



4th Quarter 2011

First Trust Target Date Fund 2010

A DISCIPLINED APPROACH TO INVESTING

R2

The Power of T-Squared!

Investment Objective

The First Trust Target Date Fund 2010 invests your assets according to the year you plan to retire and seeks above-average total return through an optimized portfolio diversified across multiple asset classes.

Through this fund, investors get the “**Power of T-Squared**”: First Trust quantitative **Target Strategies** in a fund structured as a **Target** Date fund.

Introduction to Target Date Funds

A target date fund is designed to take investors through many market environments while anticipating a retiree's need to live off his/her savings and help maintain purchasing power after retirement.

How a Target Date Fund Works

Younger investors typically can handle the risk of more equity exposure. As an investor ages, equity exposure generally should decrease, and exposure to fixed-income (bonds and equivalents) generally should increase. A target date fund follows a “glide

Utilizing First Trust Target Strategies

path” throughout a set period of time, and invests accordingly. This type of fund helps build retirement wealth through different markets and with equity exposure that is commensurate to an investor's age and expected year of retirement.

The First Trust Target Date Fund 2010 is designed for an investor looking to retire in 2010 or shortly thereafter. Since the window to retirement is short, this fund has a larger exposure to fixed-income than to equities. See side 2 of this fact sheet for the portfolio allocation of this First Trust Target Date Fund 2010.

First Trust Target Date Fund 2010 Facts

Inception Date:	12/31/09
CUSIP:	41023Q760
Share Class:	R2
Est. Expense Ratio:	1.38%
Benchmark:	First Trust Target Date 2010 Custom Index*
Glide Path Adjustment:	Annually on or about Dec. 31
Automatic Rebalancing:	Quarterly
Fund Management:	First Trust Advisors L.P.

First Trust Target Date Fund 2010

Hypothetical Portfolio Data (as of 12/31/11)

Alpha	2.85%
Beta	0.79
Standard Deviation	7.81%
Sharpe Ratio	0.64

Performance (as of 12/31/11)

	Quarter	YTD	Average Annual Returns				
			1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception
First Trust Target Date Fund 2010							
NAV	3.89%	7.31%	7.31%	n/a	n/a	n/a	9.68%
Methodology/Index/Peer Group[†]							
Hypothetical 2010 Returns	4.13%	6.92%	6.92%	9.63%	4.49%	7.15%	7.33%
FT Target Date 2010 Custom Index*	4.62%	4.99%	4.99%	10.59%	4.17%	5.85%	4.75%
Morningstar TD 2000-2010**	4.45%	0.91%	0.91%	11.09%	1.64%	3.85%	n/a

Past performance is no guarantee of future results.

* The First Trust Target Date 2010 Custom Index is comprised of the following: 28.8% Russell 3000® Index, 8.0% MSCI World ex US Index, and 63.2% Barclays Capital U.S. Aggregate Index.

** Source of Morningstar Target-Date 2000-2010 returns: Morningstar.com

[†] **Hypothetical performance information for the First Trust Target Date Fund 2010 Methodology (the “Fund”) is for illustrative purposes only and does not represent actual Fund performance.** All performance information presented for the Fund is based on hypothetical, back-tested data. Hypothetical, back-tested performance has inherent limitations and is not indicative of future results. No representation is being made that any investment will achieve performance similar to that shown. The hypothetical performance does not reflect brokerage expenses. The hypothetical performance assumes that dividends are reinvested monthly and includes management fees payable by the Fund. In certain circumstances, the advisor to the Fund may not invest in individual equity securities in accordance with the Fund's equity investment methodology, but instead may select ETFs or PIVs that are representative of asset classes within the Fund's Glide Path. These circumstances would likely include the initial invest-up period of the Fund and at times when the Fund must invest inflows of cash. Accordingly, in such instances, the Fund's equity investment performance may not replicate the hypothetical performance depicted in this fact sheet.

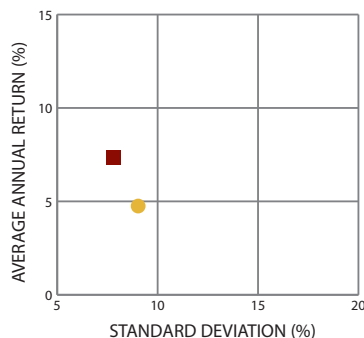
Risk/Return Comparison and Hypothetical Performance Figures for Hypothetical 2010 vs. First Trust Target Date 2010 Custom Index

(12/31/98 – 12/31/11)

Performance shown assumes quarterly rebalancing of the portfolio and annual glide path adjustment.

Risk/Return Comparison

■ Hypothetical 2010-R2 ● Custom Index



Hypothetical Returns

for Hypothetical 2010-R2 vs. Custom Index

	Annual Total Returns	
	2010-R2	Custom Index
1999	17.63%	15.50%
2000	5.81%	-0.69%
2001	1.12%	-6.48%
2002	-0.95%	-4.60%
2003	21.45%	23.81%
2004	13.17%	12.87%
2005	9.03%	7.37%
2006	7.84%	12.55%
2007	8.98%	7.87%
2008	-13.24%	-20.89%
2009	12.80%	18.20%
2010	9.25%	10.00%
2011	6.92%	4.99%

	Average Annual Total Returns**	
	2010-R2	Custom Index
10 Years	7.15%	5.85%
5 Years	4.49%	4.17%
3 Years	9.63%	10.59%
1 Year	6.92%	4.99%

** Calculated through 12/31/11

During the periods shown in charts on this page, First Trust did not manage or supervise accounts which employed the Fund's investment methodology.

Past performance is no guarantee of future results and the actual performance of the Fund may be lower or higher than the hypothetical performance of the Fund. Investment return and principal value of the portfolio will fluctuate causing units of the Fund, when redeemed, to be worth more or less than their original cost. The performance provided is hypothetical and not representative of the Fund or any other portfolio since none existed during most of the period shown. Returns are net of all estimated expenses and assume that all dividends received during a year are reinvested monthly. Actual portfolio performance will vary from that of the hypothetical performance because the Fund may not be invested equally in these securities and may not be fully invested at all times. It is important to note that the Fund's investment methodology may produce negative results. See side 2 of this fact sheet for additional information about the hypothetical returns shown here. An investment in the Fund is subject to the risk that a particular stock owned by the Fund, units of the Fund or stocks in general may fall in value (market risk). Investment in small- or mid-size companies may increase such risk. The Fund's investment in securities of non-U.S. issuers may involve certain other risks not typically associated with investing in securities of U.S. issuers. Because the Fund invests in fixed-income assets, it is exposed to additional risks, including the risk that higher interest rates will lower the present value of fixed-income securities (interest rate risk), credit risk of the underlying issuers and income risk in connection with dropping interest rates. The Fund's investment in REITs involves the risks associated with investing in real estate generally. Because the Fund invests in commodity trusts, it is subject to additional risks, including the risk of commodity price fluctuations. Investors should refer to the Fund's Information Statement for further information regarding Fund risks before deciding to invest.

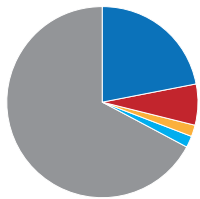


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First Trust Target Date Fund 2010

R2

Portfolio Allocation (as of 12/31/11)



■ U.S. Equity	22%
■ International Equity	7%
■ Real Estate Investment Trusts	2%
■ Commodities	2%
■ Fixed-Income	67%

A Tactical Approach to Equity Security Selection – The Target Methodology

Because stock prices are subject to various factors that can make them deviate from a company's true value, First Trust believes that evaluating each company based on time-tested fundamental measures is key to achieving a higher rate of long-term success. Our approach to selecting stocks for the U.S. equity securities portion of the First Trust Target Date Fund Family is based on a proprietary rules-based selection process which is consistently applied to select the stocks. This process embodies key elements of our investment philosophy by focusing on financial measures that are generally believed to be least susceptible to accounting distortions and erroneous corporate guidance.

When selecting stocks for the U.S. equity securities portion of the Fund, we apply a model which analyzes large-cap, mid-cap, small-cap, and international stocks to assess valuations based on multiple risk, value, and growth factors. Our goal is to identify stocks which exhibit the fundamental characteristics that enable them to provide the greatest potential for capital appreciation. This process is unique and represents a critical point of differentiation from indexing and other management styles.

Stock Selection Factors

Risk Model

- Debt to equity
- Earnings variability
- Beta

Value & International Model

- Price to book
- Price to cash flow
- Return on assets
- Price appreciation

Growth Model

- Price to sales
- Price to cash flow
- Change in return on assets
- Price appreciation

For the fixed-income, emerging markets equity, commodities and REITs asset class portions of the First Trust Target Date Fund Family, the Fund intends to invest in exchange-traded funds (ETFs) and other pooled investment vehicles (PIVs) which invest in appropriate securities for each such asset class. Incorporating ETFs and PIVs which invest in a broad range of non-correlating securities results in distinct portfolios with varying risk/reward profiles. ETFs and PIVs provide investors with several potential benefits, including diversification, transparency, and discipline, all of which align with the principles upon which our portfolios are based.

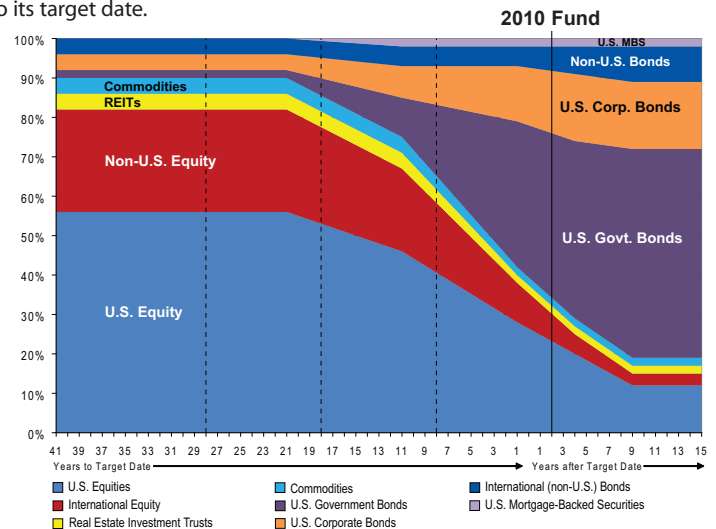
Portfolio (as of 12/31/11)

Allocations

Allocations	Strategy/ETF Implementation
U.S. Large Value	First Trust Large-Cap Value Target Strategy
U.S. Large Growth	First Trust Large-Cap Growth Target Strategy
U.S. Mid Value	First Trust Mid-Cap Value Target Strategy
U.S. Mid Growth	First Trust Mid-Cap Growth Target Strategy
U.S. Small Value	First Trust Small-Cap Value Target Strategy
U.S. Small Growth	First Trust Small-Cap Growth Target Strategy
Developed-ex U.S. Equity	First Trust International Target Strategy
Emerging Markets Equity	iShares MSCI Emerging Markets (EEM)
Real Estate Investment Trusts (REITs)	iShares Cohen & Steers Realty Majors (ICF)
Commodities	iShares S&P GSCI Commodity Index Trust (GSG)
Short-Term Treasuries	iShares Barclays 1-3 yr Treasury (SHY)
Intermediate Treasuries	iShares Barclays 7-10 yr Treasury (IEF)
Long-Term Treasuries	iShares Barclays 20+ Treasury (TLT)
Inflation Protected Treasuries (TIPS)	iShares Barclays TIPS (TIP)
Investment-Grade Corporate Bonds	iShares Barclays Intermediate Credit Bond (CIU)
High-Yield Corporate Bonds	SPDR Barclays Capital High Yield Bond (JNK)
International Treasuries	SPDR Barclays Capital International Treasury Bond (BWX)
Emerging Markets Bonds	iShares JPMorgan USD Emerging Markets Bond (EMB)
Mortgage-Backed Securities	iShares Barclays MBS Fixed-Rate Bond (MBS)

Glide Path

A glide path refers to a formula that defines the asset allocation mix of a target date fund, based on the number of years to your anticipated retirement or "target date". As you'll see below, the Fund's Glide Path creates an asset allocation plan that becomes more conservative in its chosen securities as the Fund gets closer to its target date.



This glide path is for illustrative purposes only and is not meant to reflect an actual portfolio.

- Alpha** – A measure of the portion of a return arising from non-market risk.
- Beta** – A measure of price variability relative to the market.
- Standard Deviation** – A measure of price variability (risk).
- Sharpe Ratio** – A measure of excess reward per unit of volatility.

Hypothetical return information. The Strategies were designed with the benefit of hindsight and their returns do not represent the results of actual trading. First Trust applies a quantitative methodology in employing the Strategies and accordingly, the returns are not necessarily indicative of First Trust's ability to select individual securities. The performance figures may not reflect the impact that material economic and market factors might have had on First Trust's decision-making if First Trust had actually managed clients' money during the time periods shown.

The Fund is not a mutual fund and its units are not deposits of Hand Benefits & Trust Company or First Trust Advisors L.P. and are not insured by the Federal Deposit Insurance Corporation or any other agency. The units are securities which have not been registered under the Securities Act of 1933, as amended, and the Fund is exempted from investment company registration under the Investment Company Act of 1940, as amended. Therefore, Participating Plans and their Participants will not be entitled to the protections under these Acts. Management of the Trust, however, is generally subject to the fiduciary requirements of the Employee Retirement Income Securities Act of 1974 ("ERISA"). First Trust Advisors L.P. is the Fund's Advisor and provides investment management services. Hand Benefits & Trust Company is the Fund's Trustee.

As defined in the Declaration of Trust and Participation Agreement documents, the First Trust Target Date Fund Family is available for investment by eligible qualified retirement plan trusts only. The unit value will fluctuate and investors may lose money. Various asset classes such as small-cap stocks and international stocks may carry additional risks.

As with any investment, you can lose money by investing in the First Trust Target Date Fund Family. The mix of assets in a Target Date Fund is intended to diminish the risk of loss, but stocks, bonds, and other assets in a Target Date Fund's portfolio could lose value simultaneously. An investment in a Target Date Fund is exposed to market risk and certain other risks.

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