



ANNUAL INFORMATION FORM

Respecting Series A and Series F Shares of

VERITAS CANADIAN SELECT PORTFOLIO
FIRST TRUST RAYMOND JAMES CANADIAN FOCUS PICKS PORTFOLIO *(formerly*
Raymond James Canadian Focus Picks Portfolio)

of

FT Mutual Fund Corporation

No securities regulatory authority has expressed an opinion about these shares and it is an offence to claim otherwise.

February 26, 2010

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NAME, FORMATION AND HISTORY OF THE FUNDS

This is the Annual Information Form for Veritas Canadian Select Portfolio and First Trust Raymond James Canadian Focus Picks Portfolio (*formerly Raymond James Canadian Focus Picks Portfolio*) (each a “**Fund**” and together the “**Funds**”).

The Funds described in this Annual Information Form each represent a separate class of shares of FT Mutual Fund Corporation (“**Fundcorp**”) and each has its own separate pool of assets within Fundcorp. Mutual fund shares of the Funds are generally referred to in this Annual Information Form as “shares”.

Fundcorp was formed under the laws of Ontario by articles of incorporation dated July 5, 2007, as amended by articles of amendment dated November 30, 2007 in order to remove certain transfer restrictions on the shares of Fundcorp, and articles of amendment dated July 28, 2008 and November 25, 2009 to create additional series of Fundcorp shares. The authorized capital of Fundcorp includes separate classes of mutual fund shares and separate series of each class. A Fund represents only one of the classes of mutual fund shares offered by Fundcorp. Subject to its articles and applicable law, Fundcorp may offer additional new classes and new series at any time.

The Funds are managed by First Defined Portfolio Management Co. (the “**Manager**”). First Trust Advisors L.P. (the “**Portfolio Advisor**”), an affiliate of the Manager, is the investment advisor to the Funds.

The head office and principal place of business of the Funds is the head office of the Manager at Suite 1300, 330 Bay Street, Toronto, Ontario, M5H 2S8. The Manager may also be contacted toll free at 1-877-622-5552 or by e-mail at info@firsttrust.ca. Information about the Funds is also available at www.firsttrust.ca.

In this document, “we” refers to the Manager.

INVESTMENT RESTRICTIONS AND PRACTICES OF THE FUNDS

The Funds are subject to certain investment restrictions and practices contained in securities legislation, including National Instrument 81-102 - *Mutual Funds* (“**NI 81-102**”). These restrictions and practices are designed, in part, to ensure that the investments of the Funds are diversified and relatively liquid and to ensure the proper administration of the Funds. Each Fund is managed in accordance with these restrictions and practices.

A Fund may invest in certain exchange traded funds managed by BetaPro Management Inc. (the “**BetaPro ETFs**”) provided:

- (a) no more than 10% of the Fund’s net assets, in the aggregate at the time of purchase, may be invested in securities of the BetaPro ETFs;
- (b) if the Fund obtains relief to use short selling, the Fund may not purchase securities of a BetaPro ETF that uses financial instruments to track its underlying

index by -200% on a daily basis (a “**Bear ETF**”) or sell any security short if, immediately after the transaction, the aggregate market value of (i) all securities sold short by the Fund, and (ii) all securities of Bear ETFs held by the Fund, would exceed 20% of the Fund’s net assets, taken at market value at the time of the transaction;

- (c) the investment by the Fund in securities of a BetaPro ETF is in accordance with the fundamental investment objective of the Fund; and
- (d) the Fund will not invest in a BetaPro ETF with an underlying index that is based on:
 - (i) a physical commodity other than gold, or
 - (ii) a specified derivative of which the underlying interest is a physical commodity other than gold.

Fundcorp intends to qualify as a mutual fund corporation under the *Income Tax Act* (Canada) (the “**Tax Act**”) and, as such, Fundcorp must restrict its activities to investments in property for the purposes of the Tax Act.

A change in a Fund’s investment objective may only be made after obtaining the consent of a majority of votes cast by the Fund’s shareholders present in person or by proxy at a meeting called to consider the change. The voting rights of shareholders of a Fund are more fully described below.

DESCRIPTION OF SHARES OFFERED BY THE FUNDS

A class of shares of Fundcorp is associated with an investment portfolio having specific investment objectives and is representative of a separate fund. A Fund represents only one class of shares currently offered by Fundcorp. Each Fund offers Series A and Series F shares. Subject to its articles and applicable law, Fundcorp may offer additional new classes and new series at any time.

DISTRIBUTIONS Fundcorp intends to pay distributions that may be capital gains dividends or ordinary dividends for tax purposes. Fundcorp also may make distributions to you as a return of paid-up capital. Each year, Fundcorp will make one or more payments of ordinary dividends to shareholders to the extent necessary to ensure that Fundcorp does not pay any refundable tax on its taxable dividends from taxable Canadian corporations. Fundcorp anticipates making such payments of ordinary dividends to shareholders in June of each year. Fundcorp also intends to pay a capital gains dividend to shareholders annually in July or August to the extent necessary to ensure that Fundcorp does not pay any refundable tax on its capital gains. You will receive a distribution if you are a shareholder of record of a Fund on the record date for the applicable distribution. The amount of the distribution in respect of Series A or Series F shares of a

Fund will be equal to the series' proportionate share of the adjusted net income or net realized capital gains for the period of the Fund, less the fees and expenses shared by, or attributable to, that series for the period. All distributions will be automatically reinvested for you into new Series A or Series F shares of your Fund as the case may be, at the applicable net asset value per Series A or Series F share of the Fund.

VOTING RIGHTS

Holders of a series of shares of a Fund are entitled to exercise one vote for each share held at meetings for shareholders of the Fund and at meetings for shareholders of the particular series of shares of the Fund. The following matters currently require shareholder approval pursuant to securities legislation:

- changing the basis of the calculation of a fee or expense that is charged to a Fund or directly to its shareholders by a Fund or the Manager in a way that could result in an increase in charges to the Fund or its shareholders; however, no shareholder approval will be required if the Fund is at arm's length to the person or company charging the fee or expense and if a written notice of the change is provided to shareholders at least 60 days before the effective date of the change;
- introducing a fee or expense to be charged to a Fund or directly to its shareholders by a Fund or the Manager in a way that could result in an increase in charges to the Fund or its shareholders;
- changing the manager of a Fund, unless the new manager is an affiliate of the Manager;
- changing the fundamental investment objective of a Fund;
- decreasing the frequency of the calculation of a Fund's net asset value ("NAV");
- undertaking a reorganization with, or transferring a Fund's assets to, another mutual fund, when the Fund will cease to continue after the transaction and the transaction will result in the shareholders of that Fund becoming securityholders of the other mutual fund; however, shareholder approval will not be required provided: (i) the independent review committee of the Fund (as described under the section "Independent Review Committee" below) has approved the change in accordance with National Instrument 81-107 - *Independent Review Committee* ("NI 81-107"), (ii) the Fund is being reorganized with, or transferring its assets to, another mutual fund to which NI 81-102 and NI 81-107 apply and that is managed by the Manager or an affiliate of the Manager, (iii) the reorganization or transfer of assets complies with required criteria described in NI 81-102, and (iv) a written notice describing the reorganization or transfer will be sent to

shareholders at least 60 days before the effective date of the reorganization or transfer; and

- if a Fund undertakes a reorganization with, or acquiring assets from, another mutual fund, if the Fund continues after the transaction, and the transaction results in the securityholders of the mutual fund becoming shareholders of the Fund and the transaction would be a significant change to the Fund.

PURCHASES

Shares of a Fund are offered in all provinces and territories of Canada. The Funds are valued in Canadian dollars. Subject to the discretion of the Manager to waive minimum investment amounts, the initial investment in shares of a Fund must be at least \$1,500 and any additional investments must be at least \$250. All complete orders will be processed within three business days or such shorter period as may be required by Canadian securities regulatory authorities. Please see the section entitled “Purchases and Switches” for more details.

SWITCHES

Shareholders may switch their investment among the series within a Fund or to any of the funds that may be offered by Fundcorp in the future. However, you may only switch among series or classes of shares of Fundcorp denominated in the same currency. Changing the denomination of the currency of your investment in Fundcorp will involve a redemption and purchase.

Switching amongst series of a Fund or from one fund to another fund that is offered by Fundcorp (including to another Fund) will not be a taxable transaction.

Shareholders may also switch their investments into another First Trust fund in Canada outside the Fundcorp family, however, the switch will be a taxable transaction to you. Please see the section entitled “Purchases and Switches” for more details.

REDEMPTION RIGHTS

Shareholders of a Fund are entitled to redeem shares in the Fund and to receive an amount for each share redeemed equal to the NAV per share of the Fund. Under exceptional circumstances, the Manager may suspend the right for redemption and postpone the date of payment of redemptions for any period provided that it complies with applicable securities regulatory policies. Please see the section entitled “Redemptions” for more details.

LIQUIDATION RIGHTS

If a Fund (or a particular series of shares of a Fund) is ever terminated, each share that you own will participate equally with each other share of the same series in the assets of the series of the Fund after all of the Fund’s liabilities (or those allocated to the series of shares being terminated) have been paid.

CALCULATION OF NET ASSET VALUE

CALCULATION OF NET ASSET VALUE PER SHARE

- The value of a Fund is called its “net asset value” or “NAV”. When a Fund calculates its NAV, it determines the market value of all its assets and subtracts from this amount all its liabilities.
- A separate NAV per share is calculated for each series of shares of a Fund.
- Shares of each series of a Fund will be issued or redeemed at the applicable NAV per series of the Fund.
- The NAV of each series of shares of a Fund is calculated in Canadian dollars on each business day as at 4:00 p.m. (Toronto time) but in some circumstances it may be calculated at another time. In this Annual Information Form, a “**business day**” refers to a day that the Toronto Stock Exchange is open for business.
- The series NAV per share of a Fund is calculated by dividing (1) the amount equal to the value of that series’ proportionate share of assets of the Fund, less that series’ proportionate share of the common expenses of the Fund and less that series’ specific expenses by (2) the total number of shares of that series of the Fund outstanding at such time.
- The purchase or redemption price of shares of a Fund is based on the NAV per share of the Fund next calculated after the Manager receives your purchase order or redemption request or is deemed to have received your purchase order or redemption request. Any purchase orders or redemption request received before 4:00 p.m. (Toronto time) on a business day are priced based on the relevant NAV calculated on that day. Orders received after that time are priced based on the NAV on the next business day. Please see the section entitled “Purchases, Switches, and Redemptions” for additional details regarding the NAV per share of a Fund.
- The share price applied to purchase and redemption orders of each series of shares of a Fund will generally increase or decrease on each trading day as a result of changes in the value of the portfolio securities owned by the Fund. When dividends are declared by a Fund, the share price will decrease by the per share amount of the dividends on the dividend payment date.

VALUATION OF PORTFOLIO SECURITIES

The Manager has delegated responsibility for valuation of the Funds to a valuation agent. Please see the section entitled “Responsibility for Fund Operations – Valuation Agent” for further details.

In calculating the NAV of a Fund on any day, the valuation agent will determine the fair value of the assets and the liabilities of the Fund according to applicable law and the rules set out below:

- the value of any cash on hand, on deposit or on call, prepaid expenses, cash dividends declared and interest accrued and not yet received, shall be deemed to be the face amount thereof, unless the valuation agent determines that any such deposit or call loan is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as the valuation agent determines to be the reasonable value thereof;
- the value of any bonds, debentures, and other debt obligations shall be valued by taking the average of the bid and ask prices at such times as the valuation agent, in its discretion, deems appropriate. Short-term investments including notes and money market instruments will be valued at cost plus accrued interest;
- the value of any security, index futures or index options thereon which is listed on any recognized exchange will be determined by the closing sale price or, if there is no closing sale price, the average between the closing bid and the closing asked price on the day on which the NAV of the Fund is being determined, all as reported by any report in common use or authorized as official by a recognized stock exchange; provided that if such stock exchange is not open for trading on that date, then on the last previous date on which such stock exchange was open for trading;
- purchased or written clearing corporation options, options on futures, over-the-counter options, debt-like securities and listed warrants will be valued at the current market value thereof;
- the value of any security or other asset for which a market quotation is not readily available will be its fair market value as determined by the valuation agent;
- the value of any security, the resale of which is restricted or limited, will be the lesser of the value thereof based on reported quotations in common use and that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that the Fund's acquisition cost was of the market value of such securities at the time of acquisition; provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restriction will be lifted is known;
- where a covered clearing corporation option, option on futures or over-the-counter option is written, the premium received by the Fund shall be reflected as a deferred credit which shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would have the effect of closing the position. Any difference resulting from revaluation of such options will be treated as an unrealized gain or loss on investment. The deferred credit will be deducted in arriving at the NAV of the Fund. The securities, if any, which are the subject of a written clearing

corporation option, or over-the-counter option will be valued at their then current market value;

- the value of a futures contract or a forward contract, will be the gain or loss with respect thereto that would be realized if the position in the futures contract, or the forward contract, as the case may be, were to be closed out unless daily limits are in effect in which case fair value shall be based on the current market value of the underlying interest;
- margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;
- all Fund assets valued in a foreign currency and all liabilities and obligations of the Fund payable by the Fund in foreign currency will be converted into Canadian funds by applying the rate of exchange obtained from the best available sources to the valuation agent;
- all expenses or liabilities (including fees payable to the Manager) of the Fund will be calculated on an accrual basis; and
- the value of any security or other property for which no price quotations are readily available will be its fair market value as calculated in a manner determined by the valuation agent.

The following liabilities of a Fund will be included in the calculation of the NAV of the Fund and the NAV per series:

- all bills and accounts payable;
- all administrative expenses payable and/or accrued;
- all contractual obligations for the payment of money or property, including the amount of any unpaid distribution credited to shareholders on or before the day the NAV is being calculated;
- all allowances attributable to the Fund authorized or approved by the Manager for tax or contingencies including goods and services tax or contingencies that can be reasonably estimated with certainty under generally accepted accounting principles; and
- all other liabilities of the Fund of whatever kind and nature, including liabilities attributable to a particular series.

The Manager will determine in good faith whether such liabilities are series expenses or common expenses of the Fund. The share price for each series of shares will be determined using the latest reported information available on each trading day. The purchase or sale of portfolio

securities by a Fund will be reflected in the first calculation of the share price for each series of shares of the Fund after the date on which the transaction becomes binding.

If any investment cannot be valued under the foregoing rules or if the foregoing rules are at any time considered by the Manager to be inappropriate under the circumstances, then notwithstanding the foregoing rules, the Manager shall make such valuation as it considers fair and reasonable.

While National Instrument 81-106 – *Investment Fund Continuous Disclosure* requires investment funds, such as the Funds, to use fair value, it does not require investment funds to determine fair value for purposes of purchases and redemptions in accordance with Canadian Generally Accepted Accounting Principles (“**Canadian GAAP**”). A Fund calculates the net asset value of the shares of the Fund on the basis of the valuation principles set forth in this Annual Information Form. The valuation principles of the Funds differ in some respects from the requirements of Canadian GAAP. The main differences are that we generally will determine the fair value of (i) securities traded on a stock exchange, by using the closing price on the exchange rather than the bid price for securities traded in an active market as required under Canadian GAAP and (ii) securities traded on an over-the-counter market, by using the average of the closing bid price and the closing ask price, as reported by the financial press, rather than the closing bid price as required under Canadian GAAP. The financial statements of the Funds will contain an explanation of the difference in the amount of net assets reported in the financial statements in accordance with Canadian GAAP and the NAV used by the Funds for all other purposes, including the purchases and sales of shares of the Funds.

PURCHASES, SWITCHES AND REDEMPTIONS

PURCHASES AND SWITCHES

Purchases

Fundcorp is authorized to create and offer an unlimited number of shares of an unlimited number of classes, issuable in different series. Each Fund is one of the classes of shares Fundcorp currently offers. Each series of the Funds are offered by way of the Simplified Prospectus of the Funds.

Shares of the Funds are qualified for distribution in all provinces and territories of Canada. It is the intention of the Funds to sell shares only to persons resident in Canada. Therefore, the Funds will accept orders only where the address of the purchaser, or if the purchaser is not the principal, the address of the principal, is in Canada. You may purchase shares of a Fund through a dealer or advisor registered in the province or territory where you place the order.

Your initial investment in shares of a Fund must be at least \$1,500 and any additional investment must be at least \$250.

All complete orders will be processed within three business days (or such shorter period required by Canadian securities regulatory authorities). If a purchase order is received before 4:00 p.m. (Toronto time) on a business day, the purchase order will be processed at the relevant series NAV calculated on the same business day. If the purchase order is received after 4:00 p.m.

(Toronto time) on a business day or on a day which is not a business day, it will be processed using the relevant series NAV calculated on the next business day. No share certificate will be issued to you upon a purchase.

If a Fund does not receive your payment within three business days of processing your purchase order, the Fund will redeem your shares on the following business day. If the redemption proceeds are greater than the payment you owe, the Fund will keep the difference. If the redemption proceeds are less than the payment you owe, the Manager will pay the difference to the Fund and then will seek to collect this amount, plus the expense of so doing, from the dealer or advisor placing the order. The arrangement between you and your dealer or advisor may entitle your dealer or advisor to reimbursement from you of that amount together with any additional costs and expenses of collection.

The Manager may determine from time to time to cease the sale of shares of the Funds for such period as the Manager shall determine.

Series A Shares

As there is no criteria for holding Series A shares of a Fund, other than the minimum purchase amount disclosed above, anyone in Canada may purchase Series A shares through authorized dealers and advisors. Your dealer may receive a sales commission of up to 3.00% of the subscription price (where such subscription price includes the sales charge, if any) when you buy Series A shares of a Fund payable at the time of purchase that is negotiated between you and your dealer or advisor. A dealer may make provisions in the arrangements that it has with an investor that will require the investor to compensate the dealer for any losses suffered by the dealer in connection with a failed settlement of a purchase of securities of the mutual fund caused by the investor. The Manager pays a trailing commission to your dealer or advisor as described in the Simplified Prospectus.

Series F Shares

Certain dealers and advisors have agreements with the Manager which enable them to offer Series F shares of a Fund to their clients. Only a client who participates in a fee-based program may invest in Series F shares of a Fund. These fees are negotiated between you and your dealer or advisor. Your dealer or advisor does not receive trailing commissions from the Manager with respect to your Series F shares. No other sales charges are payable in respect of your purchase of Series F shares of a Fund.

Please see the section entitled "Fees and Expenses" for further details regarding fees and expenses charged in relation to series of shares of a Fund. A dealer may make provisions in the arrangements that it has with an investor that will require the investor to compensate the dealer for any losses suffered by the dealer in connection with a failed settlement of a purchase of securities of the mutual fund caused by the investor.

Switches

You can switch your investment among the series within a Fund or to any of the funds offered by Fundcorp (including to another Fund), now or in the future or to another First Trust fund in

Canada. Such switches can be made through your dealer or advisor. A switch fee may apply to do so.

If you switch from one series to another series of a Fund or from a Fund to another fund within Fundcorp (including to another Fund), it is generally not a taxable transaction. That means you will not have to pay capital gains tax at the time of the switch, although in certain circumstances the switch may accelerate the time at which Fundcorp realizes gains and pays capital gains dividends. However, you may only switch among series or classes of shares of Fundcorp denominated in the same currency. Changing the denomination of the currency of your investment in Fundcorp will involve a redemption and purchase. See “Income Tax Considerations For Investors”.

If you move your investment from a Fund to another First Trust fund not in Fundcorp, there will be a redemption of the shares of the Fund you own and a purchase of securities of the other fund. Because you are moving from a Fund to another First Trust fund outside of the Fundcorp family, the redemption will be a taxable transaction to you. See “Income Tax Considerations For Investors”.

REDEMPTIONS

You may redeem your shares and receive an amount in cash for each share you redeem equal to the series NAV per share as next calculated after the Manager or the person administering the applicable Fund on its behalf receives your redemption request. The following paragraphs set out the redemption procedure for a Fund.

- Redemption requests received by or on behalf of the Manager before 4:00 p.m. (Toronto time) on a business day will be priced using the relevant series NAV calculated on that day.
- Requests received by or on behalf of the Manager after 4:00 p.m. (Toronto time) on a business day will be priced using the relevant series NAV calculated on the next business day.
- You may redeem your shares of a Fund through your registered dealer or advisor. Your registered dealer or advisor will forward your redemption request to the Manager. Dealers or advisors must transmit the particulars of your redemption request to the Manager by wire order, courier or priority post, without charge to you. You may also redeem your shares by wire order or by delivery of a request for redemption to the Manager.
- In order to complete your redemption request you must provide the Manager with all required redemption application documents. The Manager must receive either (1) a complete and written redemption request, signed by you or on your behalf or (2) a redemption order by telephone or electronic means on your behalf through a recognized investment dealer with which the Manager has made prior arrangements. If you have completed your redemption request, the Fund will pay you the redemption price within

three business days after the date of the calculation of the NAV per share used to establish your redemption price.

- If the Manager determines that the documents are incomplete, the Manager will notify you that its requirements have not been satisfied and will specify which documents are still to be delivered by you. Once you complete your redemption request, the Fund will pay you the redemption price within three business days after the date of the calculation of the NAV per share used to establish your redemption price. The Fund may also waive the redemption requirements and pay you the redemption price within three business days of the Manager, on behalf of the Fund, making this decision.
- If, after ten business days of the receipt by the Fund of your redemption request, you fail to provide the Manager with your completed redemption application documentation, the Fund will issue to you on such tenth day the same number of shares as you redeemed. If the purchase price on that day is less than the redemption proceeds the Fund will retain the excess. If the purchase price exceeds the redemption proceeds, the Manager will pay to the Fund the amount of the deficiency and will seek to collect that amount, plus expenses, from the dealer or advisor placing the redemption request. The arrangement between you and your dealer or advisor may entitle your dealer or advisor to reimbursement from you of that amount together with any additional costs and expenses of collection.
- The Fund will cancel any shares you redeem.
- Upon the direction of the Manager, the Fund may require that you hold a minimum amount of shares of the Fund. If you hold less than the minimum amount, the Fund may redeem your shares upon fifteen days prior notice.
- Upon the direction of the Manager, the Fund may redeem your shares to the extent necessary to pay any outstanding fees, charges or expenses that you owe. The Manager may also require a redemption of your shares in certain circumstances in order to ensure that Fundcorp maintains its status as a “mutual fund corporation” for tax purposes.
- The Manager may suspend the right of redemption and postpone the date of payment of redemptions for any period provided that it complies with applicable securities regulatory policies in doing so. Your right to redeem shares may be suspended for any period when normal trading is suspended on a stock exchange on which securities are listed which represent more than 50% of the value of the Fund, subject to certain allowances and modification by the consent of securities regulatory authorities and provided those securities are not traded on another exchange that represents a reasonable practical alternative for the Fund.
- If the Manager suspends the right of redemption, you may either withdraw your redemption request or receive, once the suspension is lifted, a payment based on the applicable NAV per share next calculated after the suspension is lifted.

- A dealer may make provision in arrangements that it has with an investor to compensate the dealer for any losses suffered by the dealer in connection with any failure of the investor to satisfy the requirements of the Fund or securities legislation for a redemption of securities of the Fund.

The redemption of shares of a Fund is a disposition for tax purposes and may result in a capital gain or capital loss, which may result in a tax liability unless you hold your shares in a registered plan. Please see “Income Tax Considerations For Investors” for more details.

SHORT-TERM TRADING

The Manager has adopted policies and procedures to detect and deter short-term trading. A short-term trade is defined as a combination of a purchase and redemption (including switches) within a short period of time that the Manager believes is detrimental to other investors in a Fund and which may take advantage of securities priced in other time zones or illiquid securities that trade infrequently. These trades are generally for periods of less than 10 days but can be for periods of up to 30 days.

The interests of a Fund’s investors and a Fund’s ability to manage its investments may be adversely affected by short-term trading because, among other things, these types of trading activities can dilute the value of the Fund’s shares, can interfere with the efficient management of the Fund’s portfolio and can result in increased brokerage and administrative costs of the Fund. While the Manager will actively take steps to monitor, detect and deter short-term trading, it cannot ensure that such trading activity will be completely eliminated.

A purchase (including a switch into a Fund) and a redemption (including a switch from a Fund) within a short period of time could be subject to a short-term trading fee. All trades determined by the Manager to be short-term trades will be subject to a 2.00% fee. The fees charged will be paid to the applicable Fund. The Manager may take such additional action as it considers appropriate to prevent further similar activity by the investor. These actions may include the delivery of a warning to the investor, placing the investor/account on a watch list to monitor his or her trading activity, the subsequent refusal of further trades by the investor if the investor continues to attempt such trading activity and/or closure of the investor’s account. The restrictions imposed on short-term trading, including the short-term trading fees, will generally not apply in connection with redemptions initiated by us and special circumstances as determined by us in our sole discretion.

RESPONSIBILITY FOR FUND OPERATIONS

MANAGER

First Defined Portfolio Management Co. is the manager of the Funds. You may contact the Manager at the following address:

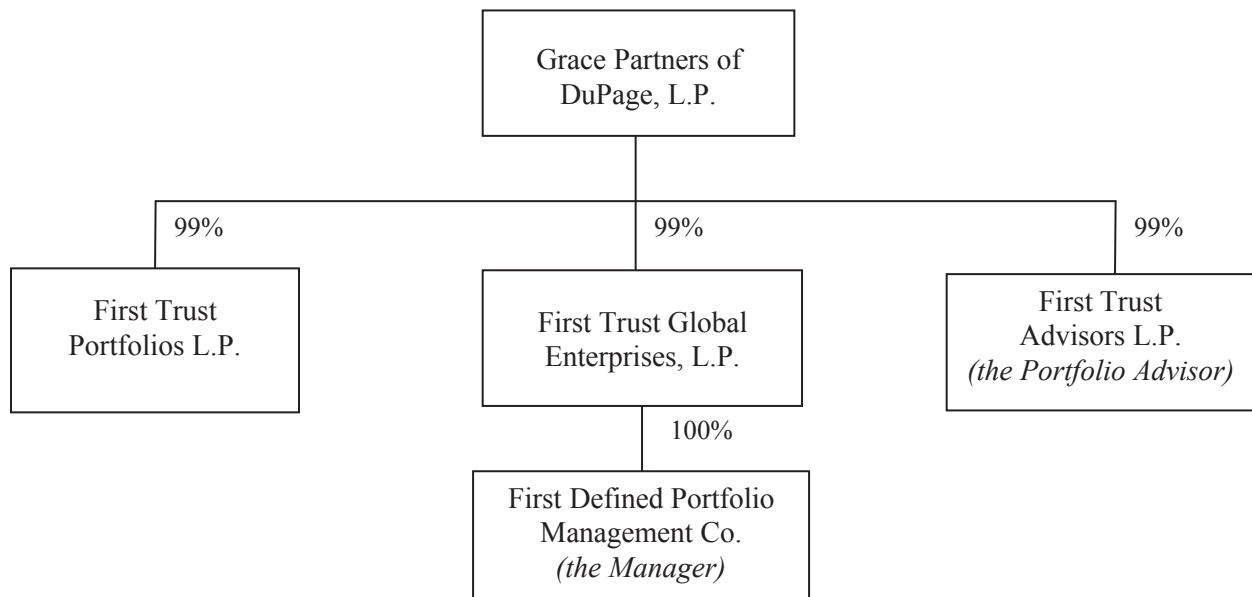
330 Bay Street, Suite 1300
Toronto, Ontario, M5H 2S8
Telephone: 1-877-622-5552
Email Address: info@firsttrust.ca
Website: www.firsttrust.ca

The master management agreement sets out the management duties of the Manager with respect to the Funds. Under the master management agreement, the Manager is responsible for arranging for the appointment of the Portfolio Advisor of the Funds, on behalf of the Funds. The Manager is also responsible for the offering of the shares of the Funds and other administrative matters. Please see the section entitled “Material Contracts” for a description of the master management agreement and master portfolio advisor agreement.

Under applicable securities regulations, any change of the manager of a Fund (other than to an affiliate of the current Manager) or any change of control of the Manager will require the approval of securities regulatory authorities.

The Manager is an affiliate of First Trust Advisors L.P., the portfolio advisor of the Funds.

The following diagram illustrates the current relationship between the Manager, the Portfolio Advisor and their affiliated entities.



The Charger Corporation is the general partner of each of Grace Partners of DuPage L.P., First Trust Portfolios L.P., First Trust Global Enterprises, L.P. and First Trust Advisors L.P. As general partner, the Charger Corporation has control over the operations of each of the limited partnerships.

The following table lists information regarding the directors and senior officers of the Manager.

Name and Municipality of Residence	Position with the Manager	Principal Occupation
Ronald McAlister (Wayne, Illinois)	Chief Executive Officer, Chairman of the Board and Director	Managing Director of First Trust Portfolios L.P. and the Portfolio Advisor and President of First Trust Global Enterprises L.P.
Mark Bradley (Wheaton, Illinois)	Director	Managing Director and Chief Financial Officer of First Trust Portfolios L.P. and the Portfolio Advisor
Fraser Howell (Toronto, Ontario)	President, Chief Financial Officer and Director	President and Chief Financial Officer of the Manager
M. Craig Brown (Toronto, Ontario)	Secretary	Partner, Fasken Martineau DuMoulin LLP
Liberty Rivera (Toronto, Ontario)	Vice President	Vice President of the Manager
Steven Kim (Toronto, Ontario)	Vice President	Vice President of the Manager

Other than the following, each of the persons listed in the table above has had as his/her principal occupation the position set out opposite his/her name for the past five years.

Mr. Howell joined the Manager in April 2007 as Chief Financial Officer. In July 2008, he was appointed President of the Manager. From December 1998 until March 2007, he was the Director of Finance at Grant Forest Products Inc.

Mr. Kim joined the Manager in July 2007 as Vice President Sales and Marketing following a personal leave from the workforce from October 2006 to June 2007. From October 2005 through October 2006, Mr. Kim was a Senior Manager, Marketing with HSBC Bank of Canada and from May 2005 to October 2005 he was employed with TD Waterhouse Canada Inc. as a Senior Wealth Advisor.

As the table illustrates, Mr. McAlister is a managing director of First Trust Portfolios L.P. and the Portfolio Advisor and Mr. Bradley is a managing director and the Chief Financial Officer of First Trust Portfolios L.P. and the Portfolio Advisor. In addition, Mr. McAlister is the President of First Trust Global Enterprises, L.P., a holding company that holds all of the stock of the Manager.

DIRECTORS AND OFFICERS OF FUNDCORP

The names, municipality of residence and principal occupation during the preceding 5 years of each of the directors and officers of Fundcorp are set out in the table below.

Name and Municipality of Residence	Position with Fundcorp	Principal Occupation
Fraser Howell (Toronto, Ontario)	Chief Executive Officer, Secretary and Director	President and Chief Financial Officer of the Manager
Maria L. Paulino-Munar (Toronto, Ontario)	Chief Financial Officer	Manager, Financial Reporting and Analysis of the Manager
Ronald McAlister (Wayne, Illinois)	Director	Managing Director of First Trust Portfolios L.P. and the Portfolio Advisor and President of First Trust Global Enterprises L.P.
Mark Bradley (Wayne, Illinois)	Director	Managing Director and Chief Financial Officer of First Trust Portfolios L.P. and the Portfolio Advisor

Other than Mr. Howell and Ms. Paulino-Munar, each of the persons listed in the table above has had as his principal occupation the position set out opposite his/her name for the past five years. The previous employment history of Mr. Howell is described above. Ms. Paulino-Munar joined the Manager in December 2006 as Manager, Financial Reporting and Analysis. Prior thereto, she was Supervisor, Investment Fund Services at CIBC Mellon Global Securities Services (“CIBC GSS”) from July 2006 to November 2006, Internal Auditor, CIBC Mellon (June 2004 to June 2006), Senior Fund Accountant, CIBC GSS (October 2003 to June 2004) and Fund Accountant, CIBC GSS (October 2001 to October 2003).

PORTFOLIO ADVISOR

First Trust Advisors L.P., the Portfolio Advisor, is an affiliate of the Manager located in Wheaton, Illinois. The master portfolio advisor agreement sets out the duties of the Portfolio Advisor. Under the master portfolio advisor agreement, the Portfolio Advisor is responsible for managing the investment portfolio of the Funds, including providing or arranging for the provision of investment analysis, and making decisions relating to the investments of the assets of the Funds. Decisions as to the purchase and sale of portfolio securities and decisions as to the execution of all portfolio transactions are also made by the Portfolio Advisor. Please see the section entitled “Material Contracts” for a description of the master portfolio advisor agreement.

The Portfolio Advisor provides asset management and investment advisory services to its clients and had approximately US\$27.2 billion in assets under management or supervision as of December 31, 2009. The Portfolio Advisor was established in 1991 and, together with its affiliate, First Trust Portfolios L.P., has approximately 400 employees in North America. The Portfolio Advisor is an investment advisor located in the United States and is a non-Canadian advisor registered as an investment counsel and portfolio manager with the Ontario Securities Commission under the *Securities Act* (Ontario). The Portfolio Advisor is also an investment

advisor registered with the U.S. Securities and Exchange Commission under the U.S. *Investment Advisers Act of 1940*. The Portfolio Advisor's principal office is located at 120 E. Liberty Drive Suite 400 Wheaton, Illinois, U.S.A. 60187. The name and address of the agent for service of process of the Portfolio Advisor in Ontario is Torys LLP, Suite 3000, 79 Wellington Street West, Box 270, Toronto-Dominion Centre, Toronto, ON M5K 1N2. It may be difficult to enforce any legal rights against the Portfolio Advisor since all or substantially all of its assets are situated outside of Canada.

There is no one individual primarily responsible for investment management decisions made by the Portfolio Advisor. Rather, investment decisions are made under the direction of an investment committee. The investment committee in respect of Canadian funds advised by the Portfolio Advisor, including the Funds, consists of Roger F. Testin, Robert F. Carey, Jon C. Erickson, David G. McGarel and Robert J. Simnick. Please see the following table for details regarding these individuals.

Name	Title with the Portfolio Advisor	Length of Time of Service
Roger F. Testin	Senior Vice President	Since August 2001
Robert F. Carey	Senior Vice President and Chief Investment Officer	Since October 1991
Jon C. Erickson	Senior Vice President	Since March 1994
David G. McGarel	Senior Vice President	Since August 1997
Robert J. Simnick	Analyst	Since February 2005

Roger F. Testin is a senior vice president of the Portfolio Advisor and chairman of the investment committee in respect of Canadian funds advised by the Portfolio Advisor and presides over its meetings. As the head of the portfolio management group for the Portfolio Advisor, Mr. Testin is responsible for executing instructions from the Portfolio Advisor's strategy research group and equity research group.

Robert F. Carey is the chief investment officer for the Portfolio Advisor. Mr. Carey consults with the investment committee on market conditions and general investment philosophy.

Jon C. Erickson is a senior vice president of the Portfolio Advisor. As head of the Portfolio Advisor's equity research group, Mr. Erickson is responsible for determining the securities to be purchased and sold by funds that do not utilize quantitative investment strategies.

David G. McGarel is a senior vice president of the Portfolio Advisor. As the head of the Portfolio Advisor's strategy research group, Mr. McGarel is responsible for developing and implementing quantitative investment strategies.

Robert J. Simnick is an analyst with the Portfolio Advisor. Mr. Simnick is responsible for monitoring daily portfolio activity and fund reporting for the Canadian funds advised by the Portfolio Advisor. Mr. Simnick has been an analyst with the Portfolio Advisor since February 2005. From 2000 to February 2005, Mr. Simnick was a student at Purdue University in West Lafayette, Indiana where he received a Bachelor of Science in Finance.

BROKERAGE ARRANGEMENTS

The purchase and sale of portfolio securities by each Fund is arranged through brokers on the basis of an assessment, by the Portfolio Advisor, of the ability of the broker to execute transactions. In executing portfolio transactions, the Portfolio Advisor places brokerage business with investment dealers and brokers on the basis of the best execution which includes consideration of factors such as price and service.

CUSTODIAN

RBC Dexia Investor Services Trust (“**RBC Dexia**” or the “**Custodian**”) is the custodian of the Funds. The head office of the Custodian is located in Toronto, Ontario. The master custodian agreement sets out the duties of the Custodian with respect to the Funds. The Custodian is generally responsible for holding and maintaining information regarding all securities held by each Fund. The Custodian holds each Fund’s securities and other portfolio assets, including cash on deposit with financial institutions, on behalf of the Funds. Please see the section entitled “Material Contracts” for a description of the master custodian agreement.

The Custodian may appoint sub-custodians to provide for the safekeeping of portfolio securities located outside Canada. Such sub-custodians, if needed, would enter into sub-custodianship agreements with the Custodian on terms and conditions substantially consistent with the terms and conditions in the master custodian agreement. The principal sub-custodian of the Custodian is The Bank of New York Mellon. The head office of The Bank of New York Mellon is in New York, New York.

RECORDKEEPER

RBC Dexia (also the “**Recordkeeper**”) is also the recordkeeper of the Funds pursuant to a valuation and recordkeeping services agreement. The Recordkeeper is responsible for maintaining the register of the owners of shares of each Fund. The register of shares of each Fund is kept in Toronto, Ontario at the head office of the Recordkeeper.

VALUATION AGENT

Pursuant to the valuation and recordkeeping services agreement, RBC Dexia also acts as the valuation agent of the Funds. For a further description of the valuation and recordkeeping services agreement, please see the section entitled “Material Contracts”. In its capacity as valuation agent, RBC Dexia will be responsible for calculating the NAV of each Fund and for Fund accounting. For more details on the valuation methodology of the Funds, please see the section entitled “Valuation of Portfolio Securities”. The head office of RBC Dexia is located in Toronto, Ontario.

AUDITORS

Deloitte & Touche LLP are the auditors (the “**Auditors**”) of each Fund. The head office of the Auditors is located in Toronto, Ontario.

CONFLICTS OF INTEREST

As at the date of this Annual Information Form, the FT Mutual Fund Trust, a trust established for the benefit of shareholders of the Funds, owns all of the issued and outstanding common shares of Fundcorp.

As at February 23, 2010, no person or company owns, directly or indirectly, more than 10% of either the Series A or Series F shares of either Fund.

Members of the independent review committee of the Funds do not own any voting or equity securities of a Fund, the Manager, or any person or company that provides services to a Fund or the Manager.

GOVERNANCE OF THE FUNDS

MANAGER

The Manager is under a statutory duty to act honestly, in good faith and in the best interest of the Funds. The board of directors of the Manager is responsible for the compliance by the Manager with the terms of the master management agreement and the requirements of relevant legislation applicable to investment management and the offering of shares of the Funds. Furthermore, the board of directors of the Manager has established the policies and procedures described below, receives reports regarding compliance with such policies and procedures at least annually, including the consequences for employees resulting from non-compliance and revises the policies and procedures from time to time as appropriate.

The Manager has established a number of policies designed to recognize the Manager's obligation to act in the best interest of the Funds and their shareholders and to place their interests ahead of its own. These policies include such topics as a code of ethics and conduct, personal and insider trading codes, privacy codes, and trade allocation, brokerage and soft dollar policies.

Each officer and employee of the Manager is required to certify annually that such person has read the Manager's operating manual which is designed to provide its officers and employees with an awareness of the requirements of the law governing the Funds, the offering of their shares, and advisors, dealers and other market participants providing services to the Funds and to provide a procedural means to ensure the Manager's operations meet these requirements. These procedures establish an appropriate system of internal controls and include designation of employees responsible for meeting the various aspects of the Funds' and the Manager's regulatory requirements, including reporting and filing obligations.

The Manager markets the Funds and other mutual funds sponsored by the Manager to dealers. In doing so, the Manager requires employees involved in the marketing function to become knowledgeable regarding regulatory limitations and requires marketing material to be reviewed by compliance officers and where appropriate outside legal advisors. The review is designed to ensure that full and fair disclosure of the material facts are made to potential investors.

INDEPENDENT REVIEW COMMITTEE

As required by applicable securities legislation, the Manager has established an independent review committee (the “**Independent Review Committee**”) for all funds, including the Funds, managed by the Manager.

The Independent Review Committee is composed of the following three individuals, each of whom is independent of the Manager and its affiliates:

Peter G. Copestake - Mr. Copestake has worked in financial services in the private and public sector for over 25 years and currently serves as a Corporate Director and Consultant and as the Executive in residence at Queen’s University School of Business. Most recently, Mr. Copestake served as Senior Vice-President and Global Treasurer for Manulife Financial Corporation (“**MFC**”). Prior to his work with MFC, Mr. Copestake was the Vice-President of Asset/Liability and Liquidity Management for Canadian Imperial Bank of Commerce. Mr. Copestake has also held senior positions with the Bank of Montreal and the Department of Finance (Canada). Mr. Copestake holds a Bachelor of Arts from Queen’s University and a Masters in Business Administration from Dalhousie University.

George Anderson - Mr. Anderson worked in financial services in both the private and public sector for over 35 years. Most recently he was the President of the Insurance Bureau of Canada. Prior to this, he was Chairman and CEO of Central Guaranty Trust. He is also a past President of Canada Mortgage and Housing Corporation. He currently serves on several corporate and non-profit Boards and also lectures on leadership at the Schulich School of Business, York University. Mr. Anderson received the Order of Canada in 2002. Mr. Anderson holds a Bachelor of Arts from Carleton University, a Masters Degree from the University of Regina and Honorary Doctorates of Law from St. Francis Xavier University and Carleton University.

Jacqueline C. Orange - Ms. Orange worked in Canada’s financial services industry for more than 25 years. Most recently she worked for the Department of Finance (Canada) as the founding President and CEO of Canada Investment and Savings, a position she held for 9 years. Prior to this Ms. Orange held senior roles with the Canadian Imperial Bank of Commerce, Central Guaranty Trust, and the Bank of Nova Scotia. Currently she is a member of the Board of the Laurentian Bank of Canada, and holds the ICD.D designation. She was a Governor of the University of Toronto from 1999-2008 and was chair of their Business Board from 2003 to 2007. Ms. Orange holds a BA from the University of Toronto and an MBA from the Richard Ivey School of Business, University of Western Ontario.

The Independent Review Committee functions in accordance with applicable securities legislation, including NI 81-107. In accordance with NI 81-107, the mandate of the Independent Review Committee is to consider and provide recommendations to the Manager on conflicts of interest to which the Manager is subject when managing the Funds. The Manager is required under NI 81-107 to identify conflicts of interest inherent in its management of the Funds and the other funds managed by it, and request input from the Independent Review Committee into how it manages those conflicts of interest, as well as its written policies and procedures outlining its management of those conflicts of interest.

The Independent Review Committee will provide its recommendations to the Manager with a view to the best interests of the Funds and the other funds managed by the Manager. The Independent Review Committee will report annually to securityholders of the Funds as required by NI 81-107.

In addition, the auditors of the Funds may not be changed unless the Independent Review Committee has approved the change in accordance with NI 81-107, and a written notice describing the change of auditors is sent to securityholders at least 60 days before the effective date of the change.

The compensation and other associated costs of the Independent Review Committee, as well as the other costs of complying with NI 81-107, will be paid out of the assets of the Funds, as well as out of the assets of the other funds for which the Independent Review Committee acts as an independent review committee. The Manager, at its discretion, will allocate such costs between the Funds and these other funds. During the most recently completed financial year, compensation in respect of annual fees and meeting fees that was paid to members of the Independent Review Committee and was allocated to the Funds totalled \$593.57, plus a nominal amount as reimbursement for expenses in connection with performing their duties. No compensation was paid by a Fund during the most recently completed financial year for services of members of an independent board of directors or advisory board of the Fund.

BOARD OF DIRECTORS OF FUNDCORP

In addition to the oversight of Fundcorp's operations required to be carried out by the Manager under the *Securities Act* (Ontario), Fundcorp also has a board of directors, with all of the regular duties imposed upon directors of a business corporation under the *Business Corporations Act* (Ontario). Under that Act, the directors must act honestly, in good faith and in the best interests of the shareholders of the Funds, and must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the same circumstances.

PROXY VOTING POLICY

The Portfolio Advisor has full responsibility for proxy voting and related duties in respect of the Funds. In fulfilling these duties, the Portfolio Advisor and the Funds have adopted proxy policies and procedures (the "**Proxy Policies**") to ensure that proxies for securities held by the Funds are voted consistently and solely in the best economic interests of the Funds. The Proxy Policies are more fully summarized below.

- The Portfolio Advisor is responsible for the oversight of the Funds' proxy voting process and has assigned a senior member of its staff to be responsible for this oversight.
- Pursuant to the Proxy Policies, the Portfolio Advisor has engaged the services of Institutional Shareholder Services, Inc. ("**ISS**") to make recommendations to the Portfolio Advisor on the voting of proxies related to securities held by the Funds on both routine and non-routine matters. Such voting recommendations are based on established guidelines and practices developed by ISS.

- The Portfolio Advisor will review the ISS recommendations and generally will vote the proxies in accordance with such recommendations when dealing with routine matters on which a Fund may vote. Routine matters include: election of directors; appointment of auditors and auditor compensation; changes in capitalization; and management compensation.
- A Fund will typically vote in favour of routine matters unless there are specific circumstances for voting against. The Portfolio Advisor may not vote in accordance with the ISS recommendations on routine matters if the Portfolio Advisor believes that the specific ISS recommendation is not in the best interests of the Fund in question. As an example, the Portfolio Advisor will typically vote the proxies in support of management's recommendations regarding the appointment of an auditor, but may vote against such a recommendation if the fees for services are excessive or if there are other reasons to question the independence or quality of the company's auditors.
- The Portfolio Advisor will also consider ISS recommendations on non-routine matters and generally will vote the proxies in accordance with those recommendations when dealing with such matters. Non-routine matters include: corporate reorganization; mergers and acquisitions; proposals affecting shareholder rights; corporate governance; and social and environmental issues.
- Deviations from the standing policy may occur on routine and non-routine matters where there is a conflict of interest. For example, if the Portfolio Advisor has actual knowledge of a material conflict of interest between itself and the applicable Fund with respect to the voting of a proxy, the Portfolio Advisor shall vote the applicable proxy in accordance with the ISS recommendations to avoid such conflict of interest.
- The Portfolio Advisor will report to the Manager on a quarterly basis the voting results and confirm that it has voted all securities held by the Funds it manages in accordance with the Manager's policies and procedures.
- If the Manager requests the Portfolio Advisor to follow specific voting guidelines or additional guidelines, the Portfolio Advisor shall review the request and follow such guidelines, unless the Portfolio Advisor determines that it is unable to follow such guidelines, in which case the Portfolio Advisor shall inform the Manager that it is not able to follow the Manager's request.

The Manager will compile and maintain annual proxy voting records for the Funds for the annual periods beginning July 1 in a year and ending June 30 of the following year. After completion of an annual period, the proxy voting record will be made available on the Manager's website (www.firsttrust.ca) on August 31 following the annual period. Copies of the complete proxy voting procedures for the Funds are available to investors free of charge upon request. Requests can be made by calling toll-free 1-877-622-5552 or sending an email to info@firsttrust.ca. Investors may also send a request by mail addressed to the attention of the Manager at 330 Bay Street, Suite 1300, Toronto Ontario M5H 2S8.

FEES AND EXPENSES

The aggregate management fees payable by the Funds differ according to the series of shares of the Funds and are set forth under “Management Fees” in the Simplified Prospectus of the Funds. Operating expenses will be allocated among the series of shares of the Funds in a fair and equitable manner for the services used by those series. These expenses are charged separately from the management fee for the Funds. The Manager may, from time to time, in its discretion, absorb some of the operating expenses of the Funds. The Funds will continue to be responsible for any income taxes, federal goods and services tax, brokerage commissions, independent review committee costs, or extraordinary expenses, such as litigation.

INCOME TAX CONSIDERATIONS FOR INVESTORS

The following is a general summary of the principal Canadian federal income tax rules in effect or proposed that apply to Fundcorp and its shareholders at the time we prepared this document. This summary assumes you are an individual (other than a trust) resident in Canada and that you hold your Fund shares as capital property for purposes of the Tax Act. This summary is not exhaustive of all tax considerations and is not intended to constitute legal or tax advice. We recommend that you seek independent advice regarding your own personal tax situation and the implications of purchases, switches and redemptions.

TAXATION OF FUNDCORP

Fundcorp intends to qualify as a “mutual fund corporation” for tax purposes. This summary is based on the assumptions that Fundcorp will qualify at all times as a mutual fund corporation for tax purposes. To so qualify, Fundcorp must be a “public corporation” at all times which, in the circumstances, required that Fundcorp had a minimum number of shareholders by the time it filed its first tax return. In addition, the sole undertaking of Fundcorp must, in general, be the investing of its funds in property (other than real property or interests in real property), and the shares must be redeemable at the demand of the holders of those shares. If Fundcorp were to fail to qualify as a mutual fund corporation, the income tax considerations described below would in some respects be materially and adversely different.

Although the assets and liabilities attributable to each fund that Fundcorp may establish are tracked separately, Fundcorp, like any other mutual fund corporation with a multi-class structure, must compute its net income and net capital gains for tax purposes as a single entity. In general, Fundcorp will not pay tax on taxable dividends received from taxable Canadian corporations or on net capital gains realized by it because it will pay sufficient ordinary dividends and capital gains dividends to its securityholders to eliminate its tax liability thereon. Fundcorp will also earn income from other sources and Fundcorp will be liable for tax on income from such other sources (such as interest and foreign income) at full corporate rates and may be subject to foreign withholding taxes. If Fundcorp has sufficient deductible expenses and tax deductions/credits available, it will not have any material net Canadian income tax liability in any year.

Because Fundcorp must compute its net income and net capital gains for tax purposes as a single entity, the dividends paid to an investor in a Fund will differ from the dividends or distributions the investor would have received if the investor had invested in a mutual fund corporation which

did not have the multi-class structure or in a mutual fund trust, each of which made the same investments as the Fund. For example, if a particular fund in Fundcorp had a net loss or net realized capital loss, that net loss or net realized capital loss may be applied to reduce the income and net realized capital gains of Fundcorp as a whole. This will generally benefit investors in other funds in Fundcorp to the extent that it reduces the amount of dividends to be paid by Fundcorp to investors in the other funds since their current income inclusions will be reduced but not the value of their securities in such funds. The amount of capital gains dividends to be paid by a Fund will be affected by the level of redemptions from all funds within Fundcorp as well as accrued gains and losses of Fundcorp as a whole.

Fundcorp may have to modify its investments as a consequence of investors switching between funds within Fundcorp. As a result, more of its accrued gains and losses may be recognized at an earlier time compared with a mutual fund that does not allow for tax-deferred switching among asset pools. In certain circumstances, this may accelerate the recognition of gains by investors as a consequence of the earlier payment of capital gains dividends.

The income and net capital gains of Fundcorp will be allocated to each fund that Fundcorp may establish, including the Funds, and to each series of such funds, in the sole discretion of Fundcorp acting on a reasonable basis.

Under proposed amendments to the Tax Act, if Fundcorp invests in securities of certain foreign entities it will be required to include in its income each year income or gains whether or not Fundcorp actually receives any income or realizes any gains on such securities.

In addition to income tax, Fundcorp is also liable for Ontario capital tax.

SHARES HELD IN A NON-REGISTERED ACCOUNT

Distributions

You must include in computing your income for tax purposes all distributions (other than returns of capital) paid by Fundcorp to you during the year, whether they are paid in cash or reinvested in additional shares. Fundcorp intends to pay distributions that will either be capital gains dividends or ordinary dividends for tax purposes. Capital gains dividends will be treated as a capital gain realized by you, one half of which will be included in calculating your income as a taxable capital gain. Ordinary dividends will be subject to the gross-up and dividend tax credit rules of the Tax Act. Distributions of paid-up capital are not subject to tax, but will reduce the adjusted cost base of your shares of Fundcorp. To the extent that the adjusted cost base of your shares becomes negative, you will be considered to have realized a capital gain.

The share price of a Fund may include income and capital gains that have been earned in the Fund but which have not yet been realized and/or paid out as a dividend. If you invest in a Fund before a dividend is declared you will have to pay tax on such dividend paid to you.

At the beginning of each year, we will send you a tax form identifying all of the distributions that were paid to you by a Fund in which you own shares during the previous year.

Switches

When you switch your shares of a Fund to shares of another fund within Fundcorp (including to another Fund) or to another series of the Fund, you will not realize a capital gain or capital loss on the transaction. The cost of the new shares acquired on the switch will be equal to the adjusted cost base of the previously owned shares (subject to any requirement to average the cost with other shares identical to the new shares you already owned).

Although investors can switch between a Fund and funds that Fundcorp has or may create in the future on a tax-deferred basis, such funds, including a Fund, are still expected to have capital gains resulting from the sale of assets due to shareholder transfers between the funds and normal portfolio trading within those funds. The funds will pay capital gains dividends to the extent necessary to eliminate tax payable by these funds on their capital gains.

As discussed above, you may only switch among series or classes of shares of Fundcorp denominated in the same currency. Changing the denomination of the currency of your investment in Fundcorp will involve a redemption and purchase and is a taxable transaction.

Redemptions

In computing your income, you must take into account any capital gain or capital loss you realize on redeeming or otherwise disposing of a share of a Fund (other than on a “switch”, as described above).

Your capital gain will be the amount by which the proceeds of disposition for the share exceed the adjusted cost base of the share and any redemption charge. Generally, one half of your capital gain will be included in calculating income as a taxable capital gain. For details on computing your adjusted cost base see Simplified Prospectus – Income Tax Considerations for Investors.

If the proceeds of disposition for a share on a redemption are less than the total of the adjusted cost base of the share and any redemption charge, you will have a capital loss. Generally, one half of your capital losses can be deducted against your taxable capital gains.

The redemption of shares of a Fund to satisfy any short-term trading fee payable by you will be a taxable disposition of those shares.

In certain situations where you dispose of shares of a Fund and would otherwise realize a capital loss, the loss will be denied. This may occur if you, your spouse or another person affiliated with you (including a corporation controlled by you) has acquired shares of the same class or series of the Fund (“**substituted shares**”) within 30 days before or after you dispose of your shares. In these circumstances, your capital loss may be denied. The amount of the denied capital loss will be added to the adjusted cost base to the owner of the shares which are substituted shares.

Alternative Minimum Tax

Depending on your personal circumstances, you may be liable to pay an alternative minimum tax on ordinary dividends or capital gains dividends received from Fundcorp and on capital gains realized on the disposition of shares of a Fund.

SHARES HELD IN A REGISTERED PLAN

As long as Fundcorp qualifies as a “mutual fund corporation” for tax purposes, shares of the Funds are qualified investments for your registered tax plan, such as an RRSP, RRIF, DPSP or RESP, RDSP or “tax- free savings account”.

If you hold shares of a Fund in a registered plan, as long as you do not make withdrawals from the plan, you pay no tax on:

- distributions or dividends from the Fund, whether or not they are reinvested in additional shares; and
- any capital gains the registered plan makes from redeeming or otherwise disposing of shares of the Fund.

However, withdrawals from a registered plan (other than a tax-free savings account) generally are taxable to a shareholder.

Shares of a Fund will not be a “prohibited investment” for a trust governed by tax-free savings account provided the holder of the tax-free savings account deals at arm’s length with Fundcorp for purposes of the Tax Act and does not have a significant interest (within the meaning of the Tax Act) in Fundcorp or in any person or partnership with which Fundcorp does not deal at arm’s length for purposes of the Tax Act.

REMUNERATION OF DIRECTORS AND OFFICERS

The Funds do not directly employ any directors or officers to carry out operations. Although Fundcorp has directors and officers, the Manager provides all personnel necessary to conduct its operations. The operating expenses of the Funds are in addition to the management fees payable to the Manager. Where employees provide services to the Funds and the Manager, only that portion of their expenses relating a Fund’s operations is reimbursed by that Fund.

MATERIAL CONTRACTS

The following are the material contracts of the Funds, certain of which have been amended to incorporate the Funds. These contracts may be inspected by you, either as a prospective investor or as an existing shareholder, at the offices of the Manager during normal business hours.

**MASTER
MANAGEMENT
AGREEMENT**

The master management agreement dated November 30, 2007 has been entered into between Fundcorp and the Manager. This agreement includes the following key terms:

- the Manager will be paid fees in respect each series of shares of the Funds as described in the Simplified Prospectus of the Funds, accrued daily and payable monthly;
- the Manager will be responsible for expenses of the Funds in certain circumstances as described in the Simplified Prospectus of the Funds;
- the Manager is also responsible for any loss that arises out of the failure of the Manager, or any delegate retained by the Manager, to discharge any of its responsibilities in accordance with its standard of care;
- the Funds have agreed to indemnify the Manager subject to regulatory limitations and restrictions;
- the Manager or Fundcorp may terminate the agreement at any time upon 60 days prior written notice to the other party; and
- the agreement may also be terminated by either the Manager or Fundcorp upon the occurrence of certain other specified events, including the Manager becoming insolvent or subject to a bankruptcy or other similar proceeding, or in the event of a material breach by either party.

**MASTER
PORTFOLIO
ADVISOR
AGREEMENT**

The master portfolio advisor agreement dated November 30, 2007, as amended and restated on July 28, 2008, has been entered into between the Manager, Fundcorp, and the Portfolio Advisor. This agreement includes the following key terms:

- the Portfolio Advisor is entitled to an annual fee in respect of each series of shares of a Fund, payable by the Manager at a rate determined by the Manager and the Portfolio Advisor;
- the Funds have agreed to indemnify the Portfolio Advisor subject to regulatory limitations and certain restrictions;
- the Portfolio Advisor or Manager may terminate the agreement at any time upon 60 days prior written notice to the Manager;
- the Manager, on behalf of a Fund, may terminate the agreement in respect of that Fund at any time upon 60 days prior written notice to the Portfolio Advisor;
- the Manager, on behalf of a Fund, may terminate the agreement 60 days after a liquidation, bankruptcy, winding-up, dissolution or insolvency proceeding is commenced against the Portfolio

Advisor or if the Portfolio Advisor sells, leases or otherwise disposes of all or substantially all of its assets or undertakings to an unrelated entity or affiliate; and

- the Portfolio Advisor may terminate the agreement upon a material breach of the agreement by Fundcorp or the Manager which has not been cured within 10 days of such breach or if the Manager sells, leases or otherwise disposes of all or substantially all of its assets or undertakings to an unrelated entity or affiliate, as well as certain other specified events.

**MASTER
CUSTODIAN
AGREEMENT**

The master custodian agreement dated November 30, 2007 has been entered into between Fundcorp and the Custodian. This agreement includes the following key terms:

- the Custodian is entitled to a fee, as agreed to with Fundcorp;
- the Funds have agreed to indemnify the Custodian subject to regulatory limitations and certain restrictions;
- a Fund or the Custodian may terminate the agreement on 30 days prior written notice to the other; and
- the agreement may also be terminated if either party is declared bankrupt or is insolvent or the assets of the business of either party become liable to seizure or confiscation by any public or governmental authority.

**VALUATION AND
RECORDKEEPING
SERVICES
AGREEMENT**

The valuation and recordkeeping services agreement dated November 30, 2007 has been entered into between the Manager, Fundcorp and RBC Dexia. This agreement includes the following key terms:

- RBC Dexia has agreed to perform certain valuation and recordkeeping services for the Funds;
- RBC Dexia is entitled to a fee, as agreed to with Fundcorp;
- Fundcorp has agreed to indemnify RBC Dexia subject to regulatory limitations and certain restrictions;
- RBC Dexia's liability is limited to breaches of its standard of care and can not exceed the amount of two million (\$2,000,000) dollars;
- a party may terminate the agreement on 90 days prior written notice to the other parties; and
- termination of the agreement in respect of a Fund without notice is also permitted without notice: (i) where a party is declared bankrupt or is insolvent; (ii) the assets of the business of a party become liable to seizure or confiscation by any public or

governmental authority; (iii) the Manager's power or authority to act on behalf of the Funds has been terminated or is otherwise no longer in full force or effect; or (iv) the Fund is terminated.

VERITAS USER AGREEMENT

A user agreement dated March 14, 2008 (the "**Veritas User Agreement**") has been entered into among Fundcorp, the Manager, the Portfolio Advisor and Veritas Investment Research Corporation ("**Veritas**"). Pursuant to the Veritas User Agreement, Veritas has agreed to allow the Manager, the Portfolio Advisor, and Veritas Canadian Select Portfolio to use and refer to the V-List and proprietary data contained therein.

The Veritas User Agreement includes the following key terms:

- Veritas is entitled to a fee from the Manager, as may agreed to by Veritas and the Manager from time to time;
- the initial term of the Veritas User Agreement is five years, after which, subject to certain conditions, it will automatically renew for successive three year periods;
- the Veritas User Agreement will terminate if the Veritas License Agreement (as described below) is terminated;
- the Veritas User Agreement may also be terminated on 30 days' prior written notice by a party on the occurrence of certain specified events, including the occurrence of bankruptcy events by another party, or if a party believes that material damage or harm is occurring to the reputation or goodwill of that party by reason of its continued performance thereunder;
- Veritas may terminate the Veritas User Agreement in certain limited circumstances resulting from the establishment of other funds by Fundcorp;
- subject to regulatory limitations and certain restrictions, Fundcorp has agreed to indemnify Veritas, as well as its directors, officers and employees, from all claims brought against Veritas as a result of any actions Veritas has taken in accordance with its duties under the Veritas User Agreement;
- Veritas has agreed to indemnify Fundcorp, as well as each of their directors and officers, from all claims brought against Veritas Canadian Select Portfolio as a result of the negligence or wilful misconduct of Veritas or any material breach, violation or non-performance on the part of Veritas of any provision of the Veritas User Agreement; and

- Veritas has also agreed to indemnify the Manager and the Portfolio Advisor, as well as each of their directors and officers, for certain breaches by Veritas of the Veritas User Agreement related primarily to the delivery and updating of the V-List, as well other intellectual property matters.

VERITAS LICENSE AGREEMENT

The Manager and Fundcorp have entered into a license agreement with Veritas dated March 14, 2008 (the “**Veritas License Agreement**”) pursuant to which the Manager and Fundcorp have licensed the use of certain marks in connection with the operation of Veritas Canadian Select Portfolio. The key terms of the Veritas License Agreement are as follows:

- a license fee is payable to Veritas;
- the Veritas License Agreement will remain in full force and effect until the termination of the Veritas User Agreement;
- the Veritas License Agreement may also be terminated if a party fails to comply with a material term and does not remedy that breach within 30 days of receiving notice of such breach from a non-breaching party;
- termination may also occur upon instances of bankruptcy, or other similar events, or in the event one party discontinues its business or undergoes a change of control;
- subject to regulatory limitations and certain restrictions, Fundcorp has agreed to indemnify Veritas, its affiliates and their respective directors, shareholders, officers, employees, agents and other representatives, from any and all liabilities, losses, or costs resulting from any material breach of the Veritas Licence Agreement by Fundcorp or the Manager; and
- Veritas has agreed to indemnify Fundcorp, the Manager, and their respective affiliates, directors, shareholders, officers, employees, agents and other representatives, from any and all liabilities, losses, or costs resulting from any material breach of the Veritas Licence Agreement by Veritas.

RAYMOND JAMES USER AGREEMENT

A user agreement dated March 14, 2008 (the “**RJ User Agreement**”) has been entered into among Fundcorp, the Manager, the Portfolio Advisor and Raymond James Ltd. (“**Raymond James**”). Pursuant to the RJ User Agreement, Raymond James has agreed to allow the Manager, the Portfolio Advisor and First Trust Raymond James Canadian Focus Picks Portfolio to use and refer to the Focus Picks Portfolio and proprietary data contained therein.

The RJ User Agreement includes the following key terms:

- Raymond James is entitled to a fee from the Manager, as may agreed to by Raymond James and the Manager from time to time;
- the initial term of the RJ User Agreement is five years, after which, subject to certain conditions, it will automatically renew for successive three year periods;
- the RJ User Agreement will terminate if the RJ License Agreement (as described below) is terminated;
- the RJ User Agreement may also be terminated, subject to certain conditions, on 30 days' prior written notice by Raymond James or the Manager (acting on behalf of itself, the Portfolio Advisor and Fundcorp) in the event that: (i) it believes that material damage or harm is occurring to its reputation or goodwill by reason of its continued performance thereunder; (ii) in the case of a breach of a material term or condition by the other party; or (iii) upon the occurrence of certain specified events, including the occurrence of bankruptcy events by the other party;
- the Manager, on behalf of itself, the Portfolio Advisor and Fundcorp, may terminate the RJ User Agreement on 30 days' prior written notice to Raymond James in the event: (i) of the adoption of any legislation that materially impairs the ability to market First Trust Raymond James Canadian Focus Picks Portfolio; (ii) of any material litigation or regulatory proceeding regarding First Trust Raymond James Canadian Focus Picks Portfolio being threatened or commenced; (iii) the Manager ceases to carry on business in Canada; or (iv) in the opinion of the Manager, it is no longer economically feasible to continue First Trust Raymond James Canadian Focus Picks Portfolio;
- Raymond James may terminate the RJ User Agreement on 30 days' prior written notice to the Manager (on behalf of itself, the Portfolio Advisor and Fundcorp) in the event of: (i) the adoption of any legislation that in the reasonable judgment of Raymond James materially impairs its ability to authorize the use of and provide the Focus Picks Portfolio; or (ii) any litigation or proceeding being threatened or commenced that Raymond James reasonably believes would have a material adverse effect on its ability to perform its obligations under the RJ User Agreement;
- Raymond James may also terminate the RJ User Agreement in certain other limited circumstances resulting from the establishment of other funds by Fundcorp;

- subject to regulatory limitations and certain restrictions, Fundcorp has agreed to indemnify Raymond James, as well as its directors, officers and employees, from all claims brought against Raymond James as a result of any actions Raymond James has taken in accordance with its duties under the RJ User Agreement; and
- Raymond James has agreed to indemnify Fundcorp, as well as each of their directors and officers, from all claims resulting from a material breach, violation or non-performance of any provision of the RJ User Agreement by Raymond James.

RJ LICENSE AGREEMENT

The Manager and Fundcorp have entered into a license agreement with Raymond James Financial, Inc. (the “**Licensor**”) dated March 14, 2008 (the “**RJ License Agreement**”) pursuant to which the Manager and Fundcorp have licensed the use of certain marks in connection with the operation of First Trust Raymond James Canadian Focus Picks Portfolio. The key terms of the RJ License Agreement are as follows:

- a license fee is payable to the Licensor;
- unless otherwise terminated, the RJ License Agreement will remain in full force and effect until the termination of the RJ User Agreement;
- the RJ License Agreement may also be terminated by the Licensor, on one hand, and the Manager and Fundcorp, on the other hand, if the other fails to comply with a material term of the RJ License Agreement and does not remedy that breach within 30 days of receiving notice of such breach from the non-breaching party;
- termination may also occur upon instances of bankruptcy, or other similar events, or in the event a party discontinues its business or undergoes a change of control;
- subject to regulatory limitations and certain restrictions, Fundcorp has agreed to indemnify the Licensor, its affiliates and their respective directors, shareholders, officers, employees, agents and other representatives, from any and all liabilities, losses, or costs resulting from any material breach of the RJ Licence Agreement by Fundcorp or the Manager; and
- the Licensor has agreed to indemnify Fundcorp, the Manager, and their respective affiliates, directors, shareholders, officers, employees, agents and other representatives, from any and all liabilities, losses, or costs resulting from any material breach of the RJ Licence Agreement by the Licensor.

AUDITORS' CONSENT

Veritas Canadian Select Portfolio (“Fund I”)
First Trust Raymond James Canadian Focus Picks Portfolio (*formerly Raymond James Canadian Focus Picks Portfolio*) (“Fund II” and together with Fund I, the “Funds”)

We have read the simplified prospectus (the “Prospectus”) and the annual information form of the Funds dated February 26, 2010 relating to the sale and issue of Series A and Series F shares of the Funds. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use through incorporation by reference in the above-mentioned Prospectus of our report dated September 2, 2009 to the shareholders of the Funds on the following financial statements:

- The schedules of investments as at June 30, 2009;
- Statements of net assets as at June 30, 2009 and 2008; and
- Statements of operations and of changes in net assets for the year ended June 30, 2009 and the period from April 15, 2008 (in respect of Fund I) or March 24, 2008 (in respect of Fund II) to June 30, 2008.

“Deloitte & Touche LLP”

Chartered Accountants
Licensed Public Accountants

Toronto, Ontario
February 26, 2010

CERTIFICATE OF THE FUNDS, THE MANAGER AND THE PROMOTER

Dated: February 26, 2010

This Annual Information Form of Veritas Canadian Select Portfolio and First Trust Raymond James Canadian Focus Picks Portfolio (the “**Funds**”), together with the Simplified Prospectus required to be sent or delivered to a purchaser during the currency of this Annual Information Form and the documents incorporated by reference into the Simplified Prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the Simplified Prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland & Labrador, Northwest Territories, Yukon Territory and Nunavut and do not contain any misrepresentations.

FT MUTUAL FUND CORPORATION on behalf of the Funds

“Fraser Howell”

Fraser Howell
Chief Executive Officer

“Maria L. Paulino-Munar”

Maria L. Paulino-Munar
Chief Financial Officer

On behalf of the Board of Directors of **FT MUTUAL FUND CORPORATION** on behalf of the Funds

“Ronald McAlister”

Ronald McAlister
Director

“Mark Bradley”

Mark Bradley
Director

On behalf of **FIRST DEFINED PORTFOLIO MANAGEMENT CO.** as Manager and Promoter of the Funds

“Ronald McAlister”

Ronald McAlister
Chief Executive Officer

“Fraser Howell”

Fraser Howell
Chief Financial Officer

On behalf of the Board of Directors of **FIRST DEFINED PORTFOLIO MANAGEMENT CO.** as Manager and Promoter of the Funds

“Mark Bradley”

Mark Bradley
Director



[BACK COVER]

ANNUAL INFORMATION FORM

Respecting Series A and Series F Shares of

VERITAS CANADIAN PORTFOLIO*
FIRST TRUST RAYMOND JAMES CANADIAN FOCUS PICKS PORTFOLIO
*(formerly Raymond James Canadian Focus Picks Portfolio)***

Additional information about a Fund is available in the Fund's management reports of fund performance and financial statements.

You can get a copy of these documents at your request, and at no cost, by calling toll-free 1-877-622-5552, or from your dealer or advisor or by e-mail at info@firsttrust.ca.

These documents and other information about the Funds, such as information circulars and material contracts, are also available either on the First Defined Portfolio Management Co. Internet site at www.firsttrust.ca or on the SEDAR Internet site at www.sedar.com.

Managed by:

FIRST DEFINED PORTFOLIO MANAGEMENT CO.

330 Bay Street, Suite 1300
Toronto, Ontario M5H 2S8

1-877-622-5552

www.firsttrust.ca

* "Veritas" is a trade-mark of Veritas Investment Research Corporation, used under license by the Fund pursuant to a licence agreement among Veritas Investment Corporation, FT Mutual Fund Corporation, and the Manager.

** "Raymond James", Raymond James Ltd." and "Focus Picks" are each a trade-mark of Raymond James Financial, Inc., used by First Trust Raymond James Canadian Focus Picks Portfolio under licence.