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Equity Income Strategies in 2012:

Late to the game, or just getting started?

Presented by:

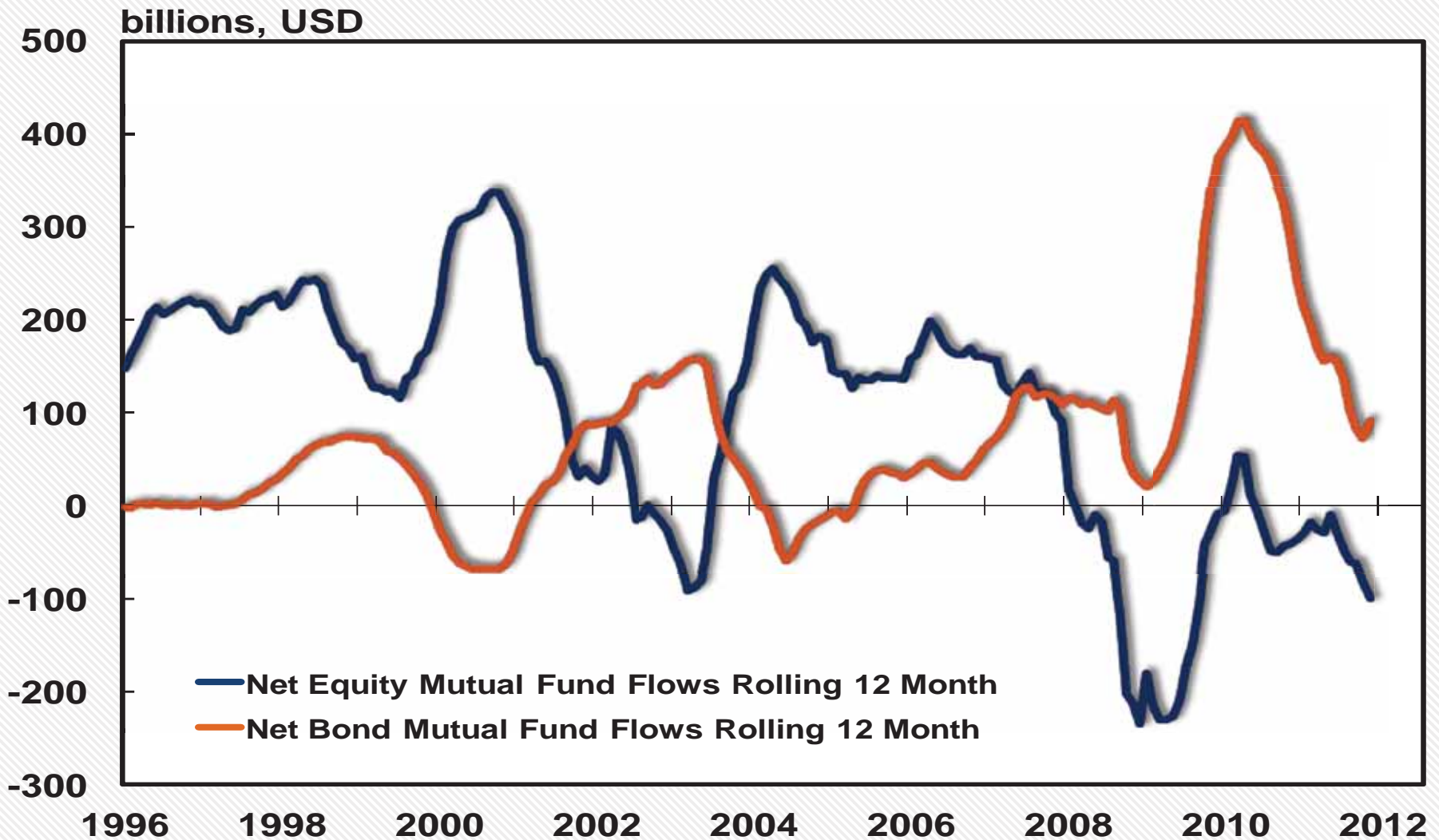
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ETF Strategist

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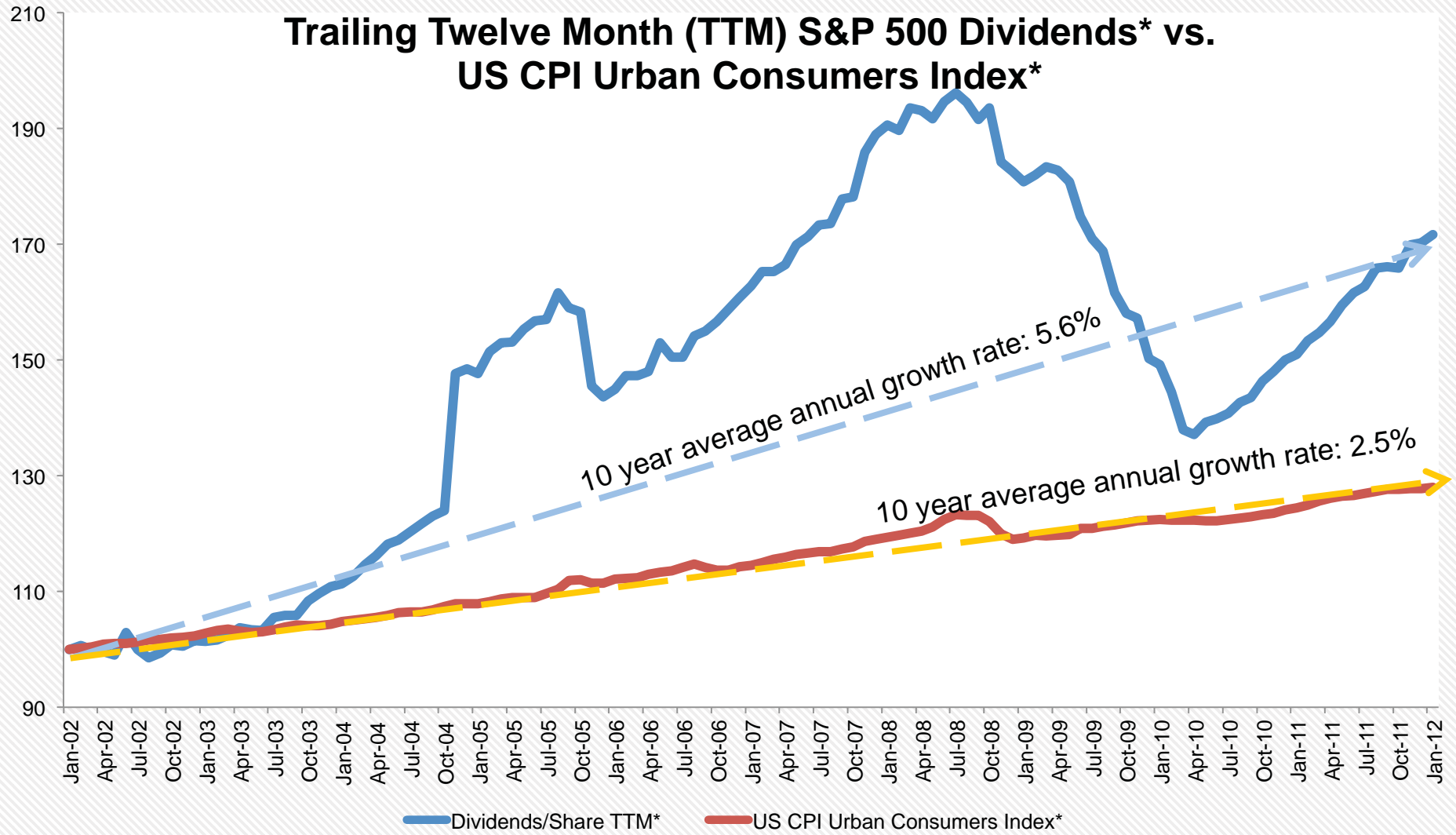
Bond and Stock Inflows



Source: ICI, FT Advisors

Dividend Growth vs. Inflation

Trailing Twelve Month (TTM) S&P 500 Dividends* vs. US CPI Urban Consumers Index*



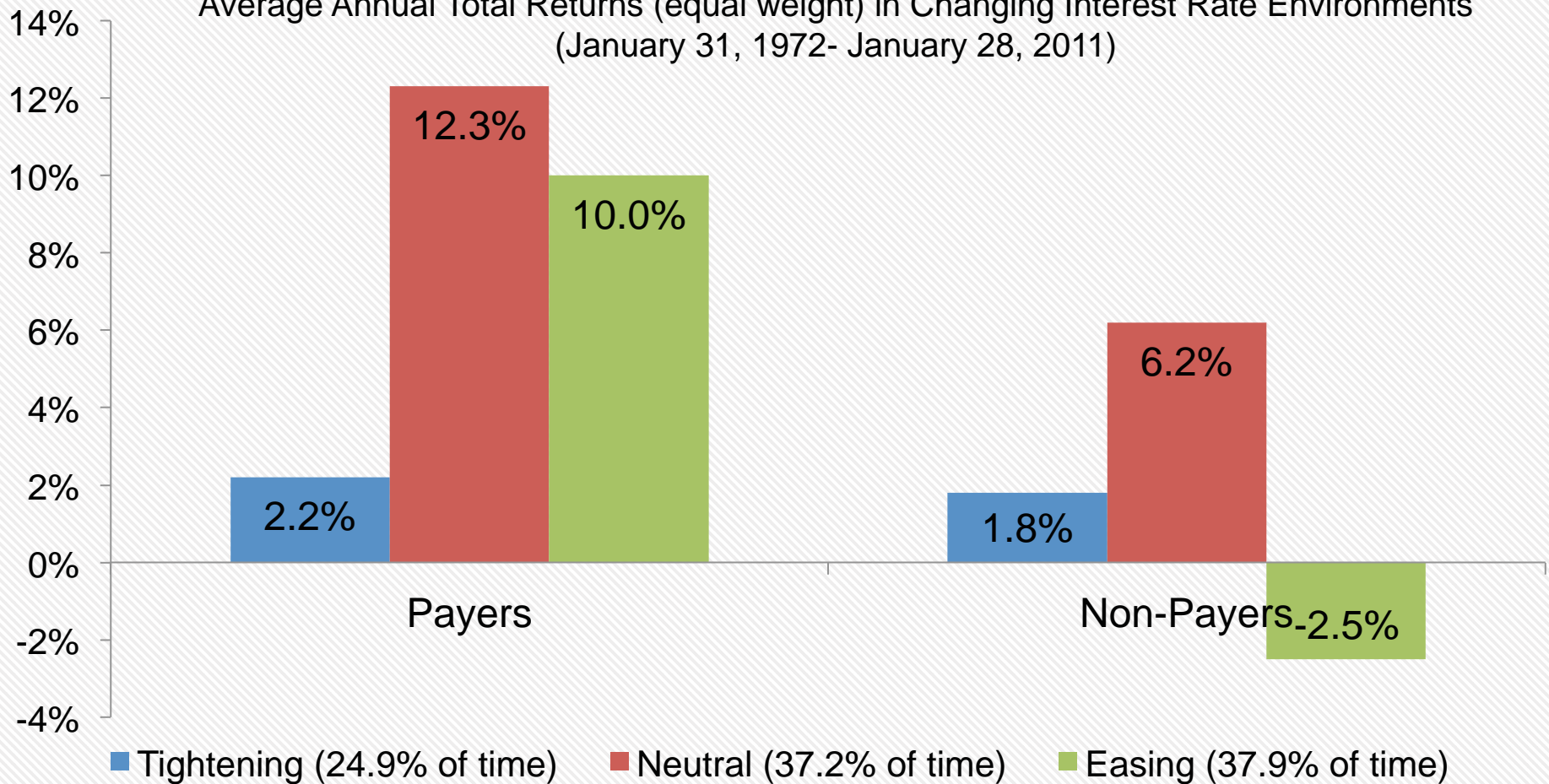
Data Source: Bloomberg

The performance shown is for illustrative purposes only. Past performance is no guarantee of future results.

*Indexed to 100 on 1/31/02

S&P 50 Dividend Payers vs. Non-Payers

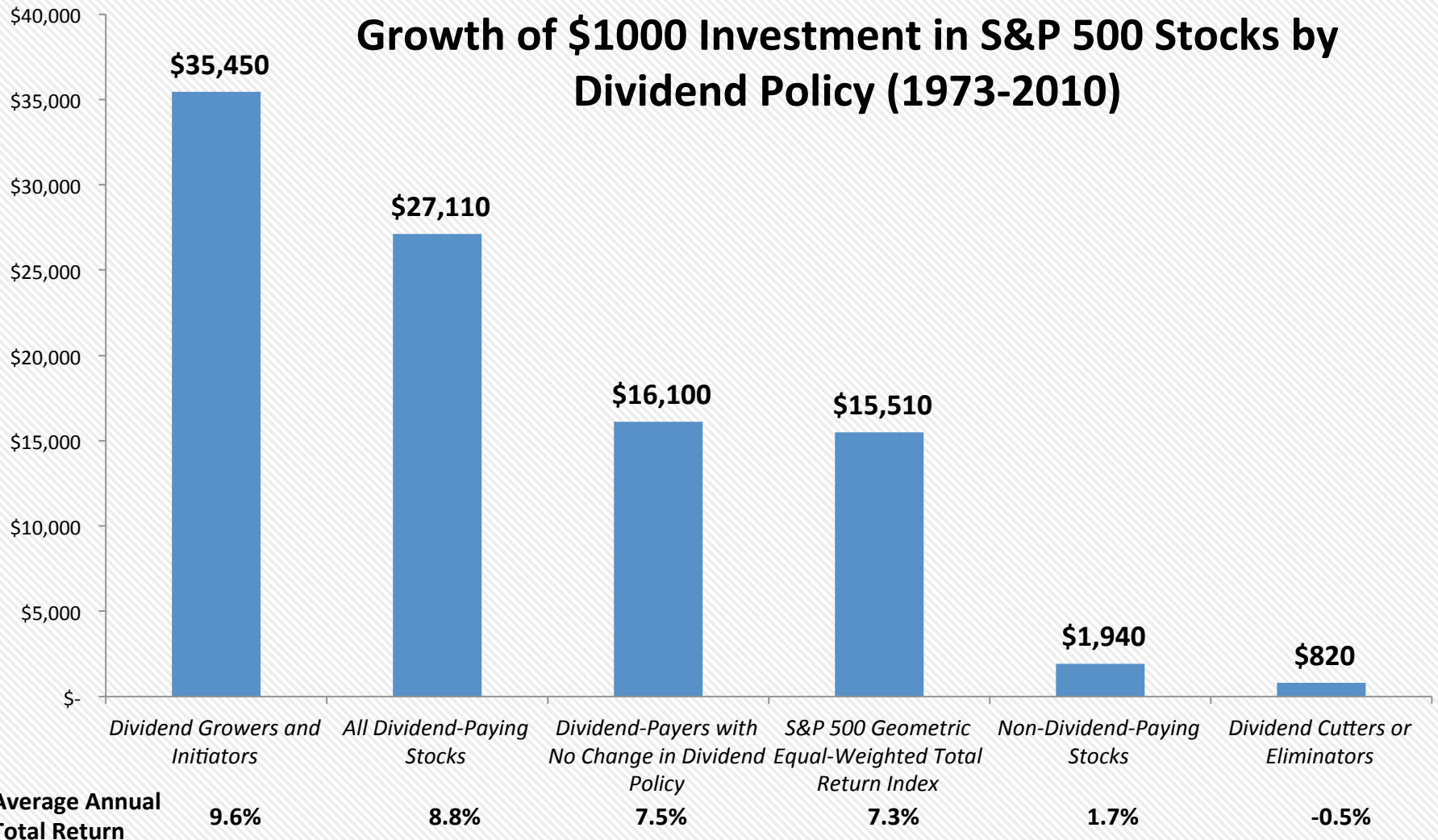
Average Annual Total Returns (equal weight) in Changing Interest Rate Environments
(January 31, 1972- January 28, 2011)



Source of chart data: Ned Davis Research. *Past performance is not indicative of future results.* Until 1989, the Fed used the discount rate as its key benchmark rate, and thus increases or decreases in the discount rate reflected the Fed's monetary policy. The discount rate is the interest rate charged to commercial banks who borrow money directly from the Fed. Since 1989, the Fed has targeted the federal funds rate, which is the rate at which banks borrow short-term funds from each other. While the fed funds rate is a market rate and thus not set explicitly by the Federal Reserve, the Fed maintains a desired target rate for fed funds and through its open market operations (buying and selling government debt) it influences the fed funds rate to keep it close to its target rate. An "easing" cycle is defined by a period in which at least two consecutive rate cuts took place within a 12-month period without an intervening rate hike. A "tightening" cycle is defined as a period in which at least three consecutive rate increases without an intervening easing cycle.

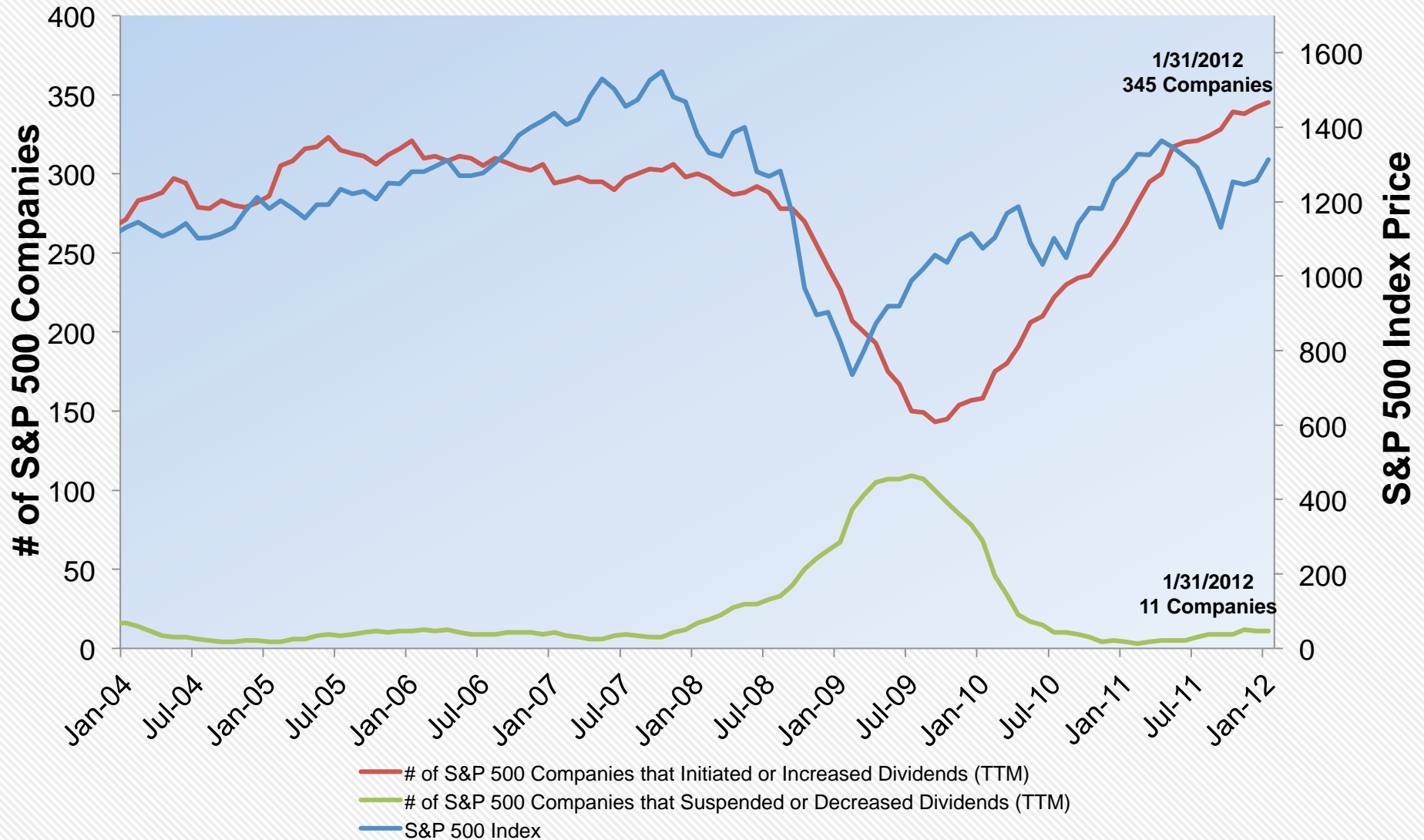
Impact of Dividend Policy on Total Returns

Growth of \$1000 Investment in S&P 500 Stocks by Dividend Policy (1973-2010)



Source of chart data: Ned Davis Research. Based on equal-weighted geometric average of total return of dividend-paying and non-dividend-paying historical S&P 500 stocks, rebalanced annually. Uses actual annual dividends to identify dividend-paying stocks and changes on a calendar year basis. The performance shown is for illustrative purposes only. Past performance is no guarantee of future results.

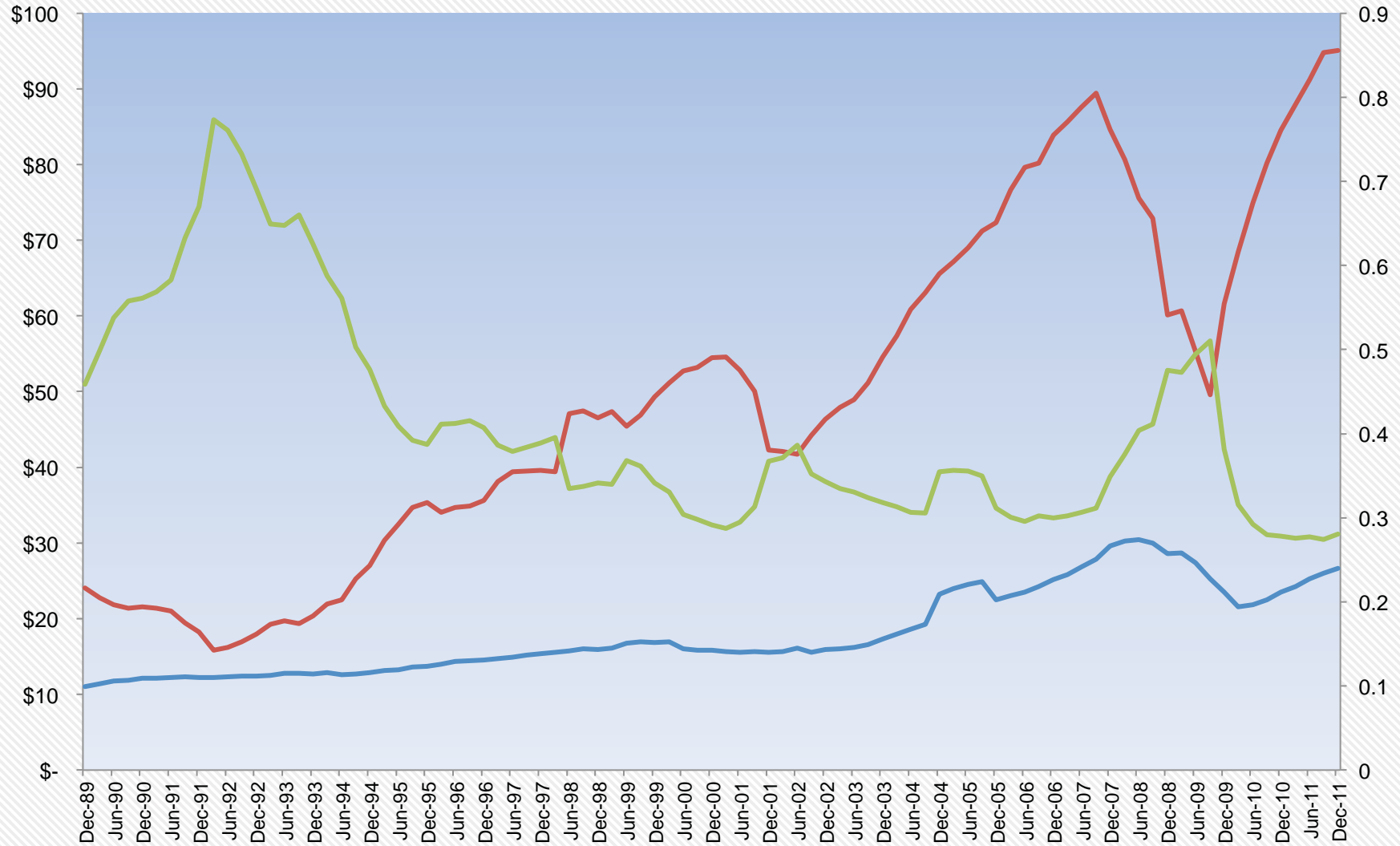
Trailing 12 Months Dividend Policy Changes



Data Source: Standard & Poors; Bloomberg

The performance shown is for illustrative purposes only. Past performance is no guarantee of future results.

S&P 500 Earnings vs. Dividends



— Trailing 12 Month Dividends (left scale)
 — Trailing 12 Month Earnings (left scale)
 — Trailing 12 Month Dividends/Earnings (right scale)

This example is for illustrative purposes. Past performance is no guarantee of future results.

Data obtained from Bloomberg

S&P 500 Sectors - Average P/E Ratio

Sector	Average P/E	2012 Forward P/E
Telecom	19.83	18.05
Staples	20.25	14.98
Discretionary	21.18	15.10
Utilities	14.49	14.26
Industrials	19.80	13.06
Info. Tech.	30.14	12.79
Materials	21.03	12.87
Healthcare	21.97	11.88
Energy	17.87	10.97
Financials	18.79	11.38

Source: Bloomberg; Average P/E is a daily average calculated from 6/30/94 through 12/30/11. Forward P/E is based on index prices as of 3/7/12

Equity Income Index Strategies:

- Morningstar® Dividend LeadersSM Index
- Value Line® Dividend IndexTM
- Dow Jones Global Select Dividend Index

Morningstar® Dividend LeadersSM Index

Dividend Indexes Construction Process



First Trust Morningstar Dividend LeadersSM Index Fund (FDL)

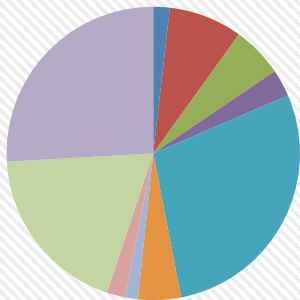
Fund Details (as of 1/31/12)

# of Holdings	98
Max. Market Cap.	\$179.99 Billion
Median Market Cap.	\$4.56 Billion
Min. Market Cap.	\$836 Million
Price/Earnings	12.55
Price/Book	1.91
Price/Cash Flow	5.63
Price/Sales	1.24
30 Day SEC Yield	4.01%

Top 10 Holdings (as of 02/29/12)

AT&T Inc.	10.15%
Johnson & Johnson	9.17%
Verizon Communications Inc.	8.79%
Merck & Co., Inc.	7.95%
ConocoPhillips	5.58%
Abbott Laboratories	4.86%
Bristol-Myers Squibb Company	3.40%
Kraft Foods Inc.	3.11%
Eli Lilly and Company	2.97%
The Southern Company	2.52%

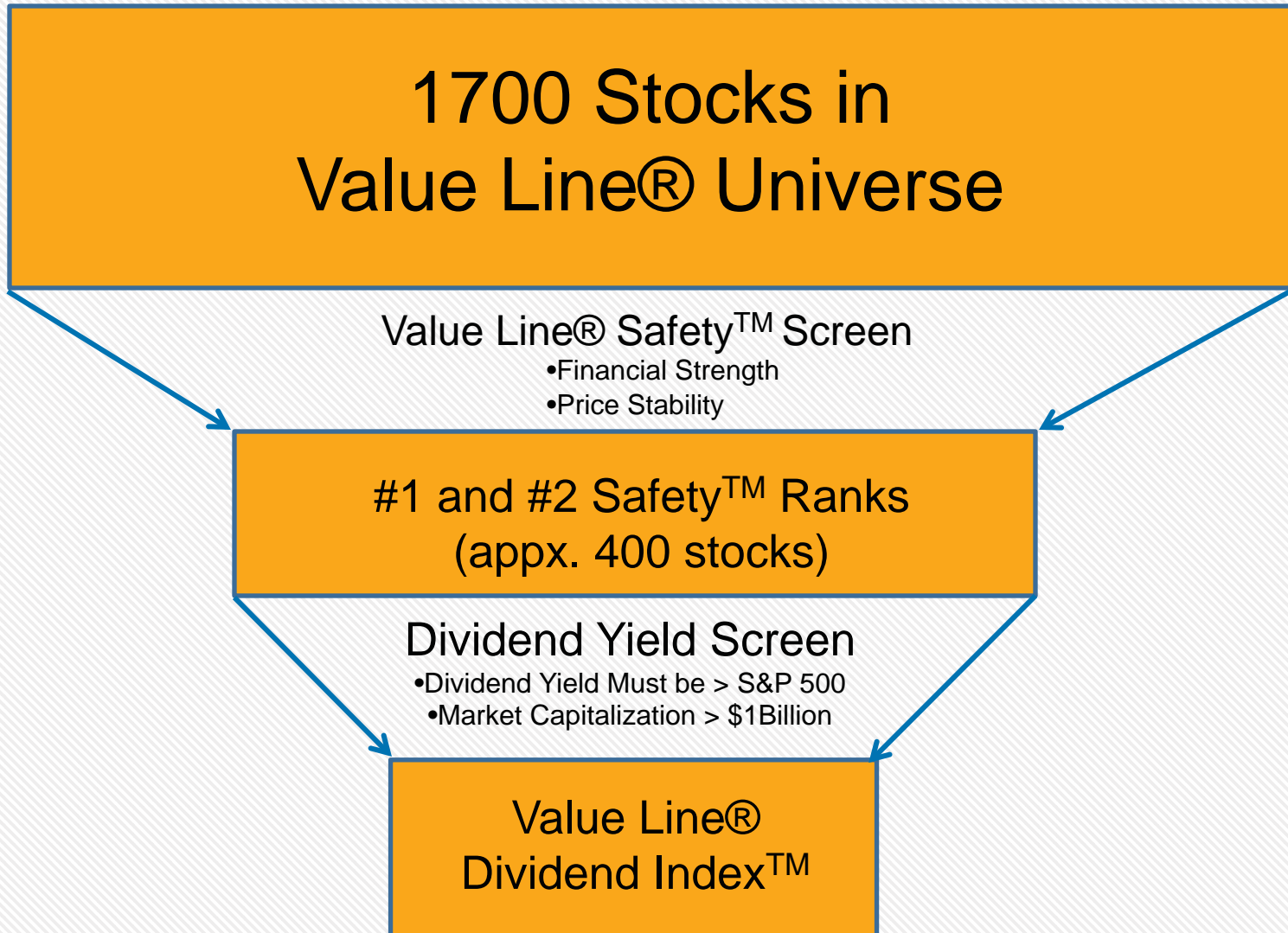
Sector Breakdown (as of 02/29/12)



Consumer Discretionary	1.8%	Consumer Staples	8.1%
Energy	5.6%	Financials	3.0%
Health Care	28.4%	Industrials	4.7%
Information Technology	1.4%	Materials	2.0%
Telecommunication Services	19.0%	Utilities	25.9%

Value Line® Dividend Index™

Methodology



First Trust Value Line® Dividend Index Fund (FVD)

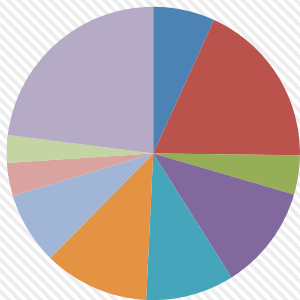
Fund Details (as of 1/31/12)

# of Holdings	168
Max. Market Cap.	\$401.38 Billion
Median Market Cap.	\$16.03 Billion
Min. Market Cap.	\$1.04 Billion
Price/Earnings	13.92
Price/Book	2.01
Price/Cash Flow	8.14
Price/Sales	1.06
30 Day SEC Yield	2.77%

Top 10 Holdings (as of 02/29/12)

Target Corporation	0.66%
The Procter & Gamble Company	0.64%
Royal Bank of Canada	0.64%
Thomson Reuters Corporation	0.64%
Accenture Plc	0.63%
Baxter International Inc.	0.63%
British American Tobacco Plc	0.63%
ConocoPhillips	0.63%
General Dynamics Corporation	0.63%
Leggett & Platt, Incorporated	0.63%

Sector Breakdown (as of 02/29/12)



Consumer Discretionary	6.8%	Consumer Staples	18.4%
Energy	4.3%	Financials	11.5%
Health Care	9.7%	Industrials	11.6%
Information Technology	8.0%	Materials	3.7%
Telecommunication Services	3.0%	Utilities	23.0%

Dow Jones Global Select Dividend IndexSM

Methodology

Universe

Dow Jones Global Indexes: 25 Developed Market Country Indexes

-Screen for **Dividend Quality** and **Liquidity**:

- Must pay a current dividend
- Dividend/Share \geq 5 year average
- Dividend Payout Ratio \leq 60% for US and European stocks; \leq 80% for other countries
- 3 month daily trading volume \geq \$3 million

-Select **100 highest yielding** stocks

- Subject to buffers to limit turnover

-Components weightings based on dividend yield

-Index reconstituted and adjusted annually

Dow Jones Global Select Dividend IndexSM

First Trust Dow Jones Global Select Dividend Index Fund (FGD)

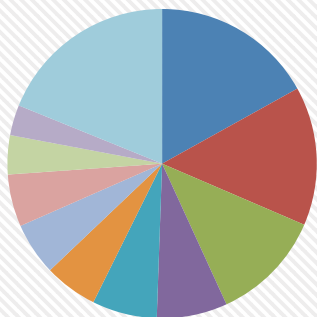
Fund Details (as of 1/31/12)

# of Holdings	101
Max. Market Cap.	\$174.31 Billion
Median Market Cap.	\$8.64 Billion
Min. Market Cap.	\$511 Million
Price/Earnings	11.09
Price/Book	1.53
Price/Cash Flow	4.12
Price/Sales	0.74
30 Day SEC Yield	6.19%

Top 10 Holdings (as of 02/29/12)

RWE AG	2.09%
Telecom Corporation of New Zealand	2.04%
NCC AB (Class B)	1.80%
Cable & Wireless Communications Plc	1.79%
Peab AB	1.77%
Shimao Property Holdings, Ltd.	1.69%
ProSiebenSat.1 Media AG (Preference)	1.67%
Konecranes Oyj	1.56%
David Jones Limited	1.51%
Hays Plc	1.50%

Country Breakdown (as of 02/29/12)



Australia	16.9%	United States	14.5%
United Kingdom	11.7%	France	7.4%
Canada	6.8%	Germany	5.6%
Sweden	5.5%	Hong Kong	5.5%
Spain	4.1%	New Zealand	3.2%
Other	19.1%		

Considerations

You should consider a fund's investment objectives, risks, and charges and expenses carefully before investing. Contact First Trust Portfolios L.P. at 1-800-621-1675 or visit www.ftportfolios.com to obtain a prospectus or summary prospectus which contains this and other information about the funds. The prospectus or summary prospectus should be read carefully before investing.

RISKS

A fund's shares will change in value, and you could lose money by investing in a fund. One of the principal risks of investing in a fund is market risk. Market risk is the risk that a particular stock owned by a fund, fund shares or stocks in general may fall in value.

A fund's return may not match the return of the index. A fund may not be fully invested at times. Securities held by a fund will generally not be bought or sold in response to market fluctuations and the securities may be issued by companies concentrated in a particular industry. A fund may invest in small capitalization and mid capitalization companies. Such companies may experience greater price volatility than larger, more established companies.

Investors buying or selling fund shares on the secondary market may incur customary brokerage commissions. Investors who sell fund shares may receive less than the share's net asset value. Shares may be sold throughout the day on the exchange through any brokerage account. However, shares may only be redeemed directly from a fund by authorized participants, in very large creation/redemption units.

An investment in a fund containing equity securities of foreign issuers is subject to additional risks, including currency fluctuations, political risks, withholding, the lack of adequate financial information, and exchange control restrictions impacting foreign issuers.

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