goldman Sachs Group (The), Inc.	2.30%	12/13/19	495,028
500,000	Goldman Sachs Group (The), Inc.	2.60%	04/23/20	495,267

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Principal Value	Description	Stated Coupon	Stated Maturity	Value
CORPORATE BONDS AND NOTES (Continued)				
Capital Markets (Continued)				
\$ 700,000	Goldman Sachs Group (The), Inc.	2.63%	04/25/21	\$ 682,147
500,000	Goldman Sachs Group (The), Inc.	2.35%	11/15/21	482,436
500,000	Goldman Sachs Group (The), Inc.	3.00%	04/26/22	484,448
500,000	Goldman Sachs Group (The), Inc. (a)	2.88%	10/31/22	485,800
700,000	Goldman Sachs Group (The), Inc.	3.63%	01/22/23	689,628
250,000	Goldman Sachs Group (The), Inc. (a)	2.91%	06/05/23	240,190
500,000	Goldman Sachs Group (The), Inc. (a)	2.91%	07/24/23	476,685
600,000	Goldman Sachs Group (The), Inc.	4.00%	03/03/24	592,474
150,000	Goldman Sachs Group (The), Inc.	3.50%	01/23/25	142,301
500,000	Goldman Sachs Group (The), Inc. (a)	3.27%	09/29/25	469,048
600,000	Goldman Sachs Group (The), Inc.	4.25%	10/21/25	575,075
550,000	Goldman Sachs Group (The), Inc.	3.75%	02/25/26	520,907
500,000	Goldman Sachs Group (The), Inc.	3.50%	11/16/26	462,293
750,000	Goldman Sachs Group (The), Inc.	3.85%	01/26/27	706,206
250,000	Goldman Sachs Group (The), Inc. (a)	3.69%	06/05/28	232,590
500,000	Goldman Sachs Group (The), Inc. (a)	3.81%	04/23/29	467,351
500,000	Goldman Sachs Group (The), Inc. (a)	4.22%	05/01/29	482,109
500,000	Goldman Sachs Group (The), Inc. (a)	4.02%	10/31/38	440,840
500,000	Goldman Sachs Group (The), Inc. (a)	4.41%	04/23/39	459,168
400,000	Goldman Sachs Group (The), Inc.	6.25%	02/01/41	457,084
500,000	Goldman Sachs Group (The), Inc., 3 Mo. LIBOR + 0.73% (b) .	3.55%	12/27/20	498,075
400,000	Goldman Sachs Group (The), Inc., 3 Mo. LIBOR + 0.75% (b) .	3.43%	02/23/23	386,804
700,000	Goldman Sachs Group (The), Inc., 3 Mo. LIBOR + 0.80% (b) .	3.58%	12/13/19	700,229
250,000	Goldman Sachs Group (The), Inc., 3 Mo. LIBOR + 1.05% (b) .	3.80%	06/05/23	244,133
500,000	Goldman Sachs Group (The), Inc., 3 Mo. LIBOR + 1.17% (b) .	3.79%	05/15/26	480,343
400,000	Morgan Stanley	2.65%	01/27/20	397,101
1,000,000	Morgan Stanley	2.50%	04/21/21	979,120
550,000	Morgan Stanley	5.50%	07/28/21	576,737
500,000	Morgan Stanley	2.63%	11/17/21	488,214
500,000	Morgan Stanley	2.75%	05/19/22	486,673
500,000	Morgan Stanley	3.13%	01/23/23	488,933
300,000	Morgan Stanley	3.75%	02/25/23	299,642
500,000	Morgan Stanley (a)	3.74%	04/24/24	496,231
450,000	Morgan Stanley	3.88%	04/29/24	448,170
800,000	Morgan Stanley	3.88%	01/27/26	781,012
250,000	Morgan Stanley	4.35%	09/08/26	243,343
250,000	Morgan Stanley	3.63%	01/20/27	237,844
500,000	Morgan Stanley (a)	3.59%	07/22/28	473,266
500,000	Morgan Stanley (a)	3.77%	01/24/29	478,930
500,000	Morgan Stanley (a)	3.97%	07/22/38	457,081
500,000	Morgan Stanley (a)	4.46%	04/22/39	485,020
350,000	Morgan Stanley	6.38%	07/24/42	429,750
100,000	Morgan Stanley	4.30%	01/27/45	93,748
250,000	Morgan Stanley	4.38%	01/22/47	237,168
500,000	Morgan Stanley, 3 Mo. LIBOR + 0.55% (b)	3.17%	02/10/21	494,563
875,000	Morgan Stanley, 3 Mo. LIBOR + 1.18% (b)	3.65%	01/20/22	872,387
500,000	Morgan Stanley, 3 Mo. LIBOR + 1.22% (b)	3.81%	05/08/24	492,904
500,000	Morgan Stanley, 3 Mo. LIBOR + 1.40% (b)	3.89%	10/24/23	497,892
				25,376,655

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Principal Value	Description	Stated Coupon	Stated Maturity	Value
CORPORATE BONDS AND NOTES (Continued)				
Chemicals – 0.5%				
\$ 200,000	Dow Chemical (The) Co.	3.00%	11/15/22	\$ 194,174
500,000	Dow Chemical (The) Co. (c)	5.55%	11/30/48	508,821
500,000	DowDuPont, Inc.	4.21%	11/15/23	511,626
500,000	DowDuPont, Inc.	4.49%	11/15/25	515,530
500,000	DowDuPont, Inc.	4.73%	11/15/28	517,196
500,000	DowDuPont, Inc.	5.32%	11/15/38	516,405
500,000	DowDuPont, Inc.	5.42%	11/15/48	521,411
100,000	Westlake Chemical Corp.	3.60%	08/15/26	91,838
250,000	Westlake Chemical Corp.	5.00%	08/15/46	229,086
500,000	Westlake Chemical Corp.	4.38%	11/15/47	420,588
				4,026,675
Communications Equipment – 0.2%				
800,000	Cisco Systems, Inc.	2.20%	09/20/23	766,606
500,000	Cisco Systems, Inc.	3.63%	03/04/24	510,296
100,000	Cisco Systems, Inc.	2.95%	02/28/26	95,437
200,000	Cisco Systems, Inc.	2.50%	09/20/26	186,630
225,000	Cisco Systems, Inc.	5.90%	02/15/39	277,543
				1,836,512
Construction Materials – 0.1%				
250,000	CRH America Finance, Inc. (c)	3.40%	05/09/27	229,917
250,000	CRH America Finance, Inc. (c)	3.95%	04/04/28	238,669
250,000	CRH America Finance, Inc. (c)	4.40%	05/09/47	217,194
250,000	CRH America Finance, Inc. (c)	4.50%	04/04/48	223,073
250,000	Vulcan Materials Co.	4.50%	06/15/47	212,864
				1,121,717
Consumer Finance – 2.6%				
250,000	American Express Co.	2.20%	10/30/20	245,597
250,000	American Express Co.	2.50%	08/01/22	241,499
250,000	American Express Co.	3.70%	08/03/23	250,981
500,000	American Express Co.	3.00%	10/30/24	479,101
450,000	American Express Co.	3.63%	12/05/24	440,489
250,000	American Express Co.	4.20%	11/06/25	255,219
500,000	American Express Co., 3 Mo. LIBOR + 0.65% (b)	3.34%	02/27/23	489,862
250,000	American Express Co., 3 Mo. LIBOR + 0.75% (b)	3.33%	08/03/23	245,299
500,000	American Express Credit Corp.	1.70%	10/30/19	494,549
250,000	American Express Credit Corp.	2.20%	03/03/20	247,355
150,000	American Express Credit Corp.	2.60%	09/14/20	148,502
575,000	American Express Credit Corp.	2.25%	05/05/21	562,870
250,000	American Express Credit Corp.	2.70%	03/03/22	245,160
250,000	American Express Credit Corp., 3 Mo. LIBOR + 0.70% (b) ...	3.44%	03/03/22	248,406
550,000	Capital One Financial Corp.	3.75%	04/24/24	537,058
500,000	Capital One Financial Corp.	3.30%	10/30/24	473,491
250,000	Capital One Financial Corp.	4.25%	04/30/25	248,488
350,000	Capital One Financial Corp.	3.75%	07/28/26	321,096
500,000	Capital One Financial Corp.	3.80%	01/31/28	462,951
500,000	Capital One Financial Corp., 3 Mo. LIBOR + 0.72% (b)	3.24%	01/30/23	486,664
500,000	Capital One Financial Corp., 3 Mo. LIBOR + 0.95% (b)	3.72%	03/09/22	492,141
250,000	Capital One N.A.	2.25%	09/13/21	241,315

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Principal Value	Description	Stated Coupon	Stated Maturity	Value
CORPORATE BONDS AND NOTES (Continued)				
Consumer Finance (Continued)				
\$ 500,000	Capital One N.A.	2.65%	08/08/22	\$ 480,559
1,000,000	Capital One N.A., 3 Mo. LIBOR + 1.15% (b)	3.67%	01/30/23	989,360
250,000	Caterpillar Financial Services Corp.	1.85%	09/04/20	245,191
1,039,000	Caterpillar Financial Services Corp.	1.70%	08/09/21	997,707
500,000	Caterpillar Financial Services Corp.	3.15%	09/07/21	501,509
1,000,000	Caterpillar Financial Services Corp.	2.55%	11/29/22	971,856
500,000	Caterpillar Financial Services Corp., 3 Mo. LIBOR + 0.13% (b)	2.84%	11/29/19	499,138
429,000	Caterpillar Financial Services Corp., 3 Mo. LIBOR + 0.18% (b)	2.80%	05/15/20	427,541
161,000	Caterpillar Financial Services Corp., 3 Mo. LIBOR + 0.28% (b)	3.05%	09/07/21	159,965
300,000	Caterpillar Financial Services Corp., 3 Mo. LIBOR + 0.51% (b)	2.92%	01/10/20	300,526
500,000	Discover Bank	3.35%	02/06/23	487,140
250,000	Discover Bank	4.65%	09/13/28	245,801
100,000	Ford Motor Credit Co., LLC	3.22%	01/09/22	93,973
250,000	Ford Motor Credit Co., LLC	3.34%	03/28/22	236,156
500,000	Ford Motor Credit Co., LLC	2.98%	08/03/22	462,493
450,000	Ford Motor Credit Co., LLC	3.10%	05/04/23	407,194
200,000	Ford Motor Credit Co., LLC	3.81%	01/09/24	184,779
1,000,000	Ford Motor Credit Co., LLC	3.82%	11/02/27	845,235
250,000	General Motors Financial Co., Inc.	2.65%	04/13/20	245,902
250,000	General Motors Financial Co., Inc.	2.45%	11/06/20	242,926
250,000	General Motors Financial Co., Inc.	3.20%	07/06/21	244,347
500,000	General Motors Financial Co., Inc.	4.20%	11/06/21	500,107
250,000	General Motors Financial Co., Inc.	3.50%	11/07/24	228,883
200,000	General Motors Financial Co., Inc.	5.25%	03/01/26	195,989
100,000	General Motors Financial Co., Inc.	4.00%	10/06/26	89,928
250,000	General Motors Financial Co., Inc.	4.35%	01/17/27	230,490
250,000	General Motors Financial Co., Inc.	3.85%	01/05/28	218,090
750,000	General Motors Financial Co., Inc., 3 Mo. LIBOR + 0.99% (b)	3.40%	01/05/23	711,880
250,000	General Motors Financial Co., Inc., 3 Mo. LIBOR + 1.55% (b)	3.99%	01/14/22	246,691
				19,549,449
Containers & Packaging – 0.2%				
350,000	International Paper Co.	4.40%	08/15/47	295,481
500,000	Packaging Corp. of America	3.40%	12/15/27	469,793
250,000	Westrock Co. (c)	4.90%	03/15/29	257,462
250,000	WRKCo., Inc. (c)	3.00%	09/15/24	235,818
250,000	WRKCo., Inc. (c)	3.38%	09/15/27	230,483
				1,489,037
Diversified Financial Services – 0.3%				
250,000	Berkshire Hathaway Finance Corp.	4.20%	08/15/48	248,510
250,000	Berkshire Hathaway Finance Corp., 3 Mo. LIBOR + 0.32% (b)	2.73%	01/10/20	249,950
125,000	Berkshire Hathaway, Inc.	2.75%	03/15/23	122,782
425,000	Berkshire Hathaway, Inc.	3.13%	03/15/26	412,322
350,000	Dell International LLC/EMC Corp. (c)	3.48%	06/01/19	349,001

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Principal Value	Description	Stated Coupon	Stated Maturity	Value
CORPORATE BONDS AND NOTES (Continued)				
Diversified Financial Services (Continued)				
\$ 250,000	Dell International LLC/EMC Corp. (c)	4.42%	06/15/21	\$ 249,731
250,000	Dell International LLC/EMC Corp. (c)	8.35%	07/15/46	271,458
				1,903,754
Diversified Telecommunication Services – 1.1%				
300,000	AT&T, Inc.	2.45%	06/30/20	296,203
250,000	AT&T, Inc.	3.20%	03/01/22	246,798
250,000	AT&T, Inc.	3.80%	03/01/24	247,765
150,000	AT&T, Inc.	3.90%	03/11/24	149,163
350,000	AT&T, Inc.	3.40%	05/15/25	330,043
650,000	AT&T, Inc.	4.13%	02/17/26	636,150
545,000	AT&T, Inc.	4.10%	02/15/28	525,041
462,000	AT&T, Inc.	4.30%	02/15/30	437,530
250,000	AT&T, Inc.	5.25%	03/01/37	246,267
425,000	AT&T, Inc.	4.80%	06/15/44	382,265
250,000	AT&T, Inc.	4.35%	06/15/45	212,039
250,000	AT&T, Inc.	4.75%	05/15/46	222,777
550,000	AT&T, Inc.	5.65%	02/15/47	551,177
250,000	AT&T, Inc.	5.70%	03/01/57	246,947
650,000	Verizon Communications, Inc.	3.50%	11/01/24	641,918
522,000	Verizon Communications, Inc.	3.38%	02/15/25	507,246
100,000	Verizon Communications, Inc.	2.63%	08/15/26	90,817
250,000	Verizon Communications, Inc.	4.13%	03/16/27	250,625
231,000	Verizon Communications, Inc.	4.27%	01/15/36	216,362
298,000	Verizon Communications, Inc.	4.13%	08/15/46	263,947
750,000	Verizon Communications, Inc.	4.86%	08/21/46	739,850
250,000	Verizon Communications, Inc.	4.52%	09/15/48	235,242
249,000	Verizon Communications, Inc.	5.01%	08/21/54	241,976
522,000	Verizon Communications, Inc.	4.67%	03/15/55	481,349
100,000	Verizon Communications, Inc., 3 Mo. LIBOR + 1.00% (b)	3.79%	03/16/22	100,154
200,000	Verizon Communications, Inc., 3 Mo. LIBOR + 1.10% (b)	3.72%	05/15/25	194,089
				8,693,740
Electric Utilities – 3.6%				
500,000	AEP Texas, Inc.	2.40%	10/01/22	485,303
500,000	AEP Texas, Inc.	3.80%	10/01/47	452,594
750,000	AEP Transmission Co., LLC	3.10%	12/01/26	725,405
250,000	AEP Transmission Co., LLC	4.00%	12/01/46	239,290
500,000	AEP Transmission Co., LLC	3.75%	12/01/47	459,706
500,000	AEP Transmission Co., LLC	4.25%	09/15/48	505,066
250,000	Alabama Power Co.	2.45%	03/30/22	243,510
250,000	Alabama Power Co.	3.70%	12/01/47	228,492
250,000	American Electric Power Co., Inc.	2.95%	12/15/22	245,367
500,000	American Electric Power Co., Inc.	3.20%	11/13/27	475,157
300,000	Appalachian Power Co.	4.40%	05/15/44	290,817
500,000	Atlantic City Electric Co.	4.00%	10/15/28	514,905
250,000	Baltimore Gas & Electric Co.	2.40%	08/15/26	228,951
250,000	Baltimore Gas & Electric Co.	3.50%	08/15/46	222,422
250,000	Baltimore Gas & Electric Co.	3.75%	08/15/47	229,828
240,000	CenterPoint Energy Houston Electric LLC	2.25%	08/01/22	231,957
250,000	CenterPoint Energy Houston Electric LLC	2.40%	09/01/26	229,949

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Principal Value	Description	Stated Coupon	Stated Maturity	Value
CORPORATE BONDS AND NOTES (Continued)				
Electric Utilities (Continued)				
\$ 500,000	CenterPoint Energy Houston Electric LLC	3.00%	02/01/27	\$ 477,643
295,000	CenterPoint Energy Houston Electric LLC	4.50%	04/01/44	312,840
250,000	CenterPoint Energy Houston Electric LLC	3.95%	03/01/48	243,521
500,000	Cleveland Electric Illuminating (The) Co. (c)	3.50%	04/01/28	477,249
500,000	Cleveland Electric Illuminating (The) Co. (c)	4.55%	11/15/30	513,450
300,000	Commonwealth Edison Co.	3.40%	09/01/21	301,722
200,000	Commonwealth Edison Co.	2.55%	06/15/26	187,417
250,000	Commonwealth Edison Co.	2.95%	08/15/27	240,662
250,000	Commonwealth Edison Co.	3.70%	08/15/28	251,039
300,000	Commonwealth Edison Co.	3.70%	03/01/45	276,798
400,000	Commonwealth Edison Co.	3.65%	06/15/46	363,012
500,000	Commonwealth Edison Co.	3.75%	08/15/47	459,532
250,000	Commonwealth Edison Co.	4.00%	03/01/48	241,775
100,000	Duke Energy Carolinas LLC	2.50%	03/15/23	96,663
500,000	Duke Energy Carolinas LLC	3.05%	03/15/23	495,917
350,000	Duke Energy Carolinas LLC	6.00%	01/15/38	425,294
250,000	Duke Energy Corp.	1.80%	09/01/21	239,442
300,000	Duke Energy Corp.	3.55%	09/15/21	300,989
500,000	Duke Energy Corp.	2.40%	08/15/22	480,777
250,000	Duke Energy Corp.	3.15%	08/15/27	233,812
950,000	Duke Energy Corp.	3.75%	09/01/46	824,669
500,000	Duke Energy Corp.	3.95%	08/15/47	453,127
175,000	Duke Energy Florida LLC	2.10%	12/15/19	173,599
500,000	Duke Energy Florida LLC	3.20%	01/15/27	484,298
250,000	Duke Energy Florida LLC	3.80%	07/15/28	252,793
250,000	Duke Energy Florida LLC	3.40%	10/01/46	216,322
250,000	Duke Energy Florida LLC	4.20%	07/15/48	249,549
250,000	Duke Energy Progress LLC	3.70%	10/15/46	226,381
250,000	Duke Energy Progress LLC	3.60%	09/15/47	222,460
575,000	Exelon Corp.	5.15%	12/01/20	587,856
200,000	Exelon Corp.	2.45%	04/15/21	195,715
500,000	Exelon Corp.	3.50%	06/01/22	489,338
250,000	Exelon Corp.	4.45%	04/15/46	236,056
211,000	FirstEnergy Corp.	2.85%	07/15/22	205,817
100,000	FirstEnergy Corp.	3.90%	07/15/27	97,095
210,000	Florida Power & Light Co.	4.05%	06/01/42	209,805
250,000	Florida Power & Light Co.	3.95%	03/01/48	244,787
250,000	Indiana Michigan Power Co.	3.85%	05/15/28	251,889
100,000	Indiana Michigan Power Co.	4.55%	03/15/46	101,127
500,000	Indiana Michigan Power Co.	3.75%	07/01/47	458,213
250,000	Indiana Michigan Power Co.	4.25%	08/15/48	246,744
410,000	Metropolitan Edison Co. (c)	3.50%	03/15/23	408,192
125,000	Monongahela Power Co. (c)	5.40%	12/15/43	146,155
150,000	Ohio Edison Co.	6.88%	07/15/36	186,841
250,000	PECO Energy Co.	3.70%	09/15/47	229,678
500,000	PECO Energy Co.	3.90%	03/01/48	478,960
100,000	Public Service Electric & Gas Co.	1.90%	03/15/21	97,681
195,000	Public Service Electric & Gas Co.	2.38%	05/15/23	188,705
500,000	Public Service Electric & Gas Co.	3.25%	09/01/23	502,779
550,000	Public Service Electric & Gas Co.	2.25%	09/15/26	502,980

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Principal Value	Description	Stated Coupon	Stated Maturity	Value
CORPORATE BONDS AND NOTES (Continued)				
Electric Utilities (Continued)				
\$ 250,000	Public Service Electric & Gas Co.	3.00%	05/15/27	\$ 240,887
500,000	Public Service Electric & Gas Co.	3.65%	09/01/28	506,841
275,000	Public Service Electric & Gas Co.	3.95%	05/01/42	268,655
100,000	Public Service Electric & Gas Co.	3.80%	03/01/46	94,808
500,000	Public Service Electric & Gas Co.	3.60%	12/01/47	457,146
250,000	Public Service Electric & Gas Co.	4.05%	05/01/48	244,559
250,000	Southern (The) Co.	3.25%	07/01/26	234,572
500,000	Southwestern Electric Power Co.	2.75%	10/01/26	460,690
100,000	Southwestern Electric Power Co.	6.20%	03/15/40	118,718
500,000	Tampa Electric Co.	4.45%	06/15/49	489,443
500,000	Virginia Electric & Power Co.	2.75%	03/15/23	488,003
200,000	Virginia Electric & Power Co.	3.45%	02/15/24	200,009
450,000	Virginia Electric & Power Co.	2.95%	11/15/26	427,945
250,000	Virginia Electric & Power Co.	3.50%	03/15/27	246,641
475,000	Virginia Electric & Power Co.	4.45%	02/15/44	479,430
250,000	Virginia Electric & Power Co.	4.00%	11/15/46	237,434
250,000	Virginia Electric & Power Co.	3.80%	09/15/47	230,822
500,000	Virginia Electric & Power Co.	4.60%	12/01/48	523,637
				27,748,124
	Energy Equipment & Services – 0.0%			
250,000	Halliburton Co.	5.00%	11/15/45	246,356
	Entertainment – 0.2%			
150,000	Walt Disney (The) Co.	3.00%	02/13/26	144,561
350,000	Walt Disney (The) Co.	1.85%	07/30/26	310,935
500,000	Walt Disney (The) Co.	2.95%	06/15/27	480,886
475,000	Walt Disney (The) Co.	4.13%	06/01/44	471,592
				1,407,974
	Food & Staples Retailing – 0.7%			
250,000	Walmart, Inc.	3.13%	06/23/21	251,866
1,000,000	Walmart, Inc.	2.35%	12/15/22	974,655
250,000	Walmart, Inc.	3.40%	06/26/23	252,730
325,000	Walmart, Inc.	3.30%	04/22/24	326,181
500,000	Walmart, Inc.	2.65%	12/15/24	486,080
250,000	Walmart, Inc.	3.55%	06/26/25	252,970
250,000	Walmart, Inc.	3.70%	06/26/28	254,030
250,000	Walmart, Inc.	3.95%	06/28/38	248,187
1,000,000	Walmart, Inc.	3.63%	12/15/47	923,001
250,000	Walmart, Inc.	4.05%	06/29/48	249,393
750,000	Walmart, Inc., 3 Mo. LIBOR + 0.04% (b)	2.86%	06/23/20	748,314
				4,967,407
	Food Products – 0.7%			
500,000	Conagra Brands, Inc.	3.80%	10/22/21	500,506
500,000	Conagra Brands, Inc.	4.30%	05/01/24	497,568
500,000	Conagra Brands, Inc.	4.60%	11/01/25	502,298
500,000	Conagra Brands, Inc.	4.85%	11/01/28	492,636
500,000	Conagra Brands, Inc.	5.30%	11/01/38	473,883
500,000	Conagra Brands, Inc.	5.40%	11/01/48	462,116
250,000	Nestle Holdings, Inc. (c)	3.10%	09/24/21	251,543

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Principal Value	Description	Stated Coupon	Stated Maturity	Value
CORPORATE BONDS AND NOTES (Continued)				
Food Products (Continued)				
\$ 250,000	Nestle Holdings, Inc. (c)	3.35%	09/24/23	\$ 252,637
250,000	Nestle Holdings, Inc. (c)	3.50%	09/24/25	251,338
250,000	Nestle Holdings, Inc. (c)	3.90%	09/24/38	242,972
250,000	Nestle Holdings, Inc. (c)	4.00%	09/24/48	245,814
250,000	Tyson Foods, Inc.	3.90%	09/28/23	249,920
250,000	Tyson Foods, Inc.	3.55%	06/02/27	233,402
250,000	Tyson Foods, Inc.	4.55%	06/02/47	219,879
250,000	Tyson Foods, Inc.	5.10%	09/28/48	240,797
				5,117,309
Gas Utilities – 0.2%				
500,000	CenterPoint Energy Resources Corp.	3.55%	04/01/23	500,758
500,000	CenterPoint Energy Resources Corp.	4.00%	04/01/28	505,081
500,000	Southern Co. Gas Capital Corp.	4.40%	05/30/47	469,397
				1,475,236
Health Care Equipment & Supplies – 0.8%				
250,000	Abbott Laboratories	2.90%	11/30/21	248,000
350,000	Abbott Laboratories	3.40%	11/30/23	349,324
282,000	Abbott Laboratories	3.75%	11/30/26	278,974
1,100,000	Abbott Laboratories	4.90%	11/30/46	1,159,128
550,000	Becton Dickinson and Co.	3.36%	06/06/24	528,909
800,000	Becton Dickinson and Co.	3.70%	06/06/27	758,018
600,000	Becton Dickinson and Co.	4.67%	06/06/47	566,489
750,000	Medtronic, Inc.	3.15%	03/15/22	748,269
600,000	Medtronic, Inc.	3.50%	03/15/25	598,125
1,150,000	Medtronic, Inc.	4.63%	03/15/45	1,208,494
				6,443,730
Health Care Providers & Services – 1.9%				
250,000	Anthem, Inc.	4.55%	03/01/48	239,399
500,000	Cigna Corp. (c)	3.20%	09/17/20	498,150
500,000	Cigna Corp. (c)	3.40%	09/17/21	499,183
500,000	Cigna Corp. (c)	3.75%	07/15/23	498,850
500,000	Cigna Corp. (c)	4.13%	11/15/25	500,037
500,000	Cigna Corp. (c)	4.80%	08/15/38	492,600
750,000	CVS Health Corp.	3.13%	03/09/20	748,730
600,000	CVS Health Corp.	2.13%	06/01/21	579,255
500,000	CVS Health Corp.	3.70%	03/09/23	495,122
700,000	CVS Health Corp.	4.00%	12/05/23	702,742
500,000	CVS Health Corp.	4.10%	03/25/25	495,685
178,000	CVS Health Corp.	3.88%	07/20/25	173,709
150,000	CVS Health Corp.	2.88%	06/01/26	136,847
500,000	CVS Health Corp.	4.30%	03/25/28	489,725
350,000	CVS Health Corp.	4.78%	03/25/38	336,424
450,000	CVS Health Corp.	5.05%	03/25/48	439,320
750,000	CVS Health Corp., 3 Mo. LIBOR + 0.72% (b)	3.49%	03/09/21	744,187
500,000	UnitedHealth Group, Inc.	1.95%	10/15/20	491,402
275,000	UnitedHealth Group, Inc.	4.70%	02/15/21	283,124
100,000	UnitedHealth Group, Inc.	2.13%	03/15/21	97,943
550,000	UnitedHealth Group, Inc.	2.88%	12/15/21	548,453

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Principal Value	Description	Stated Coupon	Stated Maturity	Value
CORPORATE BONDS AND NOTES (Continued)				
Health Care Providers & Services (Continued)				
\$ 500,000	UnitedHealth Group, Inc.	2.38%	10/15/22	\$ 484,913
250,000	UnitedHealth Group, Inc.	3.50%	02/15/24	251,776
100,000	UnitedHealth Group, Inc.	3.75%	07/15/25	101,314
250,000	UnitedHealth Group, Inc.	3.70%	12/15/25	252,725
250,000	UnitedHealth Group, Inc.	3.10%	03/15/26	241,502
500,000	UnitedHealth Group, Inc.	3.45%	01/15/27	495,377
500,000	UnitedHealth Group, Inc.	3.38%	04/15/27	489,573
500,000	UnitedHealth Group, Inc.	2.95%	10/15/27	472,911
250,000	UnitedHealth Group, Inc.	3.88%	12/15/28	253,547
150,000	UnitedHealth Group, Inc.	6.88%	02/15/38	196,308
573,000	UnitedHealth Group, Inc.	4.75%	07/15/45	607,631
500,000	UnitedHealth Group, Inc.	4.20%	01/15/47	498,034
500,000	UnitedHealth Group, Inc.	4.25%	04/15/47	496,862
250,000	UnitedHealth Group, Inc.	3.75%	10/15/47	230,155
250,000	UnitedHealth Group, Inc.	4.45%	12/15/48	257,973
				14,821,488
Hotels, Restaurants & Leisure – 0.1%				
250,000	McDonald’s Corp.	3.35%	04/01/23	248,980
250,000	McDonald’s Corp.	3.80%	04/01/28	245,918
100,000	McDonald’s Corp.	4.88%	12/09/45	101,038
250,000	McDonald’s Corp.	4.45%	09/01/48	238,777
				834,713
Household Durables – 0.1%				
250,000	DR Horton, Inc.	4.38%	09/15/22	253,103
350,000	Newell Brands, Inc.	4.20%	04/01/26	342,378
				595,481
Household Products – 0.2%				
250,000	Procter & Gamble (The) Co.	1.70%	11/03/21	243,698
500,000	Procter & Gamble (The) Co.	2.15%	08/11/22	485,921
100,000	Procter & Gamble (The) Co.	2.70%	02/02/26	96,221
250,000	Procter & Gamble (The) Co.	2.45%	11/03/26	234,346
500,000	Procter & Gamble (The) Co.	2.85%	08/11/27	479,343
250,000	Procter & Gamble (The) Co.	3.50%	10/25/47	234,829
				1,774,358
Independent Power and Renewable Electricity Producers – 0.2%				
525,000	NextEra Energy Capital Holdings, Inc.	2.40%	09/15/19	521,719
500,000	NextEra Energy Capital Holdings, Inc.	2.80%	01/15/23	482,972
500,000	NextEra Energy Capital Holdings, Inc.	3.55%	05/01/27	477,971
				1,482,662
Industrial Conglomerates – 0.3%				
500,000	Baker Hughes a GE Co., LLC/Baker Hughes Co-Obligor, Inc.	2.77%	12/15/22	479,964
500,000	Baker Hughes a GE Co., LLC/Baker Hughes Co-Obligor, Inc.	3.34%	12/15/27	460,570
500,000	Baker Hughes a GE Co., LLC/Baker Hughes Co-Obligor, Inc.	4.08%	12/15/47	412,991

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Principal Value	Description	Stated Coupon	Stated Maturity	Value
CORPORATE BONDS AND NOTES (Continued)				
Industrial Conglomerates (Continued)				
\$ 129,000	General Electric Co.	6.75%	03/15/32	\$ 134,748
425,000	General Electric Co.	4.50%	03/11/44	347,819
500,000	Roper Technologies, Inc.	4.20%	09/15/28	495,996
				2,332,088
Insurance – 0.6%				
500,000	Aflac, Inc.	4.75%	01/15/49	511,444
300,000	AIG Global Funding (c)	2.15%	07/02/20	295,617
400,000	American International Group, Inc.	3.38%	08/15/20	401,056
200,000	American International Group, Inc.	4.13%	02/15/24	201,049
100,000	American International Group, Inc.	3.90%	04/01/26	96,357
300,000	American International Group, Inc.	6.25%	05/01/36	327,089
250,000	Lincoln National Corp.	3.80%	03/01/28	242,931
250,000	Lincoln National Corp.	4.35%	03/01/48	231,573
100,000	MetLife, Inc.	3.00%	03/01/25	95,894
150,000	MetLife, Inc.	3.60%	11/13/25	148,168
300,000	MetLife, Inc.	4.88%	11/13/43	313,716
170,000	MetLife, Inc.	4.60%	05/13/46	170,218
275,000	Prudential Financial, Inc.	4.60%	05/15/44	276,367
500,000	Torchmark Corp.	4.55%	09/15/28	508,993
500,000	Travelers (The) Cos., Inc.	4.00%	05/30/47	481,152
250,000	Travelers (The) Cos., Inc.	4.05%	03/07/48	242,929
				4,544,553
IT Services – 0.9%				
500,000	Fiserv, Inc.	3.80%	10/01/23	503,648
500,000	Fiserv, Inc.	4.20%	10/01/28	499,988
250,000	IBM Credit LLC	1.80%	01/20/21	243,063
250,000	IBM Credit LLC	2.65%	02/05/21	247,263
250,000	IBM Credit LLC	2.20%	09/08/22	238,321
250,000	IBM Credit LLC, 3 Mo. LIBOR + 0.16% (b)	2.74%	02/05/21	247,384
500,000	International Business Machines Corp.	1.63%	05/15/20	490,222
100,000	International Business Machines Corp.	3.63%	02/12/24	99,345
600,000	Visa, Inc.	2.20%	12/14/20	593,650
500,000	Visa, Inc.	2.15%	09/15/22	484,221
950,000	Visa, Inc.	2.80%	12/14/22	938,603
550,000	Visa, Inc.	3.15%	12/14/25	540,981
250,000	Visa, Inc.	2.75%	09/15/27	237,032
303,000	Visa, Inc.	4.15%	12/14/35	313,927
450,000	Visa, Inc.	4.30%	12/14/45	466,178
500,000	Visa, Inc.	3.65%	09/15/47	471,925
				6,615,751
Machinery – 0.2%				
490,000	Parker-Hannifin Corp.	3.25%	03/01/27	470,305
245,000	Parker-Hannifin Corp.	4.10%	03/01/47	235,515
250,000	Wabtec Corp.	4.15%	03/15/24	241,865
250,000	Wabtec Corp.	4.70%	09/15/28	234,912
				1,182,597

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Principal Value	Description	Stated Coupon	Stated Maturity	Value
CORPORATE BONDS AND NOTES (Continued)				
Media – 1.1%				
\$ 610,000	Charter Communications Operating LLC/Charter Communications Operating Capital	4.91%	07/23/25	\$ 607,401
250,000	Charter Communications Operating LLC/Charter Communications Operating Capital	4.20%	03/15/28	235,941
250,000	Charter Communications Operating LLC/Charter Communications Operating Capital	5.38%	04/01/38	233,432
750,000	Charter Communications Operating LLC/Charter Communications Operating Capital	6.48%	10/23/45	773,413
250,000	Charter Communications Operating LLC/Charter Communications Operating Capital	5.38%	05/01/47	227,324
250,000	Charter Communications Operating LLC/Charter Communications Operating Capital	5.75%	04/01/48	234,903
600,000	Comcast Corp.	3.30%	10/01/20	602,447
600,000	Comcast Corp.	3.45%	10/01/21	606,320
575,000	Comcast Corp.	3.70%	04/15/24	578,918
550,000	Comcast Corp.	3.95%	10/15/25	556,994
250,000	Comcast Corp.	3.55%	05/01/28	241,596
350,000	Comcast Corp.	4.15%	10/15/28	355,819
100,000	Comcast Corp.	4.60%	08/15/45	97,655
250,000	Comcast Corp.	3.40%	07/15/46	207,663
500,000	Comcast Corp.	4.00%	08/15/47	451,100
250,000	Comcast Corp.	4.00%	03/01/48	228,372
400,000	Comcast Corp.	4.70%	10/15/48	405,318
250,000	Comcast Corp.	4.95%	10/15/58	254,828
250,000	Cox Communications, Inc. (c)	3.50%	08/15/27	230,910
250,000	Discovery Communications LLC	2.95%	03/20/23	239,419
250,000	Discovery Communications LLC	3.95%	03/20/28	232,248
250,000	Discovery Communications LLC	5.00%	09/20/37	232,577
275,000	Discovery Communications LLC	5.20%	09/20/47	253,637
250,000	Interpublic Group of (The) Cos., Inc.	3.75%	10/01/21	251,723
100,000	Warner Media LLC	2.95%	07/15/26	89,551
200,000	Warner Media LLC	6.50%	11/15/36	217,788
50,000	Warner Media LLC	4.85%	07/15/45	45,023
				8,692,320
Metals & Mining – 0.1%				
500,000	Glencore Funding LLC (c)	3.00%	10/27/22	477,330
500,000	Glencore Funding LLC (c)	3.88%	10/27/27	451,405
				928,735
Multi-Utilities – 1.1%				
650,000	CenterPoint Energy, Inc.	3.60%	11/01/21	651,793
600,000	CenterPoint Energy, Inc.	3.85%	02/01/24	603,593
500,000	CenterPoint Energy, Inc.	4.25%	11/01/28	507,667
200,000	Consolidated Edison Co. of New York, Inc.	3.80%	05/15/28	203,429
335,000	Consolidated Edison Co. of New York, Inc.	4.45%	03/15/44	335,141
95,000	Consolidated Edison Co. of New York, Inc.	4.50%	12/01/45	96,038
185,000	Consolidated Edison Co. of New York, Inc.	3.85%	06/15/46	169,794
500,000	Consolidated Edison Co. of New York, Inc.	3.88%	06/15/47	462,275
250,000	Consolidated Edison Co. of New York, Inc.	4.30%	12/01/56	233,241

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Principal Value	Description	Stated Coupon	Stated Maturity	Value
CORPORATE BONDS AND NOTES (Continued)				
Multi-Utilities (Continued)				
\$ 250,000	Consolidated Edison, Inc.	2.00%	03/15/20	\$ 246,750
100,000	Consolidated Edison, Inc.	2.00%	05/15/21	97,070
250,000	Dominion Energy, Inc.	1.60%	08/15/19	247,254
1,000,000	Dominion Energy, Inc.	2.58%	07/01/20	984,708
250,000	Dominion Energy, Inc.	2.75%	01/15/22	243,688
495,000	Dominion Energy, Inc.	4.70%	12/01/44	495,041
390,000	NiSource, Inc.	2.65%	11/17/22	373,718
750,000	NiSource, Inc. (c)	3.65%	06/15/23	752,022
250,000	NiSource, Inc.	3.49%	05/15/27	238,988
500,000	NiSource, Inc.	4.38%	05/15/47	466,976
250,000	NiSource, Inc.	3.95%	03/30/48	223,223
250,000	Public Service Enterprise Group, Inc.	2.00%	11/15/21	240,242
500,000	Public Service Enterprise Group, Inc.	2.65%	11/15/22	483,929
				8,356,580
Oil, Gas & Consumable Fuels – 3.3%				
250,000	Andeavor Logistics L.P./Tesoro Logistics Finance Corp.	4.25%	12/01/27	236,431
1,000,000	BP Capital Markets America, Inc.	3.80%	09/21/25	1,005,683
100,000	BP Capital Markets America, Inc.	3.12%	05/04/26	94,124
500,000	BP Capital Markets America, Inc.	3.94%	09/21/28	502,313
250,000	BP Capital Markets America, Inc.	4.23%	11/06/28	257,494
750,000	Chevron Corp.	2.10%	05/16/21	735,775
550,000	Chevron Corp.	2.57%	05/16/23	535,961
500,000	Chevron Corp.	2.90%	03/03/24	488,312
150,000	Chevron Corp.	3.33%	11/17/25	148,954
1,360,000	Chevron Corp.	2.95%	05/16/26	1,310,525
250,000	Chevron Corp., 3 Mo. LIBOR + 0.21% (b)	2.95%	03/03/20	249,565
182,000	Chevron Corp., 3 Mo. LIBOR + 0.53% (b)	3.27%	03/03/22	182,555
225,000	ConocoPhillips	6.50%	02/01/39	278,964
185,000	Enbridge Energy Partners L.P.	5.50%	09/15/40	192,135
400,000	Enbridge Energy Partners L.P.	7.38%	10/15/45	497,044
400,000	Energy Transfer Operating L.P.	3.60%	02/01/23	385,731
150,000	Energy Transfer Operating L.P.	4.20%	09/15/23	147,987
250,000	Energy Transfer Operating L.P.	4.20%	04/15/27	233,382
250,000	Energy Transfer Operating L.P.	4.95%	06/15/28	245,059
250,000	Energy Transfer Operating L.P.	5.80%	06/15/38	244,039
175,000	Energy Transfer Operating L.P.	6.50%	02/01/42	175,173
250,000	Energy Transfer Operating L.P.	5.30%	04/15/47	221,100
250,000	Energy Transfer Operating L.P.	6.00%	06/15/48	244,280
500,000	Enterprise Products Operating LLC	3.50%	02/01/22	501,687
500,000	Enterprise Products Operating LLC	4.15%	10/16/28	498,473
500,000	Enterprise Products Operating LLC	4.80%	02/01/49	487,628
500,000	Exxon Mobil Corp.	2.22%	03/01/21	492,956
150,000	Exxon Mobil Corp.	2.71%	03/06/25	145,376
200,000	Exxon Mobil Corp.	3.04%	03/01/26	195,300
220,000	Kinder Morgan Energy Partners L.P.	3.50%	03/01/21	219,436
100,000	Kinder Morgan Energy Partners L.P.	4.15%	02/01/24	99,219
175,000	Kinder Morgan Energy Partners L.P.	6.95%	01/15/38	195,722
500,000	Kinder Morgan, Inc.	3.15%	01/15/23	486,323
715,000	Kinder Morgan, Inc.	4.30%	06/01/25	710,341
500,000	Kinder Morgan, Inc.	4.30%	03/01/28	490,285

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Principal Value	Description	Stated Coupon	Stated Maturity	Value
CORPORATE BONDS AND NOTES (Continued)				
Oil, Gas & Consumable Fuels (Continued)				
\$ 650,000	Kinder Morgan, Inc.	5.05%	02/15/46	\$ 595,635
500,000	Kinder Morgan, Inc.	5.20%	03/01/48	479,052
500,000	Marathon Oil Corp.	4.40%	07/15/27	475,931
259,000	Marathon Oil Corp.	5.20%	06/01/45	240,151
450,000	Marathon Petroleum Corp. (c)	3.80%	04/01/28	423,105
250,000	MPLX L.P.	3.38%	03/15/23	242,894
500,000	MPLX L.P.	4.00%	03/15/28	469,511
500,000	MPLX L.P.	4.80%	02/15/29	499,759
500,000	MPLX L.P.	5.20%	03/01/47	461,879
500,000	MPLX L.P.	5.50%	02/15/49	488,115
400,000	ONEOK Partners L.P.	3.38%	10/01/22	393,085
250,000	ONEOK, Inc.	4.55%	07/15/28	247,223
250,000	ONEOK, Inc.	5.20%	07/15/48	240,056
250,000	Phillips 66	4.88%	11/15/44	244,839
300,000	Plains All American Pipeline L.P./PAA Finance Corp.	4.65%	10/15/25	295,457
500,000	Sabine Pass Liquefaction LLC	5.00%	03/15/27	501,988
250,000	Sabine Pass Liquefaction LLC	4.20%	03/15/28	239,579
350,000	Sunoco Logistics Partners Operations L.P.	3.90%	07/15/26	323,747
500,000	Sunoco Logistics Partners Operations L.P.	4.00%	10/01/27	458,798
500,000	Sunoco Logistics Partners Operations L.P.	5.40%	10/01/47	454,672
500,000	TC PipeLines L.P.	3.90%	05/25/27	478,140
250,000	Texas Eastern Transmission L.P. (c)	4.15%	01/15/48	223,401
250,000	Transcontinental Gas Pipe Line Co., LLC	4.00%	03/15/28	244,925
500,000	Transcontinental Gas Pipe Line Co., LLC	4.60%	03/15/48	469,327
350,000	Valero Energy Corp.	3.65%	03/15/25	334,459
500,000	Valero Energy Corp.	4.35%	06/01/28	496,278
250,000	Western Gas Partners L.P.	5.30%	03/01/48	216,470
300,000	Williams (The) Cos., Inc.	3.60%	03/15/22	294,583
250,000	Williams (The) Cos., Inc.	3.90%	01/15/25	243,213
95,000	Williams (The) Cos., Inc.	4.00%	09/15/25	91,861
250,000	Williams (The) Cos., Inc.	3.75%	06/15/27	237,317
625,000	Williams (The) Cos., Inc.	4.90%	01/15/45	568,658
270,000	Williams (The) Cos., Inc.	5.10%	09/15/45	250,332
500,000	Williams (The) Cos., Inc.	4.85%	03/01/48	455,389
				25,515,161
Pharmaceuticals – 0.5%				
250,000	Bayer US Finance II LLC (c)	3.88%	12/15/23	245,738
250,000	Bayer US Finance II LLC (c)	4.25%	12/15/25	243,677
250,000	Bayer US Finance II LLC (c)	4.38%	12/15/28	239,162
250,000	Bayer US Finance II LLC (c)	4.63%	06/25/38	227,738
250,000	Bayer US Finance II LLC (c)	4.88%	06/25/48	225,518
300,000	Merck & Co., Inc.	2.75%	02/10/25	290,458
250,000	Pfizer, Inc.	3.00%	09/15/21	251,590
500,000	Pfizer, Inc.	3.20%	09/15/23	502,294
250,000	Pfizer, Inc.	4.10%	09/15/38	251,029
500,000	Pfizer, Inc.	4.20%	09/15/48	508,592
500,000	Pfizer, Inc., 3 Mo. LIBOR + 0.33% (b)	3.12%	09/15/23	496,159
250,000	Zoetis, Inc.	3.90%	08/20/28	245,415
				3,727,370

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Principal Value	Description	Stated Coupon	Stated Maturity	Value
CORPORATE BONDS AND NOTES (Continued)				
Road & Rail – 0.6%				
\$ 500,000	CSX Corp.	4.25%	03/15/29	\$ 508,676
250,000	CSX Corp.	3.80%	11/01/46	221,094
200,000	CSX Corp.	4.50%	08/01/54	188,503
250,000	CSX Corp.	4.25%	11/01/66	217,141
250,000	Kansas City Southern	4.70%	05/01/48	245,098
250,000	Norfolk Southern Corp.	3.65%	08/01/25	251,661
250,000	Norfolk Southern Corp.	2.90%	06/15/26	237,122
750,000	Norfolk Southern Corp.	4.15%	02/28/48	702,683
250,000	Ryder System, Inc.	3.50%	06/01/21	250,452
250,000	Ryder System, Inc.	2.25%	09/01/21	242,009
500,000	Ryder System, Inc.	2.80%	03/01/22	487,678
300,000	Union Pacific Corp.	3.75%	03/15/24	302,934
250,000	Union Pacific Corp.	3.00%	04/15/27	236,716
183,000	Union Pacific Corp.	4.15%	01/15/45	171,918
225,000	Union Pacific Corp.	4.05%	03/01/46	208,496
250,000	Union Pacific Corp.	4.10%	09/15/67	213,472
				4,685,653
Semiconductors & Semiconductor Equipment – 0.3%				
100,000	Intel Corp.	1.70%	05/19/21	97,214
250,000	Intel Corp.	2.35%	05/11/22	244,617
100,000	Intel Corp.	3.10%	07/29/22	100,156
375,000	Intel Corp.	2.70%	12/15/22	369,568
500,000	Intel Corp.	2.88%	05/11/24	488,150
100,000	Intel Corp.	2.60%	05/19/26	93,719
300,000	Intel Corp.	4.10%	05/19/46	292,219
500,000	Intel Corp.	4.10%	05/11/47	481,096
163,000	Intel Corp.	3.73%	12/08/47	151,313
250,000	Intel Corp., 3 Mo. LIBOR + 0.08% (b)	2.70%	05/11/20	249,205
				2,567,257
Software – 0.8%				
800,000	Microsoft Corp.	2.40%	02/06/22	791,134
150,000	Microsoft Corp.	3.63%	12/15/23	154,564
250,000	Microsoft Corp.	2.88%	02/06/24	247,818
200,000	Microsoft Corp.	3.13%	11/03/25	197,990
100,000	Microsoft Corp.	2.40%	08/08/26	93,331
500,000	Microsoft Corp.	3.30%	02/06/27	495,774
100,000	Microsoft Corp.	3.45%	08/08/36	94,369
250,000	Microsoft Corp.	4.10%	02/06/37	257,023
275,000	Microsoft Corp.	4.45%	11/03/45	292,367
350,000	Microsoft Corp.	3.70%	08/08/46	336,148
950,000	Microsoft Corp.	4.25%	02/06/47	999,744
200,000	Oracle Corp.	1.90%	09/15/21	194,117
100,000	Oracle Corp.	2.50%	05/15/22	97,900
500,000	Oracle Corp.	2.40%	09/15/23	480,133
250,000	Oracle Corp.	3.40%	07/08/24	249,690
350,000	Oracle Corp.	2.65%	07/15/26	324,694
400,000	Oracle Corp.	5.38%	07/15/40	442,857
350,000	Oracle Corp.	4.00%	07/15/46	327,373
				6,077,026

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Principal Value	Description	Stated Coupon	Stated Maturity	Value
CORPORATE BONDS AND NOTES (Continued)				
Specialty Retail – 0.7%				
\$ 250,000	Best Buy Co., Inc.	4.45%	10/01/28	\$ 238,919
500,000	Home Depot (The), Inc.	2.00%	04/01/21	490,282
770,000	Home Depot (The), Inc.	4.40%	04/01/21	793,236
500,000	Home Depot (The), Inc.	3.25%	03/01/22	505,416
550,000	Home Depot (The), Inc.	3.00%	04/01/26	533,267
1,000,000	Home Depot (The), Inc.	2.80%	09/14/27	939,648
500,000	Home Depot (The), Inc.	3.90%	12/06/28	512,745
500,000	Home Depot (The), Inc.	4.25%	04/01/46	499,501
500,000	Home Depot (The), Inc.	3.90%	06/15/47	472,906
500,000	Home Depot (The), Inc.	4.50%	12/06/48	517,470
250,000	Home Depot (The), Inc.	3.50%	09/15/56	210,817
				5,714,207
Technology Hardware, Storage & Peripherals – 0.9%				
450,000	Apple, Inc.	2.85%	05/06/21	450,702
250,000	Apple, Inc.	1.55%	08/04/21	242,490
250,000	Apple, Inc.	2.10%	09/12/22	241,696
250,000	Apple, Inc.	2.40%	01/13/23	242,741
375,000	Apple, Inc.	2.40%	05/03/23	362,821
250,000	Apple, Inc.	3.00%	02/09/24	247,065
500,000	Apple, Inc.	2.85%	05/11/24	488,181
500,000	Apple, Inc.	2.75%	01/13/25	482,527
100,000	Apple, Inc.	2.45%	08/04/26	92,518
250,000	Apple, Inc.	3.35%	02/09/27	243,854
500,000	Apple, Inc.	3.20%	05/11/27	483,064
250,000	Apple, Inc.	2.90%	09/12/27	235,244
500,000	Apple, Inc.	3.00%	11/13/27	475,452
100,000	Apple, Inc.	4.45%	05/06/44	103,530
100,000	Apple, Inc.	4.65%	02/23/46	106,101
600,000	Apple, Inc.	4.25%	02/09/47	599,370
250,000	Apple, Inc.	3.75%	09/12/47	230,210
250,000	Apple, Inc.	3.75%	11/13/47	230,321
250,000	Apple, Inc., 3 Mo. LIBOR + 0.20% (b)	2.79%	02/07/20	249,912
500,000	Hewlett Packard Enterprise Co. (c)	2.10%	10/04/19	494,457
100,000	Hewlett Packard Enterprise Co.	3.60%	10/15/20	100,300
500,000	Hewlett Packard Enterprise Co.	3.50%	10/05/21	501,694
				6,904,250
Tobacco – 0.1%				
250,000	BAT Capital Corp.	3.22%	08/15/24	230,564
250,000	BAT Capital Corp.	3.56%	08/15/27	222,338
250,000	BAT Capital Corp.	4.39%	08/15/37	205,225
250,000	BAT Capital Corp.	4.54%	08/15/47	199,728
				857,855
Trading Companies & Distributors – 0.1%				
250,000	Air Lease Corp.	3.50%	01/15/22	246,198
250,000	Air Lease Corp.	2.75%	01/15/23	236,784
250,000	Air Lease Corp.	3.25%	03/01/25	230,006
				712,988

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Principal Value	Description	Stated Coupon	Stated Maturity	Value
CORPORATE BONDS AND NOTES (Continued)				
Water Utilities – 0.1%				
\$ 250,000	American Water Capital Corp.	3.75%	09/01/47	\$ 225,204
250,000	American Water Capital Corp.	4.20%	09/01/48	243,799
				469,003
	Total Corporate Bonds and Notes			308,990,705
	(Cost \$319,921,919)			
FOREIGN CORPORATE BONDS AND NOTES – 3.0%				
Banks – 1.2%				
500,000	AIB Group PLC (c)	4.75%	10/12/23	495,575
500,000	Barclays PLC (a)	4.61%	02/15/23	496,137
250,000	Barclays PLC, 3 Mo. LIBOR + 1.38% (b)	4.01%	05/16/24	238,225
250,000	Cooperatieve Rabobank U.A. (c)	3.88%	09/26/23	251,026
475,000	HSBC Holdings PLC	2.65%	01/05/22	461,008
200,000	HSBC Holdings PLC (a)	3.26%	03/13/23	195,820
500,000	HSBC Holdings PLC (a)	3.95%	05/18/24	497,597
625,000	HSBC Holdings PLC	3.90%	05/25/26	599,447
350,000	HSBC Holdings PLC	4.38%	11/23/26	339,399
200,000	HSBC Holdings PLC (a)	4.04%	03/13/28	191,548
500,000	HSBC Holdings PLC (a)	4.58%	06/19/29	496,184
238,000	HSBC Holdings PLC, 3 Mo. LIBOR + 0.60% (b)	3.24%	05/18/21	234,548
500,000	HSBC Holdings PLC, 3 Mo. LIBOR + 1.00% (b)	3.64%	05/18/24	487,271
700,000	HSBC Holdings PLC, 3 Mo. LIBOR + 1.66% (b)	4.35%	05/25/21	707,412
500,000	HSBC Holdings PLC, 3 Mo. LIBOR + 2.24% (b)	5.01%	03/08/21	512,310
250,000	ING Groep N.V.	4.10%	10/02/23	249,848
250,000	ING Groep N.V.	4.55%	10/02/28	247,161
250,000	ING Groep N.V., 3 Mo. LIBOR + 1.00% (b)	3.80%	10/02/23	247,650
500,000	Royal Bank of Canada	3.70%	10/05/23	502,005
500,000	Royal Bank of Canada, 3 Mo. LIBOR + 0.66% (b)	3.07%	10/05/23	492,419
250,000	Royal Bank of Scotland Group PLC (a)	3.50%	05/15/23	240,592
500,000	Royal Bank of Scotland Group PLC (a)	5.08%	01/27/30	482,133
250,000	Santander UK Group Holdings PLC (a)	4.80%	11/15/24	248,235
				8,913,550
Capital Markets – 0.2%				
500,000	Credit Suisse Group AG (c)	3.57%	01/09/23	488,217
500,000	Credit Suisse Group AG (a) (c)	3.87%	01/12/29	466,024
250,000	UBS Group Funding Switzerland AG, 3 Mo. LIBOR + 1.22% (b) (c)	3.87%	05/23/23	247,664
				1,201,905
Diversified Financial Services – 0.3%				
444,000	GE Capital International Funding Co. Unlimited Co.	4.42%	11/15/35	372,925
500,000	Shell International Finance, B.V.	3.50%	11/13/23	505,910
500,000	Shell International Finance, B.V.	3.88%	11/13/28	514,442
250,000	Shell International Finance, B.V.	4.00%	05/10/46	242,008
250,000	Shell International Finance, B.V.	3.75%	09/12/46	231,984
500,000	Shell International Finance, B.V., 3 Mo. LIBOR + 0.40% (b)	3.02%	11/13/23	490,346
				2,357,615
Diversified Telecommunication Services – 0.0%				
250,000	TELUS Corp.	4.60%	11/16/48	248,814

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Principal Value	Description	Stated Coupon	Stated Maturity	Value
FOREIGN CORPORATE BONDS AND NOTES (Continued)				
Electric Utilities – 0.1%				
\$ 250,000	Enel Finance International N.V. (c)	4.25%	09/14/23	\$ 244,703
250,000	Enel Finance International N.V. (c)	4.63%	09/14/25	240,210
250,000	Enel Finance International N.V. (c)	4.88%	06/14/29	238,963
				723,876
Health Care Equipment & Supplies – 0.0%				
250,000	Medtronic Global Holdings SCA	3.35%	04/01/27	245,132
Metals & Mining – 0.2%				
250,000	Anglo American Capital PLC (c)	3.63%	09/11/24	236,522
250,000	Anglo American Capital PLC (c)	4.00%	09/11/27	226,458
250,000	Anglo American Capital PLC (c)	4.50%	03/15/28	232,664
330,000	BHP Billiton Finance USA, Ltd.	5.00%	09/30/43	361,022
350,000	Vale Overseas, Ltd.	6.25%	08/10/26	378,875
				1,435,541
Oil, Gas & Consumable Fuels – 0.6%				
500,000	Canadian Natural Resources, Ltd.	2.95%	01/15/23	478,370
500,000	Canadian Natural Resources, Ltd.	3.85%	06/01/27	472,493
500,000	Canadian Natural Resources, Ltd.	4.95%	06/01/47	483,723
250,000	Enbridge, Inc.	2.90%	07/15/22	242,141
250,000	Enbridge, Inc.	4.25%	12/01/26	247,617
250,000	Enbridge, Inc.	3.70%	07/15/27	237,213
250,000	Enbridge, Inc.	5.50%	12/01/46	267,785
500,000	Eni S.p.A. (c)	4.00%	09/12/23	492,874
500,000	Eni S.p.A. (c)	4.75%	09/12/28	489,707
500,000	Total Capital S.A.	3.88%	10/11/28	513,579
500,000	TransCanada PipeLines, Ltd.	4.25%	05/15/28	496,118
500,000	TransCanada PipeLines, Ltd.	5.10%	03/15/49	500,273
				4,921,893
Pharmaceuticals – 0.2%				
500,000	Takeda Pharmaceutical Co., Ltd. (c)	3.80%	11/26/20	503,245
500,000	Takeda Pharmaceutical Co., Ltd. (c)	4.00%	11/26/21	507,155
250,000	Takeda Pharmaceutical Co., Ltd. (c)	4.40%	11/26/23	253,010
250,000	Takeda Pharmaceutical Co., Ltd. (c)	5.00%	11/26/28	255,826
				1,519,236
Semiconductors & Semiconductor Equipment – 0.0%				
250,000	NXP, B.V./NXP Funding LLC (c)	4.88%	03/01/24	251,410
Trading Companies & Distributors – 0.1%				
250,000	AerCap Ireland Capital DAC/AerCap Global Aviation Trust ...	3.50%	01/15/25	228,397
250,000	AerCap Ireland Capital DAC/AerCap Global Aviation Trust ...	3.88%	01/23/28	218,580
				446,977
Wireless Telecommunication Services – 0.1%				
250,000	Vodafone Group PLC	3.75%	01/16/24	246,688
250,000	Vodafone Group PLC	4.13%	05/30/25	247,317
250,000	Vodafone Group PLC	4.38%	05/30/28	242,978
				736,983
	Total Foreign Corporate Bonds and Notes			23,002,932
	(Cost \$23,459,629)			

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Principal Value	Description	Stated Coupon	Stated Maturity	Value
U.S. GOVERNMENT BONDS AND NOTES – 2.0%				
\$ 1,865,000	U.S. Treasury Bond	3.13%	05/15/48	\$ 1,900,952
3,485,000	U.S. Treasury Bond	3.00%	08/15/48	3,469,549
400,000	U.S. Treasury Note (d)	1.38%	09/30/19	396,320
1,500,000	U.S. Treasury Note	2.63%	08/31/20	1,502,227
880,000	U.S. Treasury Note	2.88%	10/31/20	885,637
225,000	U.S. Treasury Note	2.75%	11/30/20	226,059
1,190,000	U.S. Treasury Note	2.88%	11/15/21	1,203,411
100,000	U.S. Treasury Note	2.75%	08/31/23	101,139
1,250,000	U.S. Treasury Note	2.88%	09/30/23	1,270,508
260,000	U.S. Treasury Note	2.88%	10/31/23	264,362
465,000	U.S. Treasury Note	2.88%	11/30/23	473,174
290,000	U.S. Treasury Note	2.75%	06/30/25	292,985
814,000	U.S. Treasury Note	2.88%	07/31/25	828,452
915,000	U.S. Treasury Note	2.75%	08/31/25	924,150
220,000	U.S. Treasury Note	3.00%	09/30/25	225,689
115,000	U.S. Treasury Note	2.88%	11/30/25	117,084
1,245,000	U.S. Treasury Note	3.13%	11/15/28	1,291,614
Total U.S. Government Bonds and Notes				15,373,312
(Cost \$14,956,868)				

Principal Value	Description	Annualized Yield on Date of Purchase	Stated Maturity	Value
COMMERCIAL PAPER – 0.0%				
Electric Utilities – 0.0%				
275,000	Atlantic City Electric Co.	2.40%	01/02/19	274,963
(Cost \$274,981)				
Total Investments – 99.0%				760,004,713
(Cost \$772,113,831) (e)				
Net Other Assets and Liabilities – 1.0%				7,655,863
Net Assets – 100.0%				\$ 767,660,576

Futures Contracts (See Note 2E - Futures Contracts in the Notes to Financial Statements):

Futures Contracts	Position	Number of Contracts	Expiration Month	Notional Value	Unrealized Appreciation (Depreciation)/ Value
U.S. Treasury 10-Year Notes	Short	15	Mar 2019	\$ (1,830,234)	\$ (40,664)
U.S. Treasury Ultra 10-Year Notes	Short	99	Mar 2019	(12,877,735)	(375,891)
Total Futures Contracts				<u>\$ (14,707,969)</u>	<u>\$ (416,555)</u>

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

- (a) Fixed-to-floating or fixed-to-variable rate security. The interest rate shown reflects the fixed rate in effect at December 31, 2018. At a predetermined date, the fixed rate will change to a floating rate or a variable rate.
- (b) Floating or variable rate security.
- (c) This security, sold within the terms of a private placement memorandum, is exempt from registration upon resale under Rule 144A under the Securities Act of 1933, as amended, and may be resold in transactions exempt from registration, normally to qualified institutional buyers. Pursuant to procedures adopted by the Trust's Board of Trustees, this security has been determined to be liquid by First Trust Advisors L.P. (the "Advisor"). Although market instability can result in periods of increased overall market illiquidity, liquidity for each security is determined based on security specific factors and assumptions, which require subjective judgment. At December 31, 2018, securities noted as such amounted to \$21,345,105 or 2.8% of net assets.
- (d) All or a portion of this security is segregated as collateral for open futures contracts.
- (e) Aggregate cost for federal income tax purposes was \$771,982,024. As of December 31, 2018, the aggregate gross unrealized appreciation for all investments in which there was an excess of value over tax cost was \$32,211,336 and the aggregate gross unrealized depreciation for all investments in which there was an excess of tax cost over value was \$44,605,202. The net unrealized depreciation was \$12,393,866. The amounts presented are inclusive of derivative contracts.

LIBOR London Interbank Offered Rate

Valuation Inputs

A summary of the inputs used to value the Fund's investments as of December 31, 2018 is as follows (see Note 2A - Portfolio Valuation in the Notes to Financial Statements):

ASSETS TABLE

	Total Value at 12/31/2018	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Common Stocks*	\$ 412,362,801	\$ 412,362,801	\$ —	\$ —
Corporate Bonds and Notes*	308,990,705	—	308,990,705	—
Foreign Corporate Bonds and Notes*	23,002,932	—	23,002,932	—
U.S. Government Bonds and Notes	15,373,312	—	15,373,312	—
Commercial Paper*	274,963	—	274,963	—
Total Investments	<u>\$ 760,004,713</u>	<u>\$ 412,362,801</u>	<u>\$ 347,641,912</u>	<u>\$ —</u>

LIABILITIES TABLE

	Total Value at 12/31/2018	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Futures Contracts**	<u>\$ (416,555)</u>	<u>\$ (416,555)</u>	<u>\$ —</u>	<u>\$ —</u>

* See Portfolio of Investments for industry breakout.

** Includes cumulative appreciation (depreciation) on futures contracts as reported in the Futures Contracts table. The current day's variation margin is presented on the Statements of Assets and Liabilities.

First Trust Multi Income Allocation Portfolio
Portfolio of Investments
December 31, 2018

Shares	Description	Value
EXCHANGE-TRADED FUNDS — 39.1%		
Capital Markets — 39.1%		
23,620	First Trust Institutional Preferred Securities and Income ETF (a)	\$ 430,829
2,000	First Trust Low Duration Opportunities ETF (a)	102,100
71,300	First Trust Preferred Securities and Income ETF (a)	1,279,835
79,540	First Trust Senior Loan Fund (a)	3,620,661
32,470	First Trust Tactical High Yield ETF (a)	1,456,279
505	iShares 20+ Year Treasury Bond ETF	61,363
280	iShares 7-10 Year Treasury Bond ETF	29,176
6,789	iShares Floating Rate Bond ETF	341,894
12,847	iShares iBoxx \$ Investment Grade Corporate Bond ETF	1,449,399
8,100	iShares MBS ETF	847,665
1	Vanguard Mortgage-Backed Securities ETF	51
Total Exchange-Traded Funds		<u>9,619,252</u>
(Cost \$10,112,323)		
COMMON STOCKS — 23.1%		
Aerospace & Defense — 0.3%		
422	Raytheon Co.	<u>64,714</u>
Banks — 1.6%		
1,274	JPMorgan Chase & Co.	124,368
568	M&T Bank Corp.	81,298
1,710	U.S. Bancorp	78,147
2,047	Webster Financial Corp.	<u>100,897</u>
		<u>384,710</u>
Beverages — 0.7%		
661	Diageo PLC, ADR	93,730
783	PepsiCo, Inc.	86,506
		<u>180,236</u>
Biotechnology — 0.3%		
832	AbbVie, Inc.	<u>76,702</u>
Capital Markets — 0.3%		
162	BlackRock, Inc.	<u>63,637</u>
Chemicals — 0.7%		
471	Ecolab, Inc.	69,402
347	International Flavors & Fragrances, Inc.	46,592
756	LyondellBasell Industries N.V., Class A	62,869
		<u>178,863</u>
Communications Equipment — 0.4%		
2,441	Cisco Systems, Inc.	<u>105,769</u>
Consumer Finance — 0.3%		
1,094	Capital One Financial Corp.	<u>82,695</u>
Diversified Telecommunication Services — 0.5%		
2,164	Verizon Communications, Inc.	<u>121,660</u>
Electric Utilities — 2.3%		
926	Alliant Energy Corp.	39,124
555	American Electric Power Co., Inc.	41,481
332	Emera, Inc. (CAD)	10,630

First Trust Multi Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Shares	Description	Value
COMMON STOCKS (Continued)		
Electric Utilities (Continued)		
639	Eversource Energy	\$ 41,561
1,833	Exelon Corp.	82,668
1,226	Fortis, Inc. (CAD)	40,870
464	NextEra Energy, Inc.	80,652
3,641	OGE Energy Corp.	142,691
1,300	PPL Corp.	36,829
825	Xcel Energy, Inc.	40,648
		557,154
Electrical Equipment — 0.3%		
1,124	Eaton Corp. PLC	77,174
Electronic Equipment, Instruments & Components — 0.7%		
864	CDW Corp.	70,027
1,239	TE Connectivity Ltd.	93,706
		163,733
Food & Staples Retailing — 0.8%		
1,538	Sysco Corp.	96,371
1,102	Walmart, Inc.	102,651
		199,022
Gas Utilities — 0.4%		
106	Atmos Energy Corp.	9,828
221	New Jersey Resources Corp.	10,093
1,473	UGI Corp.	78,585
		98,506
Health Care Equipment & Supplies — 1.2%		
1,500	Abbott Laboratories	108,495
2,176	Koninklijke Philips N.V.	76,399
1,097	STERIS PLC	117,214
		302,108
Health Care Providers & Services — 0.7%		
1,497	CVS Health Corp.	98,083
336	UnitedHealth Group, Inc.	83,704
		181,787
Hotels, Restaurants & Leisure — 0.8%		
1,747	Carnival Corp.	86,127
609	McDonald's Corp.	108,140
		194,267
Industrial Conglomerates — 0.3%		
527	Honeywell International, Inc.	69,627
Internet & Direct Marketing Retail — 0.3%		
774	Expedia Group, Inc.	87,191
IT Services — 1.3%		
804	Accenture PLC, Class A	113,372
1,035	Fidelity National Information Services, Inc.	106,139
9,737	Infosys Ltd., ADR	92,696
		312,207

First Trust Multi Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Shares	Description	Value
COMMON STOCKS (Continued)		
Machinery — 0.3%		
466	Parker-Hannifin Corp.	\$ 69,499
Multi-Utilities — 0.5%		
187	National Grid PLC, ADR	8,972
1,465	Public Service Enterprise Group, Inc.	76,253
171	Sempra Energy	18,500
291	WEC Energy Group, Inc.	20,155
		123,880
Oil, Gas & Consumable Fuels — 4.1%		
618	Chevron Corp.	67,232
1,209	ConocoPhillips	75,381
7,327	Enbridge, Inc.	227,723
3,589	Equitrans Midstream Corp. (b)	71,852
924	Exxon Mobil Corp.	63,008
8,390	Kinder Morgan, Inc.	129,038
605	ONEOK, Inc.	32,640
1,383	TOTAL S.A., ADR	72,165
5,891	TransCanada Corp.	210,309
3,122	Williams (The) Cos., Inc.	68,840
		1,018,188
Pharmaceuticals — 1.3%		
955	Eli Lilly & Co.	110,513
1,494	Merck & Co., Inc.	114,157
988	Novartis AG, ADR	84,780
		309,450
Road & Rail — 0.4%		
658	Union Pacific Corp.	90,955
Semiconductors & Semiconductor Equipment — 0.3%		
322	Broadcom, Inc.	81,878
Software — 0.8%		
1,134	Microsoft Corp.	115,180
2,603	Open Text Corp.	84,858
		200,038
Specialty Retail — 0.4%		
543	Home Depot (The), Inc.	93,298
Technology Hardware, Storage & Peripherals — 0.4%		
619	Apple, Inc.	97,641
Textiles, Apparel & Luxury Goods — 0.4%		
1,251	NIKE, Inc., Class B	92,749
	Total Common Stocks	5,679,338
	(Cost \$5,571,937)	

First Trust Multi Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Shares	Description	Value
REAL ESTATE INVESTMENT TRUSTS — 11.6%		
Diversified REITs — 1.5%		
2,868	Liberty Property Trust	\$ 120,112
950	PS Business Parks, Inc.	124,450
4,197	STORE Capital Corp.	118,817
		363,379
Health Care REITs — 1.0%		
1,632	National Health Investors, Inc.	123,281
3,601	Omega Healthcare Investors, Inc.	126,575
		249,856
Hotel & Resort REITs — 0.8%		
4,482	Hospitality Properties Trust	107,030
5,900	Xenia Hotels & Resorts, Inc.	101,480
		208,510
Industrial REITs — 1.4%		
4,296	Duke Realty Corp.	111,266
1,841	Prologis, Inc.	108,104
4,533	STAG Industrial, Inc.	112,781
		332,151
Office REITs — 0.8%		
2,719	Highwoods Properties, Inc.	105,198
1,279	SL Green Realty Corp.	101,143
		206,341
Residential REITs — 1.4%		
2,753	Apartment Investment & Management Co., Class A	120,802
1,283	Camden Property Trust	112,968
1,217	Mid-America Apartment Communities, Inc.	116,467
		350,237
Retail REITs — 1.9%		
2,660	National Retail Properties, Inc.	129,037
1,780	Realty Income Corp.	112,211
9,948	Retail Properties of America, Inc., Class A	107,936
673	Simon Property Group, Inc.	113,057
		462,241
Specialized REITs — 2.8%		
810	American Tower Corp.	128,134
3,666	CubeSmart	105,178
2,004	CyrusOne, Inc.	105,972
1,073	Digital Realty Trust, Inc.	114,328
1,742	EPR Properties	111,540
1,358	Extra Space Storage, Inc.	122,872
		688,024
	Total Real Estate Investment Trusts	2,860,739
	(Cost \$2,891,120)	

First Trust Multi Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Units	Description	Value
MASTER LIMITED PARTNERSHIPS — 9.3%		
Chemicals — 0.3%		
3,366	Westlake Chemical Partners, L.P.	\$ 81,222
Gas Utilities — 0.4%		
2,384	AmeriGas Partners, L.P.	60,315
1,252	Suburban Propane Partners, L.P.	24,126
		<u>84,441</u>
Independent Power and Renewable Electricity Producers — 0.6%		
3,556	NextEra Energy Partners, L.P.	153,086
Oil, Gas & Consumable Fuels — 8.0%		
1,980	Alliance Resource Partners, L.P.	34,333
3,316	BP Midstream Partners, L.P.	51,531
13,763	Energy Transfer, L.P.	181,809
17,995	Enterprise Products Partners, L.P.	442,497
1,624	EQM Midstream Partners, L.P.	70,238
5,330	Holly Energy Partners, L.P.	152,225
5,143	Magellan Midstream Partners, L.P.	293,459
1,166	MPLX, L.P.	35,330
3,362	Phillips 66 Partners, L.P.	141,574
5,144	Plains All American Pipeline, L.P.	103,086
8,564	Shell Midstream Partners, L.P.	140,535
6,335	TC PipeLines, L.P.	203,480
1,011	Valero Energy Partners, L.P.	42,634
1,272	Western Gas Equity Partners, L.P.	35,272
909	Western Gas Partners, L.P.	38,387
		<u>1,966,390</u>
	Total Master Limited Partnerships	<u>2,285,139</u>
	(Cost \$2,508,865)	

Principal Value	Description	Stated Coupon	Stated Maturity	Value
U.S. GOVERNMENT BONDS AND NOTES — 9.3%				
\$ 51,823	U.S. Treasury Inflation Indexed Bond (c)	2.50%	01/15/29	59,035
26,149	U.S. Treasury Inflation Indexed Bond (c)	3.88%	04/15/29	33,243
11,539	U.S. Treasury Inflation Indexed Bond (c)	3.38%	04/15/32	14,824
29,249	U.S. Treasury Inflation Indexed Bond (c)	2.13%	02/15/40	34,452
48,267	U.S. Treasury Inflation Indexed Bond (c)	2.13%	02/15/41	57,122
42,302	U.S. Treasury Inflation Indexed Bond (c)	0.75%	02/15/42	38,475
43,554	U.S. Treasury Inflation Indexed Bond (c)	0.63%	02/15/43	38,269
43,183	U.S. Treasury Inflation Indexed Bond (c)	1.38%	02/15/44	44,682
44,350	U.S. Treasury Inflation Indexed Bond (c)	0.75%	02/15/45	39,754
37,352	U.S. Treasury Inflation Indexed Bond (c)	1.00%	02/15/46	35,492
35,617	U.S. Treasury Inflation Indexed Bond (c)	0.88%	02/15/47	32,766
34,865	U.S. Treasury Inflation Indexed Bond (c)	1.00%	02/15/48	33,108
61,405	U.S. Treasury Inflation Indexed Note (c)	0.13%	04/15/19	60,549
16,580	U.S. Treasury Inflation Indexed Note (c)	1.88%	07/15/19	16,532
37,887	U.S. Treasury Inflation Indexed Note (c)	1.38%	01/15/20	37,658
89,624	U.S. Treasury Inflation Indexed Note (c)	0.13%	04/15/20	87,642
60,294	U.S. Treasury Inflation Indexed Note (c)	1.25%	07/15/20	60,182
68,433	U.S. Treasury Inflation Indexed Note (c)	1.13%	01/15/21	68,135

First Trust Multi Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Principal Value	Description	Stated Coupon	Stated Maturity	Value
U.S. GOVERNMENT BONDS AND NOTES (Continued)				
\$ 77,886	U.S. Treasury Inflation Indexed Note (c)	0.13%	04/15/21	\$ 75,778
65,074	U.S. Treasury Inflation Indexed Note (c)	0.63%	07/15/21	64,377
74,743	U.S. Treasury Inflation Indexed Note (c)	0.13%	01/15/22	72,569
74,864	U.S. Treasury Inflation Indexed Note (c)	0.13%	04/15/22	72,452
73,674	U.S. Treasury Inflation Indexed Note (c)	0.13%	07/15/22	71,577
73,400	U.S. Treasury Inflation Indexed Note (c)	0.13%	01/15/23	70,911
79,406	U.S. Treasury Inflation Indexed Note (c)	0.63%	04/15/23	78,123
72,802	U.S. Treasury Inflation Indexed Note (c)	0.38%	07/15/23	71,206
72,611	U.S. Treasury Inflation Indexed Note (c)	0.63%	01/15/24	71,500
71,565	U.S. Treasury Inflation Indexed Note (c)	0.13%	07/15/24	68,650
83,274	U.S. Treasury Inflation Indexed Note (c)	0.25%	01/15/25	79,771
46,282	U.S. Treasury Inflation Indexed Note (c)	2.38%	01/15/25	50,058
78,908	U.S. Treasury Inflation Indexed Note (c)	0.38%	07/15/25	76,126
80,881	U.S. Treasury Inflation Indexed Note (c)	0.63%	01/15/26	78,781
37,584	U.S. Treasury Inflation Indexed Note (c)	2.00%	01/15/26	40,127
69,626	U.S. Treasury Inflation Indexed Note (c)	0.13%	07/15/26	65,414
74,325	U.S. Treasury Inflation Indexed Note (c)	0.38%	01/15/27	70,702
28,213	U.S. Treasury Inflation Indexed Note (c)	2.38%	01/15/27	31,157
69,261	U.S. Treasury Inflation Indexed Note (c)	0.38%	07/15/27	65,750
98,415	U.S. Treasury Inflation Indexed Note (c)	0.50%	01/15/28	93,983
62,766	U.S. Treasury Inflation Indexed Note (c)	1.75%	01/15/28	66,701
58,429	U.S. Treasury Inflation Indexed Note (c)	0.75%	07/15/28	57,232
Total U.S. Government Bonds and Notes				2,284,865
(Cost \$2,348,616)				

U.S. GOVERNMENT AGENCY MORTGAGE-BACKED SECURITIES — 4.8%

Collateralized Mortgage Obligations — 2.8%				
Fannie Mae REMICS				
3	Series 1989-69, Class G	7.60%	10/25/19	3
142	Series 1989-82, Class G	8.40%	11/25/19	144
968	Series 1990-109, Class J	7.00%	09/25/20	984
499	Series 1992-24, Class Z	6.50%	04/25/22	516
8	Series 1992-44, Class ZQ	8.00%	07/25/22	9
1,507	Series 1993-1, Class KA	7.90%	01/25/23	1,607
1,076	Series 1993-62, Class E	7.00%	04/25/23	1,141
367	Series 1993-119, Class H	6.50%	07/25/23	385
2,563	Series 1993-178, Class PK	6.50%	09/25/23	2,711
2,313	Series 1995-24, Class G	6.50%	04/25/23	2,413
1,726	Series 1999-56, Class Z	7.00%	12/18/29	1,885
32,461	Series 2002-9, Class MS, IO, 1 Mo. LIBOR × -1 + 8.10% (d)	5.59%	03/25/32	6,118
1,424	Series 2002-67, Class PE	5.50%	11/25/32	1,551
4,368	Series 2002-90, Class A1	6.50%	06/25/42	4,920
3,433	Series 2003-14, Class AQ	3.50%	03/25/33	3,456
4,976	Series 2003-41, Class OA	4.00%	05/25/33	5,042
11,844	Series 2004-10, Class ZB	6.00%	02/25/34	13,727
1,142	Series 2004-92, Class S, IO, 1 Mo. LIBOR × -1 + 6.70% (d)	4.19%	08/25/34	14
18	Series 2005-46, Class LW	5.00%	06/25/20	18
3,696	Series 2005-68, Class BC	5.25%	06/25/35	3,724

First Trust Multi Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Principal Value	Description	Stated Coupon	Stated Maturity	Value
U.S. GOVERNMENT AGENCY MORTGAGE-BACKED SECURITIES (Continued)				
Collateralized Mortgage Obligations (Continued)				
Fannie Mae REMICS (Continued)				
\$ 245	Series 2005-70, Class KJ	5.50%	09/25/34	\$ 245
15,612	Series 2005-79, Class NF, 1 Mo. LIBOR + 0.41% (e)	2.92%	09/25/35	15,669
45,274	Series 2007-10, Class Z	6.00%	02/25/37	49,603
36,905	Series 2009-78, Class VI, IO	6.00%	02/25/39	170
61,428	Series 2009-86, Class IP, IO	5.50%	10/25/39	11,466
1	Series 2011-38, Class AH	2.75%	05/25/20	1
2,437	Series 2012-35, Class PL	2.00%	11/25/41	2,365
894	Series 2013-14, Class QE	1.75%	03/25/43	838
50,715	Series 2013-31, Class NT	3.00%	04/25/43	50,417
Fannie Mae REMIC Trust				
13,947	Series 2007-W8, Class 1A5 (f)	6.39%	09/25/37	15,568
Fannie Mae Trust				
4,929	Series 2004-W8, Class 3A	7.50%	06/25/44	5,610
FHLMC - GNMA				
295	Series 1993-5, Class HA	7.50%	02/25/23	310
726	Series 1994-27, Class D	7.00%	03/25/24	776
Freddie Mac REMICS				
8	Series 1988-23, Class F	9.60%	04/15/20	8
183	Series 1989-84, Class F	9.20%	10/15/20	186
677	Series 1991-1074, Class I	6.75%	05/15/21	681
832	Series 1991-1078, Class GZ	6.50%	05/15/21	841
448	Series 1992-1250, Class J	7.00%	05/15/22	454
13,342	Series 1992-1401, Class Q, 1 Mo. LIBOR + 0.60% (e)	3.05%	10/15/22	13,456
22,563	Series 1993-1487, Class P, IO, 1 Mo. LIBOR × -1 + 9.50% (d)	7.04%	03/15/23	2,154
4,130	Series 1994-1673, Class FB, 10 Yr. U.S. Treasury Yield Curve - 0.50% (e)	2.56%	02/15/24	4,129
385	Series 1996-1807, Class G	9.00%	10/15/20	397
62	Series 1996-1847, Class LL	7.50%	04/15/26	68
12,985	Series 1998-2033, Class IA, IO	7.00%	02/15/28	1,597
3,132	Series 1999-2130, Class KB	6.38%	03/15/29	3,421
49,482	Series 1999-2174, Class PN	6.00%	07/15/29	53,218
9,798	Series 2001-2277, Class B	7.50%	01/15/31	11,336
176	Series 2003-2559, Class PB	5.50%	08/15/30	177
52,000	Series 2003-2676, Class LL	5.50%	09/15/33	57,264
23,340	Series 2004-2768, Class PW	4.25%	03/15/34	24,827
6,000	Series 2004-2778, Class MM	5.25%	04/15/34	6,585
253	Series 2005-2922, Class QE	5.00%	05/15/34	254
445	Series 2005-2958, Class QJ	4.00%	04/15/20	444
29,375	Series 2006-3114, Class GI, IO, 1 Mo. LIBOR × -1 + 6.60% (d),	4.14%	02/15/36	4,729
39,981	Series 2006-3199, Class DS, IO, 1 Mo. LIBOR × -1 + 7.15% (d)	4.69%	08/15/36	6,809
23,183	Series 2006-3237, Class CB	5.50%	07/15/36	24,046
11,823	Series 2010-3758, Class M	4.50%	10/15/38	12,070
6,882	Series 2010-3775, Class KZ	4.00%	08/15/25	6,928
6,403	Series 2012-3994, Class AE	1.63%	02/15/22	6,304
20,784	Series 2013-4178, Class ZN	3.50%	03/15/43	20,410
1,271	Series 2013-4253, Class TD	2.00%	07/15/40	1,266

First Trust Multi Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Principal Value	Description	Stated Coupon	Stated Maturity	Value
U.S. GOVERNMENT AGENCY MORTGAGE-BACKED SECURITIES (Continued)				
Collateralized Mortgage Obligations (Continued)				
Freddie Mac Strips				
\$ 15,504	Series 1994-169, Class IO, IO	8.50%	03/01/23	\$ 1,713
Government National Mortgage Association				
11,959	Series 1999-30, Class S, IO, 1 Mo. LIBOR × -1 + 8.60% (d)	6.14%	08/16/29	140
33,299	Series 2002-92, Class PB	5.50%	12/20/32	35,116
8,148	Series 2006-16, Class OP, PO	(g)	03/20/36	7,378
55,000	Series 2007-35, Class NE	6.00%	06/16/37	63,193
6,391	Series 2009-29, Class TA	4.50%	03/16/39	6,552
452	Series 2009-81, Class PA	5.50%	02/16/38	457
3,589	Series 2009-102, Class MA	4.00%	06/16/39	3,616
1,557	Series 2010-121, Class PQ	3.00%	02/20/39	1,554
67,223	Series 2010-164, Class LE	3.00%	10/20/38	67,075
25,819	Series 2011-136, Class GB	2.50%	05/20/40	25,397
26,035	Series 2013-20, Class KI, IO	5.00%	01/20/43	5,429
				685,085
Pass-through Securities — 2.0%				
Federal Home Loan Mortgage Corporation				
16,164	Pool A47829	4.00%	08/01/35	16,546
7,291	Pool C01252	6.50%	11/01/31	8,076
55,491	Pool G01731	6.50%	12/01/29	61,680
31,547	Pool G06358	4.00%	04/01/41	32,475
3,161	Pool O20138	5.00%	11/01/30	3,328
20,046	Pool U90316	4.00%	10/01/42	20,579
Federal National Mortgage Association				
17,822	Pool 890383	4.00%	01/01/42	18,334
23,722	Pool AA9393	4.50%	07/01/39	24,852
24,794	Pool AD0659	6.00%	02/01/23	25,581
13,292	Pool AE0050	5.50%	12/01/22	13,685
27,274	Pool AL0791	4.00%	02/01/41	28,057
47,696	Pool AU4289	4.00%	09/01/43	49,037
7,238	Pool MA0561	4.00%	11/01/40	7,446
34,012	Pool MA1028	4.00%	04/01/42	34,989
Government National Mortgage Association				
10,605	Pool 3428	5.00%	08/20/33	11,372
16,191	Pool 3500	5.50%	01/20/34	17,302
8,165	Pool 3711	5.50%	05/20/35	8,726
27,513	Pool 667422	5.00%	10/15/39	29,322
11,763	Pool 706201	5.50%	04/20/39	12,532
14,835	Pool 736558	5.00%	02/15/40	15,724
26,220	Pool 759248	4.00%	02/15/41	27,181
18,365	Pool MA3525	5.50%	03/20/46	19,844
				486,668
	Total U.S. Government Agency Mortgage-Backed Securities			1,171,753
	(Cost \$1,188,762)			

First Trust Multi Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

Principal Value	Description	Stated Coupon	Stated Maturity	Value
MORTGAGE-BACKED SECURITIES — 0.1%				
Collateralized Mortgage Obligations — 0.1%				
Credit Suisse First Boston Mortgage Securities Corp.				
\$ 276	Series 2004-4, Class 1A3	5.75%	08/25/34	\$ 278
594	Series 2004-6, Class 2A1	4.75%	09/25/19	583
MASTR Alternative Loan Trust				
1,397	Series 2004-10, Class 2A1	5.50%	10/25/19	1,408
282	Series 2005-1, Class 5A1	5.50%	01/25/20	285
MASTR Asset Securitization Trust				
4,666	Series 2004-1, Class 5A4	5.50%	02/25/34	4,711
RAAC Trust				
649	Series 2005-SP1, Class 2A1	5.25%	09/25/34	651
Structured Asset Mortgage Investments Trust				
7,694	Series 1999-1, Class 2A (h)	6.39%	06/25/29	7,573
Structured Asset Securities Corp. Mortgage Pass-Through Certificates				
130	Series 2004-21XS, Class 2A6A (f)	5.14%	12/25/34	129
Wells Fargo Mortgage Backed-Securities Trust				
915	Series 2006-17, Class A4	5.50%	11/25/21	908
Total Mortgage-Backed Securities				<u>16,526</u>
(Cost \$16,634)				
ASSET-BACKED SECURITIES — 0.0%				
AFC Home Equity Loan Trust				
119	Series 1997-4, Class 1A2, 1 Mo. LIBOR + 0.71 % (e)	3.21%	12/22/27	119
Total Asset-Backed Securities				<u>119</u>
(Cost \$114)				
U.S. TREASURY BILLS — 0.1%				
26,000	U.S. Treasury Bill	(g)	01/10/19	25,987
Total U.S. Treasury Bills				<u>25,987</u>
(Cost \$25,985)				
Total Investments — 97.4%				23,943,718
(Cost \$24,664,356) (i)				
Net Other Assets and Liabilities — 2.6%				649,486
Net Assets — 100.0%				<u>\$ 24,593,204</u>

- (a) Investment in an affiliated fund.
(b) Non-income producing security.
(c) Security whose principal value is adjusted in accordance with changes to the country's Consumer Price Index. Interest is calculated on the basis of the current adjusted principal value.
(d) Inverse floating rate security.
(e) Floating or variable rate security.
(f) Weighted Average Coupon security. Coupon is based on the blended interest rate of the underlying holdings, which may have different coupons. The coupon may change in any period.
(g) Zero coupon security.
(h) Collateral Strip Rate security. Coupon is based on the weighted net interest rate of the investment's underlying collateral. The interest rate resets periodically.

First Trust Multi Income Allocation Portfolio
Portfolio of Investments (Continued)
December 31, 2018

- (i) Aggregate cost for federal income tax purposes is \$24,748,301. As of December 31, 2018, the aggregate gross unrealized appreciation for all investments in which there was an excess of value over tax cost was \$623,466 and the aggregate gross unrealized depreciation for all investments in which there was an excess of tax cost over value was \$1,428,049. The net unrealized depreciation was \$804,583.

ADR American Depositary Receipt

CAD Canadian Dollar – Security is denominated in Canadian Dollars and is translated into U.S. Dollars based upon the current exchange rate.

IO Interest-Only Security – Principal amount shown represents par value on which interest payments are based.

LIBOR London Interbank Offered Rate

PO Principal-Only Security

Valuation Inputs

A summary of the inputs used to value the Fund's investments as of December 31, 2018 is as follows (see Note 2A - Portfolio Valuation in the Notes to Financial Statements):

	Total Value at 12/31/2018	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Exchange-Traded Funds*	\$ 9,619,252	\$ 9,619,252	\$ —	\$ —
Common Stocks*	5,679,338	5,679,338	—	—
Real Estate Investment Trusts*	2,860,739	2,860,739	—	—
Master Limited Partnerships*	2,285,139	2,285,139	—	—
U.S. Government Bonds and Notes	2,284,865	—	2,284,865	—
U.S. Government Agency Mortgage-Backed Securities	1,171,753	—	1,171,753	—
Mortgage-Backed Securities	16,526	—	16,526	—
Asset-Backed Securities	119	—	119	—
U.S. Treasury Bills	25,987	—	25,987	—
Total Investments	<u>\$ 23,943,718</u>	<u>\$ 20,444,468</u>	<u>\$ 3,499,250</u>	<u>\$ —</u>

* See Portfolio of Investments for industry breakout.

First Trust Dorsey Wright Tactical Core Portfolio
Portfolio of Investments
December 31, 2018

Shares	Description	Value
EXCHANGE-TRADED FUNDS – 98.4%		
Capital Markets – 98.4%		
8,626	First Trust BICK Index Fund (a)	\$ 211,855
14,229	First Trust Brazil AlphaDEX® Fund (a)	188,392
13,506	First Trust Developed Markets ex-US AlphaDEX® Fund (a)	662,064
28,068	First Trust Dow Jones Internet Index Fund (a) (b)	3,274,413
22,838	First Trust Emerging Markets AlphaDEX® Fund (a)	521,391
4,729	First Trust Germany AlphaDEX® Fund (a)	178,425
47,637	First Trust Health Care AlphaDEX® Fund (a) (b)	3,280,760
64,321	First Trust Large Cap Growth AlphaDEX® Fund (a)	3,686,880
96,289	First Trust Mid Cap Growth AlphaDEX® Fund (a)	3,490,476
50,400	First Trust NASDAQ-100-Technology Sector Index Fund (a)	3,430,728
24,995	First Trust NYSE Arca Biotechnology Index Fund (a) (b)	3,104,379
85,143	First Trust Small Cap Growth AlphaDEX® Fund (a)	3,417,640
4,374	First Trust Switzerland AlphaDEX® Fund (a)	191,844
63,773	First Trust Technology AlphaDEX® Fund (a)	3,351,271
25,591	iShares Core U.S. Aggregate Bond ETF	2,725,186
33,637	SPDR Blackstone/GSO Senior Loan ETF	1,503,574
44,226	SPDR Bloomberg Barclays High Yield Bond ETF	1,485,551
32,214	SPDR Nuveen Bloomberg Barclays Municipal Bond ETF	1,550,138
44,923	SPDR Portfolio Intermediate Term Corporate Bond ETF	1,484,256
	Total Investments – 98.4%	37,739,223
	(Cost \$40,500,415) (c)	
	Net Other Assets and Liabilities – 1.6%	622,264
	Net Assets – 100.0%	\$ 38,361,487

(a) Investment in an affiliated fund.

(b) Non-income producing security.

(c) Aggregate cost for federal income tax purposes was \$40,501,110. As of December 31, 2018, the aggregate gross unrealized appreciation for all investments in which there was an excess of value over tax cost was \$189,405 and the aggregate gross unrealized depreciation for all investments in which there was an excess of tax cost over value was \$2,951,292. The net unrealized depreciation was \$2,761,887.

Valuation Inputs

A summary of the inputs used to value the Fund's investments as of December 31, 2018 is as follows (see Note 2A - Portfolio Valuation in the Notes to Financial Statements):

	Total Value at 12/31/2018	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Exchange-Traded Funds*	\$ 37,739,223	\$ 37,739,223	\$ —	\$ —

* See Portfolio of Investments for industry breakout.

First Trust Variable Insurance Trust
Statements of Assets and Liabilities
December 31, 2018

	First Trust/Dow Jones Dividend & Income Allocation Portfolio	First Trust Multi Income Allocation Portfolio	First Trust Dorsey Wright Tactical Core Portfolio
ASSETS:			
Investments, at value - Unaffiliated	\$ 760,004,713	\$ 17,054,014	\$ 8,748,705
Investments, at value - Affiliated	—	6,889,704	28,990,518
Cash	4,365,956	658,552	625,384
Receivables:			
Interest	3,110,166	12,615	—
Dividends	837,903	23,096	3,648
Fund shares sold	400,638	49,146	62,573
From investment advisor	—	16,505	10,221
Reclaim	—	1,897	—
Investment securities sold	—	1,115	—
Prepaid expenses	7,187	183	393
Total Assets	<u>768,726,563</u>	<u>24,706,827</u>	<u>38,441,442</u>
LIABILITIES:			
Payables:			
Investment advisory fees	363,688	—	—
12b-1 service fees (Class I)	165,296	5,250	8,339
Administrative service fees	132,248	4,220	6,686
Accounting and administration fees	91,572	7,586	13,426
Custodian fees	77,310	5,784	2,952
Licensing fees	63,030	—	9,864
Variation margin	52,266	—	—
Shareholder reporting fees	37,712	9,410	4,604
Audit and tax fees	29,324	51,206	23,131
Fund shares redeemed	21,304	1,675	83
Transfer agent fees	16,716	9,107	8,882
Legal fees	7,183	541	589
Commitment fees	3,863	1,632	—
Financial reporting fees	771	—	956
Trustees' fees and expenses	33	54	52
Investment securities purchased	—	10,036	—
Other liabilities	3,671	7,122	391
Total Liabilities	<u>1,065,987</u>	<u>113,623</u>	<u>79,955</u>
NET ASSETS	<u>\$ 767,660,576</u>	<u>\$ 24,593,204</u>	<u>\$ 38,361,487</u>
NET ASSETS consist of:			
Paid-in capital	\$ 747,165,491	\$ 25,396,481	\$ 40,370,305
Accumulated distributable earnings (loss)	20,495,085	(803,277)	(2,008,818)
NET ASSETS	<u>\$ 767,660,576</u>	<u>\$ 24,593,204</u>	<u>\$ 38,361,487</u>
Investments, at cost - Unaffiliated	<u>\$ 772,113,831</u>	<u>\$ 17,334,404</u>	<u>\$ 8,921,264</u>
Investments, at cost - Affiliated	<u>\$ —</u>	<u>\$ 7,329,952</u>	<u>\$ 31,579,151</u>
Class I Shares:			
NET ASSETS	<u>\$ 767,616,476</u>	<u>\$ 24,450,601</u>	<u>\$ 38,277,371</u>
NET ASSET VALUE, per share	<u>\$ 12.82</u>	<u>\$ 10.17</u>	<u>\$ 10.45</u>
Number of Shares outstanding	<u>59,856,111</u>	<u>2,404,216</u>	<u>3,664,659</u>
Class II Shares:			
NET ASSETS	<u>\$ 44,100</u>	<u>\$ 142,603</u>	<u>\$ 84,116</u>
NET ASSET VALUE, per share	<u>\$ 12.85</u>	<u>\$ 10.17</u>	<u>\$ 10.44</u>
Number of Shares outstanding	<u>3,432</u>	<u>14,025</u>	<u>8,054</u>

First Trust Variable Insurance Trust
Statements of Operations
For the Year Ended December 31, 2018

	First Trust/Dow Jones Dividend & Income Allocation Portfolio	First Trust Multi Income Allocation Portfolio	First Trust Dorsey Wright Tactical Core Portfolio
INVESTMENT INCOME:			
Interest	\$ 11,259,970	\$ 96,652	\$ 11,028
Dividends - Unaffiliated	9,613,262	295,883	233,813
Dividends - Affiliated	—	287,772	136,767
Foreign withholding tax on dividend income	—	(4,947)	—
Total investment income	<u>20,873,232</u>	<u>675,360</u>	<u>381,608</u>
EXPENSES:			
Investment advisory fees	4,535,210	129,893	109,493
12b-1 distribution and service fees (Class I)	1,889,436	53,832	78,005
Administrative service fees	1,511,766	43,081	62,362
Accounting and administration fees	464,326	28,024	52,498
Licensing fees	247,220	—	31,284
Custodian fees	196,407	25,843	7,601
Shareholder reporting fees	133,290	18,152	18,898
Transfer agent fees	100,904	54,410	53,743
Legal fees	62,660	2,120	785
Commitment fees	44,591	18,126	—
Audit and tax fees	29,207	51,505	23,014
Trustees' fees and expenses	16,362	15,758	15,358
Financial reporting fees	9,250	—	9,250
Other	16,820	10,891	488
Total expenses	<u>9,257,449</u>	<u>451,635</u>	<u>462,779</u>
Fees waived and expenses reimbursed by the investment advisor	(186,633)	(272,240)	(230,266)
Net expenses	<u>9,070,816</u>	<u>179,395</u>	<u>232,513</u>
NET INVESTMENT INCOME (LOSS)	<u>11,802,416</u>	<u>495,965</u>	<u>149,095</u>
NET REALIZED AND UNREALIZED GAIN (LOSS):			
Net realized gain (loss) on:			
Investments - Unaffiliated	32,446,525	63,335	(423,012)
Investments - Affiliated	—	(26,495)	1,153,932
Futures	1,033,877	—	—
Distribution of capital gains from investment companies	—	25	—
Foreign currency transactions	—	(422)	—
Net realized gain (loss)	<u>33,480,402</u>	<u>36,443</u>	<u>730,920</u>
Net change in unrealized appreciation (depreciation) on:			
Investments - Unaffiliated	(85,847,843)	(1,198,139)	(181,942)
Investments - Affiliated	—	(448,765)	(4,966,749)
Futures	(510,735)	—	—
Foreign currency translation	—	(2)	—
Net change in unrealized appreciation (depreciation)	<u>(86,358,578)</u>	<u>(1,646,906)</u>	<u>(5,148,691)</u>
NET REALIZED AND UNREALIZED GAIN (LOSS)	<u>(52,878,176)</u>	<u>(1,610,463)</u>	<u>(4,417,771)</u>
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ (41,075,760)</u>	<u>\$ (1,114,498)</u>	<u>\$ (4,268,676)</u>

First Trust Variable Insurance Trust
Statements of Changes in Net Assets

	First Trust/Dow Jones Dividend & Income Allocation Portfolio	
	Year Ended 12/31/2018	Year Ended 12/31/2017
OPERATIONS:		
Net investment income (loss)	\$ 11,802,416	\$ 8,696,917
Net realized gain (loss)	33,480,402	30,010,337
Net change in unrealized appreciation (depreciation)	(86,358,578)	44,222,793
Net increase (decrease) in net assets resulting from operations	<u>(41,075,760)</u>	<u>82,930,047</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM INVESTMENT OPERATIONS:		
Class I	(13,489,067)	
Class II	(1,119)	
	<u>(13,490,186)</u>	
DISTRIBUTIONS TO SHAREHOLDERS FROM NET INVESTMENT INCOME:		
Class I		(8,735,680)
Class II		(1,899)
		<u>(8,737,579)</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM NET REALIZED GAIN:		
Class I		(33,516,612)
Class II		(8,008)
		<u>(33,524,620)</u>
Total distributions to shareholders	<u>(13,490,186)</u>	<u>(42,262,199)</u>
CAPITAL TRANSACTIONS:		
Proceeds from shares sold	142,387,501	163,541,447
Proceeds from shares reinvested	13,489,949	42,261,441
Cost of shares redeemed	(71,173,469)	(52,916,753)
Net increase (decrease) in net assets resulting from capital transactions	<u>84,703,981</u>	<u>152,886,135</u>
Total increase (decrease) in net assets	30,138,035	193,553,983
NET ASSETS:		
Beginning of period	737,522,541	543,968,558
End of period	<u>\$ 767,660,576</u>	<u>\$ 737,522,541</u>
Accumulated net investment income (loss) at end of period		<u>\$ 160,172</u>

First Trust Variable Insurance Trust
Statements of Changes in Net Assets (Continued)

	First Trust Multi Income Allocation Portfolio	
	Year Ended 12/31/2018	Year Ended 12/31/2017
OPERATIONS:		
Net investment income (loss)	\$ 495,965	\$ 436,344
Net realized gain (loss)	36,443	360,846
Net change in unrealized appreciation (depreciation)	(1,646,906)	336,663
Net increase (decrease) in net assets resulting from operations	<u>(1,114,498)</u>	<u>1,133,853</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM INVESTMENT OPERATIONS:		
Class I	(516,531)	
Class II	(2,977)	
	<u>(519,508)</u>	
DISTRIBUTIONS TO SHAREHOLDERS FROM NET INVESTMENT INCOME:		
Class I		(458,181)
Class II		(4,071)
		<u>(462,252)</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM NET REALIZED GAIN:		
Class I		(53,156)
Class II		(472)
		<u>(53,628)</u>
Total distributions to shareholders	<u>(519,508)</u>	<u>(515,880)</u>
CAPITAL TRANSACTIONS:		
Proceeds from shares sold	10,062,438	5,744,312
Proceeds from shares reinvested	516,827	512,743
Cost of shares redeemed	(4,594,392)	(4,753,751)
Net increase (decrease) in net assets resulting from capital transactions	<u>5,984,873</u>	<u>1,503,304</u>
Total increase (decrease) in net assets	4,350,867	2,121,277
NET ASSETS:		
Beginning of period	20,242,337	18,121,060
End of period	<u>\$ 24,593,204</u>	<u>\$ 20,242,337</u>
Accumulated net investment income (loss) at end of period		<u>\$ —</u>

First Trust Variable Insurance Trust
Statements of Changes in Net Assets (Continued)

**First Trust Dorsey Wright
Tactical Core Portfolio**

	Year Ended 12/31/2018	Year Ended 12/31/2017
OPERATIONS:		
Net investment income (loss)	\$ 149,095	\$ 119,964
Net realized gain (loss)	730,920	237,287
Net change in unrealized appreciation (depreciation)	(5,148,691)	2,196,600
Net increase (decrease) in net assets resulting from operations	<u>(4,268,676)</u>	<u>2,553,851</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM INVESTMENT OPERATIONS:		
Class I	(155,085)	
Class II	(618)	
	<u>(155,703)</u>	
DISTRIBUTIONS TO SHAREHOLDERS FROM NET INVESTMENT INCOME:		
Class I		(107,556)
Class II		(444)
		<u>(108,000)</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM NET REALIZED GAIN:		
Class I		(204,003)
Class II		(535)
		<u>(204,538)</u>
Total distributions to shareholders	<u>(155,703)</u>	<u>(312,538)</u>
CAPITAL TRANSACTIONS:		
Proceeds from shares sold	24,115,334	11,844,556
Proceeds from shares reinvested	155,703	312,538
Cost of shares redeemed	(4,021,112)	(2,272,459)
Net increase (decrease) in net assets resulting from capital transactions	<u>20,249,925</u>	<u>9,884,635</u>
Total increase (decrease) in net assets	15,825,546	12,125,948
NET ASSETS:		
Beginning of period	22,535,941	10,409,993
End of period	<u>\$ 38,361,487</u>	<u>\$ 22,535,941</u>
Accumulated net investment income (loss) at end of period		<u>\$ 12,014</u>

First Trust/Dow Jones Dividend & Income Allocation Portfolio
Financial Highlights
For a Share outstanding throughout each period

Class I Shares

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Net asset value, beginning of period	\$ 13.73	\$ 12.85	\$ 11.94	\$ 12.41	\$ 11.37
Income from investment operations:					
Net investment income (loss)	0.21	0.18	0.14	0.16	0.15
Net realized and unrealized gain (loss)	(0.88)	1.54	1.25 (a)	(0.15)	0.99
Total from investment operations	(0.67)	1.72	1.39	0.01	1.14
Distributions paid to shareholders from:					
Net investment income	(0.21)	(0.18)	(0.13)	(0.27)	(0.10)
Net realized gain	(0.03)	(0.66)	(0.35)	(0.21)	—
Total from distributions	(0.24)	(0.84)	(0.48)	(0.48)	(0.10)
Net asset value, end of period	\$ 12.82	\$ 13.73	\$ 12.85	\$ 11.94	\$ 12.41
Total return (b) (c)	(4.92)%	13.47%	11.74% (a)	0.09%	10.04%
Ratios to average net assets/supplemental data:					
Net assets, end of period (in 000's)	\$ 767,616	\$ 737,320	\$ 543,951	\$ 243,244	\$ 195,128
Ratio of total expenses to average net assets	1.22%	1.23%	1.29%	1.34%	1.43%
Ratio of net expenses to average net assets	1.20%	1.20%	1.20%	1.20%	1.20%
Ratio of net investment income (loss) to average net assets	1.56%	1.35%	1.29%	1.35%	1.40%
Portfolio turnover rate	76%	71%	96%	81%	65%

Class II Shares

	Year Ended December 31,				Period
	2018	2017	2016	2015	Ended
					12/31/2014 (d)
Net asset value, beginning of period	\$ 13.75	\$ 12.87	\$ 11.95	\$ 12.43	\$ 11.63
Income from investment operations:					
Net investment income (loss)	0.25 (e)	0.14	0.19	0.17	0.14
Net realized and unrealized gain (loss)	(0.88)	1.61	1.24 (a)	(0.14)	0.77
Total from investment operations	(0.63)	1.75	1.43	0.03	0.91
Distributions paid to shareholders from:					
Net investment income	(0.24)	(0.21)	(0.16)	(0.30)	(0.11)
Net realized gain	(0.03)	(0.66)	(0.35)	(0.21)	—
Total from distributions	(0.27)	(0.87)	(0.51)	(0.51)	(0.11)
Net asset value, end of period	\$ 12.85	\$ 13.75	\$ 12.87	\$ 11.95	\$ 12.43
Total return (b) (c)	(4.60)%	13.75%	12.07% (a)	0.25%	7.82%
Ratios to average net assets/supplemental data:					
Net assets, end of period (in 000's)	\$ 44	\$ 202	\$ 17	\$ 16	\$ 11
Ratio of total expenses to average net assets	0.97%	1.00%	1.04%	1.09%	1.21% (f)
Ratio of net expenses to average net assets	0.95%	0.95%	0.95%	0.95%	0.95% (f)
Ratio of net investment income (loss) to average net assets	1.79%	1.88%	1.53%	1.64%	1.69% (f)
Portfolio turnover rate	76%	71%	96%	81%	65%

- (a) First Trust/Dow Jones Dividend & Income Allocation Portfolio received a reimbursement from the Advisor in the amount of \$1,000 in connection with a trade error, which represents less than \$0.01 per share. Since the Advisor reimbursed the Fund, there was no effect on the total return.
- (b) Total return is based on the combination of reinvested dividends, capital gain and return of capital distributions, if any. Total return is not annualized for periods of less than one year. The returns for the Fund do not reflect the deduction of expenses associated with variable products, such as mortality and expense risk charges, separate account charges, and sales charges or the effect of taxes. These expenses would reduce the overall returns above.
- (c) Total returns would have been lower if certain fees had not been waived and expenses reimbursed by the investment advisor.
- (d) The Fund's Class II shares were seeded on April 30, 2014, and commenced operations on May 1, 2014.
- (e) Based on average shares outstanding.
- (f) Annualized.

First Trust Multi Income Allocation Portfolio
Financial Highlights (Continued)
For a Share outstanding throughout each period

Class I Shares

	Year Ended December 31,				Period
	2018	2017	2016	2015	Ended
Net asset value, beginning of period	\$ 10.89	\$ 10.54	\$ 9.86	\$ 10.39	12/31/2014 (a)
					\$ 10.00
Income from investment operations:					
Net investment income (loss)	0.23	0.24	0.20	0.19	0.07
Net realized and unrealized gain (loss)	(0.71)	0.39	0.71	(0.53) (b)	0.39
Total from investment operations	(0.48)	0.63	0.91	(0.34)	0.46
Distributions paid to shareholders from:					
Net investment income	(0.24)	(0.25)	(0.23)	(0.19)	(0.07)
Net realized gain	—	(0.03)	—	—	—
Total from distributions	(0.24)	(0.28)	(0.23)	(0.19)	(0.07)
Net asset value, end of period	\$ 10.17	\$ 10.89	\$ 10.54	\$ 9.86	\$ 10.39
Total return (c) (d)	<u>(4.44)%</u>	<u>6.04%</u>	<u>9.27%</u>	<u>(3.24)% (b)</u>	<u>4.57%</u>
Ratios to average net assets/supplemental data:					
Net assets, end of period (in 000's)	\$ 24,451	\$ 20,083	\$ 17,965	\$ 12,257	\$ 6,894
Ratio of total expenses to average net assets (e)	2.09%	2.17%	2.22%	2.60%	6.00% (f)
Ratio of net expenses to average net assets (e)	0.83%	0.83%	0.83%	0.90%	1.20% (f)
Ratio of net investment income (loss)					
to average net assets	2.29%	2.24%	2.10%	2.17%	2.35% (f)
Portfolio turnover rate	40%	46%	46%	93%	15%

Class II Shares

	Year Ended December 31,				Period
	2018	2017	2016	2015	Ended
Net asset value, beginning of period	\$ 10.88	\$ 10.54	\$ 9.86	\$ 10.39	12/31/2014 (a)
					\$ 10.00
Income from investment operations:					
Net investment income (loss)	0.26	0.27	0.20	0.24	0.04
Net realized and unrealized gain (loss)	(0.70)	0.38	0.74	(0.55) (b)	0.43
Total from investment operations	(0.44)	0.65	0.94	(0.31)	0.47
Distributions paid to shareholders from:					
Net investment income	(0.27)	(0.28)	(0.26)	(0.22)	(0.08)
Net realized gain	—	(0.03)	—	—	—
Total from distributions	(0.27)	(0.31)	(0.26)	(0.22)	(0.08)
Net asset value, end of period	\$ 10.17	\$ 10.88	\$ 10.54	\$ 9.86	\$ 10.39
Total return (c) (d)	<u>(4.11)%</u>	<u>6.22%</u>	<u>9.53%</u>	<u>(3.01)% (b)</u>	<u>4.74%</u>
Ratios to average net assets/supplemental data:					
Net assets, end of period (in 000's)	\$ 142	\$ 159	\$ 156	\$ 100	\$ 105
Ratio of total expenses to average net assets (e)	1.83%	1.92%	1.99%	2.31%	14.44% (f)
Ratio of net expenses to average net assets (e)	0.58%	0.58%	0.58%	0.67%	0.95% (f)
Ratio of net investment income (loss)					
to average net assets	2.49%	2.49%	2.34%	2.32%	0.54% (f)
Portfolio turnover rate	40%	46%	46%	93%	15%

- (a) The Fund's Class I and Class II shares were seeded on April 30, 2014, and commenced operations on May 1, 2014.
(b) First Trust Multi Income Allocation Portfolio received a reimbursement from the Advisor in the amount of \$5,471 in connection with a trade error, which represents less than \$0.01 per share. Since the Advisor reimbursed the Fund, there was no effect on the total return.
(c) Total return is based on the combination of reinvested dividends, capital gain and return of capital distributions, if any. Total return is not annualized for periods of less than one year. The returns for the Fund do not reflect the deduction of expenses associated with variable products, such as mortality and expense risk charges, separate account charges, and sales charges or the effect of taxes. These expenses would reduce the overall returns above.
(d) Total returns would have been lower if certain fees had not been waived and expenses reimbursed by the investment advisor.
(e) The Fund indirectly bears its proportionate share of fees and expenses incurred by the underlying funds in which the Fund invests. This ratio does not include these indirect fees and expenses.
(f) Annualized.

First Trust Dorsey Wright Tactical Core Portfolio
Financial Highlights (Continued)
For a Share outstanding throughout each period

Class I Shares

	Year Ended December 31,			Period
	2018	2017	2016	Ended 12/31/2015 (a)
Net asset value, beginning of period	\$ 11.41	\$ 9.85	\$ 9.94	\$ 10.00
Income from investment operations:				
Net investment income (loss)	0.04	0.06	0.09	0.01
Net realized and unrealized gain (loss)	(0.95)	1.66	0.01	(0.07)
Total from investment operations	(0.91)	1.72	0.10	(0.06)
Distributions paid to shareholders from:				
Net investment income	(0.03)	(0.06)	(0.09)	—
Net realized gain	(0.02)	(0.10)	(0.10)	—
Total from distributions	(0.05)	(0.16)	(0.19)	—
Net asset value, end of period	\$ 10.45	\$ 11.41	\$ 9.85	\$ 9.94
Total return (b) (c)	(8.00)%	17.50%	0.95%	(0.60)%
Ratios to average net assets/supplemental data:				
Net assets, end of period (in 000's)	\$ 38,277	\$ 22,477	\$ 10,360	\$ 5,440
Ratio of total expenses to average net assets (d)	1.40%	1.85%	2.13%	11.71% (e)
Ratio of net expenses to average net assets (d)	0.74%	0.75%	0.83%	0.79% (e)
Ratio of net investment income (loss) to average net assets	0.48%	0.76%	0.98%	1.54% (e)
Portfolio turnover rate	70%	31%	265%	—%

Class II Shares

	Year Ended December 31,			Period
	2018	2017	2016	Ended 12/31/2015 (a)
Net asset value, beginning of period	\$ 11.40	\$ 9.83	\$ 9.95	\$ 10.00
Income from investment operations:				
Net investment income (loss)	0.07	0.10	0.11	0.01
Net realized and unrealized gain (loss)	(0.95)	1.66	(0.02)	(0.06)
Total from investment operations	(0.88)	1.76	0.09	(0.05)
Distributions paid to shareholders from:				
Net investment income	(0.06)	(0.09)	(0.11)	—
Net realized gain	(0.02)	(0.10)	(0.10)	—
Total from distributions	(0.08)	(0.19)	(0.21)	—
Net asset value, end of period	\$ 10.44	\$ 11.40	\$ 9.83	\$ 9.95
Total return (b) (c)	(7.77)%	17.94%	0.88%	(0.50)%
Ratios to average net assets/supplemental data:				
Net assets, end of period (in 000's)	\$ 84	\$ 59	\$ 50	\$ 50
Ratio of total expenses to average net assets (d)	32.62%	46.41%	57.64%	37.40% (e)
Ratio of net expenses to average net assets (d)	0.49%	0.50%	0.57%	0.51% (e)
Ratio of net investment income (loss) to average net assets	0.73%	0.93%	1.13%	0.86% (e)
Portfolio turnover rate	70%	31%	265%	—%

- (a) The Fund's Class I and Class II shares were seeded on October 29, 2015, and commenced operations on October 30, 2015.
- (b) Total return is based on the combination of reinvested dividends, capital gain and return of capital distributions, if any. Total return is not annualized for periods of less than one year. The returns for the Fund do not reflect the deduction of expenses associated with variable products, such as mortality and expense risk charges, separate account charges, and sales charges or the effect of taxes. These expenses would reduce the overall returns above.
- (c) Total returns would have been lower if certain fees had not been waived and expenses reimbursed by the investment advisor.
- (d) The Fund indirectly bears its proportionate share of fees and expenses incurred by the underlying funds in which the Fund invests. This ratio does not include these indirect fees and expenses.
- (e) Annualized.

**First Trust Variable Insurance Trust
December 31, 2018****1. Organization**

First Trust Variable Insurance Trust (the “Trust”) is an open-end management investment company organized as a Massachusetts business trust on December 14, 2011 and is registered with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended (the “1940 Act”). The Trust currently offers shares of three series (each a “Fund” and collectively, the “Funds”), First Trust/Dow Jones Dividend & Income Allocation Portfolio (“First Trust Dow Jones”), which commenced investment operations on May 1, 2012, First Trust Multi Income Allocation Portfolio (“First Trust Multi Income”), which commenced investment operations on May 1, 2014, and First Trust Dorsey Wright Tactical Core Portfolio (“First Trust Dorsey Wright”), which commenced investment operations on October 30, 2015. Each Fund’s shares are sold only to variable insurance accounts (each an “Account”) to fund the benefits of the variable annuity and variable life insurance contracts (each a “Contract” and collectively, the “Contracts”) issued by life insurance companies writing variable annuity contracts and variable life insurance contracts with which the Trust has a contract (each a “Participating Insurance Company”).

First Trust Dow Jones’ investment objective is to seek to provide total return by allocating among dividend-paying stocks and investment-grade bonds. First Trust Dow Jones seeks to achieve its investment objective by investing, under normal market conditions, approximately 40-60% of its net assets in equity securities and approximately 40-60% of its net assets in fixed-income securities at the time of purchase. The equity portion of the portfolio will be derived from a quantitative process that seeks to provide total return through investing generally in dividend-paying stocks included in the Dow Jones U.S. Total Stock Market IndexSM. First Trust Advisors L.P. (“First Trust” or the “Advisor”) reserves the right to over-weight, under-weight or exclude certain securities from the portfolio that would otherwise be selected pursuant to the quantitative process in certain instances.

First Trust Dow Jones’ fixed-income component seeks to provide income and preserve capital through investing in a diversified investment-grade debt portfolio. Investment-grade debt securities are those long-term debt securities rated “BBB-” or higher by Standard & Poor’s Financial Services LLC or Fitch Ratings, Inc. or “Baa3” or higher by Moody’s Investors Service, Inc., and those short-term debt securities rated “A3” or higher by Standard & Poor’s Financial Services LLC, “F3” or higher by Fitch Ratings, Inc. or “Prime 3” or higher by Moody’s Investor Service, Inc. at the time of purchase. Under normal market conditions, at the time of purchase approximately 80% of the net assets of the Fund allocated to corporate debt will be invested in: investment-grade debt securities included in the Dow Jones Equal Weight U.S. Issued Corporate Bond IndexSM (the “Bond Index”) and other investment-grade debt securities of issuers whose securities are included in the Bond Index; and investment-grade debt securities of issuers included in the Dow Jones Composite IndexSM. The Fund may also invest in U.S. government and agency securities, including mortgage-backed securities. The Fund may, at certain times, also hold exchange-traded funds (“ETFs”) that invest in investment-grade corporate debt securities and U.S. government bonds in lieu of investing directly in such securities.

First Trust Multi Income’s primary investment objective is to maximize current income, with a secondary objective of capital appreciation. First Trust Multi Income seeks to achieve its objectives through diversified exposure to nine income generating asset classes: dividend-paying stocks, preferred stocks, energy infrastructure companies and master limited partnerships (“MLPs”), real estate investment trusts (“REITs”), high yield or “junk” bonds, floating-rate loans, corporate bonds, mortgage-backed securities and Treasury Inflation Protected Securities (“TIPS”). The Fund is actively managed by First Trust and implementing the strategy involves multiple portfolio managers.

The Advisor tactically adjusts allocation weights in a manner deemed to offer attractive levels of total return relative to the level of expected risk. The Advisor intends to adjust asset allocation weights quarterly but may do so more or less frequently depending upon market conditions. The maximum weight of any asset class, at the time of adjustment, is 20%. The minimum weight of any asset class, at the time of adjustment, is 5%.

First Trust Multi Income may, at certain times, invest in ETFs that generally provide exposure to the nine asset classes in lieu of investing directly in such asset classes. Certain of the ETFs may be advised by First Trust. As a result, First Trust will also earn advisory fees on the underlying ETFs.

In general, the U.S. dollar-denominated fixed-income securities in which First Trust Multi Income invests may be issued by U.S. and non-U.S. issuers, of any credit quality, including high yield securities. The high yield securities in which the Fund invests are rated below investment-grade at the time of purchase or unrated and deemed by the Advisor to be of comparable quality, commonly referred to as “junk” bonds. The Fund also invests in the equity securities of domestic and foreign issuers listed on a U.S. or foreign securities exchange and non-U.S. securities that are listed on a U.S. securities exchange in the form of American Depositary Receipts (“ADRs”) and Global Depositary Receipts (“GDRs”) (collectively, “Depositary Receipts”). The Fund may invest in equity securities issued by small, mid or large capitalization companies.

**First Trust Variable Insurance Trust
December 31, 2018**

First Trust Dorsey Wright's investment objective is to seek to provide total return. First Trust Dorsey Wright seeks to achieve its investment objective by investing, under normal market conditions, at least 80% of its net assets (including investment borrowings) in ETFs and cash and cash equivalents that comprise the Dorsey Wright Tactical Tilt Moderate Core Index. It is expected that a majority of the ETFs in which the Fund invests will be advised by First Trust.

Each Fund offers two classes of shares: Class I and Class II. Each class represents an interest in the same portfolio of investments but with a different combination of service (12b-1) fees, eligibility requirements and other features.

2. Significant Accounting Policies

The Funds are each considered an investment company and follow accounting and reporting guidance under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946, "Financial Services-Investment Companies." The following is a summary of significant accounting policies consistently followed by the Funds in the preparation of the financial statements. The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

A. Portfolio Valuation

The net asset value ("NAV") for each class of shares in each Fund is determined daily as of the close of regular trading on the New York Stock Exchange ("NYSE"), normally 4:00 p.m. Eastern time, on each day the NYSE is open for trading. If the NYSE closes early on a valuation day, the NAV is determined as of that time. Domestic debt securities and foreign securities are priced using data reflecting the earlier closing of the principal markets for those securities. The NAV for each class is calculated by dividing the value of each Fund's total assets attributable to such class (including accrued interest and dividends), less all liabilities attributable to such class (including accrued expenses, dividends declared but unpaid, and any borrowings of each Fund) by the total number of shares of the class outstanding. Differences in the NAV of each class of each Fund's shares are generally expected to be due to the daily expense accruals of the specified service (12b-1) fees, if any, and transfer agency costs applicable to such class of shares and the resulting differential in the dividends that may be paid on each class of shares.

Each Fund's investments are valued daily at market value or, in the absence of market value with respect to any portfolio securities, at fair value. Market value prices represent last sale or official closing prices from a national or foreign exchange (i.e., a regulated market) and are primarily obtained from third-party pricing services. Fair value prices represent any prices not considered market value prices and are either obtained from a third-party pricing service or are determined by the Advisor's Pricing Committee, in accordance with valuation procedures adopted by the Trust's Board of Trustees (the "Board"), and in accordance with provisions of the 1940 Act. Investments valued by the Advisor's Pricing Committee, if any, are footnoted as such in the footnotes to the Portfolio of Investments. Each Fund's investments are valued as follows:

Common stocks, preferred stocks, MLPs, ETFs, REITs and other equity securities listed on any national or foreign exchange (excluding The Nasdaq Stock Market LLC ("Nasdaq") and the London Stock Exchange Alternative Investment Market ("AIM")) are valued at the last sale price on the exchange on which they are principally traded or, for Nasdaq and AIM securities, the official closing price. Securities traded on more than one securities exchange are valued at the last sale price or official closing price, as applicable, at the close of the securities exchange representing the principal market for such securities.

Securities traded in an over-the-counter market are fair valued at the mean of their most recent bid and asked price, if available, and otherwise at their closing bid price.

Corporate bonds, corporate notes, U.S. government securities and other debt securities are fair valued on the basis of valuations provided by dealers who make markets in such securities or by a third-party pricing service approved by the Trust's Board, which may use the following valuation inputs when available:

- 1) benchmark yields;
- 2) reported trades;
- 3) broker/dealer quotes;
- 4) issuer spreads;
- 5) benchmark securities;
- 6) bids and offers; and
- 7) reference data including market research publications.

**First Trust Variable Insurance Trust
December 31, 2018**

Exchange-traded futures contracts are valued at the closing price in the market where such contracts are principally traded. If no closing price is available, exchange-traded futures contracts are fair valued at the mean of their most recent bid and asked price, if available, and otherwise at their closing bid price.

Commercial paper, fixed income and other debt securities having a remaining maturity of sixty days or less when purchased are fair valued at cost adjusted for amortization of premiums and accretion of discounts (amortized cost), provided the Advisor's Pricing Committee has determined that the use of amortized cost is an appropriate reflection of fair value given market and issuer-specific conditions existing at the time of the determination. Factors that may be considered in determining the appropriateness of the use of amortized cost include, but are not limited to, the following:

- 1) the credit conditions in the relevant market and changes thereto;
- 2) the liquidity conditions in the relevant market and changes thereto;
- 3) the interest rate conditions in the relevant market and changes thereto (such as significant changes in interest rates);
- 4) issuer-specific conditions (such as significant credit deterioration); and
- 5) any other market-based data the Advisor's Pricing Committee considers relevant. In this regard, the Advisor's Pricing Committee may use last-obtained market-based data to assist it when valuing portfolio securities using amortized cost.

Certain securities may not be able to be priced by pre-established pricing methods. Such securities may be valued by the Trust's Board or its delegate, the Advisor's Pricing Committee, at fair value. These securities generally include, but are not limited to, restricted securities (securities which may not be publicly sold without registration under the Securities Act of 1933, as amended) for which a third-party pricing service is unable to provide a market price; securities whose trading has been formally suspended; a security whose market or fair value price is not available from a pre-established pricing source; a security with respect to which an event has occurred that is likely to materially affect the value of the security after the market has closed but before the calculation of a Fund's NAV or make it difficult or impossible to obtain a reliable market quotation; and a security whose price, as provided by the third-party pricing service, does not reflect the security's fair value. As a general principle, the current fair value of a security would appear to be the amount which the owner might reasonably expect to receive for the security upon its current sale. When fair value prices are used, generally they will differ from market quotations or official closing prices on the applicable exchanges. A variety of factors may be considered in determining the fair value of such securities.

Fair valuation of a debt security will be based on the consideration of all available information, including, but not limited to, the following:

- 1) the fundamental business data relating to the issuer;
- 2) an evaluation of the forces which influence the market in which these securities are purchased and sold;
- 3) the type, size and cost of the security;
- 4) the financial statements of the issuer;
- 5) the credit quality and cash flow of the issuer, based on the Advisor's or external analysis;
- 6) the information as to any transactions in or offers for the security;
- 7) the price and extent of public trading in similar securities (or equity securities) of the issuer/borrower, or comparable companies;
- 8) the coupon payments;
- 9) the quality, value and salability of collateral, if any, securing the security;
- 10) the business prospects of the issuer, including any ability to obtain money or resources from a parent or affiliate and an assessment of the issuer's management (for corporate debt only);
- 11) the prospects for the issuer's industry, and multiples (of earnings and/or cash flows) being paid for similar businesses in that industry (for corporate debt only); and
- 12) other relevant factors.

Fair valuation of an equity security will be based on the consideration of all available information, including, but not limited to, the following:

- 1) the type of security;
- 2) the size of the holding;
- 3) the initial cost of the security;
- 4) transactions in comparable securities;
- 5) price quotes from dealers and/or third-party pricing services;
- 6) relationships among various securities;

**First Trust Variable Insurance Trust
December 31, 2018**

- 7) information obtained by contacting the issuer, analysts, or the appropriate stock exchange;
- 8) an analysis of the issuer's financial statements; and
- 9) the existence of merger proposals or tender offers that might affect the value of the security.

If the securities in question are foreign securities, the following additional information may be considered:

- 1) the value of similar foreign securities traded on other foreign markets;
- 2) ADR trading of similar securities;
- 3) closed-end fund or exchange-traded fund trading of similar securities;
- 4) foreign currency exchange activity;
- 5) the trading prices of financial products that are tied to baskets of foreign securities;
- 6) factors relating to the event that precipitated the pricing problem;
- 7) whether the event is likely to recur; and
- 8) whether the effects of the event are isolated or whether they affect entire markets, countries or regions.

The Funds are subject to fair value accounting standards that define fair value, establish the framework for measuring fair value and provide a three-level hierarchy for fair valuation based upon the inputs to the valuation as of the measurement date. The three levels of the fair value hierarchy are as follows:

- Level 1 – Level 1 inputs are quoted prices in active markets for identical investments. An active market is a market in which transactions for the investment occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Level 2 inputs are observable inputs, either directly or indirectly, and include the following:
 - o Quoted prices for similar investments in active markets.
 - o Quoted prices for identical or similar investments in markets that are non-active. A non-active market is a market where there are few transactions for the investment, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly.
 - o Inputs other than quoted prices that are observable for the investment (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).
 - o Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 – Level 3 inputs are unobservable inputs. Unobservable inputs may reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the investment.

The inputs or methodologies used for valuing investments are not necessarily an indication of the risk associated with investing in those investments. A summary of the inputs used to value each Fund's investments as of December 31, 2018, is included with each Fund's Portfolio of Investments.

B. Securities Transactions and Investment Income

Securities transactions are recorded as of the trade date. Realized gains and losses from securities transactions are recorded on the identified cost basis. Dividend income is recorded on the ex-dividend date. Interest income is recorded daily on the accrual basis. Amortization of premiums and accretion of discounts are recorded using the effective interest method.

Distributions received from a Fund's investments in MLPs generally are comprised of return of capital and investment income. A Fund records estimated return of capital and investment income based on historical information available from each MLP. These estimates may subsequently be revised based on information received from the MLPs after their tax reporting periods are concluded.

Distributions received from a Fund's investments in REITs may be comprised of return of capital, capital gains, and investment income. The actual character of the amounts received during the year are not known until after the REITs' fiscal year end. A Fund records the character of distributions received from the REITs during the year based on estimates available. The characterization of distributions received by a Fund may be subsequently revised based on information received from the REITs after their tax reporting periods conclude.

C. Cash and Cash Equivalents

Normally, the Funds invest substantially all of their assets to meet their investment objectives. The Funds may invest the remainder of their assets in securities with maturities of less than one year or cash equivalents, or they may hold cash. The investment in such instruments is not a principal investment strategy of First Trust Dow Jones or First Trust Multi Income. The percentage of each Fund's net

**First Trust Variable Insurance Trust
December 31, 2018**

assets invested in such holdings varies and depends on several factors, including market conditions. For temporary defensive purposes and during periods of high cash inflows or outflows, the Funds may depart from their principal investment strategies and invest part or all of their assets in these securities, or they may hold cash.

D. Foreign Currency

The books and records of the Funds are maintained in U.S. dollars. Foreign currencies, investments and other assets and liabilities are translated into U.S. dollars at the exchange rates prevailing at the end of the period. Purchases and sales of investments and items of income and expense are translated on the respective dates of such transactions. Unrealized gains and losses on assets and liabilities, other than investments in securities, which result from changes in foreign currency exchange rates have been included in “Net change in unrealized appreciation (depreciation) on foreign currency translation” on the Statements of Operations. Unrealized gains and losses on investments in securities which result from changes in foreign exchange rates are included with fluctuations arising from changes in market price and are included in “Net change in unrealized appreciation (depreciation) on investments” on the Statements of Operations. Net realized foreign currency gains and losses include the effect of changes in exchange rates between trade date and settlement date on investment security transactions, foreign currency transactions and interest and dividends received and are included in “Net realized gain (loss) on foreign currency transactions” on the Statements of Operations. The portion of foreign currency gains and losses related to fluctuations in exchange rates between the initial purchase settlement date and subsequent sale trade date is included in “Net realized gain (loss) on investments” on the Statements of Operations.

E. Futures Contracts

First Trust Dow Jones purchases or sells (i.e., is long or short) futures contracts to hedge against changes in interest rates (interest rate risk). Futures contracts are agreements between the Fund and a counterparty to buy or sell a specific quantity of an underlying instrument at a specified price and at a specified date. Depending on the terms of the contract, futures contracts are settled either through physical delivery of the underlying instrument on the settlement date or by payment of a cash settlement amount on the settlement date. Open futures contracts can also be closed out prior to settlement by entering into an offsetting transaction in a matching futures contract. If the Fund is not able to enter into an offsetting transaction, the Fund will continue to be required to maintain margin deposits on the futures contract. When the contract is closed or expires, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed or expired. This gain or loss is included in “Net realized gain (loss) on futures” on the Statements of Operations.

Upon entering into a futures contract, the Fund must deposit funds, called margin, with its custodian in the name of the clearing broker equal to a specified percentage of the current value of the contract. Open futures contracts are marked-to-market daily with the change in value recognized as a component of “Net change in unrealized appreciation (depreciation) on futures” on the Statements of Operations. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as variation margin and are included in “Variation margin” payable or receivable on the Statements of Assets and Liabilities. If market conditions change unexpectedly, the Fund may not achieve the anticipated benefits of the futures contract and may realize a loss. The use of futures contracts involves the risk of imperfect correlation in movements in the price of the futures contracts, interest rates and the underlying instruments.

F. Principal-Only Securities

A principal-only security (“PO Security”) is the principal-only portion of a mortgage-backed security that does not receive any interest, is priced at a deep discount to its redemption value and ultimately receives the redemption value. Generally speaking, when interest rates are falling and prepayment rates are increasing, the value of a PO Security will rise. Conversely, when interest rates are rising and prepayment rates are decreasing, generally the value of a PO Security will fall. These securities, if any, are identified on the Portfolio of Investments.

G. Interest-Only Securities

An interest-only security (“IO Security”) is the interest-only portion of a mortgage-backed security that receives some or all of the interest portion of the underlying mortgage-backed security and little or no principal. A reference principal value called a notional value is used to calculate the amount of interest due to the IO Security. IO Securities are sold at a deep discount to their notional principal amount. Generally speaking, when interest rates are falling and prepayment rates are increasing, the value of an IO Security will fall. Conversely, when interest rates are rising and prepayment rates are decreasing, generally the value of an IO Security will rise. These securities, if any, are identified on the Portfolio of Investments.

First Trust Variable Insurance Trust
December 31, 2018

H. Dividends and Distributions to Shareholders

Distributions from net investment income of each Fund, if any, are declared and paid semi-annually. Each Fund distributes its net realized capital gains, if any, to shareholders at least annually. All dividends payable by each Fund will be reinvested in the Fund.

Distributions from income and capital gains are determined in accordance with federal income tax regulations, which may differ from U.S. GAAP. Certain capital accounts in the financial statements are periodically adjusted for permanent differences in order to reflect their tax character. These permanent differences are primarily due to the varying treatment of income and gain/loss on portfolio securities held by the Funds and have no impact on net assets or NAV per share. Temporary differences, which arise from recognizing certain items of income, expense and gain/loss in different periods for financial statement and tax purposes, will reverse at some time in the future. Permanent differences incurred during the tax year ended December 31, 2018, have been reclassified at year end to reflect the following:

	Accumulated Net Investment Income (Loss)	Accumulated Net Realized Gain (Loss)	Paid-in Capital
First Trust Dow Jones	\$ 36,075	\$ (36,075)	\$ —
First Trust Multi Income	45,900	(45,816)	(84)
First Trust Dorsey Wright	(24,239)	24,239	—

Accumulated distributable earnings (loss) on the Statements of Assets and Liabilities consists of accumulated net investment income (loss), accumulated net realized gain (loss), and unrealized appreciation (depreciation). Net assets were not affected by this reclassification.

The tax character of distributions paid by each Fund during the year ended December 31, 2018, was as follows:

	Distributions paid from Ordinary Income	Distributions paid from Capital Gains	Distributions paid from Return of Capital
First Trust Dow Jones	\$ 12,292,691	\$ 1,197,495	\$ —
First Trust Multi Income	519,508	—	—
First Trust Dorsey Wright	120,457	35,246	—

The tax character of distributions paid by each Fund during the year ended December 31, 2017, was as follows:

	Distributions paid from Ordinary Income	Distributions paid from Capital Gains	Distributions paid from Return of Capital
First Trust Dow Jones	\$ 26,821,760	\$ 15,440,439	\$ —
First Trust Multi Income	462,252	53,628	—
First Trust Dorsey Wright	145,137	167,401	—

As of December 31, 2018, the components of distributable earnings on a tax basis for each Fund were as follows:

	Undistributed Ordinary Income	Accumulated Capital and Other Gain (Loss)	Net Unrealized Appreciation (Depreciation)
First Trust Dow Jones	\$ 9,665,609	\$ 23,223,342	\$(12,393,866)
First Trust Multi Income	22,357	(21,051)	(804,583)
First Trust Dorsey Wright	15,619	737,450	(2,761,887)

I. Income Taxes

Each Fund intends to continue to qualify as a regulated investment company by complying with the requirements under Subchapter M of the Internal Revenue Code of 1986, as amended, which includes distributing substantially all of its net investment income and net realized gains to shareholders. Accordingly, no provision has been made for federal and state income taxes. However, due to the timing and amount of distributions, each Fund may be subject to an excise tax of 4% of the amount by which approximately 98% of each Fund's taxable income exceeds the distributions from such taxable income for the calendar year.

First Trust Variable Insurance Trust
December 31, 2018

The Funds are subject to accounting standards that establish a minimum threshold for recognizing, and a system for measuring, the benefits of a tax position taken or expected to be taken in a tax return. Taxable years ended 2015, 2016, 2017 and 2018 remain open to federal and state audit for First Trust Dow Jones, First Trust Multi Income and First Trust Dorsey Wright. As of December 31, 2018, management has evaluated the application of these standards to the Funds and has determined that no provision for income tax is required in the Funds' financial statements for uncertain tax positions.

Each Fund intends to utilize provisions of the federal income tax laws, which allow them to carry a realized capital loss forward indefinitely following the year of the loss and offset such loss against any future realized capital gains. The Funds are subject to certain limitations under U.S. tax rules on the use of capital loss carryforwards and net unrealized built-in losses. These limitations apply when there has been a 50% change in ownership.

During the taxable year ended December 31, 2018, the Funds had capital loss carryforwards in the following amounts:

	Capital Loss Available
First Trust Dow Jones	\$ —
First Trust Multi Income	21,051
First Trust Dorsey Wright	—

J. Expenses

Each Fund will pay all expenses directly related to its operations.

Each Participating Insurance Company performs certain administrative services for the Funds, their Accounts and the Contracts. Each Fund pays an administrative services fee of 0.20% of average daily net assets to cover expenses incurred by Participating Insurance Companies in connection with these services.

First Trust has entered into various licensing agreements, which allow First Trust to use certain trademarks and trade names of the applicable licensors (see Licensing Information in the Additional Information section of this report). The Trust, on behalf of First Trust Dow Jones and First Trust Dorsey Wright, is a sub-licensee to these license agreements and is required to pay licensing fees, which are shown on the Statements of Operations.

K. New Accounting Pronouncement

On March 30, 2017, the FASB issued Accounting Standards Update (“ASU”) 2017-08 “Premium Amortization on Purchased Callable Debt Securities,” which amends the amortization period for certain purchased callable debt securities held at a premium by shortening such period to the earliest call date. The new guidance requires an entity to amortize the premium on a callable debt security within its scope to the earliest call date, unless the guidance for considering estimated prepayments is applied. If the call option is not exercised at the earliest call date, the yield is reset to the effective yield using the payment terms of the security. If the security has more than one call date and the premium was amortized to a call price greater than the next call price, any excess of the amortized cost basis over the amount repayable at the next call date will be amortized to that date. If there are no other call dates, any excess of the amortized cost basis over the par amount will be amortized to maturity. Discounts on purchased callable debt securities will continue to be amortized to the security's maturity date. ASU 2017-08 is effective for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Earlier adoption is permitted for all entities, including adoption in an interim period. If an entity early adopts the ASU in an interim period, any adjustments must be reflected as of the beginning of the fiscal year that includes that interim period. Management is still assessing the impact of the adoption of ASU 2017-08 on the financial statements but does not expect it to have a material impact.

On August 28, 2018, the FASB issued ASU 2018-13, “Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement,” which amends the fair value measurement disclosure requirements of ASC 820. The amendments of ASU 2018-13 include new, eliminated, and modified disclosure requirements of ASC 820. In addition, the amendments clarify that materiality is an appropriate consideration of entities when evaluating disclosure requirements. The ASU is effective for fiscal years beginning after December 15, 2019, including interim periods therein. Early adoption is permitted for any eliminated or modified disclosures upon issuance of this ASU. The Funds have early adopted ASU 2018-13 for these financial statements, which did not result in a material impact.

**First Trust Variable Insurance Trust
December 31, 2018****3. Investment Advisory Fee, Affiliated Transactions and Other Fee Arrangements**

First Trust, the investment advisor to the Funds, is a limited partnership with one limited partner, Grace Partners of DuPage L.P., and one general partner, The Charger Corporation. The Charger Corporation is an Illinois corporation controlled by James A. Bowen, Chief Executive Officer of First Trust. First Trust provides each Fund with discretionary investment services and certain administrative services necessary for the management of the Funds. For its investment advisory and management services, First Trust is entitled to a monthly fee calculated at an annual rate of 0.60% of the average daily net assets for both First Trust Dow Jones and First Trust Multi Income, and 0.35% of the average daily net assets for First Trust Dorsey Wright. First Trust also provides fund reporting services to First Trust Dow Jones and First Trust Dorsey Wright for a flat annual fee in the amount of \$9,250 per Fund.

In addition First Trust Multi Income and First Trust Dorsey Wright incur their respective pro rata share of fees and expenses attributable to each Fund's investments in other investment companies ("acquired fund fees and expenses"). The total of net expenses and acquired fund fees and expenses represents each Fund's total net annual operating expenses.

First Trust Multi Income and First Trust have retained Energy Income Partners, LLC ("EIP") and Stonebridge Advisors LLC ("Stonebridge") (collectively, the "Sub-Advisors"), affiliates of First Trust, to serve as investment sub-advisors. In this capacity, the Sub-Advisors provide recommendations to the Advisor regarding the selection and ongoing monitoring of certain securities in First Trust Multi Income's investment portfolio. EIP acts as sub-advisor for, and manages on a discretionary basis the investment and reinvestment of, only the assets of First Trust Multi Income allocated to EIP by the Advisor and furnishes an investment program in respect of and makes investment decisions only with respect to the portion of First Trust Multi Income's investment portfolio allocated to it by the Advisor. EIP, an affiliate of the Advisor, has been retained by First Trust Multi Income and the Advisor to provide recommendations regarding the selection and ongoing monitoring of the MLP, MLP affiliate and energy infrastructure securities in First Trust Multi Income's investment portfolio and to exercise discretion only with respect to assets of First Trust Multi Income allocated to EIP. Stonebridge serves as a nondiscretionary sub-advisor. Stonebridge has been retained by First Trust Multi Income and the Advisor to provide recommendations regarding the selection and ongoing monitoring of the preferred and hybrid securities in First Trust Multi Income's investment portfolio.

For the services provided and the expenses assumed pursuant to the investment sub-advisory agreement, First Trust will pay EIP a subadvisory fee equal to 40% monthly in arrears of any remaining monthly investment management fee paid to the Advisor for the average daily net assets allocated to EIP after First Trust's waiver of any of its investment management fee to comply with the then-current expense cap, as defined below. For the services provided and the expenses assumed pursuant to the investment sub-advisory agreement, First Trust will pay Stonebridge a portfolio management fee equal to an annual rate of 0.20% of the Fund's average daily net assets allocated to Stonebridge.

First Trust Capital Partners, LLC ("FTCP"), an affiliate of First Trust, owns, through a wholly-owned subsidiary, a 15% ownership interest in each of EIP and EIP Partners, LLC, an affiliate of EIP. FTCP also owns, through a wholly-owned subsidiary, a 51% ownership interest in Stonebridge.

First Trust has agreed to waive fees and/or pay First Trust Dow Jones' and First Trust Multi Income's expenses to the extent necessary to prevent the annual operating expenses of Class I shares and Class II shares (excluding interest expense, brokerage commissions and other trading expenses, acquired fund fees and expenses, if any, taxes and extraordinary expenses) from exceeding 1.20% and 0.95% (each an "Expense Cap"), respectively, of each Fund's average daily net assets per year at least until May 1, 2020. First Trust has agreed to waive fees and/or pay First Trust Dorsey Wright's expenses to the extent necessary to prevent the operating expenses of Class I shares and Class II shares (excluding interest expense, brokerage commissions and other trading expenses, taxes and extraordinary expenses) from exceeding 1.30% and 1.05% (each an "Expense Cap"), respectively, of each Fund's average daily net assets per year at least until May 1, 2020. For First Trust Dorsey Wright, because acquired fund fees and expenses are estimated, First Trust will periodically adjust the amount of the fee waiver and expense reimbursement in order to attempt to meet the Expense Caps. However, total net annual fund expenses may be higher or lower than the Expense Caps.

Expenses borne and fees waived by First Trust are subject to reimbursement by each Fund for up to three years from the date the fee or expense was incurred by the Fund, but no reimbursement payment will be made by the Fund at any time if it would result in the Fund's expenses exceeding the Expense Cap. These amounts, if any, are included in "Expenses previously waived or reimbursed" on the Statements of Operations.

**First Trust Variable Insurance Trust
December 31, 2018**

The advisory fee waivers and expense reimbursements for the year ended December 31, 2018, and the expenses borne and fees waived by First Trust subject to recovery from the applicable Fund at December 31, 2018, are included in the table below.

	Fees Waived or Expenses Borne by First Trust Subject to Recovery					
	Fees Waived	Expenses Reimbursed	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2018	Total
First Trust Dow Jones	\$ 186,633	\$ —	\$ 338,513	\$ 203,355	\$ 186,633	\$ 728,501
First Trust Multi Income	129,893	62,247	152,851	189,257	192,140	534,248
First Trust Dorsey Wright	109,493	120,773	157,770	199,184	230,266	587,220

During the year ended December 31, 2018, First Trust did not recover any fees that were previously waived or reimbursed.

First Trust has agreed to waive and/or reimburse the acquired fund fees and expenses of the shares of investment companies held by First Trust Multi Income up to 0.37% of the Fund's average daily net assets through May 1, 2020. During the year ended December 31, 2018, First Trust reimbursed First Trust Multi Income \$80,100 of fees that are not subject to recovery.

BNY Mellon Investment Servicing (US) Inc. ("BNYM IS") serves as First Trust Dow Jones', First Trust Multi Income's and First Trust Dorsey Wright's transfer agent in accordance with certain fee arrangements. As transfer agent, BNYM IS is responsible for maintaining shareholder records for the Funds. BNYM IS is a subsidiary of The Bank of New York Mellon Corporation, a financial holding company.

The Bank of New York Mellon ("BNYM") serves as First Trust Dow Jones' and First Trust Multi Income's administrator, fund accountant and custodian in accordance with certain fee arrangements. As administrator and fund accountant, BNYM is responsible for providing certain administrative and accounting services to the Funds, including maintaining the Funds' books of account, records of the Funds' securities transactions, and certain other books and records. As custodian, BNYM is responsible for custody of each Fund's assets. BNYM is a subsidiary of The Bank of New York Mellon Corporation, a financial holding company.

Brown Brothers Harriman & Co. ("BBH") serves as First Trust Dorsey Wright's administrator, fund accountant and custodian. As custodian, BBH is responsible for custody of the Fund's assets. As administrator and fund accountant, BBH is responsible for providing certain administrative and accounting services to the Fund, including maintaining the Fund's books of account, records of the Fund's securities transactions, and certain other books and records.

Each Trustee who is not an officer or employee of First Trust, any sub-advisor or any of their affiliates ("Independent Trustees") is paid a fixed annual retainer that is allocated equally among each fund in the First Trust Fund Complex. Each Independent Trustee is also paid an annual per fund fee that varies based on whether the fund is a closed-end or other actively managed fund, or is an index fund.

Additionally, the Lead Independent Trustee and the Chairmen of the Audit Committee, Nominating and Governance Committee and Valuation Committee are paid annual fees to serve in such capacities, with such compensation allocated pro rata among each fund in the First Trust Fund Complex based on net assets. Independent Trustees are reimbursed for travel and out-of-pocket expenses in connection with all meetings. The Lead Independent Trustee and Committee Chairmen rotate every three years. The officers and "Interested" Trustee receive no compensation from the Trust for acting in such capacities.

**First Trust Variable Insurance Trust
December 31, 2018**

4. Capital Share Transactions

Capital transactions for First Trust Dow Jones were as follows:

	Year Ended December 31, 2018		Year Ended December 31, 2017	
	Shares	Value	Shares	Value
Sales:				
Class I	10,329,682	\$ 142,354,467	12,209,439	\$ 163,359,896
Class II	2,415	33,034	12,731	181,551
Total Sales	<u>10,332,097</u>	<u>\$ 142,387,501</u>	<u>12,222,170</u>	<u>\$ 163,541,447</u>
Dividend Reinvestment:				
Class I	1,031,910	\$ 13,489,067	3,094,656	\$ 42,252,292
Class II	68	882	667	9,149
Total Dividend Reinvestment	<u>1,031,978</u>	<u>\$ 13,489,949</u>	<u>3,095,323</u>	<u>\$ 42,261,441</u>
Redemptions:				
Class I	(5,216,581)	\$ (70,989,205)	(3,937,247)	\$ (52,916,444)
Class II	(13,771)	(184,264)	(22)	(309)
Total Redemptions	<u>(5,230,352)</u>	<u>\$ (71,173,469)</u>	<u>(3,937,269)</u>	<u>\$ (52,916,753)</u>

Capital transactions for First Trust Multi Income were as follows:

	Year Ended December 31, 2018		Year Ended December 31, 2017	
	Shares	Value	Shares	Value
Sales:				
Class I	935,128	\$ 10,021,784	529,437	\$ 5,744,312
Class II	3,916	40,654	—	—
Total Sales	<u>939,044</u>	<u>\$ 10,062,438</u>	<u>529,437</u>	<u>\$ 5,744,312</u>
Dividend Reinvestment:				
Class I	50,041	\$ 516,531	47,398	\$ 511,337
Class II	30	296	130	1,406
Total Dividend Reinvestment	<u>50,071</u>	<u>\$ 516,827</u>	<u>47,528</u>	<u>\$ 512,743</u>
Redemptions:				
Class I	(425,750)	\$ (4,546,268)	(437,125)	\$ (4,750,415)
Class II	(4,510)	(48,124)	(305)	(3,336)
Total Redemptions	<u>(430,260)</u>	<u>\$ (4,594,392)</u>	<u>(437,430)</u>	<u>\$ (4,753,751)</u>

**First Trust Variable Insurance Trust
December 31, 2018**

Capital transactions for First Trust Dorsey Wright were as follows:

	Year Ended December 31, 2018		Year Ended December 31, 2017	
	Shares	Value	Shares	Value
Sales:				
Class I	2,028,796	\$ 24,081,320	1,099,884	\$ 11,844,556
Class II	2,825	34,014	—	—
Total Sales	<u>2,031,621</u>	<u>\$ 24,115,334</u>	<u>1,099,884</u>	<u>\$ 11,844,556</u>
Dividend Reinvestment:				
Class I	14,641	\$ 155,085	27,252	\$ 311,559
Class II	57	618	86	979
Total Dividend Reinvestment	<u>14,698</u>	<u>\$ 155,703</u>	<u>27,338</u>	<u>\$ 312,538</u>
Redemptions:				
Class I	(348,389)	\$ (4,020,869)	(209,529)	\$ (2,272,459)
Class II	(20)	(243)	—	—
Total Redemptions	<u>(348,409)</u>	<u>\$ (4,021,112)</u>	<u>(209,529)</u>	<u>\$ (2,272,459)</u>

5. Purchases and Sales of Securities

Cost of purchases and proceeds from sales of investment securities, excluding U.S. Government securities and short-term investments, for the year ended December 31, 2018, were as follows:

	Purchases	Sales
First Trust Dow Jones	\$ 556,435,623	\$ 480,051,938
First Trust Multi Income	13,507,771	7,759,337
First Trust Dorsey Wright	41,484,006	21,292,543

Cost of purchases and proceeds from sales of U.S. Government investment securities, excluding short-term investments, for the year ended December 31, 2018, were as follows:

	Purchases	Sales
First Trust Dow Jones	\$ 99,751,358	\$ 87,837,129
First Trust Multi Income	1,109,836	823,276
First Trust Dorsey Wright	—	—

6. Derivative Transactions

The following table presents the type of derivatives held by First Trust Dow Jones at December 31, 2018, the primary underlying risk exposure and the location of these instruments as presented on the Statements of Assets and Liabilities. First Trust Multi Income and First Trust Dorsey Wright did not hold any derivative instruments as of December 31, 2018.

Derivative Instrument	Risk Exposure	Asset Derivatives		Liability Derivatives	
		Statements of Assets and Liabilities Location	Value	Statements of Assets and Liabilities Location	Value
Futures	Interest rate risk	Unrealized appreciation on futures contracts*	\$ —	Unrealized depreciation on futures contracts*	\$ 416,555

* Includes cumulative appreciation (depreciation) on futures contracts as reported in the Portfolio of Investments. The current day's variation margin is reported within the Statements of Assets and Liabilities.

**First Trust Variable Insurance Trust
December 31, 2018**

The following table presents the amount of net realized gain (loss) and change in net unrealized appreciation (depreciation) recognized for the year ended December 31, 2018, on derivative instruments held by First Trust Dow Jones, as well as the primary underlying risk exposure associated with each instrument.

Statements of Operations Location
Interest Rate Risk Exposure

Net realized gain (loss) on futures	\$ 1,033,877
Net change in unrealized appreciation (depreciation) on futures	(510,735)

During the year ended December 31, 2018, the notional value of futures contracts opened and closed were \$72,780,886 and \$83,243,340, respectively.

First Trust Dow Jones does not have the right to offset financial assets and liabilities related to futures contracts on the Statements of Assets and Liabilities.

7. Affiliated Transactions

First Trust Multi Income and First Trust Dorsey Wright invest in securities of affiliated funds. Dividend income and realized gains and losses from affiliated funds are presented on the Statements of Operations. Each Fund's investment performance and risks are directly related to the investment performance and risks of the affiliated funds.

Amounts relating to these investments in First Trust Multi Income at December 31, 2018, and for the year then ended are:

Security Name	Shares at 12/31/2018	Value at 12/31/2017	Purchases	Sales	Change in Unrealized Appreciation (Depreciation)	Realized Gain (Loss)	Value at 12/31/2018	Dividend Income
First Trust Institutional Preferred Securities and Income ETF	23,620	\$ —	\$ 488,125	\$ (22,159)	\$ (34,235)	\$ (902)	\$ 430,829	\$ 19,291
First Trust Low Duration Opportunities ETF	2,000	3,668	482,823	(384,518)	215	(88)	102,100	513
First Trust Preferred Securities and Income ETF	71,300	1,186,193	565,726	(350,897)	(133,003)	11,816	1,279,835	60,564
First Trust Senior Loan Fund	79,540	2,763,251	1,477,965	(421,240)	(188,595)	(10,720)	3,620,661	128,611
First Trust Tactical High Yield ETF	32,470	1,179,765	814,726	(418,464)	(93,147)	(26,601)	1,456,279	78,793
		<u>\$5,132,877</u>	<u>\$3,829,365</u>	<u>\$(1,597,278)</u>	<u>\$ (448,765)</u>	<u>\$ (26,495)</u>	<u>\$6,889,704</u>	<u>\$ 287,772</u>

First Trust Variable Insurance Trust
December 31, 2018

Amounts relating to these investments in First Trust Dorsey Wright at December 31, 2018, and for the year then ended are:

Security Name	Shares at 12/31/2018	Value at 12/31/2017	Purchases	Sales	Change in Unrealized Appreciation (Depreciation)	Realized Gain (Loss)	Value at 12/31/2018	Dividend Income
First Trust BICK Index Fund	8,626	\$ 108,141	\$ 139,309	\$ (2,953)	\$ (33,233)	\$ 591	\$ 211,855	\$ 3,288
First Trust Brazil AlphaDEX® Fund	14,229	—	202,445	—	(14,053)	—	188,392	3,443
First Trust Chindia ETF	—	108,306	125,231	(200,111)	(20,918)	(12,508)	—	1,379
First Trust Developed Markets ex-US AlphaDEX® Fund	13,506	389,688	436,165	(10,557)	(156,404)	3,172	662,064	10,369
First Trust Dow Jones Internet Index Fund	28,068	2,029,044	1,827,173	(557,862)	(255,608)	231,666	3,274,413	—
First Trust Emerging Markets AlphaDEX® Fund	22,838	265,731	346,185	(7,296)	(85,966)	2,737	521,391	13,149
First Trust Germany AlphaDEX® Fund	4,729	113,686	120,617	(3,109)	(53,740)	971	178,425	2,486
First Trust Health Care AlphaDEX® Fund	47,637	—	3,744,449	—	(463,689)	—	3,280,760	—
First Trust Industrials/ Producer Durables AlphaDEX® Fund	—	2,050,972	1,826,012	(3,685,074)	(303,445)	111,535	—	13,648
First Trust Large Cap Growth AlphaDEX® Fund	64,321	2,242,246	2,007,865	(171,003)	(436,515)	44,287	3,686,880	10,527
First Trust Mid Cap Core AlphaDEX® Fund	—	2,231,742	827,195	(3,200,436)	(321,927)	463,426	—	9,383
First Trust Mid Cap Growth AlphaDEX® Fund	96,289	—	4,355,731	(122,402)	(748,575)	5,722	3,490,476	1,993
First Trust Nasdaq Bank ETF	—	2,026,277	1,579,408	(3,419,538)	(217,162)	31,015	—	27,476
First Trust NASDAQ-100- Technology Sector Index Fund	50,400	2,006,766	1,927,763	(202,921)	(376,098)	75,218	3,430,728	24,478
First Trust NYSE Arca Biotechnology Index Fund	24,995	—	3,908,715	—	(804,336)	—	3,104,379	—
First Trust Small Cap Growth AlphaDEX® Fund	85,143	2,165,861	2,144,738	(539,834)	(516,000)	162,875	3,417,640	2,513
First Trust Switzerland AlphaDEX® Fund	4,374	108,841	119,821	(2,933)	(34,633)	748	191,844	2,718
First Trust Technology AlphaDEX® Fund	63,773	1,906,897	1,776,101	(239,757)	(124,447)	32,477	3,351,271	9,917
		<u>\$17,754,198</u>	<u>\$27,414,923</u>	<u>\$(12,365,786)</u>	<u>\$(4,966,749)</u>	<u>\$ 1,153,932</u>	<u>\$28,990,518</u>	<u>\$ 136,767</u>

8. 12b-1 Service Plan

The Trust has adopted a plan (the “Plan”) pursuant to Rule 12b-1 under the 1940 Act, which provides that Class I shares of each of the Funds will be subject to an annual service fee.

First Trust Portfolios L.P. (“FTP”), an affiliate of First Trust, serves as the selling agent and distributor of shares of the Funds. FTP uses the service fee to compensate each Participating Insurance Company for providing account services to Contract owners. These services include establishing and maintaining Contract owners’ accounts, supplying information to Contract owners, delivering Fund materials to Contract owners, answering inquiries, and providing other personal services to Contract owners. Each Fund may spend up to 0.25% per year of the average daily net assets of its Class I shares as a service fee under the Plan. In addition, the Plan permits First Trust to use a portion of its advisory fee to compensate FTP for expenses incurred in connection with the sale of a Fund’s Class I shares including, without limitation, compensation of its sales force, expenses of printing and distributing the Prospectus to persons other than Contract owners, expenses of

**First Trust Variable Insurance Trust
December 31, 2018**

preparing, printing and distributing advertising and sales literature and reports to Contract owners used in connection with the sale of a Fund's Class I Shares, certain other expenses associated with the servicing of Class I shares of a Fund, and any service-related expenses that may be authorized from time to time by the Board.

During the year ended December 31, 2018, all service fees received by FTP were paid to the Participating Insurance Companies, with no portion of such fees retained by FTP. The Plan may be renewed from year to year if approved by a vote of the Trust's Board and a vote of the Independent Trustees, who have no direct or indirect financial interest in the Plan, cast in person at a meeting called for the purpose of voting on the Plan.

9. Borrowings

The Trust, on behalf of First Trust Dow Jones and First Trust Multi Income, along with First Trust Series Fund and First Trust Exchange-Traded Fund IV, has a \$200 million Credit Agreement (the "BNYM Line of Credit") with BNYM to be a liquidity backstop during periods of high redemption volume. A commitment fee of 0.15% of the daily amount of the excess of the commitment amount over the outstanding principal balance of the loans will be charged by BNYM, which First Trust will allocate amongst the funds that have access to the BNYM Line of Credit. These fees are reflected in the Statements of Operations in the "Commitment fees" line item. To the extent that either fund accesses the BNYM Line of Credit, there would also be an interest fee charged. Neither First Trust Dow Jones or First Trust Multi Income drew on the BNYM Line of Credit during the year ended December 31, 2018.

10. Indemnification

The Trust, on behalf of the Funds, has a variety of indemnification obligations under contracts with its service providers. The Trust's maximum exposure under these arrangements is unknown. However, the Trust has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

11. Subsequent Events

Management has evaluated the impact of all subsequent events on the Funds through the date the financial statements were issued, and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements that have not already been disclosed.

Report of Independent Registered Public Accounting Firm

To the shareholders and the Board of Trustees of First Trust Variable Insurance Trust:

Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of First Trust Variable Insurance Trust (the "Trust"), comprising the First Trust/Dow Jones Dividend & Income Allocation Portfolio, First Trust Multi Income Allocation Portfolio, and First Trust Dorsey Wright Tactical Core Portfolio (the "Funds"), as of December 31, 2018, the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for the periods indicated in the table below for the Funds, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of each of the funds listed above constituting the First Trust Variable Insurance Trust as of December 31, 2018, and the results of their operations for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for the period listed in the table below, in conformity with accounting principles generally accepted in the United States of America.

Individual Fund Comprising the Trust	Financial Highlights
First Trust/Dow Jones Dividend & Income Allocation Portfolio Class I	For the years ended December 31, 2018, 2017, 2016, 2015, and 2014
First Trust/Dow Jones Dividend & Income Allocation Portfolio Class II	For the years ended December 31, 2018, 2017, 2016, 2015 and the period from May 1, 2014 (commencement of operations) through December 31, 2014
First Trust Multi Income Allocation Portfolio	For the years ended December 31, 2018, 2017, 2016, 2015 and the period from May 1, 2014 (commencement of operations) through December 31, 2014
First Trust Dorsey Wright Tactical Core Portfolio	For the years ended December 31, 2018, 2017, 2016, and the period from October 30, 2015 (commencement of operations) through December 31, 2015

Basis for Opinion

These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on the Funds' financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Funds are not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of securities owned as of December 31, 2018, by correspondence with the custodian and brokers; when replies were not received from brokers and agent banks, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

Deloitte & Touche LLP

Chicago, Illinois
February 13, 2019

We have served as the auditor of one or more First Trust investment companies since 2001.

**First Trust Variable Insurance Trust
December 31, 2018 (Unaudited)**

Proxy Voting Policies and Procedures

A description of the policies and procedures that the Trust uses to determine how to vote proxies and information on how the Trust voted proxies relating to portfolio investments during the most recent 12-month period ended June 30 is available (1) without charge, upon request, by calling (800) 988-5891; (2) on the Trust's website at www.ftportfolios.com; and (3) on the Securities and Exchange Commission's ("SEC") website at www.sec.gov.

Portfolio Holdings

The Trust files its complete schedule of each Fund's portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Trust's Form N-Qs are available (1) by calling (800) 988-5891; (2) on each Fund's website at www.ftportfolios.com; and (3) on the SEC's website at www.sec.gov.

Beginning in April 2019, the Trust will cease to disclose each Fund's holdings on Form N-Q and will file Form N-PORT with the SEC on a monthly basis. Part F of Form N-PORT, which contains the complete schedule of each Fund's portfolio holdings, will be made available in the same manner as Form N-Q discussed above.

Federal Tax Information

For the taxable year ended December 31, 2018, the following percentages of income dividend paid by the Funds qualify for the dividends received deduction available to corporations:

	<u>Dividends Received Deduction</u>
First Trust Dow Jones Dividend & Income Allocation Portfolio	37.66%
First Trust Multi Income Allocation Portfolio	20.14%
First Trust Dorsey Wright Tactical Core Portfolio	0.00%

For the year ended December 31, 2018, the amount of long-term capital gain distributions designated by the Funds which are taxable at the applicable taxable gains rates for federal income tax purposes were:

	<u>Long-Term Capital Gain Distributions</u>
First Trust Dow Jones Dividend & Income Allocation Portfolio	\$1,197,495
First Trust Multi Income Allocation Portfolio	—
First Trust Dorsey Wright Tactical Core Portfolio	35,246

Licensing Information

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**First Trust Variable Insurance Trust
December 31, 2018 (Unaudited)**

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Risk Considerations

Risks are inherent in all investing. The following summarizes some of the risks that should be considered for the Funds. For additional information about the risks associated with investing in the Funds, please see the Funds' prospectuses and statements of additional information, as well as other regulatory filings.

Bank Loan Risks. Certain of the Funds invest in bank loans. An investment in bank loans subjects the Fund to credit risk, which is heightened for bank loans in which the Fund invests because companies that issue such loans tend to be highly leveraged and thus are more susceptible to the risks of interest deferral, default and/or bankruptcy. Senior floating loans, in which the Fund may invest, are usually rated below investment grade but may also be unrated. As a result, the risks associated with these senior floating loans are similar to the risks of high yield fixed income instruments. An economic downturn would generally lead to a higher non-payment rate, and a senior floating rate loan may lose significant market value before a default occurs. Moreover, any specific collateral used to secure a

**First Trust Variable Insurance Trust
December 31, 2018 (Unaudited)**

senior floating rate loan may decline in value or become illiquid, which would adversely affect the senior floating rate loan's value. Unlike the securities markets, there is no central clearinghouse for loan trades, and the loan market has not established enforceable settlement standards or remedies for failure to settle. Therefore, portfolio transactions in senior floating rate loan may have uncertain settlement time periods. Senior floating rate loans are subject to a number of risks elsewhere in this report, including liquidity risk and the risk of investing in below grade fixed income instruments.

Call Risk. If an issuer calls higher-yielding debt instruments held by the Funds, performance could be adversely impacted.

Convertible Securities Risk. Certain of the ETFs in which certain of the Funds invest may invest in convertible securities. Convertible securities have characteristics of both equity and debt securities and, as a result, are exposed to certain additional risks. The market values of convertible securities tend to decline as interest rates increase and, conversely, to increase as interest rates decline.

However, a convertible security's market value also tends to reflect the market price of the common stock of the issuing company, particularly when the stock price is greater than the convertible security's conversion price (i.e., the predetermined price or exchange ratio at which the convertible security can be converted or exchanged for the underlying common stock). Convertible securities are also exposed to the risk that an issuer is unable to meet its obligation to make dividend or principal payments when due as a result of changing financial or market conditions. Convertible securities generally offer lower interest or dividend yields than non-convertible debt securities of similar credit quality because of their potential for capital appreciation.

Credit Risk. The Funds are subject to credit risk. Credit risk is the risk that an issuer of a security will be unable or unwilling to make dividend, interest and/or principal payments when due and the related risk that the value of a security may decline because of concerns about the issuer's ability to make such payments.

Currency Exchange Rate Risk. Certain of the ETFs in which certain of the Funds invest may hold investments that are denominated in non-U.S. currencies, or in securities that provide exposure to such currencies, currency exchange rates or interest rates denominated in such currencies. Changes in currency exchange rates and the relative value of non-U.S. currencies will affect the value of the Funds' investment and the value of your Fund shares. Currency exchange rates can be very volatile and can change quickly and unpredictably. As a result, the value of an investment in the Funds may change quickly and without warning and you may lose money.

Cyber Security Risk. As the use of Internet technology has become more prevalent in the course of business, the Funds have become more susceptible to potential operational risks through breaches in cybersecurity. A breach in cybersecurity refers to both intentional and unintentional events that may cause the Fund to lose proprietary information, suffer data corruption or lose operational capacity. Such events could cause the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. Cyber security breaches may involve unauthorized access to the Fund's digital information systems through "hacking" or malicious software coding, but may also result from outside attacks such as denial-of-service attacks through efforts to make network services unavailable to intended users. In addition, cyber security breaches of the Fund's third-party service providers, such as its administrator, transfer agent, custodian, or sub-advisor, as applicable, or issuers in which the Fund invests, can also subject the Fund to many of the same risks associated with direct cyber security breaches. The Fund has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially because the Fund does not directly control the cybersecurity systems of issuers or third-party service providers.

Depository Receipts Risk. Certain of the Funds invest in equity securities in the form of Depository Receipts, which may be less liquid than the underlying securities in their primary trading market. Any distributions paid to the holders of Depository Receipts are usually subject to a fee charged by the depository. Holders of Depository Receipts may have limited voting rights, and investment restrictions in certain countries may adversely impact the value of Depository Receipts because such restrictions may limit the ability to convert the securities into Depository Receipts and vice versa. Such restrictions may cause the securities of the underlying issuer to trade at a discount or premium to the market price of the Depository Receipts.

Dividend Risk. Certain of the Funds are subject to dividend risk. There is no guarantee that the issuers of the Funds' equity securities will declare dividends in the future or that, if declared, they will either remain at current levels or increase over time.

Energy Infrastructure Companies Risk. Certain of the Funds invest in energy infrastructure companies. These companies principally include publicly-traded MLPs and limited liability companies taxed as partnerships, MLP affiliates and their successor companies, pipeline companies, utilities, and other companies that derive at least 50% of their revenues from operating or providing services in support of infrastructure assets such as pipeline, power transmission and petroleum and natural gas storage in the petroleum, natural gas and power generation industries. The Fund invests in energy infrastructure companies and is subject to certain risks inherent in investing in these types of securities. Energy infrastructure companies may be directly affected by energy commodity prices, especially those companies that own the underlying energy commodity. A decrease in the production or availability of natural gas, natural gas liquids, crude oil, coal or other energy commodities or a decrease in the volume of such commodities available for transportation, processing, storage or distribution may adversely impact the financial performance of energy infrastructure companies. Energy infrastructure companies are subject to significant federal, state and local government regulation in virtually every aspect of their operations, including how facilities are constructed, maintained and operated, environmental and safety controls, and the prices they may charge for products

**First Trust Variable Insurance Trust
December 31, 2018 (Unaudited)**

and services. Various governmental authorities have the power to enforce compliance with these regulations and the permits issued under them and violators are subject to administrative, civil and criminal penalties, including civil fines, injunctions or both. Stricter laws, regulations or enforcement policies could be enacted in the future which would likely increase compliance costs and may adversely affect the financial performance of energy infrastructure companies. Natural disasters, such as hurricanes in the Gulf of Mexico, also may impact energy infrastructure companies.

Certain energy infrastructure companies in the utilities industry are subject to imposition of rate caps, increased competition due to deregulation, difficulty in obtaining an adequate return on invested capital or in financing large construction projects, limitations on operations and increased costs and delays attributable to environmental considerations, and the capital market's ability to absorb utility debt. In addition, taxes, government regulation, international politics, price and supply fluctuations, volatile interest rates and energy conservation may cause difficulties for these companies. Such issuers have been experiencing certain of these problems to varying degrees.

Equity Securities Risk. Certain of the Funds hold equity securities. The value of the Funds' shares will fluctuate with changes in the value of these equity securities. Equity securities prices fluctuate for several reasons, including changes in investors' perceptions of the financial condition of an issuer or the general condition of the relevant stock market, such as market volatility, or when political or economic events affecting the issuers occur. In addition, common stock prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase. The equity markets have experienced recent volatility that may lead to sharp declines in the value of the underlying ETFs and the Funds.

Exchange-Traded Fund ("ETF") Risk. An ETF trades like common stock and represents a portfolio of securities. The risks of owning an ETF generally reflect the risks of owning the underlying securities, although lack of liquidity in an ETF could result in it being more volatile. ETFs have management fees and other operating expenses that increase their costs. In general, as a shareholder in other investment companies, the Funds bear their ratable share of the underlying fund's expenses and are subject to duplicative expenses to the extent a Fund invests in other ETFs.

Extension Risk. Extension risk is the risk that, when interest rates rise, certain obligations will be paid off by the issuer (or obligor) more slowly than anticipated, causing the value of these securities to fall. Rising interest rates tend to extend the duration of securities, making them more sensitive to changes in interest rates. The value of longer-term securities generally changes more in response to changes in interest rates than shorter-term securities. As a result, in a period of rising interest rates, securities may exhibit additional volatility and may lose value.

Financial Companies Risk. 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

Fixed Income Securities Risk. An investment in the Funds involves risk associated with an investment in fixed income securities including the risk that certain of the securities in the Funds may not have the benefit of covenants that would prevent the issuer from engaging in capital restructurings or borrowing transactions in connection with corporate acquisitions, leveraged buyouts or restructurings. This limitation could reduce the ability of the issuer to meet its payment obligations and might result in increased credit risk. In addition, certain of the securities may be redeemed or prepaid by the issuer, resulting in lower interest payments by the Funds and reduced distributions to shareholders.

Floating Rate Loan Risk. Certain of the ETFs in which certain of the Funds invest may invest in floating rate loans, which may include high yield securities, or "junk" loans. An investment in floating rate loans subjects the Funds to credit risk, which is heightened for loans in which the Funds invest because companies that issue such loans tend to be highly leveraged and thus are more susceptible to the risks of interest deferral and/or bankruptcy.

The loans are usually rated below investment grade but may also be unrated. An economic downturn would generally lead to a higher non-payment rate, and a loan may lose significant market value before a default occurs. Moreover, any specific collateral used to secure a loan may decline in value or become illiquid, which would adversely affect the loan's value. Loans are subject to a number of risks described elsewhere in this annual report, including liquidity risk and the risk of investing in below investment grade debt instruments. Floating rate loans are subject to prepayment risk. The degree to which borrowers prepay loans, whether as a contractual requirement or at their election, may be affected by general business conditions, the financial condition of the borrower and competitive conditions among loan investors, among others. Floating rate loans may also not be considered "securities" under the 1940 Act and therefore prevent the Funds from relying on the anti-fraud provisions of the Act.

Fund of Funds Risk. Certain of the Funds invest in securities of other ETFs, which involves additional expenses that would not be present in a direct investment in such ETFs. Furthermore, the Funds' investment performance and risks are directly related to the investment performance and risks of the underlying ETFs in which the Funds invest.

**First Trust Variable Insurance Trust
December 31, 2018 (Unaudited)**

High Yield Securities Risk. Certain of the Funds invest in high yield securities, or “junk” bonds, which are subject to greater market fluctuations and risk of loss than securities with higher ratings, and therefore, may be highly speculative. These securities are issued by companies that may have limited operating history, narrowly focused operations, and/or other impediments to the timely payment of periodic interest and principal at maturity. If the economy slows down or dips into recession, the issuers of high yield securities may not have sufficient resources to continue making timely payment of periodic interest and principal at maturity. The market for high yield securities is generally smaller and less liquid than that for investment grade securities. High yield securities are generally not listed on a national securities exchange but trade in the over-the-counter markets. Due to the smaller, less liquid market for high yield securities, the bid-offer spread on such securities is generally greater than it is for investment grade securities and the purchase or sale of such securities may take longer to complete.

Illiquid Securities Risk. Some of the securities held by certain of the Funds may be illiquid. Illiquid securities involve the risk that the securities will not be able to be sold at the time desired by the Fund or at prices approximately the value at which the Fund is carrying the securities on its books.

Income Risk. Income from the Funds’ fixed income investments could decline during periods of falling interest rates.

Index Rebalance Risk. Pursuant to the methodology that First Trust Dorsey Wright Tactical Core Portfolio’s index provider uses to calculate and maintain the Fund’s underlying index, the Fund may own a significant portion of the First Trust ETFs included in the Fund. Such ETFs may be removed from the underlying index in the event that it does not comply with the eligibility requirements of the underlying index. As a result, the Fund may be forced to sell shares of certain First Trust ETFs at inopportune times or for prices other than at current market values or may elect not to sell such shares on the day that they are removed from the underlying index, due to market conditions or otherwise. Due to these factors, the variation between the Fund’s annual return and the return of the underlying index may increase significantly. Apart from scheduled rebalances, the index provider may carry out additional ad hoc rebalances to the underlying index to, for example, correct an error in the selection of constituents. When the Fund in turn rebalances its portfolio, any transaction costs and market exposure arising from such portfolio rebalancing will be borne by the Fund and its shareholders. Unscheduled rebalances may also expose the Fund to additional tracking error risk. Therefore, errors and additional ad hoc rebalances carried out by the index provider may increase the Fund’s costs and market exposure.

Interest Rate Risk. Interest rate risk is the risk that the value of the fixed-income securities in the Funds will decline because of rising market interest rates. Interest rate risk is generally lower for shorter term investments and higher for longer term investments. Mortgage-related securities are particularly subject to the risk that interest rate volatility may adversely impact the valuation and price of such securities. Additionally, the return on the floating rate loans in which the Funds may invest will decline during a period of falling interest rates.

Investment Companies Risk. The Funds may invest in the shares of other investment companies, and therefore, the Funds’ investment performance and risks may be related to the investment performance and risks of the underlying funds. In general, as a shareholder in other investment companies, the Funds bear their ratable share of the underlying fund’s expenses and would be subject to duplicative expenses to the extent the Funds invest in other investment companies.

Liquidity Risk. The Funds may be subject to the risks of investing in lower-quality debt issued by companies that are highly leveraged. Lower-quality debt tends to be less liquid than higher-quality debt. Moreover, smaller debt issues tend to be less liquid than larger debt issues. If the economy experiences a sudden downturn, or if the debt markets for such companies become distressed, the Funds may have particular difficulty selling their assets in sufficient amounts, at reasonable prices and in a sufficiently timely manner to raise the cash necessary to meet any potentially heavy redemption requests by shareholders.

Loan Prepayment Risk. Loans are subject to prepayment risk. The degree to which borrowers prepay loans, whether as a contractual requirement or at their election, may be affected by general business conditions, the financial condition of the borrower and competitive conditions among loan investors, among others. As such prepayments cannot be predicted with accuracy. Upon a prepayment, either in part or in full, the actual outstanding debt on which the Funds derive interest income will be reduced. The Funds may not be able to reinvest the proceeds received on terms as favorable as the prepaid loan.

Management Risk. Certain of the Funds are subject to management risk because they have actively managed portfolios. The Advisor will apply investment techniques and risk analyses in making investment decisions for the Funds, but there can be no guarantee that the Funds will achieve their investment objectives.

Market Risk. Market risk is the risk that a particular security owned by a Fund or shares of the Funds in general may fall in value. Shares are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Overall Fund share values could decline generally or could underperform other investments.

MLP Risk. Certain of the Funds invest in Master Limited Partnerships (“MLP’s). Investment in MLP units involves risks which differ from an investment in common stock of a corporation. Holders of MLP units have limited control and voting rights on matters affecting the partnership. In addition, there are certain tax risks associated with an investment in MLP units and conflicts of interest may exist

**First Trust Variable Insurance Trust
December 31, 2018 (Unaudited)**

between common unit holders and the general partner, including those arising from incentive distribution payments. In addition, there is the risk that an MLP could be, contrary to its intention, taxed as a corporation, resulting in decreased returns from such MLP. On March 15, 2018, the Federal Energy Regulatory Commission ("FERC") changed its long-standing tax allowance policy which no longer permits MLPs to include in their cost of service an income tax allowance. This has had a negative impact on the performance of some MLPs affected by this decision. This policy change and any similar policy changes in the future could adversely impact an MLP's business, financial condition, results of operations and cash flows and ability to pay cash distributions or dividends.

Mortgage Securities Risk. Certain of the ETFs in which certain of the Funds invest may hold mortgage-related securities, including mortgage-backed securities, which may make the Funds more susceptible to adverse economic, political or regulatory events that affect the value of real estate. Changes in local, state and federal policies could negatively impact the mortgage-related securities market, which include various government initiated and sponsored homeowner assistance programs and eminent domain issues. Mortgage related securities may also face liquidity issues when a Fund seeks to sell such securities but is unable to find buyers at a bid-ask spread to make the transaction feasible. These securities are also subject to the risk that the underlying borrowers may default on their mortgages, resulting in a non-payment of principal and interest. Finally, the mortgage-related securities market may be negatively impacted by regulatory changes including those that are related to the mandate or existence of the government-sponsored enterprises, Fannie Mae, Freddie Mac and Ginnie Mae. Mortgage-related securities are subject to prepayment risk. The degree to which borrowers prepay loans, whether as a contractual requirement or at their election, may be affected by general business conditions, the financial condition of the borrower and competitive conditions among loan investors, among others. As such, prepayments cannot be predicted with accuracy.

Upon a prepayment, either in part or in full, the actual outstanding debt on which a Fund derives interest income will be reduced. In declining interest rate environments, the extent to which borrowers prepay a mortgage generally increases, which increase reinvestment risk, or the risk that the proceeds received are not reinvested on terms as favorable as the prepaid loan. Conversely, mortgage-related securities are subject to the risk that the rate of mortgage prepayments decreases, which extends the average life of a security and increases the interest rate risk exposure.

Municipal Bonds Risk. Certain of the ETFs in which certain of the Funds invest may invest in municipal bonds. In addition to being subject to credit, income and interest rate risk (as described in the prospectus), municipal bonds are subject to tax risk. Interest income from municipal bonds is normally not subject to regular federal income tax, but income from municipal bonds held by the underlying ETFs could be declared taxable because of, among other things, unfavorable changes in tax laws, adverse interpretations by the Internal Revenue Service or state tax authorities or noncompliant conduct of a bond issuer. Consequently, the attractiveness of municipal bonds in relation to other investment alternatives is affected by changes in federal income tax rates or changes in the tax-exempt status of interest income from municipal bonds.

Non-Correlation Risk. The Funds' returns may not match the return of an Index for a number of reasons. For example, the Funds incur operating expenses not applicable to the Indexes, and may incur costs in buying and selling securities, especially when rebalancing the Funds' portfolio holdings to reflect changes in the composition of the Indexes. In addition, the Funds' portfolio holdings may not exactly replicate the securities included in the Indexes or the ratios between the securities included in the Indexes.

Non-Diversification Risk. The First Trust Dorsey Wright Tactical Core Portfolio is classified as "non-diversified" under the 1940 Act. As a result, the First Trust Dorsey Wright Tactical Core Portfolio is only limited as to the percentage of its assets that may be invested in the securities of any one issuer by the diversification requirements imposed by the Internal Revenue Code of 1986, as amended (the "Code"). The First Trust Dorsey Wright Tactical Core Portfolio may invest a relatively high percentage of its assets in a limited number of issuers. As a result, the First Trust Dorsey Wright Tactical Core Portfolio 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 invested in certain issuers.

Non-U.S. Securities and Emerging Markets Risk. Certain of the Funds invest in securities of non-U.S. issuers. Non-U.S. securities are subject to higher volatility than securities of domestic issuers due to possible adverse political, social or economic developments; restrictions on foreign investment or exchange of securities; lack of liquidity; currency exchange rates; excessive taxation; government seizure of assets; different legal or accounting standards and less government supervision and regulation of exchanges in foreign countries. These risks may be heightened for securities of companies located in, or with significant operations in, emerging market countries.

Preferred Securities Risk. The Funds and certain of the ETFs in which certain of the Funds invest, invest in preferred securities. Preferred securities combine some of the characteristics of both common stocks and bonds. Preferred securities are typically subordinated to bonds and other debt instruments in a company's capital structure in terms of priority to corporate income, and therefore will be subject to greater credit risk than those debt instruments. Preferred securities are also subject to credit risk, interest rate risk and income risk.

REIT Risk. Certain of the Funds invest in Real Estate Investment Trusts ("REITs"), and as a result, the Fund is subject to the risks associated with investing in real estate, which may include, but are not limited to, fluctuations in the value of underlying properties; defaults by borrowers or tenants; market saturation; changes in general and local operating expenses; and other economic, political or regulatory occurrences affecting companies in the real estate industry. In addition to risks related to investments in real estate generally, investing in REITs involves certain other risks related to their structure and focus, which include, but are not limited to, dependency upon management

**First Trust Variable Insurance Trust
December 31, 2018 (Unaudited)**

skills, limited diversification, the risks of locating and managing financing for projects, heavy cash flow dependency, possible default by borrowers, the costs and potential losses of self-liquidation of one or more holdings, the risk of a possible lack of mortgage funds and associated interest rate risks, overbuilding, property vacancies, increases in property taxes and operating expenses, changes in zoning laws, losses due to environmental damages, changes in neighborhood values and appeal to purchases, the possibility of failing to maintain exemptions from registration under the 1940 Act and, in many cases, relatively small market capitalization, which may result in less market liquidity and greater price volatility. REITs are also subject to the risk that the real estate market may experience an economic downturn generally, which may have a material effect on the real estate in which the REITs invest and their underlying portfolio securities.

Small Fund Risk. Certain of the Funds currently have fewer assets than larger funds, and like other relatively smaller funds, large inflows and outflows may impact the Funds' market exposure for limited periods of time. This impact may be positive or negative, depending on the direction of market movement during the period affected.

Smaller Company Risk. Certain of the Funds and certain of the ETFs in which certain of the Funds invest, invest in small- and mid-capitalization companies. Such companies may be more vulnerable to adverse general market or economic developments, and their securities may be less liquid and may experience greater price volatility than larger, more established companies as a result of several factors, including limited trading volumes, products or financial resources, management inexperience and less publicly available information. Accordingly, such companies are generally subject to greater market risk than larger, more established companies.

TIPS Risk. Certain of the Funds invest in Treasury Inflation Protected Securities ("TIPS"). TIPS are inflation-indexed fixed-income securities issued by the U.S. Department of Treasury and are subject to the same risks as other fixed income investments. In a falling inflationary environment, both interest payments and the value of the TIPS will decline.

Board of Trustees and Officers

First Trust Variable Insurance Trust December 31, 2018 (Unaudited)

The following tables identify the Trustees and Officers of the Trust. Unless otherwise indicated, the address of all persons is 120 East Liberty Drive, Suite 400, Wheaton, IL 60187.

The Trust's statement of additional information includes additional information about the Trustees and is available, without charge, upon request, by calling (800) 988-5891.

Name, Year of Birth and Position with the Trust	Term of Office and Year First Elected or Appointed	Principal Occupations During Past 5 Years	Number of Portfolios in the First Trust Fund Complex Overseen by Trustee	Other Trusteeships or Directorships Held by Trustee During Past 5 Years
INDEPENDENT TRUSTEES				
Richard E. Erickson, Trustee (1951)	<ul style="list-style-type: none"> • Indefinite Term • Since Trust Inception 	Physician, Officer, Wheaton Orthopedics; Limited Partner, Gundersen Real Estate Limited Partnership (June 1992 to December 2016); Member, Sportsmed LLC (April 2007 to November 2015)	161	None
Thomas R. Kadlec, Trustee (1957)	<ul style="list-style-type: none"> • Indefinite Term • Since Trust Inception 	President, ADM Investor Services, Inc. (Futures Commission Merchant)	161	Director of ADM Investor Services, Inc., ADM Investor Services International, Futures Industry Association, and National Futures Association
Robert F. Keith, Trustee (1956)	<ul style="list-style-type: none"> • Indefinite Term • Since Trust Inception 	President, Hibs Enterprises (Financial and Management Consulting)	161	Director of Trust Company of Illinois
Niel B. Nielson, Trustee (1954)	<ul style="list-style-type: none"> • Indefinite Term • Since Trust Inception 	Senior Advisor (August 2018 to Present), Managing Director and Chief Operating Officer (January 2015 to August 2018), Pelita Harapan Educational Foundation (Educational Products and Services); President and Chief Executive Officer (June 2012 to September 2014), Servant Interactive LLC (Educational Products and Services); President and Chief Executive Officer (June 2012 to September 2014), Dew Learning LLC (Educational Products and Services)	161	Director of Covenant Transport, Inc. (May 2003 to May 2014)
INTERESTED TRUSTEE				
James A. Bowen ⁽¹⁾ , Trustee and Chairman of the Board (1955)	<ul style="list-style-type: none"> • Indefinite Term • Since Trust Inception 	Chief Executive Officer, First Trust Advisors L.P. and First Trust Portfolios L.P.; Chairman of the Board of Directors, BondWave LLC (Software Development Company) and Stonebridge Advisors LLC (Investment Advisor)	161	None

⁽¹⁾ Mr. Bowen is deemed an "interested person" of the Trust due to his position as CEO of First Trust Advisors L.P., investment advisor of the Trust.

Board of Trustees and Officers (Continued)**First Trust Variable Insurance Trust
December 31, 2018 (Unaudited)**

Name and Year of Birth	Position and Offices with Trust	Term of Office and Length of Service	Principal Occupations During Past 5 Years
OFFICERS⁽²⁾			
James M. Dykas (1966)	President and Chief Executive Officer	<ul style="list-style-type: none"> • Indefinite Term • Since January 2016 	Managing Director and Chief Financial Officer (January 2016 to Present), Controller (January 2011 to January 2016), Senior Vice President (April 2007 to January 2016), First Trust Advisors L.P. and First Trust Portfolios L.P.; Chief Financial Officer (January 2016 to Present), BondWave LLC (Software Development Company) and Stonebridge Advisors LLC (Investment Advisor)
Donald P. Swade (1972)	Treasurer, Chief Financial Officer and Chief Accounting Officer	<ul style="list-style-type: none"> • Indefinite Term • Since January 2016 	Senior Vice President (July 2016 to Present), Vice President (April 2012 to July 2016), First Trust Advisors L.P. and First Trust Portfolios L.P.
W. Scott Jardine (1960)	Secretary and Chief Legal Officer	<ul style="list-style-type: none"> • Indefinite Term • Since Trust Inception 	General Counsel, First Trust Advisors L.P. and First Trust Portfolios L.P.; Secretary and General Counsel, BondWave LLC; Secretary, Stonebridge Advisors LLC
Daniel J. Lindquist (1970)	Vice President	<ul style="list-style-type: none"> • Indefinite Term • Since Trust Inception 	Managing Director, First Trust Advisors L.P. and First Trust Portfolios L.P.
Kristi A. Maher (1966)	Chief Compliance Officer and Assistant Secretary	<ul style="list-style-type: none"> • Indefinite Term • Since Trust Inception 	Deputy General Counsel, First Trust Advisors L.P. and First Trust Portfolios L.P.
Roger F. Testin (1966)	Vice President	<ul style="list-style-type: none"> • Indefinite Term • Since Trust Inception 	Senior Vice President, First Trust Advisors L.P. and First Trust Portfolios L.P.

⁽²⁾ Officers of the Trust have an indefinite term. The term “officer” means the president, vice president, secretary, treasurer, controller or any other officer who performs a policy making function.

**First Trust Variable Insurance Trust
December 31, 2018 (Unaudited)**

First Trust values our relationship with you and considers your privacy an important priority in maintaining that relationship. We are committed to protecting the security and confidentiality of your personal information.

Sources of Information

We collect nonpublic personal information about you from the following sources:

- Information we receive from you and your broker-dealer, investment advisor or financial representative through interviews, applications, agreements or other forms;
- Information about your transactions with us, our affiliates or others;
- Information we receive from your inquiries by mail, e-mail or telephone; and
- Information we collect on our website through the use of “cookies”. For example, we may identify the pages on our website that your browser requests or visits.

Information Collected

The type of data we collect may include your name, address, social security number, age, financial status, assets, income, tax information, retirement and estate plan information, transaction history, account balance, payment history, investment objectives, marital status, family relationships and other personal information.

Disclosure of Information

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. In addition to using this information to verify your identity (as required under law), the permitted uses may also include the disclosure of such information to unaffiliated companies for the following reasons:

- In order to provide you with products and services and to effect transactions that you request or authorize, we may disclose your personal information as described above to unaffiliated financial service providers and other companies that perform administrative or other services on our behalf, such as transfer agents, custodians and trustees, or that assist us in the distribution of investor materials such as trustees, banks, financial representatives, proxy services, solicitors and printers.
- We may release information we have about you if you direct us to do so, if we are compelled by law to do so, or in other legally limited circumstances (for example to protect your account from fraud).

In addition, in order to alert you to our other financial products and services, we may share your personal information within First Trust.

Use of Website Analytics

We currently use third party analytics tools, Google Analytics and AddThis, to gather information for purposes of improving First Trust’s website and marketing our products and services to you. These tools employ cookies, which are small pieces of text stored in a file by your web browser and sent to websites that you visit, to collect information, track website usage and viewing trends such as the number of hits, pages visited, videos and PDFs viewed and the length of user sessions in order to evaluate website performance and enhance navigation of the website. We may also collect other anonymous information, which is generally limited to technical and web navigation information such as the IP address of your device, internet browser type and operating system for purposes of analyzing the data to make First Trust’s website better and more useful to our users. The information collected does not include any personal identifiable information such as your name, address, phone number or email address unless you provide that information through the website for us to contact you in order to answer your questions or respond to your requests. To find out how to opt-out of these services click on: Google Analytics and AddThis.

Confidentiality and Security

With regard to our internal security procedures, First Trust restricts access to your nonpublic personal information to those First Trust employees who need to know that information to provide products or services to you. We maintain physical, electronic and procedural safeguards to protect your nonpublic personal information.

Policy Updates and Inquiries

As required by federal law, we will notify you of our privacy policy annually. We reserve the right to modify this policy at any time, however, if we do change it, we will tell you promptly. For questions about our policy, or for additional copies of this notice, please go to www.ftportfolios.com, or contact us at 1-800-621-1675 (First Trust Portfolios) or 1-800-222-6822 (First Trust Advisors).

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First Trust

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First Trust Advisors L.P.
120 East Liberty Drive, Suite 400
Wheaton, IL 60187

INVESTMENT SUB-ADVISORS

First Trust Multi Income Allocation Portfolio

Energy Income Partners, LLC
10 Wright Street
Westport, CT 06880

Stonebridge Advisors LLC
10 Westport Road, Suite C101
Wilton, CT 06897

ADMINISTRATOR, FUND ACCOUNTANT, & CUSTODIAN

First Trust/Dow Jones Dividend & Income Allocation Portfolio

First Trust Multi Income Allocation Portfolio
The Bank of New York Mellon
240 Greenwich Street
New York, NY 10286

First Trust Dorsey Wright Tactical Core Portfolio

Brown Brothers Harriman & Co.
50 Post Office Square
Boston, MA 02110

TRANSFER AGENT

BNY Mellon Investment Servicing (US) Inc.
301 Bellevue Parkway
Wilmington, DE 19809

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LEGAL COUNSEL

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