

FIRST TRUST REAL ASSETS FUND

Class A Shares - FTRDX

Class I Shares - FTREX

Annual Report

March 31, 2024



First Trust Real Assets Fund

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This report and the financial statements contained herein are provided for the general information of the shareholders of the First Trust Real Assets Fund (the "Fund"). This report is not authorized for distribution to prospective investors in the Fund unless preceded or accompanied by an effective prospectus.



FIRST TRUST REAL ASSETS FUND MANAGEMENT DISCUSSION OF FUND PERFORMANCE (Unaudited)

Executive-Level Overview

We like to preface our Annual Shareholder Letter with an Executive-Level Overview to reinforce our investment process and current mindset in present market conditions.

The prior year was marked by aggressive responses to rapid inflation through monetary policy, increasing geopolitical tension, and developed economies displaying resilience despite recessionary fears. However, while headline inflation has shown signs of easing and the economy has outperformed consensus expectations, persistent high core inflation along with seismic shifts in the economy and geopolitics pose a multifaceted challenge for asset allocators going forward. These shifts indicate a transition to a new investment landscape, prompting a reassessment of risk asset behaviors. Our primary focus remains guiding investors through this evolving environment. Amidst amplified volatility in both equity and debt markets, short-term disruptions complicate portfolio management and how to best respond to economic data. Our unwavering approach prioritizes building robust, uncorrelated portfolios that we believe are capable of delivering positive absolute performance across diverse market cycles. This strategy has proven to be prudent, offering investors protection from adverse outcomes despite the increased market turbulence across our range of strategies.

While global interest rates moving higher over the year certainly impacted many long duration asset classes (chiefly public equities), one trend on which we have been acutely focused is the capital flight observed internationally across public and private markets. As the higher-for-longer interest rate environment continues and more companies and assets run into financing issues (either through debt maturities, free-cash-flow problems, or a combination of both), we expect these capital vacuums to present both challenges and opportunities for investors as we move through 2024. Our team remains excited about the prevailing market environment and opportunity set that we expect to unfold over the coming quarters. However, we remain acutely aware of the numerous macro- and micro-level factors that have the potential to drive global risk markets in the months to come.

As is customary in our Annual Shareholder Letter, we will review what we believe to be the important drivers of performance and opportunity in the Fund for the past fiscal year period.

First Trust Real Assets Fund

Over the one-year period ending March 31, 2024, the Fund produced a net return of +0.21%, underperforming the Bloomberg Investment Grade REITs Index return of +7.11%. The real estate lending exposure was the best performing sub-sector within the Fund, adding +3.11% to total net return. The real estate equity exposure subtracted -2.90% from net return. From a risk profile, the Fund displayed an attractive 1.18% annualized volatility over this period. The Fund's core real estate exposure has seen valuation pressures since its launch, while its real estate debt positioning has partially offset these losses.

Although Real Estate Investment Trusts (REITs) rallied in 2023 in hopes that the top in interest rates had been reached, there were challenges for core real estate equity as reflected by private real estate sector returns. Our investment approach remained consistent in this strategy led by a tactical decision to target underlying Commercial Real Estate (CRE) lending positions. During the year, we also directed additional capital towards more defensive and diversified managers capable of generating positive leverage and net operating income from assets that are less susceptible to fluctuations in interest rates and economic cycles. We believe that these managers are well positioned to offer resilient exposure against potential economic downturns through strategic allocations across a range of real estate sectors.



Our primary strategic focus during the year was on bridge lending opportunities as well as select equity opportunities in very high-quality assets from non-economic sellers, particularly those with renovations or other plans to add additional value to their properties. 2024 is a large interest rate cap and maturity wall with many existing loans expiring for real estate equity sponsors, and many will no longer be able to prolong difficult economic choices. Given this uncertainty, we preferred opportunities within real estate lending and targeted core real estate equity strategies that were not impacted by this dynamic. Factoring in constraints surrounding traditional financing avenues, our attention shifted to identifying potential in floating rate senior secured lending, recognizing it as an enticing source of relative value. During the year, our portfolio managers consistently emphasized the advantageous landscape for real estate debt, highlighting the heightened exposure within their portfolios to superior assets and robust risk-adjusted returns. Based on the current and go-forward expected yields of underlying positions within the Fund's portfolio, we remain confident in the Fund's ability to generate net investment income that is sufficient to cover the intended distribution rate of the Fund, as it did over the previous fiscal year.

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

Kind Regards,

Handwritten signature of Michael D. Peck.

Michael D. Peck, CFA

Chief Executive Officer, Co-Chief Investment Officer
mpeck@firsttrustcapital.com

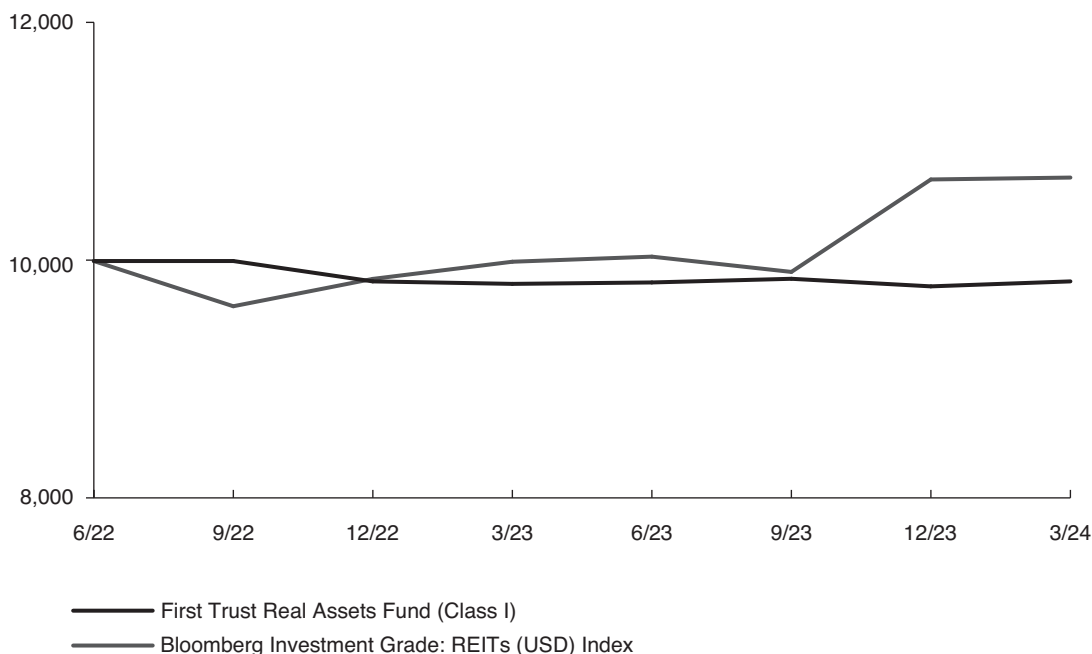
Handwritten signature of Brian R. Murphy.

Brian R. Murphy

Co-Chief Investment Officer
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First Trust Real Assets Fund
FUND PERFORMANCE
March 31, 2024 (Unaudited)

Performance of a \$10,000 Investment



This graph compares a hypothetical \$10,000 investment in the Fund’s Class I Shares with a similar investment in the Bloomberg Investment Grade: REITs (USD) Index. Results include the reinvestment of all dividends and capital gains. The index does not reflect expenses, fees, or sales charges, which would lower performance.

The Bloomberg Investment Grade: REITs (USD) Index measures the performance of the U.S. investment grade REIT market. The index invests in investment grade real estate company securities in the United States. The index is unmanaged and it is not available for investment.

Average Annual Total Returns as of March 31, 2024	One Year	Since Inception
First Trust Real Assets Fund – Class I (Inception Date June 29, 2022)	0.21%	(0.98)%
Bloomberg Investment Grade: REITs (USD) Index	7.11%	3.96%

Performance of a \$10,000 Investment and Cumulative Total Returns are from the date of the offering of shares to the public on June 29, 2022.

The performance data quoted here represents past performance and past performance is not a guarantee of future results. Investment return and principal value will fluctuate so that an investor’s shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance information quoted. The most recent quarter end performance may be obtained by calling 1 (877) 779-1999.

Fund performance is shown net of fees. For the Fund’s current expense ratios, please refer to the Consolidated Financial Highlights Section of this report. Performance results include the effect of expense reduction arrangements for some or all of the periods shown. If those arrangements had not been in place, the performance results for those periods would have been lower.

Returns reflect the reinvestment of distributions made by the Fund, if any. The graph and the performance table above do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Trustees and Shareholders
First Trust Real Assets Fund

Opinion on the financial statements

We have audited the accompanying consolidated statement of assets and liabilities of First Trust Real Assets Fund (the “Fund”), including the consolidated schedule of investments, as of March 31, 2024, the related consolidated statements of operations and cash flows for the year then ended, the consolidated statements of changes in net assets for year then ended and for the period from May 2, 2022 (commencement of investment operations) through March 31, 2023, the consolidated financial highlights for the year then ended and the period from May 2, 2022 (commencement of investment operations) through March 31, 2023 and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2024, the results of its operations and cash flows for the year then ended, the changes in its net assets for year then ended and for the period from May 2, 2022 (commencement of investment operations) through March 31, 2023, and the financial highlights for the year then ended and for the period from May 2, 2022 (commencement of investment operations) through March 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements 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 Fund 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 are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its 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 Fund’s 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, 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. Our procedures included confirmation of securities owned as of March 31 2024, by correspondence with the custodians, underlying fund managers and brokers, or by other appropriate auditing procedures where replies from brokers were not received. 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. We believe that our audits provide a reasonable basis for our opinion.

/s/ GRANT THORNTON LLP

We have served as the auditor of one or more of First Trust Capital Management L.P.’s investment companies since 2016.

Dallas, Texas
June 5, 2024

First Trust Real Assets Fund
CONSOLIDATED SCHEDULE OF INVESTMENTS
As of March 31, 2024

Principal Amount ¹		Value
	ASSET-BACKED SECURITIES – 4.8%	
\$ 119,219	Home Partners of America Trust Series 2021-2, Class F, 3.799%, 12/17/2026 ²	\$ 106,866
139,774	Pretium Mortgage Credit Partners, LLC Series 2022-NPL1, Class A1, 2.981%, 1/25/2052 ^{2,3,4}	136,271
190,605	Series 2023-RN1, Class A1, 8.232%, 9/25/2053 ^{2,3,4}	193,109
161,495	PRP Advisors, LLC Series 2021-3, Class A1, 1.867%, 4/25/2026 ^{2,3,4}	159,003
227,330	Saluda Grade Alternative Mortgage Trust Series 2023-FIG3, Class A, 7.067%, 8/25/2053 ^{2,3,5}	236,103
227,330	Series 2023-FIG3, Class B, 7.712%, 8/25/2053 ^{2,3}	234,057
	TOTAL ASSET-BACKED SECURITIES (Cost \$1,041,959)	1,065,409
	BANK LOANS – 2.3%	
500,000	CIRE Alto OpCo, LLC 10.800%, 11/29/2024 ⁶	500,000
	TOTAL BANK LOANS (Cost \$500,000)	500,000
	Number of Shares	
	CLOSED-END FUNDS – 7.3%	
111,073	Pender Real Estate Credit Fund – Class I	1,115,173
43,328	Stepstone Private Infrastructure Fund – Class I*	499,567
	TOTAL CLOSED-END FUNDS (Cost \$1,602,120)	1,614,740
	Principal Amount¹	
	COLLATERALIZED MORTGAGE OBLIGATIONS – 12.4%	
250,000	Freddie Mac Structured Agency Credit Risk Debt Notes Series 2022-HQA3, Class M2, 10.670% (30-Day SOFR Average+535 basis points), 8/25/2042 ^{2,3,7}	272,215
200,000	Series 2023-HQA2, Class M1B, 8.670% (30-Day SOFR Average+335 basis points), 6/25/2043 ^{2,3,7}	211,896
250,000	GCAT Trust Series 2021-NQM6, Class M1, 3.414%, 8/25/2066 ^{2,3,5}	171,434
172,849	Series 2022-NQM4, Class A3, 5.730%, 8/25/2067 ^{2,3,4}	172,499
227,000	GS Mortgage-Backed Securities Trust Series 2023-CCM1, Class B1, 7.512%, 8/25/2053 ^{2,3,5}	223,626
223,019	Series 2023-PJ4, Class A15, 6.000%, 1/25/2054 ^{2,3,5}	223,882
168,105	JP Morgan Mortgage Trust Series 2016-4, Class B3, 3.808%, 10/25/2046 ^{2,3,5}	152,777
120,700	Series 2016-4, Class B4, 3.808%, 10/25/2046 ^{2,3,5}	84,997
164,947	Series 2016-4, Class B5, 3.808%, 10/25/2046 ^{2,3,5}	88,661

First Trust Real Assets Fund
CONSOLIDATED SCHEDULE OF INVESTMENTS — Continued
As of March 31, 2024

Principal Amount ¹		Value
	COLLATERALIZED MORTGAGE OBLIGATIONS (Continued)	
\$ 250,000	New Residential Mortgage Loan Trust Series 2022-NQM1, Class M1, 3.601%, 4/25/2061 ^{2,3,5}	\$ 180,122
200,000	Radnor RE Ltd. Series 2022-1, Class M1B, 12.070% (30-Day SOFR Average+675 basis points), 9/25/2032 ^{2,3,7}	215,160
250,000	Series 2021-1, Class M2, 8.470% (30-Day SOFR Average+315 basis points), 12/27/2033 ^{2,3,7}	253,830
200,000	Verus Securitization Trust Series 2021-1, Class M1, 1.968%, 1/25/2066 ^{2,3,5}	152,212
200,000	Series 2021-7, Class B1, 4.143%, 10/25/2066 ^{2,3,5}	151,961
200,000	Series 2024-1, Class B1, 7.909%, 1/25/2069 ^{2,3,5}	198,954
	TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS (Cost \$2,807,275)	2,754,226
	PRIVATE INVESTMENT FUNDS – 16.4%	
465,543	CBRE U.S. Core Partners LP	747,797
N/A ⁸	HillPointe Workforce Partnership IV LP ^{*9}	292,007
N/A ⁸	Nuveen Real Estate U.S. Cities Industrial Fund ⁶	779,704
N/A ⁸	Nuveen Real Estate U.S. Cities Multifamily Fund LP ⁶	155,281
N/A ⁸	Oak Street Real Estate Capital Net Lease Property Fund LP	1,303,212
N/A ⁸	Wynwood BN, LLC	356,184
	TOTAL PRIVATE INVESTMENT FUNDS (Cost \$3,968,675)	3,634,185
	REAL ESTATE INVESTMENT TRUSTS – 37.7%	
65,424	Bailard Real Estate Investment Trust LP	2,017,663
N/A ⁸	Cire Real Estate Investment Trust, Inc.	1,850,611
71,592	Invesco Real Estate Income Trust, Inc. ⁶	1,999,070
67,333	Jones Lang LaSalle Income Property Trust, Inc. – Class M-I	814,053
63,139	RREEF Property Trust, Inc. – Class D	868,164
34,445	Starwood Real Estate Income Trust, Inc. ⁶	788,292
	TOTAL REAL ESTATE INVESTMENT TRUSTS (Cost \$9,118,735)	8,337,853
	SHORT-TERM INVESTMENTS – 15.3%	
3,387,040	Morgan Stanley Institutional Liquidity Fund – Government Portfolio – Institutional Class, 5.15% ¹⁰	3,387,040
	TOTAL SHORT-TERM INVESTMENTS (Cost \$3,387,040)	3,387,040
	TOTAL INVESTMENTS – 96.2% (Cost \$22,425,805)	21,293,453
	Assets in Excess of Other Liabilities – 3.8%	849,036
	TOTAL NET ASSETS – 100.0%	\$22,142,489

LLC – Limited Liability Company

First Trust Real Assets Fund
CONSOLIDATED SCHEDULE OF INVESTMENTS — Continued
As of March 31, 2024

LP – Limited Partnership

* Non-income producing security.

¹ Local currency.

² Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities are restricted and may be resold in transactions exempt from registration normally to qualified institutional buyers. The total value of these securities is \$3,819,635, which represents 17.25% of the total net assets of the Fund.

³ Callable.

⁴ Step rate security.

⁵ Variable rate security, upon which the interest rate adjusts periodically based on changes in current interest rates and prepayments on the underlying pool of assets. Rate shown is the rate in effect as of period end.

⁶ The value of these securities was determined using significant unobservable inputs. These are reported as Level 3 securities in the Fair Value Hierarchy table located in Note 8.

⁷ Floating rate security, upon which the interest rate adjusts periodically based on changes in current interest rates and prepayments on the underlying pool of assets. Rate shown is the rate in effect as of period end.

⁸ Investment does not issue shares.

⁹ All or a portion of this investment is a holding of FTRAF Sub1 LLC.

¹⁰ The rate is the annualized seven-day yield at period end.

Securities With Restrictions on Redemptions	Redemptions Permitted	Redemption Notice Period	Cost	Fair Value	Original Acquisition Date
Bailard Real Estate Investment Trust, Inc. ¹	Quarterly	30 Days	\$ 2,321,586	\$ 2,017,663	6/29/2022
CBRE U.S. Core Partners, LP ¹	Quarterly	60 Days	950,000	747,797	9/30/2022
Cire Real Estate Investment Trust, Inc.	Quarterly	90 Days	1,746,997	1,850,611	3/31/2023
Hillpointe Workforce Partnership IV, LP ¹	Not Permitted	N/A	302,500	292,007	3/9/2023
Invesco Real Estate Income Trust, Inc.	Monthly	30 Days	2,150,808	1,999,070	4/29/2022
Nuveen Real Estate U.S. Cities Industrial Fund ¹	Quarterly	45 Days	825,000	779,704	10/2/2023
Nuveen Real Estate U.S. Cities Multifamily Fund LP ¹	Quarterly	45 Days	206,175	155,281	10/3/2022
Oak Street Real Estate Capital Net Lease Property Fund, LP ¹	Quarterly	60 Days	1,335,000	1,303,212	10/31/2022
Pender Real Estate Credit Fund – Class I ²	Quarterly	N/A	1,102,120	1,115,173	5/2/2022
RREEF Property Trust, Inc. – Class D ¹	Quarterly	N/A	1,049,854	868,164	5/6/2022
Starwood Real Estate Income Trust, Inc.	Monthly	2 Days	879,351	788,292	4/29/2022
Stepstone Private Infrastructure Fund – Class I ²	Quarterly	N/A	500,000	499,567	1/23/2024
Wynwood BN, LLC ¹	Not permitted	N/A	350,000	356,184	1/26/2023
Totals:			<u>\$13,719,391</u>	<u>\$12,772,725</u>	

¹ Securities generally offered in private placement transactions and as such are illiquid and generally restricted as to resale.

² The Closed-End Fund can institute a limit on redemptions at the fund level of 5% of the net asset value of the Closed-End Fund.

See accompanying Notes to the Consolidated Financial Statements.

First Trust Real Assets Fund
CONSOLIDATED SUMMARY OF INVESTMENTS
As of March 31, 2024 (Unaudited)

Security Type/Sector	Percent of Total Net Assets
Asset-Backed Securities	4.8%
Bank Loans	2.3%
Closed-End Funds	7.3%
Collateralized Mortgage Obligations	12.4%
Private Investment Funds	16.4%
Real Estate Investment Trusts	37.7%
Short-Term Investments	15.3%
Total Investments	96.2%
Other Assets in Excess of Liabilities	3.8%
Total Net Assets	100.0%

See accompanying Notes to the Consolidated Financial Statements.

First Trust Real Assets Fund
CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES
As of March 31, 2024

Assets:

Investments, at fair value (cost \$22,425,805)	\$21,293,453
Cash	613,481
Receivables:	
Due from Adviser	311,258
Dividends and interest	68,528
Prepaid expenses	8,651
Total assets	<u>22,295,371</u>

Liabilities:

Payables:	
Audit fee	43,100
Distribution fees – Class I (Note 3)	16,287
Shareholder reporting fees	4,853
Chief Compliance Officer fees	2,217
Fund services expense	5,291
Tax service fees	22,000
Legal	57,408
Accrued other expenses	1,726
Total liabilities	<u>152,882</u>

Net Assets	<u><u>\$22,142,489</u></u>
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Components of Net Assets

Paid-in Capital (par value of \$0.01 per share with an unlimited number of shares authorized)	\$23,248,232
Total accumulated deficit	(1,105,743)

Net Assets	<u><u>\$22,142,489</u></u>
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Class I Shares:

Net assets applicable to shares outstanding	\$22,142,489
Shares of beneficial interest issued and outstanding	2,368,039
Net asset value, price per share	<u><u>\$ 9.35</u></u>

See accompanying Notes to the Consolidated Financial Statements.

First Trust Real Assets Fund
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended March 31, 2024

Investment Income:

Dividends	\$ 127,349
Interest	475,079
Total investment income	<u>602,428</u>

Expenses:

Advisory fees	300,893
Legal fees	183,807
Trustees' fees and expenses	57,000
Tax services	52,481
Registration fees	46,497
Audit fee	46,200
Chief Compliance Officer fees	27,100
Distribution fees – Class I (Note 3)	25,676
Shareholder reporting fees	21,185
Fund services expense	19,807
Offering costs (see Note 2)	14,690
Insurance fees	10,399
Miscellaneous	3,175
Total expenses	<u>808,910</u>
Advisory fees waived	(300,893)
Other expenses absorbed	(137,317)
Net expenses	<u>370,700</u>
Net investment income	<u>231,728</u>

Realized and Unrealized loss:

Net realized gain on investments	31,103
Net change in unrealized appreciation/depreciation on investments	(225,275)
Net realized and unrealized loss on investments	<u>(194,172)</u>
Net Increase in Net Assets from Operations	<u>\$ 37,556</u>

See accompanying Notes to the Consolidated Financial Statements.

First Trust Real Assets Fund
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

	<u>For the Year Ended March 31, 2024</u>	<u>For the Period May 2, 2022¹ Through March 31, 2023</u>
Increase (Decrease) in Net Assets From:		
Operations:		
Net investment income	\$ 231,728	\$ 415,811
Net realized gain (loss) on investments	31,103	(3,968)
Net change in unrealized appreciation/depreciation on investments	(225,275)	(907,077)
Net increase (decrease) resulting from operations	<u>37,556</u>	<u>(495,234)</u>
Distributions to Shareholders	<u>(553,177)</u>	<u>(198,105)</u>
Return of capital	(353,776)	—
Total distributions to shareholders	<u>(906,953)</u>	<u>(198,105)</u>
Capital Transactions:		
Net proceeds from shares sold:		
Class I	3,577,538	24,210,580
Reinvestment of distributions:		
Class I	23,632	9,027
Cost of shares repurchased:		
Class I	(3,429,301)	(786,251)
Net increase resulting from capital transactions	<u>171,869</u>	<u>23,433,356</u>
Total increase (decrease) in net assets	<u>(697,528)</u>	<u>22,740,017</u>
Net Assets		
Beginning of period	22,840,017	100,000 ²
End of period	<u>\$22,142,489</u>	<u>\$22,840,017</u>
Capital Share Transactions:		
Shares sold:		
Class I	378,091	2,430,026
Shares reinvested:		
Class I	2,479	928
Shares repurchased:		
Class I	(363,744)	(79,741)
Net increase in capital share transactions	<u>16,826</u>	<u>2,351,213</u>

¹ Commencement of investment operations

² First Trust Capital Management L.P. (the "Investment Manager") made the initial share purchase of \$100,000 on April 1, 2022. The total initial share purchase of \$100,000 included 10,000 Class I Shares purchased at \$10.00 per share.

See accompanying Notes to the Consolidated Financial Statements.

First Trust Real Assets Fund
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2024

Increase (Decrease) in Cash

Cash flows provided by (used for) operating activities:	
Net increase in net assets resulting from operations	\$ 37,556
Adjustments to reconcile net increase in net assets from operations to net cash used for operating activities:	
Purchases of long-term portfolio investments	(6,735,749)
Sales of long-term portfolio investments	5,803,530
Return of capital dividends received	389,252
Purchase/Sales of short-term investments, net	1,110,410
Increase in due from adviser	(156,394)
Decrease in dividends and interest	13,828
Decrease in deferred organizational and offering costs (see Note 2)	14,689
Increase in prepaid expenses	(3,602)
Increase in audit fee	23,100
Increase in distribution fees – Class I (Note 3)	2,144
Increase in shareholder reporting fees	2,873
Increase in chief compliance officer fees	2,217
Decrease in fund services expense	(237)
Increase in tax service fees	7,500
Increase in legal fees	57,408
Decrease in accrued other expenses	(866)
Net amortization on investments	(23,896)
Net realized loss on investments	120,484
Net change in unrealized appreciation/depreciation on investments	225,275
Net cash used for operating activities	<u>889,521</u>
Cash flows provided by (used for) financing activities:	
Proceeds from shares sold	3,577,538
Redemption of shares	(3,429,301)
Dividends paid to shareholders, net of reinvestments	(883,321)
Net cash used for financing activities	<u>(735,084)</u>
Net increase in cash	<u>154,437</u>
Cash:	
Beginning of period	459,044
End of period	<u>\$ 613,481</u>
Supplemental disclosure of non-cash activities:	
Reinvested dividends	<u>\$ 23,632</u>

See accompanying Notes to the Consolidated Financial Statements.

First Trust Real Assets Fund
CONSOLIDATED FINANCIAL HIGHLIGHTS
Class I

Per share operating performance.
For a capital share outstanding throughout each period.

	For the Year Ended March 31, 2024	For the Period May 2, 2022* Through March 31, 2023
Net asset value, beginning of period	\$ 9.71	\$ 10.00
Income from Investment Operations:		
Net investment income ¹	0.10	0.25
Net realized and unrealized loss on investments	(0.08)	(0.46)
Total from investment operations	<u>0.02</u>	<u>(0.20)</u>
Less Distributions:		
From net investment income	(0.23)	(0.09)
From net realized gain	(0.01)	(0.00) ²
From return of capital	(0.14)	—
Total from distributions	<u>(0.38)</u>	<u>(0.09)</u>
Net asset value, end of period	<u>\$ 9.35</u>	<u>\$ 9.71</u>
Total return	0.21%	(2.03)% ³
Ratios and Supplemental Data:		
Net assets, end of period (in thousands)	\$22,142	\$22,840
Ratio of expenses to average net assets:		
Before fees waived and expenses absorbed	3.61%	4.73% ⁴
After fees waived and expenses absorbed	1.65%	1.65% ⁴
Ratio of net investment income (loss) to average net assets:		
Before fees waived and expenses absorbed	(0.92)%	(0.26)% ⁴
After fees waived and expenses absorbed	1.04%	2.81% ⁴
Portfolio turnover rate	32%	2% ³

* Commencement of investment operations.

¹ Based on average shares outstanding for the period.

² Less than 0.005

³ Not Annualized.

⁴ Annualized.

See accompanying Notes to the Consolidated Financial Statements.

First Trust Real Assets Fund
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2024

Note 1 — Organization

First Trust Real Assets Fund (the “Fund”), is a Delaware statutory trust registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”), as a non-diversified, closed-end management investment company. The Fund operates as an interval fund. The Fund operates under an Amended and Restated Agreement and Declaration of Trust dated June 15, 2022 (the “Declaration of Trust”). First Trust Capital Management L.P. serves as the investment adviser (the “Investment Manager”) of the Fund. Angel Oak Capital Advisors, LLC serves as sub-adviser to the Fund (the “Sub-Adviser” or “Angel Oak”). The Investment Manager and the Sub-Adviser are investment advisers registered with the Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940, as amended. The Fund has elected to be treated as a regulated investment company (“RIC”) under the Internal Revenue Code of 1986, as amended (the “Code”). The Fund currently offers shares of beneficial interest (the “Shares”) in Class I Shares and Class A Shares. Only Class I Shares have been issued as of March 31, 2024.

The Fund’s investment objective is to seek to achieve long-term real return through current income and long-term capital appreciation. Real return is total return after adjusting for inflation.

Class I Shares of the Fund commenced operations on April 29, 2022, and investment operations commenced on May 2, 2022. On June 29, 2022, the Fund commenced the public offering of Class I Shares. The Shares are generally offered for purchase on any business day, which is any day the New York Stock Exchange is open for business, in each case subject to any applicable sales charges and other fees, as described herein. The Shares are issued at net asset value (“NAV”) per Share. No holder of Shares (each, a “Shareholder”) has the right to require the Fund to redeem its Shares.

The Shares of each class represent an interest in the same portfolio of investments of the Fund and have equal rights as to voting, redemptions, dividends and liquidation, subject to the approval of the Fund’s Board of Trustees (the “Board” and the members thereof, “Trustees”). Income, expenses (other than expenses attributable to a specific class), and realized and unrealized gains and losses on investments are allocated to each class of shares in proportion to their relative shares outstanding. Shareholders of a class that bears distribution and service expenses under the terms of a distribution plan have exclusive voting rights with respect to that distribution plan.

The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standard Codification Topic 946 “Financial Services — Investment Companies.”

(a) Consolidation of Subsidiary

The Fund may invest up to 25% of its total assets in its subsidiary, FTRAF Sub1 LLC, a Delaware limited liability company and wholly-owned and controlled subsidiary of the Fund. The Consolidated Schedule of Investments, Consolidated Summary of Investments, Consolidated Statement of Assets and Liabilities, Consolidated Statement of Operations, Consolidated Statement of Changes in Net Assets, Consolidated Statement of Cashflows and Consolidated Financial Highlights of the Fund include the accounts of the FTRAF Sub1 LLC. All inter-company accounts and transactions have been eliminated in the consolidation of the Fund. FTRAF Sub1 LLC is advised by the Investment Manager and acts as an investment vehicle in order to effect certain investments consistent with the Fund’s investment objectives and policies specified in the Fund’s prospectus and statement of additional information. FTRAF Sub1 LLC will generally invest in limited partnerships that invest in direct real estate. As of March 31, 2024, the net assets of FTRAF Sub1 LLC were \$299,744, or approximately 1.4% of the Fund.

Note 2 — Accounting Policies

The following is a summary of the significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The preparation of financial statements in conformity with

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the generally accepted accounting principles in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from these estimates.

(a) Valuation of Investments

UMB Fund Services, Inc., the Fund’s administrator (“UMBFS”), calculates the Fund’s NAV as of the close of business on each business day and at such other times as the Board may determine, including in connection with repurchases of Shares, in accordance with the procedures described below or as may be determined from time to time in accordance with policies established by the Board (each, a “Determination Date”).

For purposes of calculating NAV, portfolio securities and other assets for which market quotations are readily available are valued at market value. A market quotation is readily available only when that quotation is a quoted price (unadjusted) in active markets for identical investments that the Fund can access at the measurement date, provided that a quotation will not be readily available if it is not reliable.

Investments for which market quotations are not readily available are valued at fair value as determined in good faith pursuant to Rule 2a-5 under the Investment Company Act. As a general principle, the fair value of a security or other asset is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Pursuant to Rule 2a-5, the Board has designated the Investment Manager as the valuation designee (in such capacity, the “Valuation Designee”) for the Fund to perform in good faith the fair value determination relating to all Fund investments, under the Board’s oversight. The Investment Manager carries out its designated responsibilities as Valuation Designee through its Valuation Committee. The fair values of one or more assets may not be the prices at which those assets are ultimately sold and the differences may be significant.

The Valuation Designee may value Fund portfolio securities for which market quotations are not readily available and other Fund assets utilizing inputs from pricing services, quotation reporting systems, valuation agents and other third-party sources.

Securities traded on one or more of the U.S. national securities exchanges, the Nasdaq Stock Market or any foreign stock exchange will be valued at the last sale price or the official closing price on the exchange or system where such securities are principally traded for the business day as of the relevant Determination Date. If no sale or official closing price of particular securities are reported on a particular day, the securities will be valued at the closing bid price for securities held long, or the closing ask price for securities held short, or if a closing bid or ask price, as applicable, is not available, at either the exchange or system-defined closing price on the exchange or system in which such securities are principally traded. Over-the-counter securities not quoted on the Nasdaq Stock Market will be valued at the last sale price on the relevant Determination Date or, if no sale occurs, at the last bid price, in the case of securities held long, or the last ask price, in the case of securities held short, at the time NAV is determined. Equity securities for which no prices are obtained under the foregoing procedures, including those for which a pricing service supplies no exchange quotation or a quotation that is believed by the Valuation Designee not to reflect the market value, will be valued at the bid price, in the case of securities held long, or the ask price, in the case of securities held short, supplied by one or more dealers making a market in those securities or one or more brokers. Futures index options will be valued at the mid-point between the last bid price and the last ask price on the relevant Determination Date at the time NAV is determined. The mid-point of the last bid and the last ask is also known as the “mark”.

Fixed-income securities with a remaining maturity of sixty (60) days or more will normally be valued according to dealer-supplied mean quotations or mean quotations from a recognized pricing service. Fixed-income securities for which market quotations are unavailable or are believed by the Valuation

First Trust Real Assets Fund
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Designee not to reflect market value will be valued based upon broker-supplied quotations, provided that if such quotations are unavailable or are believed by the Valuation Designee not to reflect market value, such fixed-income securities will be valued using valuation models that take into account spread and daily yield changes on government securities in the appropriate market (e.g., matrix pricing). High quality investment grade debt securities (e.g., treasuries, commercial paper, etc.) with a remaining maturity of sixty (60) days or less are valued by the Valuation Designee at amortized cost, which the Valuation Designee has determined to approximate fair value.

Assets and liabilities initially expressed in foreign currencies will be converted into U.S. dollars using foreign exchange rates provided by a pricing service. Trading in foreign securities generally is completed, and the values of such securities are determined, prior to the close of securities markets in the United States. Foreign exchange rates are also determined prior to such close. On occasion, the values of securities and exchange rates may be affected by events occurring between the time as of which determination of such values or exchange rates are made and the time as of which the NAV of the Fund is determined. When such events materially affect the values of securities held by the Fund or its liabilities, such securities and liabilities will be valued at fair value as determined in good faith by the Valuation Designee.

The Fund will generally value shares of exchange-traded funds (“ETFs”) at the last sale price on the exchange on which the ETF is principally traded. The Fund will generally value shares of open-end investment companies and closed-end investment companies that do not trade on one or more of the U.S. national securities exchanges at their respective NAVs.

The Fund will generally value private investment funds in accordance with the value determined as of such date by each private investment fund in accordance with the private investment fund’s valuation policies and reported at the time of the Fund’s valuation. As a general matter, the fair value of the Fund’s interest in a private investment fund will represent the amount that the Fund could reasonably expect to receive from the private investment fund if the Fund’s interest was redeemed at the time of valuation, based on information reasonably available at the time the valuation is made and that the Fund believes to be reliable. In the event that the private investment fund does not report a value to the Fund on a timely basis, the Fund will determine the fair value of such private investment fund based on the most recent final or estimated value reported by the private investment fund, as well as any other relevant information available at the time the Fund values its portfolio. Using the nomenclature of the hedge fund industry, any values reported as “estimated” or “final” values are expected to reasonably reflect market values of securities when available or fair value as of the Fund’s valuation date. A substantial amount of time may elapse between the occurrence of an event necessitating the pricing of Fund assets and the receipt of valuation information from the underlying manager of a private investment fund.

The Valuation Designee will consider whether it is appropriate, in light of all relevant circumstances, to value such interests at the NAV as reported by the underlying manager of a private investment fund at the time of valuation, or whether to adjust such value to reflect a premium or discount to NAV. In accordance with GAAP and industry practice, the Fund may not always apply a discount in cases where there is no contemporaneous redemption activity in a particular private investment fund. In other cases, as when a private investment fund imposes extraordinary restrictions on redemptions, when other extraordinary circumstances exist, or when there have been no recent transactions in private investment fund interests, the Fund may determine that it is appropriate to apply a discount to the NAV of the private investment fund. Any such decision will be made in good faith by the Valuation Designee, under oversight by the Board.

Where deemed appropriate by the Valuation Designee and consistent with the Investment Company Act, investments in private investment funds may be valued at cost. Cost will be used only when cost is determined to best approximate the fair value of the particular security under consideration.

First Trust Real Assets Fund
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The Fund values its investments in real estate investment trusts (“REITs”) based in large part on valuations provided by the external property managers of the REITs or third-party appraisers. These fair value calculations will involve significant professional judgment by the external property managers of the REITs in the application of both observable and unobservable attributes. The calculated NAVs of the REIT’s assets may differ from their actual realizable value or future fair value. The Valuation Designee may not have the ability to assess the accuracy of these valuations. Because a significant portion of the Fund’s assets are invested in REITs, these valuations have a considerable impact on the Fund’s NAV.

For each period that the NAVs of the REITs are calculated by the external property managers of such REITs and Sub-REITs, each REIT’s NAV is typically adjusted based on the actual income and appreciation or depreciation realized by such REIT when the valuations and income are reported. The Valuation Designee may conclude, in certain circumstances, that the information provided by any such external property manager does not represent the fair value of the Fund’s investment in a REIT and is not indicative of what actual fair value would be under current market conditions. In those circumstances, the Valuation Designee may determine to value the Fund’s investment in the REIT at a discount or a premium to the reported value received from the REIT. Any such decision will be made in good faith by the Valuation Designee, under the oversight of the Board.

In certain circumstances, the Valuation Designee may determine that a private investment fund’s or REIT’s NAV shall be adjusted more frequently. For these investments, the NAVs are adjusted daily based on the total return that each private investment fund or REIT is estimated by the Valuation Designee to generate during the period (adjusted net asset value). The Valuation Designee monitors these estimates daily and updates them as necessary if macro or individual fund changes warrant any adjustments, subject to the review and supervision of the Valuation Designee.

The Valuation Designee will evaluate each private debt investment’s fair value based on numerous factors, including but not limited to changes in credit risk, construction risk, the financial strength of the borrower, and the debt instrument’s spread to US Treasuries. The Fund will also engage qualified external valuation consultants to provide valuation information, typically on a quarterly basis, but at least semiannually. The Fund will generally value any private debt investments at the lesser of their amortized cost or the mid-point of any valuation range as provided by a qualified external valuation consultant. In certain circumstances, the Valuation Designee may determine that this amount does not represent the fair value of the private debt investment based on current market conditions. In such an instance, the Valuation Designee will fair value the investment using another methodology. In its fair valuation assessment process, the Valuation Designee may consider any information it deems appropriate including from external valuation consultants.

The Investment Manager and/or the Sub-Adviser act as investment adviser to other clients that may invest in securities for which no public market price exists. Valuation determinations by the Investment Manager and/or Sub-Adviser or their affiliates for other clients may result in different values than those ascribed to the same security owned by the Fund. Consequently, the fees charged to the Fund may be different than those charged to other clients, given that the method of calculating the fees takes the value of all assets, including assets carried at different valuations, into consideration. Prospective investors should be aware that situations involving uncertainties as to the value of portfolio positions could have an adverse effect on the Fund’s NAV if the judgments regarding appropriate valuations should prove incorrect. In no event does the Distributor (defined below) have any responsibility for any valuations of the Fund’s investments (including the accuracy, reliability or completeness thereof) or for the valuation processes utilized for the Fund, and the Distributor disclaims any and all liability for any direct, incidental, or consequential damages arising out of any inaccuracy or incompleteness in valuations. The Distributor has no duty to calculate the NAV of Fund Shares or to inquire into, or liability for, the accuracy of the NAV per Share (including a class thereof) as calculated by or for the Fund.

(b) Investment Transactions, Investment Income and Expenses

Investment transactions are accounted for on the trade date. Realized gains and losses on investments are determined on the identified cost basis. Dividend income and expense is recorded net of applicable withholding taxes on the ex-dividend date and interest income and expense, including where applicable, accretion of discount and amortization of premium on investments, is recorded on an accrual basis. Withholding taxes on foreign dividends, if applicable, are paid (a portion of which may be reclaimable) or provided for in accordance with the applicable country's tax rules and rates and are disclosed in the Consolidated Statement of Operations. Withholding tax reclaims are filed in certain countries to recover a portion of the amounts previously withheld. The Fund records a reclaim receivable based on a number of factors, including a jurisdiction's legal obligation to pay reclaims as well as payment history and market convention. Discounts or premiums on debt securities are accreted or amortized to interest income over the lives of the respective securities using the effective interest method.

(c) Federal Income Taxes

The Fund intends to comply with the requirements of Subchapter M of the Code applicable to RICs and to distribute substantially all of its net investment income and any net realized gains to its shareholders. Therefore, no provision is made for federal income or excise taxes. Due to the timing of dividend distributions and the differences in accounting for income and realized gains and losses for financial statement and federal income tax purposes, the fiscal year in which amounts are distributed may differ from the year in which the income and realized gains and losses are recorded by the Fund.

Accounting for Uncertainty in Income Taxes (the "Income Tax Statement") requires an evaluation of tax positions taken (or expected to be taken) in the course of preparing a Fund's tax returns to determine whether these positions meet a "more-likely-than-not" standard that, based on the technical merits, have a more than fifty percent likelihood of being sustained by a taxing authority upon examination. A tax position that meets the "more-likely-than-not" recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Consolidated Statement of Operations.

The Income Tax Statement requires management of the Fund to analyze tax positions taken in the prior three open tax years, if any, and tax positions expected to be taken in the Fund's current tax year, as defined by the Internal Revenue Service statute of limitations for all major jurisdictions, including federal tax authorities and certain state tax authorities. For the period from the commencement of the Fund's investment operations on May 2, 2022 through the year ended March 31, 2024, the Fund did not have a liability for any unrecognized tax benefits. The Fund has no examination in progress and is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

(d) Closed-End Funds ("CEFs")

A CEF is a pooled investment vehicle that is registered under the Investment Company Act and whose shares may be listed and traded on U.S. national securities exchanges. Investments in CEFs are subject to various risks, including reliance on management's ability to meet a CEF's investment objective and to manage a CEF's portfolio, and fluctuation in the market value of a CEF's shares compared to the changes in the value of the underlying securities that the CEF owns. In addition, the Fund bears a pro rata share of the management fees and expenses of each underlying CEF in addition to the Fund's management fees and expenses, which results in the Fund's shareholders being subject to higher expenses than if they invested directly in the CEFs.

(e) Private Investment Funds

Private Investment Funds generally exempt under Section 3(c)(1) or 3(c)(7) of the Investment Company Act invest or trade in a wide range of securities. When the Fund invests in securities issued

by Private Investment Funds, it will bear its pro rata portion of the Private Investment Funds' expenses. These expenses are in addition to the direct expenses of the Fund's own operations, thereby increasing indirect costs and potentially reducing returns to Shareholders. A Private Investment Fund in which the Fund invests has its own investment risks, and those risks can affect the value of the Fund's investment in the Private Investment Fund. There can be no assurance that the investment objective of a Private Investment Fund will be achieved. A Private Investment Fund may change its investment objective or policies without the Fund's approval, which could force the Fund to withdraw its investment from such Private Investment Fund at a time that is unfavorable to the Fund. In addition, one Private Investment Fund may buy the same securities that another Private Investment Fund sells. Therefore, the Fund would indirectly bear the costs of these trades without accomplishing any investment purpose.

(f) Distributions to Shareholders

The Fund intends to make quarterly distributions to its shareholders equal to 5% annually of the Fund's NAV per Share (the "Distribution Policy"). This predetermined dividend rate may be modified by the Board from time to time, and increased to the extent of the Fund's investment company taxable income that it is required to distribute in order to maintain its status as a RIC. The amount and timing of distributions are determined in accordance with federal income tax regulations, which may differ from GAAP. The character of distributions made during the year from net investment income or net realized gains may differ from the characterization for federal income tax purposes due to differences in the recognition of income expense and gain (loss) items for financial statement and tax purposes.

For financial reporting purposes, dividends and distributions to Shareholders are recorded on the ex-date. If, for any distribution, available cash is less than the amount of this predetermined dividend rate, then assets of the Fund will be sold and such disposition may generate additional taxable income. The Fund's final distribution for each calendar year will include any remaining investment company taxable income and net tax-exempt income undistributed during the year, as well as the remaining net capital gain realized during the year. If the total distributions made in any calendar year exceed investment company taxable income, net tax-exempt income and net capital gain, such excess amount distributed would be treated as ordinary dividend income to the extent of the Fund's current and accumulated earnings and profits. Payments in excess of the earnings and profits would first be a tax-free return of capital to the extent of the adjusted tax basis in the Shares. After such adjusted tax basis is reduced to zero, the payment would constitute capital gain (assuming the Shares are held as capital assets). This Distribution Policy may, under certain circumstances, have certain adverse consequences to the Fund and its shareholders because it may result in a return of capital resulting in less of a shareholder's assets being invested in the Fund and, over time, increase the Fund's expense ratio. The Distribution Policy also may cause the Fund to sell a security at a time it would not otherwise do so in order to manage the distribution of income and gains.

A Shareholder whose shares are registered in its own name will automatically be a participant under the Fund's dividend reinvestment program (the "DRIP") and have all income dividends and/or capital gains distributions automatically reinvested in Shares unless such Shareholder, at any time, specifically elects to receive income dividends and/or capital gains distributions in cash.

(g) Organizational and Offering Costs

Organizational costs consist of the costs of forming the Fund, drafting of bylaws, administration, custody and transfer agency agreements, legal services in connection with the initial meeting of trustees and the Fund's seed audit costs. Offering costs consist of the costs of preparation, review and filing with the SEC the Fund's registration statement, the costs of preparation, review and filing of any associated marketing or similar materials, the costs associated with the printing, mailing or other distribution of the Prospectus, Statement of Additional Information and/or marketing materials, and the

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amounts of associated filing fees and legal fees associated with the offering. The aggregate amount of offering costs as of the date of the accompanying financial statements was \$14,690. Offering costs were amortized over the twelve month period from May 2, 2022 through May 2, 2023 on a straight line basis.

Organizational costs incurred by the Fund have been reimbursed by the Investment Manager and are subject to recoupment by the Investment Manager in accordance with the Expense Limitation and Reimbursement Agreement (defined and discussed in Note 3). Offering costs are also subject to the Expense Limitation and Reimbursement Agreement.

Note 3 — Investment Advisory and Other Agreements and Activity with Affiliates

The Fund has entered into an investment management agreement (the “Investment Management Agreement”) with the Investment Manager. Pursuant to the Investment Management Agreement, the Fund pays the Investment Manager a monthly fee equal to 1.35% on an annualized basis of the Fund’s net assets determined as of month-end (the “Investment Management Fee”), subject to certain adjustments.

Pursuant to a separate sub-advisory agreement among the Fund, the Investment Manager and Angel Oak, Angel Oak receives a portfolio management fee equal to 0.50% on an annualized basis of such sub-advised assets’ average daily net assets as of each month-end, subject to certain adjustments. The Sub-Adviser’s fee is paid by the Investment Manager out of the Investment Management Fee.

The Investment Manager has also entered into an expense limitation and reimbursement agreement (the “Expense Limitation and Reimbursement Agreement”) with the Fund, whereby the Investment Manager has agreed to waive fees that it would otherwise have been paid, and/or to assume expenses of the Fund (a “Waiver”), if required to ensure that Total Annual Expenses (excluding any taxes, leverage interest, brokerage commissions, dividend and interest expenses on short sales, acquired fund fees and expenses (as determined in accordance with SEC Form N-2), expenses incurred in connection with any merger or reorganization, and extraordinary expenses, (such as litigation expenses)) do not exceed 2.40% and 1.65% of the average daily net assets of Class A Shares and Class I Shares, respectively (the “Expense Limit”). For a period not to exceed three years from the date on which advisory fees are waived or Fund expenses absorbed by the Investment Manager, the Investment Manager may recoup amounts waived or absorbed, provided it is able to effect such recoupment and remain in compliance with (a) the limitation on Fund expenses in effect at the time of the relevant reduction in advisory fees or payment of the Fund’s expenses, and (b) the limitation on Fund expenses at the time of the recoupment. The Expense Limitation and Reimbursement Agreement may not be terminated by the Fund or the Investment Manager until April 29, 2024. Thereafter, the Expense Limitation and Reimbursement Agreement will automatically renew for consecutive one-year terms unless terminated by the Fund or the Investment Manager upon 30 days’ advanced written notice. Because taxes, leverage interest, brokerage commissions, dividend and interest expenses on short sales, acquired fund fees and expenses, expenses incurred in connection with any merger or reorganization, and extraordinary expenses are excluded from the Expense Limit, Total Annual Expenses (after fee waivers and expense reimbursements) are expected to exceed 2.40% and 1.65% for the Class A Shares and Class I Shares, respectively.

For the year ended March 31, 2024, the Investment Manager has waived \$300,893 in advisory fees and absorbed \$137,317 in other expenses. At March 31, 2024, the amount of these potentially recoverable expenses was \$894,675. The Investment Manager may recapture all or a portion of this amount no later than March 31st of the year stated below:

2026	\$456,465
2027	438,210
Total	<u>\$894,675</u>

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Pursuant to exemptive relief from the SEC, the Fund has adopted a distribution and service plan for Class A Shares and Class I Shares (the “Distribution and Service Plan”). The Fund may pay a distribution and servicing fee (the “Distribution and Servicing Fee”) of up to 1.00% and 0.25% on an annualized basis of the aggregate net assets of the Fund attributable to Class A Shares and Class I Shares, respectively, to qualified recipients. Payment of the Distribution and Servicing Fee is governed by the Distribution and Service Plan for Class A Shares and Class I Shares which, pursuant to the conditions of the exemptive order issued by the SEC, has been adopted by the Fund with respect to the applicable class in compliance with Rule 12b-1 under the Investment Company Act. Pursuant to the Distribution and Service Plan, the Fund paid \$25,676 as Distribution Fee for Class I Shares, as reported on the Consolidated Statement of Operations.

First Trust Portfolios L.P. (the “Distributor”), an affiliate of the Investment Manager, currently serves as the Fund’s distributor. UMBFS serves as the Fund’s fund accountant, transfer agent and administrator; and UMB Bank, n.a., an affiliate of UMBFS, serves as the Fund’s custodian.

A Trustee and certain officers of the Fund are employees of UMBFS. The Fund does not compensate trustees and officers affiliated with the Fund’s administrator. For the year ended March 31, 2024, the Fund’s allocated fees incurred for Trustees are reported on the Consolidated Statement of Operations.

Vigilant Compliance, LLC provides Chief Compliance Officer (“CCO”) services to the Fund. The Fund’s allocated fees incurred for CCO services for the year ended March 31, 2024 are reported on the Consolidated Statement of Operations.

Ernst & Young LLP provides tax services to the Fund. The Fund’s allocated fees incurred for tax services for the year ended March 31, 2024 are reported on the Consolidated Statement of Operations.

Note 4 — Federal Income Taxes

The Fund has elected to be treated and intends to qualify as a RIC for federal income tax purposes. As a RIC, the Fund will generally not be subject to federal corporate income tax, provided that when it is a RIC, it distributes substantially all of its income and gains each year.

At March 31, 2024, gross unrealized appreciation and depreciation of investments and short securities owned by the Fund, based on cost for federal income tax purposes, were as follows:

Cost of investments	<u>\$22,279,557</u>
Gross unrealized appreciation	\$ 310,413
Gross unrealized depreciation	(1,296,517)
Net unrealized depreciation on investments	<u>\$ (986,104)</u>

The difference between cost amounts for financial statement and federal income tax purposes is due primarily to timing differences in recognizing certain gains and losses in securities transactions.

GAAP requires that certain components of net assets be reclassified between financial and tax reporting. These reclassifications have no effect on net assets or NAV per share. For the year ended March 31, 2024, permanent differences in book and tax accounting have been reclassified to paid-in capital, and total distributable deficit as follows:

Increase (Decrease)	
Paid-in Capital	Total Distributable Deficit
<u>\$(14,690)</u>	<u>\$14,690</u>

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As of March 31, 2024, the components of accumulated earnings (deficit) on a tax basis were as follows:

Undistributed ordinary income	\$	—
Undistributed long-term capital gains		—
Tax accumulated earnings		—
Accumulated capital and other losses		(119,639)
Unrealized depreciation on investments		(986,104)
Total accumulated deficit		<u><u>\$(1,105,743)</u></u>

The tax character of distributions paid during the year ended March 31, 2024 and March 31, 2023 were as follows:

Distribution paid from:	<u>2024</u>	<u>2023</u>
Ordinary income	\$470,178	\$195,938
Net long-term capital gains	82,999	2,167
Tax return of capital	353,776	—
Total taxable distributions	<u><u>\$906,953</u></u>	<u><u>\$198,105</u></u>

As of March 31, 2024, the Fund had no short-term or long-term net capital loss carryovers.

Note 5 — Investment Transactions

For the year ended March 31, 2024, purchases and sales of investments, excluding short-term investments, were \$6,735,749 and \$5,803,530, respectively.

Note 6 — Indemnifications

In the normal course of business, the Fund enters into contracts that contain a variety of representations, which provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, the Fund expects the risk of loss to be remote.

Note 7 — Repurchase of Shares

The Fund intends to provide a limited degree of liquidity to the Shareholders by conducting quarterly repurchase offers. In each repurchase offer, the Fund may offer to repurchase its Shares at their NAV as determined as of approximately January 22, April 22, July 22 and October 22, of each year, as applicable (each such date, a "Valuation Date"). Each repurchase offer will be for no less than 5% of the Shares outstanding, but if the value of Shares tendered for repurchase exceeds the value the Fund intended to repurchase, the Fund may determine to repurchase less than the full number of Shares tendered. In such event, Shareholders will have their shares repurchased on a pro rata basis, and tendering Shareholders will not have all of their tendered shares repurchased by the Fund.

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The results of the repurchase offers conducted during the year ended March 31, 2024, are as follows:

	Repurchase Offer	Repurchase Offer	Repurchase Offer	Repurchase Offer
Commencement Date	March 22, 2023	June 21, 2023	September 20, 2023	December 21, 2023
Repurchase Request Date	April 21, 2023	July 21, 2023	October 20, 2023	January 19, 2024
Repurchase Pricing Date	April 21, 2023	July 21, 2023	October 20, 2023	January 19, 2024
Net Asset Value as of Repurchase Pricing Date				
Class I Shares	\$9.61	\$9.51	\$9.39	\$9.32
Amount Repurchased				
Class I Shares	\$674,701	\$607,718	\$889,257	\$1,247,626
Percentage of Outstanding Shares Repurchased				
Class I Shares	2.97%	2.64%	3.91%	5.54%

Note 8 — Fair Value Measurements and Disclosure

Fair Value Measurements and Disclosures defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosure about fair value measurements. It also provides guidance on determining when there has been a significant decrease in the volume and level of activity for an asset or a liability, when a transaction is not orderly, and how that information must be incorporated into a fair value measurement.

Under *Fair Value Measurements and Disclosures*, various inputs are used in determining the value of the Fund's investments. These inputs are summarized into three broad levels as described below:

- Level 1 — Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.
- Level 2 — Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.
- Level 3 — Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement.

First Trust Real Assets Fund
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — Continued
March 31, 2024

In accordance with Accounting Standards Update (“ASU”) 2015-07, Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent) investments valued at the NAV as practical expedient are no longer included in the fair value hierarchy.

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities. The following table summarizes the Fund’s investments that are measured at fair value by level within the fair value hierarchy as of March 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Investments				
Asset-Backed Securities	\$ —	\$1,065,409	\$ —	\$ 1,065,409
Bank Loans	—	—	500,000	500,000
Closed-End Funds	1,614,740	—	—	1,614,740
Collateralized Mortgage Obligations	—	2,754,226	—	2,754,226
Private Investment Funds	—	—	934,985	934,985
Real Estate Investment Trusts	1,682,218	—	2,787,362	4,469,580
Short-Term Investments	3,387,040	—	—	3,387,040
Subtotal	<u>\$6,683,998</u>	<u>\$3,819,635</u>	<u>\$4,222,347</u>	<u>\$14,725,980</u>
Private Investment Funds				2,699,200
Real Estate Investment Trusts				3,868,273
Total Investments				<u>\$21,293,453</u>

The following is a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining value:

	<u>Bank Loans</u>	<u>Private Investment Funds</u>	<u>Real Estate Investment Trusts</u>
Balance as of March 31, 2023	\$ —	\$201,829	\$ 6,106,231
Transfers into Level 3	—	—	—
Transfers out of Level 3	—	—	—
Total gains or losses for the period			
Included in earnings (or changes in net assets)	—	(91,844)	(2,539,353)
Included in other comprehensive income	—	—	—
Net purchases	500,000	825,000	—
Net sales	—	—	(779,516)
Balance as of March 31, 2024	<u>\$500,000</u>	<u>\$934,985</u>	<u>\$ 2,787,362</u>
Change in unrealized gains or losses for the period included in earnings (or changes in net assets) for assets held at the end of the reporting period	<u>\$ —</u>	<u>\$ (91,844)</u>	<u>\$(2,539,353)</u>

First Trust Real Assets Fund
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — Continued
March 31, 2024

The following table presents additional quantitative information about valuation methodologies and inputs used for investments that are measured at fair value and categorized within Level 3 as of March 31, 2024:

<u>Investments</u>	<u>Fair Value</u>	<u>Valuation Technique(s)</u>	<u>Unobservable Input</u>	<u>Range of Input</u>
Bank Loans	\$ 500,000	Recent Transaction Price	Recent Transaction Price	N/A
Private Investments Funds	\$ 934,985	Adjusted Net Asset Value	Reported net asset/fair value adjustments	N/A
Real Estate Investment				
Trusts	\$2,787,362	Adjusted Net Asset Value	Reported net asset/fair value adjustments	N/A

Note 9 — Risk Factors

An investment in the Fund involves various risks. The Fund invests in and actively trades securities and other financial instruments using a variety of strategies and investment techniques with significant risk characteristics, including the risks arising from the volatility of the equity and fixed income securities.

No guarantee or representation is made that the investment program will be successful.

Certain local, regional or global events such as war, acts of terrorism, the spread of infectious illnesses and/ or other public health issues, financial institution instability or other events may have a significant impact on a security or instrument. These types of events and other like them are collectively referred to as “Market Disruptions and Geopolitical Risks” and they may have adverse impacts on the worldwide economy, as well as the economies of individual countries, the financial health of individual companies and the market in general in significant and unforeseen ways. Some of the impacts noted in recent times include but are not limited to embargos, political actions, supply chain disruptions, bank failures, restrictions to investment and/or monetary movement including the forced selling of securities or the inability to participate impacted markets. The duration of these events could adversely affect the Fund's performance, the performance of the securities in which the Fund invests and may lead to losses on your investment. The ultimate impact of “Market Disruptions and Geopolitical Risks” on the financial performance of the Fund’s investments is not reasonably estimable at this time. Management is actively monitoring these events.

Note 10 — Recently Issued Accounting Pronouncements and Regulatory Updates

In March 2020, the FASB issued ASU No. 2020-04, Reference Rate Reform (Topic 848) — Facilitation of the Effects of Reference Rate Reform on Financial Reporting. The amendments in the ASU provide optional temporary financial reporting relief from the effect of certain types of contract modifications due to the planned discontinuation of the LIBOR and other interbank-offered based reference rates as of the end of 2021. The ASU is effective for certain reference rate-related contract modifications that occur during the period March 12, 2020 through December 31, 2022. In December 2022, the FASB issued ASU No. 2022-06, Reference Rate Reform (Topic 848) — Deferral of the Sunset Date of Topic 848, which extends the period through December 31, 2024. Management has reviewed the requirements and believes the adoption of these ASUs will not have a material impact on the consolidated financial statements.

In June 2022, the FASB issued ASU 2022-03, Fair Value Measurement (Topic 820) — Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions (ASU 2022-03). The accounting standard update clarifies the guidance in Topic 820 when measuring the fair value of an equity security subject to contractual restrictions that prohibit the sale of an equity security and introduces new disclosure requirements for equity securities subject to contractual sale restrictions and measured at fair value in accordance with Topic 820. The amendments are effective for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. Management is currently evaluating the impact that adoption of this new accounting standard will have on its consolidated financial statements, but the impact of the adoption is not expected to be material.

Note 11 — Events Subsequent to the Period End

In preparing these consolidated financial statements, management has evaluated subsequent events through the date of issuance of the consolidated financial statements included herein.

The Board declared a cash dividend of \$0.11675 per share from undistributed net investment income, payable on April 3, 2024 to Shareholders of record as of the close of business on April 2, 2024. The ex-dividend date was April 3, 2024.

The Board authorized the Fund to offer to repurchase Shares from Shareholders in an amount up to 7.00% of the net assets of the Fund with an April 22, 2024 Valuation Date. Shareholders that desired to tender Shares for repurchase were required to do so on April 22, 2024. The total amount of tendered Shares was \$1,544,327 for this repurchase offer.

On April 2, 2024, the Fund entered into a \$1,000,000 line of credit with TriState Capital Bank.

There have been no other subsequent events that occurred during such period that would require disclosure or would be required to be recognized in the consolidated financial statements.

First Trust Real Assets Fund
FUND INFORMATION
March 31, 2024 (Unaudited)

The Trustees and officers of the Fund, and their brief biographical information, including their addresses, their year of birth and descriptions of their principal occupations during the past five years is set forth below. The Fund's Statement of Additional Information includes additional information about the membership of the Board and is available without charge, upon request, by calling the Fund at (877) 779-1999.

INDEPENDENT TRUSTEES

NAME, ADDRESS AND YEAR OF BIRTH	POSITION(S) HELD WITH THE FUND	LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	NUMBER OF PORTFOLIOS IN FUND COMPLEX* OVERSEEN BY TRUSTEE	OTHER DIRECTORSHIPS HELD BY TRUSTEES
David G. Lee Year of Birth: 1952 c/o UMB Fund Services, Inc. 235 W. Galena St. Milwaukee, WI 53212	Chairman and Trustee	Since Inception	Retired (since 2012); President and Director, Client Opinions, Inc. (2003 – 2012); Chief Operating Officer, Brandywine Global Investment Management (1998 – 2002).	17	None
Robert Seyferth Year of Birth: 1952 c/o UMB Fund Services, Inc. 235 W. Galena St. Milwaukee, WI 53212	Trustee	Since Inception	Retired (since 2009); Chief Procurement Officer/Senior Managing Director, Bear Stearns/ JP Morgan Chase (1993 – 2009).	17	None
Gary E. Shugrue Year of Birth: 1954 c/o UMB Fund Services, Inc. 235 W. Galena St. Milwaukee, WI 53212	Trustee	Since September 2021	Retired (since 2023); Managing Director, Veritable LP (investment advisory firm) (2016 – 2023); Founder/ President, Ascendant Capital Partners, LP (private equity firm) (2001 – 2015).	17	Trustee, Quaker Investment Trust (3 portfolios) (registered investment company).

First Trust Real Assets Fund
FUND INFORMATION — Continued
March 31, 2024 (Unaudited)

INTERESTED TRUSTEE AND OFFICERS

NAME, ADDRESS AND YEAR OF BIRTH	POSITION(S) HELD WITH THE FUND	LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	NUMBER OF PORTFOLIOS IN FUND COMPLEX* OVERSEEN BY TRUSTEE	OTHER DIRECTORSHIPS HELD BY TRUSTEES
Terrance P. Gallagher** Year of Birth: 1958 c/o UMB Fund Services, Inc. 235 W. Galena St. Milwaukee, WI 53212	Trustee	Since June 2020	Executive Vice President and Trust Platform Director, UMB Fund Services, Inc. (2024 – Present); President and Trustee, Investment Managers Series Trust II (registered investment company) (2013 – Present); Executive Vice President and Director of Fund Accounting, Administration and Tax, UMB Fund Services, Inc. (2007 – 2023).	17	President and Trustee, Investment Managers Series Trust II (33 portfolios) (registered investment company).
Michael Peck Year of Birth: 1980 c/o UMB Fund Services, Inc. 235 W. Galena St. Milwaukee, WI 53212	President	Since Inception	Chief Executive Officer and Co-CIO, First Trust Capital Management L.P. (formerly, Vivaldi Asset Management, LLC) (2012 – Present) President and Co-CIO, Vivaldi Capital Management LP (2012 – March 2024); Portfolio Manager, Coe Capital Management (2010 – 2012); Senior Financial Analyst and Risk Manager, the Bond Companies (2006 – 2008).	N/A	N/A
Chad Eisenberg Year of Birth: 1982 c/o UMB Fund Services, Inc. 235 W. Galena St. Milwaukee, WI 53212	Treasurer	Since Inception	Chief Operating Officer, First Trust Capital Management L.P. (formerly, Vivaldi Asset Management, LLC) (2012 – Present); Chief Operating Officer, Vivaldi Capital Management LP (2012 – March 2024); Director, Coe Capital Management LLC (2010 – 2011).	N/A	N/A

First Trust Real Assets Fund
FUND INFORMATION — Continued
March 31, 2024 (Unaudited)

NAME, ADDRESS AND YEAR OF BIRTH	POSITION(S) HELD WITH THE FUND	LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	NUMBER OF PORTFOLIOS IN FUND COMPLEX* OVERSEEN BY TRUSTEE	OTHER DIRECTORSHIPS HELD BY TRUSTEES
Bernadette Murphy Year of Birth: 1964 c/o UMB Fund Services, Inc. 235 W. Galena St. Milwaukee, WI 53212	Chief Compliance Officer	Since 2021	Director, Vigilant Compliance, LLC (investment management solutions firm) (2018 – Present).	N/A	N/A
Ann Maurer Year of Birth: 1972 c/o UMB Fund Services, Inc. 235 W. Galena St. Milwaukee, WI 53212	Secretary	Since September 2018	Senior Vice President, Client Services (2017 – Present), Vice President, Senior Client Service Manager (2013 – 2017), Assistant Vice President, Client Relations Manager (2002 – 2013), UMB Fund Services, Inc.	N/A	N/A

* As of March 31, 2024 the fund complex consists of the Fund, AFA Private Credit Fund, Agility Multi-Asset Income Fund, Aspiriant Risk-Managed Capital Appreciation Fund, Aspiriant Risk-Managed Real Assets Fund, Destiny Alternative Fund LLC, Destiny Alternative Fund (TEI) LLC, Felicitas Private Markets Fund, First Trust Alternative Opportunities Fund, First Trust Hedged Strategies Fund, First Trust Private Assets Fund, First Trust Private Credit Fund, Infinity Core Alternative Fund, Keystone Private Income Fund, Pender Real Estate Credit Fund, Variant Alternative Income Fund and Variant Impact Fund.

** Mr. Gallagher is deemed an interested person of the Fund because of his affiliation with the Fund's Administrator.

Board Consideration of the Continuation of the Investment Management Agreement and Subadvisory Agreement

At a meeting of the Board of Trustees (the “Board” and the members thereof, “Trustees”) held on March 6 – 7, 2024 (the “Meeting”), the Board, including a majority of Trustees who are not “interested persons” within the meaning of Section 2(a)(19) of the Investment Company Act of 1940, as amended (the “Independent Trustees”), approved the continuation of the investment management agreement between First Trust Capital Management L.P. (the “Investment Manager”) and the First Trust Real Assets Fund (the “Fund”) (the “Investment Management Agreement”) and the sub-advisory agreement among the Investment Manager, the Fund and Angel Oak Capital Advisors, LLC (the “Sub-Adviser” and, together with the Investment Manager, the “Advisers”) (the “Sub-Advisory Agreement” and, together with the Investment Management Agreement, the “Advisory Agreements”).

In advance of the Meeting, the Board requested and received materials from the Advisers to assist them in considering the approval of the Advisory Agreements. Among other things, the Board reviewed reports from third parties and management about the below factors. The Board did not consider any single factor as controlling in determining whether to approve either Advisory Agreement. Nor are the items described herein all encompassing of the matters considered by the Board. Pursuant to relief granted by the U.S. Securities and Exchange Commission (the “SEC”) in light of the COVID-19 pandemic (the “Order”) and a determination by the Board that reliance on the Order was appropriate due to circumstances related to the current or potential effects of COVID-19, the Meeting was held by videoconference.

The Board engaged in a detailed discussion of the materials with management of the Investment Manager. The Independent Trustees then met separately with independent counsel for a full review of the materials. Following this session, the full Board reconvened and after further discussion determined that the information presented provided a sufficient basis upon which to approve the Advisory Agreements.

NATURE, EXTENT AND QUALITY OF SERVICES

The Board reviewed and considered the nature and extent of the investment advisory services provided by the Advisers to the Fund under the Advisory Agreements, including the selection of Fund investments. The Board also reviewed and considered the nature and extent of the non-advisory, administrative services provided by the Advisers to the Fund, including, among other things, providing office facilities, equipment, and personnel. The Board reviewed and considered the qualifications of the portfolio managers and other key personnel of the Advisers who provide the investment advisory and administrative services to the Fund. The Board determined that the Advisers’ portfolio managers and key personnel are well-qualified by education and/or training and experience to perform the services for the Fund in an efficient and professional manner. The Board also took into account the Advisers’ compliance policies and procedures, including those used by the Investment Manager to determine the value of the Fund’s investments. The Board concluded that the overall quality of the advisory and administrative services provided to the Fund was satisfactory.

PERFORMANCE

The Board considered the investment performance of the Advisers with respect to the Fund, noting that the Advisers also act as investment adviser to certain funds with a similar investment objective and strategy. The Board considered the performance of the Fund for the period from the Fund’s inception on April 29, 2022 to January 31, 2024 and various other periods. The Board further considered performance information of the Fund compared to other comparable peer funds and indices. The Board considered the overall performance of the Fund and concluded that the performance of the Fund was satisfactory.

FEES AND EXPENSES

The Board reviewed the advisory fee rate, sub-advisory fee rate and total expense ratio of the Fund, noting that the Investment Manager pays the Sub-Adviser from its fee. The Board compared the advisory fee and total expense ratio for the Fund with various comparative data, including third-party reports on the expenses of other comparable funds. The Board noted that the Fund's advisory fees and expenses were comparable to the fees and expenses payable by other comparable peer funds. In addition, the Board noted that the Investment Manager has contractually agreed to limit total annual operating expenses and that such agreement would automatically renew for consecutive one-year terms unless the agreement was terminated. The Board concluded that the advisory fees paid by the Fund, the sub-advisory fees payable to the Sub-Adviser and total expense ratio were reasonable and satisfactory in light of the services provided.

BREAKPOINTS AND ECONOMIES OF SCALE

The Board reviewed the structure of the advisory fees under the Investment Management Agreement and the fees paid by the Investment Manager to the Sub-Adviser under the Sub-Advisory Agreement, neither of which included breakpoints. The Board considered the Fund's advisory fees and the fees paid by the Investment Manager to the Sub-Adviser and concluded that such fees were reasonable and satisfactory in light of the services provided. The Board also noted that the Investment Manager did not anticipate economies of scale as the Fund grows.

PROFITABILITY OF INVESTMENT MANAGER AND SUB-ADVISER

The Board considered and reviewed information concerning the costs incurred and profits realized by the Investment Manager from its relationship to the Fund. The Board also reviewed the Investment Manager's and Sub-Adviser's financial condition. The Board noted that the financial condition of each of the Investment Manager and Sub-Adviser appeared stable. The Board determined that the advisory and sub-advisory fees and the compensation to the Investment Manager and Sub-Adviser were reasonable and the financial condition of each was adequate.

ANCILLARY BENEFITS AND OTHER FACTORS

The Board also discussed other benefits to be received by the Investment Manager from its management of the Fund including, without limitation, reputational benefits and the ability to market other investment products offered by the Investment Manager. The Board noted that (i) the Fund's distributor is an affiliate of the Investment Manager and receives certain compensation in its role as distributor and for other services related to the Fund, which are paid by the Investment Manager; and (ii) an affiliate of the Investment Manager receives management fees for assets held in the Fund by such affiliate's wealth management clients for services and resources provided by the affiliate to its clients. The Board noted that the Investment Manager and the Sub-Adviser did not have affiliations with the Fund's transfer agent, administrator or custodian, and in the case of the Sub-Adviser, the distributor, and therefore would not derive any benefits from the relationships these parties may have with the Fund. The Board noted that the Sub-Adviser did not anticipate receiving any demonstrable benefits from its relationship with the Fund other than additional brand awareness. The Board concluded that the advisory fees and sub-advisory fees were reasonable in light of the fall-out benefits.

GENERAL CONCLUSION

Based on its consideration of all factors that it deemed material, and assisted by the advice of its counsel, the Board concluded it would be in the best interest of the Fund and its shareholders to approve the continuance of the Advisory Agreements.

First Trust Real Assets Fund
FUND INFORMATION — Continued
March 31, 2024 (Unaudited)

Availability of Quarterly Portfolio Schedules

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Part F of Form N-PORT. The Fund's Form N-PORT is available on the SEC website at www.sec.gov or without charge and upon request by calling the Fund at (877)-779-1999.

Proxy Voting Record

Information regarding how the Fund voted proxies for portfolio securities, if applicable, during the most recent 12-month period ended June 30, is also available, without charge and upon request by calling the Fund at (877)-779-1999 or by accessing the Fund's Form N-PX on the SEC's website at www.sec.gov.

Proxy Voting Policies and Procedures

A description of the Fund's proxy voting policies and procedures related to portfolio securities is available without charge, upon request, by calling the Fund at (877) 779-1999 or on the SEC website at www.sec.gov.

First Trust Real Assets Fund
235 West Galena Street
Milwaukee, WI 53212
Toll Free: (877) 779-1999

	<u>TICKER</u>	<u>CUSIP</u>
First Trust Real Assets Fund – Class I Shares	FTREX	33742N202