



ANNUAL INFORMATION FORM

Respecting Series A and Series F Units of

FIRST TRUST GLOBAL CAPITAL STRENGTH PORTFOLIO

managed by **FIRST DEFINED PORTFOLIO MANAGEMENT CO.**

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

January 27, 2012

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NAME, FORMATION AND HISTORY OF THE FUND

This is the Annual Information Form for First Trust Global Capital Strength Portfolio (the “**Fund**”).

First Defined Portfolio Management Co. is the trustee and manager (the “**Manager**”) of the Fund. First Trust Advisors L.P., an affiliate of the Manager, is the portfolio advisor (the “**Portfolio Advisor**”) of the Fund. The head office and principal place of business of the Fund 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 Fund is also available at www.firsttrust.ca.

The Fund was established under a master declaration of trust dated April 21, 2010 (the “**Master Declaration of Trust**”) and a supplemental declaration of trust dated April 21, 2010 (the “**Supplemental Declaration of Trust**”) and together with the Master Declaration of Trust, the “**Declaration of Trust**”) of the Manager. Pursuant to the Declaration of Trust, the Fund is governed by the laws of the province of Ontario.

INVESTMENT RESTRICTIONS AND PRACTICES OF THE FUND

The Fund is 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 Fund are diversified and relatively liquid and to ensure the proper administration of the Fund. The Fund is managed in accordance with these restrictions and practices. A copy of these investment restrictions may be obtained from the Manager upon request.

Although the Fund currently does not currently qualify as a mutual fund trust under the *Income Tax Act* (Canada) (the “**Tax Act**”), the Manager expects it will so qualify shortly. The Fund is a “registered investment” under the Tax Act. The Fund will not engage in any undertaking other than the investment of its funds in property for the purposes of the Tax Act.

Unitholder approval is required before the investment objective of the Fund is changed.

DESCRIPTION OF SERIES A AND SERIES F UNITS OFFERED BY THE FUND

The Fund offers an unlimited number of units, issuable in series. Series A and Series F units are offered pursuant to the Simplified Prospectus of the Fund.

DISTRIBUTION RIGHTS

Each series of units of the Fund are entitled to the portion of any distribution by the Fund equal to that series’ proportionate share of the net income of the Fund, after the deduction of the management fee and expenses of the Fund attributable to that series. Net income is the Fund’s net income adjusted for series-specific expenses (including the management fees which are different for each series of units of the Fund). Accordingly, the amount of distributions to Series A and Series F unitholders (for each unit) may not be equal to each other.

VOTING RIGHTS

Unitholders have no voting rights except as permitted by the Declaration of Trust or as required by Canadian securities legislation. If a vote is required, you are entitled to one vote per unit of the Fund as set out in the Declaration of Trust. A separate series vote is required if a particular series of units of the Fund is affected in a manner that is different from other series. The following

matters currently require unitholder approval pursuant to securities legislation:

- changing the basis of the calculation of a fee or expense that is charged to the Fund or directly to its unitholders by the Fund or the Manager in a way that could result in an increase in charges to the Fund or its unitholders; however, no unitholder 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 is sent to unitholders at least 60 days before the effective date of the change;
- introducing a fee or expense to be charged to the Fund or directly to its unitholders by the Fund or the Manager in a way that could result in an increase in charges to the Fund or its unitholders;
- changing the manager of the Fund, unless the new manager is an affiliate of the Manager;
- changing the fundamental investment objective of the Fund;
- decreasing the frequency of the calculation of the Fund's net asset value ("NAV") per series;
- undertaking a reorganization with, or transferring the Fund's assets to, another mutual fund, when the Fund will cease to continue after the transaction and the transaction will result in the unitholders of the Fund becoming unitholders of the other mutual fund; however, unitholder approval will not be required provided: (i) the IRC 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 is sent to unitholders at least 60 days before the effective date of the reorganization or transfer; and
- undertaking a reorganization with, or acquiring assets from, another mutual fund, if the Fund continues after the transaction, the transaction results in the unitholders of the mutual fund becoming unitholders of the Fund and the transaction would be a material change to the Fund.

REDEMPTION RIGHTS

You are entitled to redeem your Series A or Series F units in the Fund and to receive an amount for each unit you redeemed equal to the NAV per Series A or Series F unit, respectively. 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 regarding your redemption rights.

LIQUIDATION RIGHTS

A series of units of the Fund will generally be entitled to a distribution on liquidation of the Fund equal to that series' proportionate share of the net assets of the Fund (before series liabilities) less liabilities of the Fund attributable to that series. Accordingly, the amount received by Series A unitholders for each Series A unit and by Series F unitholders for each Series F unit may not be the same.

SWITCH RIGHTS

You can switch your investment to another fund through your dealer or advisor. You may be charged a switch fee of up to 3.00% of the value of the units switched. If you switch from the Fund to another fund, there will be a redemption of the units of the Fund you own and a purchase of shares or units of the new fund. Because you are moving from the Fund to another fund, the redemption will be a taxable transaction to you. See "Income Tax Considerations for Investors" on page 18.

RECLASSIFICATION RIGHTS

If you hold Series A units of the Fund, you may submit a request to your dealer or advisor to have these units reclassified into Series F units of the Fund provided you satisfy the Series F criteria. You may also request the reclassification of your Series F units of the Fund into Series A units of the Fund. Series A units have no criteria that must be satisfied to hold such units. In addition, if you hold Series F units and your dealer or advisor advises the Manager that you no longer satisfy the criteria for holding Series F units, the Manager will, unless directed by you to redeem your units, reclassify your Series F units into Series A units of the Fund. Upon a reclassification of your units, you may receive more or less units of the new series than the number of units you currently hold, depending on the relative NAV per unit of each series.

CALCULATION OF NET ASSET VALUE

Calculation of Net Asset Value Per Unit

- The value of the Fund is called its "net asset value" or "NAV". The NAV of the Fund will be calculated by determining the fair value of the Fund's assets and subtracting from this amount the fair value of its liabilities.
- A separate NAV per unit is calculated for each series of units of the Fund.
- The NAV per Series A unit is calculated by dividing (1) the amount equal to the value of Series A's proportionate share of assets of the Fund, less Series A's proportionate share of the common expenses of the Fund and less Series A's specific expenses by (2) the total number of Series A units outstanding at such time. The NAV per Series A unit is adjusted to the nearest cent per Series A unit.
- The NAV per Series F unit is calculated by dividing (1) the amount equal to the value of Series F's proportionate share of assets of the Fund, less Series F's proportionate share of the common expenses of the Fund and less Series F's specific expenses by (2) the total number of Series F units outstanding at such time. The NAV per Series F unit is adjusted to the nearest cent per Series F unit.

- Series A and Series F units will be issued or redeemed at the NAV per Series A and Series F unit, respectively.
- The NAV of each series of units of the Fund is calculated on each day that the Toronto Stock Exchange is open for trading (a “**business day**”) in Canadian dollars.
- The NAV per unit for each series of units of the Fund will be determined at the close of trading on each day the Toronto Stock Exchange is open for trading, which is usually 4:00 p.m. (Toronto time) but in some circumstances may be another time (either, the “**Closing Time**”) (unless the Manager has declared a suspension of the determination of NAV).
- The purchase or redemption price of a Series A or Series F unit will be based on the NAV per Series A or Series F unit next calculated after the Manager has or is deemed to have received your purchase order or redemption request. Any purchase orders or redemption requests received by or on behalf of the Manager before or at the Closing Time are priced based on the relevant NAV calculated on that day. Orders received after Closing Time or on a day which is not a business day are priced based on the NAV on the next business day. Please see the section entitled “Purchases, Switches and Redemptions” at page 6 for additional details regarding the NAV per Series A unit and NAV per Series F unit.
- The unit price applied to purchase and redemption orders of each series of units of the 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 distributions are made by the Fund, the unit price will decrease by the per unit amount of the distribution on the distribution payment date.

Valuation of Portfolio Securities

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

In calculating the NAV of the Fund on any day, the valuation agent will determine the fair value of the assets and liabilities of the Fund according to applicable law and the rules set out in the Declaration of Trust. Such valuation rules include the following:

- 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 a security listed on a stock exchange will generally be the latest available sale price prior to the calculation of NAV. If the security was not sold on that day, the valuation agent will average the latest available ask price and the latest available bid price to determine the value of the security. If the stock exchange was not open on that day, then the value of the security will be the latest available sale price on the most recent day on which the stock exchange was open. A

security listed on more than one stock exchange will generally be valued on the exchange where the greatest trading volume normally occurs;

- the value of any security which is traded on an over-the-counter market will be the average of the closing bid and the closing ask price, as reported by the financial press;
- 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;
- the value of a forward contract or a futures contract, shall be the gain or loss with respect thereto that would be realized if, at the Valuation Time, the position in the contract 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;
- if, in the opinion of the valuation agent, stock exchange or over-the-counter prices do not properly reflect the prices which would be received upon the sale of such securities, the Trustee may value the securities at prices as appear to the Trustee to most closely reflect the fair value of the securities;
- 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 available will be its fair market value as calculated in a manner determined by the Trustee.

The following liabilities of the 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 unitholders on or before the day the NAV is being calculated.
- All allowances attributable to the Fund authorized or approved by the Trustee for tax or contingencies including applicable provincial and federal sales, value added or goods and

services tax/harmonized sales tax (together “**Sales Taxes**”) or contingencies that can be reasonably estimated with certainty under generally accepted accounting principles.

- All other liabilities of the Fund of whatever kind and nature, including liabilities attributable to a particular series.

The unit price for each series of units will be determined using the latest reported information available on each trading day. The purchase or sale of portfolio securities by the Fund will be reflected in the first calculation of the unit price for each series of units after the date on which the transaction becomes binding.

While National Instrument 81-106 - *Investment Fund Continuous Disclosure* requires investment funds, such as the Fund, 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**”). The Fund calculates the net asset value of the securities of the Fund on the basis of the valuation principles set forth in this Annual Information Form. The valuation principles of the Fund differ in some respects from the requirements of Canadian GAAP. The main differences are that the Fund 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 Fund will contain an explanation of the net assets reported in the financial statements in accordance with Canadian GAAP to the NAV used by the Fund for all other purposes, including the purchases and sales of units of the Fund.

PURCHASES, SWITCHES, AND REDEMPTIONS

Purchases

The Fund is authorized to create and offer an unlimited number of units, issuable in different series. Each of the Series A and Series F units of the Fund are offered by the Simplified Prospectus. Series A and Series F units may be purchased at any time. Series A and Series F units are qualified for distribution in all provinces and territories of Canada. It is the intention of the Fund to sell its securities only to persons resident in Canada. Therefore, the Fund 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 units of the Fund through a dealer or advisor registered in the province or territory where you place the order. The dealer or advisor must then transmit the order to the head office of the Manager by wire order, courier or priority post, without charge to you. The Fund is valued in Canadian dollars and you may only buy shares of the Fund in Canadian dollars.

No certificate will be issued to you upon a purchase. Your initial investment in units of the Fund must be at least \$1,000 and any additional investment must be at least \$100. The Fund may change or waive the minimum threshold for the initial investment or any additional investment in units of the Fund pursuant to the systematic investment plan or otherwise at any time. More information on the systematic investment plan can be found under the heading “Optional Services” in the Simplified Prospectus.

All complete purchase orders will be processed within three business days (or such shorter period required by Canadian securities regulatory authorities). If a purchase order is received at or before the Closing Time, the purchase order will be processed at the relevant series NAV calculated on the same

business day. If the purchase order is received after Closing Time 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.

If the Fund does not receive your payment within three business days of processing your purchase order, the Fund will redeem these units 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, on behalf of the Fund, may reject your purchase order within one business day of receiving the order. In these circumstances, any funds received in respect of the purchase order will be returned without interest. The Manager may determine from time to time to cease the sale of units of the Fund for such period as the Manager shall determine.

Series A Units

As there are no criteria for purchasing Series A units, other than the minimum purchase amount disclosed above, anyone in Canada may purchase Series A units through authorized dealers and advisors. When you purchase Series A units you may pay a front-end sales charge to your dealer or advisor to a maximum of 3.00% of the purchase price (where such purchase price includes the sales charge) payable at the time of purchase, that is negotiated between you and your dealer or advisor. A dealer may make provision in the arrangement 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 fund caused by the investor. The Manager pays a trailing commission to your dealer or advisor as described in the Simplified Prospectus.

Series F Units

You may only invest in Series F units if you are a client of a fee-based program through which you pay an annual fee to your dealer or advisor (the “**Series F criteria**”). Your dealer or advisor does not receive trailing commissions from the Manager with respect to your Series F units. In addition, when you purchase Series F units, there are no fees or charges payable directly by you to the Fund or the Manager.

Please see the section entitled “Fees and Expenses” for further details regarding fees and expenses charged in relation to series of units of the 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 and Reclassifications

You can switch your investment to another fund through your dealer or advisor. You may be charged a switch fee of up to 3.00% of the value of the units switched. If you switch from the Fund to another fund, there will be a redemption of the units of the Fund you own and a purchase of shares or units of the new fund. Because you are moving from the Fund to another fund, the redemption will be a taxable transaction to you. See “Income Tax Considerations for Investors” on page 18.

You can also reclassify your units of the Fund into other units of the Fund that are denominated in the same currency. No redemption charge is payable on reclassification. A reclassification of units is not a

disposition for tax purposes. This means that you will not pay tax on any capital gains the units may have accrued at the time of reclassification. See “Income Tax Considerations for Investors’ on page 18.

You may only switch or reclassify your units if you satisfy any criteria required to hold the shares or units into which you are switching or reclassifying. The number of units or shares you will receive upon the switch or reclassification depends upon the relative NAV per unit of the securities you hold as compared to the NAV per unit of the securities into which you will switch or reclassify. Accordingly, you may receive more or less units than the number of units you choose to reclassify.

If new series of units are offered by the Fund, you will be entitled to switch or reclassify all or a portion of your units into the new series provided you meet the criteria of the new series (if any).

You may also submit a request to have your Series F units reclassified into Series A units. As mentioned above, you do not have to satisfy any criteria to hold Series A units. In addition, if you hold Series F units and your dealer or advisor advises the Manager at any time that you no longer satisfy the criteria for holding Series F units, unless you direct the Manager to redeem your units, the Manager will reclassify your Series F units into Series A units denominated in the same currency. Upon such reclassification, you may receive more or less Series A units than the number of Series F units you hold, depending on the NAV per Series A unit as compared to the NAV per Series F unit. Rather than accepting the reclassification of your Series F units into Series A units, you may advise your dealer or advisor that you have decided to redeem your units instead. See “Redemptions”.

Redemptions

You may redeem your units and receive an amount for each unit you redeem equal to the series NAV per unit as next calculated after the Manager receives your redemption request. You will receive redemption proceeds in the currency in which you originally purchased shares of the Fund. The following paragraphs set out the redemption procedure for the Fund.

The redemption of units 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 for units held in a non-Registered Plan. Please see “Income Tax Considerations” for more details.

- Redemption requests received by or on behalf of the Manager before or at Closing Time will be priced using the applicable series NAV calculated on that day.
- Requests received by or on behalf of the Manager after Closing Time, will be priced using the applicable series NAV calculated on the next business day.
- You may redeem your Series A or Series F units 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 Series A or Series F units 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 Series A or Series F unit 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 Series A or Series F unit 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 units 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 units you redeem.
- Upon the direction of the Manager, the Fund may require you to hold a minimum amount of units of the Fund. If you hold less than the minimum amount, the Fund may redeem your Series A or Series F units upon fifteen days prior notice. The Fund does not currently have a specified minimum holding amount.
- Upon the direction of the Manager, the Fund may redeem your units to the extent necessary to pay any outstanding fees, charges or expenses that you owe.
- 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. The Manager may suspend your right to redeem units with the consent of the securities regulatory authorities or for any period when normal trading is suspended on a stock exchange on which securities are listed and traded if those securities represent more than 50% of the value of the Fund without allowance for liabilities 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 NAV per unit 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.

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 the 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 90 days.

The interests of Fund investors and the 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 Fund units, can interfere with the efficient management of the Fund's portfolio and can result in increased brokerage and administrative costs to 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 the Fund) and a redemption (including a switch from the 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 may be subject to a fee of up to 2.00%. The fees charged will be paid to the 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 purchases or switches 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

Trustee and Manager

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

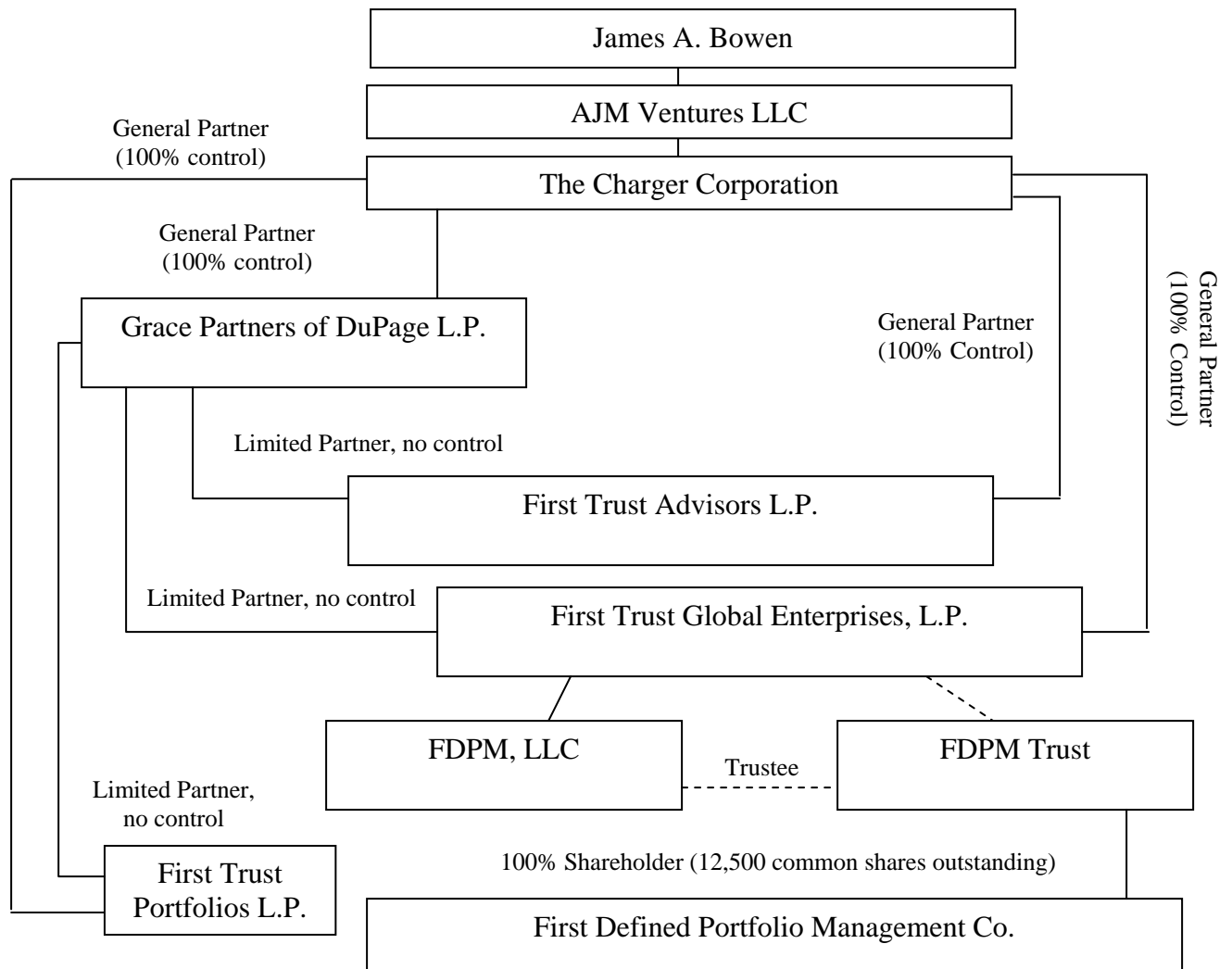
330 Bay Street, Suite 1300
Toronto, Ontario M5H 2S8
Telephone: 1-877-622-5552
Email Address: info@firsttrust.ca
Website: www.firsttrust.ca

The Declaration of Trust sets out the powers of the Manager with respect to the Fund. The Trustee holds title to the property of the Fund on behalf of the unitholders and provides all administration services in respect of the Fund except for managing and directing the investment of the assets. The Manager is responsible for arranging for the appointment of the Portfolio Advisor of the Fund, on behalf of the Fund. Please see the section entitled "Material Contracts" for a description of the Declaration of Trust.

Under applicable securities regulations, any change of the Manager of the 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 Fund.

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



As noted in the diagram above, The Charger Corporation is the general partner of each of Grace Partners of DuPage L.P., First Trust Global Enterprises, L.P., First Trust Portfolios L.P. and First Trust Advisors L.P. As general partner, the Charger Corporation has control over the operations of each of these 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
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 2004 through October 2006, Mr. Kim was a Senior Manager, Marketing with HSBC Bank of Canada.

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.

Portfolio Advisor

The Portfolio Advisor is an affiliate of the Manager located in Wheaton, Illinois. The master portfolio advisory agreement sets out the duties of the Portfolio Advisor. Under the master portfolio advisory agreement, the Portfolio Advisor is responsible for managing the investment portfolio of the Fund, including providing or arranging for the provision of investment analysis, and making decisions relating to the investments of the assets of the Fund. Decisions as to the purchase and sale of portfolio securities and 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 advisory agreement.

The Portfolio Advisor provides asset management and investment advisory services to its clients and had approximately US\$48.1 billion in assets under management or supervision as of December 31, 2011. 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 and operates as a portfolio manager under National Instrument 31-103 *Registration Requirements and Exemptions*. 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.

The Portfolio Advisor has established policies to regulate investments by the Fund in derivatives and to establish corresponding risk management procedures in making such investments. In accordance with these policies and procedures, investments in derivatives may only be made by the Fund for purposes consistent with its investment objective and as permitted by securities legislation. The Fund intends to engage in hedging activities in order to minimize the impact of changes in the U.S. Canadian foreign exchange rate on the Series A and Series F units. To the extent such activities occur, the Portfolio

Advisor intends to use forward contracts and other permitted derivatives to achieve this strategy. The Portfolio Advisor will not, however, provide advice in respect of futures contracts or futures options regulated by the *Commodity Futures Act*. No risk measurement procedures or other simulation will be used to test the portfolio of the Fund under stress conditions. The result of any hedging activities may not correspond exactly with the Fund's exposure to fluctuations in the U.S. Canadian foreign exchange rate as a result of market conditions, cash requirements of the Fund, as well as other factors.

The investment committee of the Portfolio Advisor, as described below, is responsible for setting, reviewing and monitoring the policies and procedures related to derivatives trading. Steps will be taken to ensure that hedging transactions are undertaken at competitive pricing levels. The investment committee will also monitor the types of derivatives instruments utilized, as well as the duration of derivatives transactions, to ensure that individual derivative purchases and the overall impact of all derivatives held, are consistent with the Fund's investment objective and strategies. The investment committee will report any material deviations from the Portfolio Advisor's derivatives policies and procedures that adversely affect the Fund to the Manager as soon as reasonably practicable.

There is no one individual primarily responsible for investment management decisions made by the Portfolio Advisor, including with respect to derivatives trading. 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 Fund, consists of Roger F. Testin, Robert F. Carey, Jon C. Erickson, David G. McGarel and Charles H. Bradley.

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
Charles H. Bradley	Vice President	Since February 1997

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.

Charles H. Bradley is responsible for overseeing the portfolio management operations of the Portfolio Advisor's variable annuity portfolios. Mr. Bradley has over 28 years of experience in the financial services industry primarily in the areas of portfolio management and quantitative equity research. He received his B.S. in Mathematics from Wheaton College (Illinois) in 1976 and his M.S. in Economics and Finance from Cornell University in Ithaca, New York.

Brokerage Arrangements

The purchase and sale of portfolio securities by the 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 numerous 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 is the custodian (the "**Custodian**") of the Fund. 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 Fund and certain other funds managed by the Manager. The Custodian is generally responsible for holding and maintaining information regarding all securities held by the Fund. The Custodian holds the Fund's securities and other portfolio assets, including cash on deposit with financial institutions, on behalf of the Fund. 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, 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 and Valuation Agent

RBC Dexia Investor Services Trust is also the recordkeeper and the valuation agent of the Fund pursuant to a master valuation and recordkeeping services agreement. As recordkeeper, it is responsible for maintaining the register of the owners of units of the Fund. The register of units of the Fund is kept in Toronto, Ontario, at the head office of the Recordkeeper. In addition, as the valuation agent of the Fund, RBC Dexia Investor Services Trust will be responsible for calculating the NAV of the Fund and for Fund accounting. For a further description of the valuation and recordkeeping services agreement, please see the section entitled "Material Contracts".

Auditor

Deloitte & Touche LLP is the auditor (the "**Auditor**") of the Fund. The head office of the Auditor is located in Toronto, Ontario.

CONFLICTS OF INTEREST

As at the date of this Annual Information Form, the Manager owns of record and beneficially 15,000

Series A units of the Fund, being 100% of the Series A units of the Fund and one Series F unit of the Fund, being 100% of the Series F units of the Fund.

At the date of this Annual Information Form, members of the IRC of the Fund individually and in the aggregate beneficially own an inconsequential number, being less than 0.1%, of any class or series of voting or equity securities of a person or company that provides services to the Fund or the Manager.

GOVERNANCE OF THE FUND

Governance of the Fund is achieved in several ways:

- The Trustee will exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Fund and in connection therewith shall exercise the degree of care, diligence and skill that a reasonable person would exercise in the circumstances.
- The board of directors of the Manager is responsible for the compliance by the Manager with the terms of the Declaration of Trust and the requirements of relevant legislation applicable to investment management and the offering of units.
- 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 Fund and its unitholders 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 conflict of interest policies addressing allocation of investments, allocation of costs, inter-fund trades, trades in related issuers, best-execution/soft dollars, correction of NAV errors and trades in underwritten securities by dealer-managed mutual funds.

Each officer and employee of the Manager is required to certify annually that such person has read the Manager's compliance manual which is designed to provide its officers and employees with an awareness of the requirements of the law governing the Fund, the offering of its units, and advisors, dealers and other market participants providing services to the Fund 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 Fund's and the Manager's regulatory requirements, including reporting and filing obligations.

The Manager markets the Fund and mutual fund trusts sponsored by it 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 IRC for all funds, including the Fund, managed by the Manager to which NI 81-107 applies.

The IRC 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 IRC became fully operational on November 1, 2007 and functions in accordance with applicable securities legislation, including NI 81-107. In accordance with NI 81-107, the mandate of the IRC is to consider and provide recommendations to the Manager on conflicts of interest to which the Manager is subject when managing the Fund. The Manager is required under NI 81-107 to identify conflicts of interest inherent in its management of the Fund and the other funds managed by it, and request input from the IRC 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 IRC provides its recommendations to the Manager with a view to the best interests of the Fund. The IRC will report annually to unitholders of the Fund as required by NI 81-107.

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

The compensation and other associated costs of the IRC, as well as the other costs of complying with NI 81-107, will be paid out of the assets of the Fund, as well as out of the assets of the other funds for which the IRC acts as an independent review committee. The Manager, at its discretion, will allocate such costs between the Fund and these other funds. During the most recently completed financial year, the Fund's portion of compensation in respect of annual fees and meeting fees paid to members of the IRC was \$6.12, as well as a nominal amount as reimbursement for expenses in connection with performing their duties. No compensation was paid by the Fund during the most recently completed financial year for services of members of an independent board of governors or advisory board of the Fund.

Proxy Voting Policy

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

- The Portfolio Advisor is responsible for the oversight of the Fund’s 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 Fund 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 the Fund may vote. Routine matters include: election of directors; appointment of auditors and auditor compensation; changes in capitalization; and management compensation.
- The 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. 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 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 Fund 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 Fund 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 Fund are available to investors free of charge upon request. Requests can be made by calling toll-free 1-877-622-5552 or by 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 Fund differ according to the series of units of the Fund and are set forth under "Management Fees" in the Simplified Prospectus of the Fund. The Fund will pay all operating expenses of the Fund including applicable taxes (such as income taxes and Sales Taxes) brokerage commissions and related transaction fees, reasonable costs associated with its IRC (including, without limitation, all member fees, insurance costs, legal or other advisory costs), and extraordinary expenses such as litigation expenses. The Manager may, from time to time, in its discretion, absorb some of the operating expenses of the Fund.

INCOME TAX CONSIDERATIONS FOR INVESTORS

The following is a general summary of the principal Canadian federal income tax considerations, as of the date hereof, for investors who, for purposes of the Tax Act, are individuals resident in Canada, hold Series A or Series F units of the Fund as capital property, are not affiliated with the Fund and deal with the Fund at arm's length. This summary is based upon the current provisions of the Tax Act and the regulations thereunder, all specific proposals to amend the Tax Act and such regulations publicly announced by the Minister of Finance (Canada) prior to the date of this Annual Information Form and the current published administrative and assessing policies of the Canada Revenue Agency that are in writing and publicly available. This summary does not take into account or anticipate any other changes in the law, whether by legislative, administrative or judicial action, and it does not take into account provincial or foreign income tax legislation or considerations.

Although the Fund currently does not currently qualify as a mutual fund trust under the *Income Tax Act* (Canada) (the "**Tax Act**"), the Manager expects it will so qualify shortly. The Fund is a "registered investment" under the Tax Act. This summary assumes that the Fund will qualify as a mutual fund trust under the Tax Act. It is assumed that at any time that the Fund is not a mutual fund trust under the Tax Act (a) "financial institutions" (as defined in section 142.2 of the Tax Act) will not hold more than 50% of the fair market value of all the units of the Fund, and (b) non-residents of Canada will not hold any units of the Fund.

This summary is not exhaustive of all possible federal income tax considerations. This summary is of a general nature only and does not constitute legal or tax advice to any particular investor. You should consult your own tax advisor to determine the impact of tax legislation on your investment.

Tax Treatment of the Fund

Pursuant to the terms of the Declaration of Trust, each year, the Fund will distribute its net income and any net realized capital gains (computed in Canadian dollars) to its unitholders to the extent necessary to ensure that the Fund does not pay income tax under Part I of the Tax Act (after taking into account any applicable losses of the Fund and the capital gains refund to which the Fund is entitled). All of the Fund's deductible expenses, including expenses common to all series of the Fund and management fees and other expenses specific to a particular series of the Fund, will be taken into account in determining the income or loss of the Fund as a whole.

For any year throughout which the Fund qualifies as a mutual fund trust under the Tax Act, the Fund may be entitled to a refund of tax determined by reference to capital gains realized by the Fund and units redeemed by the Fund.

The Fund is required to compute its net income and net realized capital gains in Canadian dollars for the purposes of the Tax Act and may, as a consequence, realize foreign exchange gains or losses that will be taken into account in computing its income for tax purposes.

The Fund will treat certain transactions involving derivatives as giving rise to ordinary income or losses rather than capital gains or losses for tax purposes.

In certain situations, where the Fund disposes of property and would otherwise realize a capital loss, the loss will be deemed to be a “suspended loss”. This may occur if the Fund disposes of and acquires the same property during the period that begins 30 days before and ends 30 days after the disposition of property and holds it at the end of that period.

Losses incurred by the Fund cannot be allocated to investors but may, subject to certain limitations, be deducted by the Fund from capital gains or other income realized in other years.

For a taxation year throughout which the Fund is not a mutual fund trust under the Tax Act, the Fund may in certain circumstances be subject to alternative minimum tax under the Tax Act even though its net income and net realized capital gains are paid or payable to its unitholders. If a Fund is a registered investment but not a mutual fund trust under the Tax Act, it will be liable to pay a penalty tax under the Tax Act if, at the end of any month, the Fund holds any investments that are not qualified investments for Registered Plans. The tax for a month is equal to 1% of the fair market value of the non-qualified investments at the time it was acquired by the Fund.

Units Held in a Registered Plan

Provided that the Fund is a “mutual fund trust” as defined in the Tax Act, or is a “registered investment” under the Tax Act, Series A and Series F units of the Fund are qualified investments for a trust governed by registered retirement savings plans (“RRSP”), registered retirement income funds (“RRIF”), registered education savings plans, registered disability savings plan, tax-free savings account (“TFSA”), or deferred profit sharing plans, all as defined in the Tax Act (“Registered Plans”).

If you hold Series A or Series F units of the Fund in a Registered Plan, you will not pay tax on any distributions paid or payable to the Registered Plan by the Fund in a particular year or on any capital gains realized by the Registered Plan from redeeming or otherwise disposing of the units. However, withdrawals from such Registered Plans (other than a TFSA) generally are taxable to you.

Units of the Fund will not be a “prohibited investment” for a trust governed by a TFSA or, pursuant to certain proposed amendments to the Tax Act, a RRSP or RRIF, provided the holder of the TFSA (or annuitant of the RRSP or RRIF) deals at arm’s length with the Fund for purposes of the Tax Act and does not have a significant interest (within the meaning of the Tax Act) in the Fund or in any person or partnership with which the Fund does not deal at arm’s length for purposes of the Tax Act.

Units Not Held in a Registered Plan

If you do not hold Series A or Series F units of the Fund in a Registered Plan, you are required to include in computing your income (in Canadian dollars) under the Tax Act:

- (a) all distributions of income and net taxable capital gains, if any, paid or payable to you by the Fund in a particular year, including any distributions reinvested in additional Series A or Series F units of the Fund (including management fee distributions, if any), and
- (b) any net taxable capital gains realized on the redemption or other disposition by you of your Series A or Series F units in the Fund.

Distributions

Your share of the distributions paid by the Fund to its unitholders will be based on the number of Series A or Series F units you held on the record date for the distribution regardless of how long you have owned such units. The NAV of the units, and therefore the price you pay for the units, may reflect income and gains that have accrued in the Fund but which have not yet been realized or distributed. When such income and gains are distributed by the Fund, you will be required to include your share of the distribution in computing your income even though some of the distribution received may reflect the purchase price paid for the units. This effect could be particularly significant if you purchase units of the Fund just before a record date for a distribution by the Fund.

The Fund intends to designate, to the extent permitted by the Tax Act, a portion of the net income distributed to unitholders as may reasonably be considered to consist of taxable dividends received by the Fund on shares of taxable Canadian corporations and net taxable capital gains, if any, realized by the Fund. Any such designated amount will be deemed under the Tax Act to be received or realized by you in the year as a taxable dividend and as a taxable capital gain, respectively. In the case of dividends that are so designated, you will be entitled to the dividend gross-up and tax credit treatment applicable to taxable dividends paid by a taxable Canadian corporation including an enhanced dividend tax credit in respect of “eligible dividends” that are designated to you. In the case of taxable capital gains that are so designated, you will be taxed on such amounts as if you had realized the capital gains yourself. This means that only the taxable portion of such capital gains will be included in your income. In addition, the Fund intends to similarly make designations, to the extent permitted by the Tax Act, in respect of its income, if any, from foreign sources so that for the purpose of computing any foreign tax credit available to you, and subject to the rules in the Tax Act, you will be treated as having paid your share of foreign taxes paid by the Fund in respect of such foreign source income.

Redemptions and Dispositions

Upon an actual or deemed disposition by you of a unit, whether by redemption, a transfer between funds, sale or otherwise, a capital gain (or capital loss) will be realized to the extent that the proceeds of disposition, less any costs of disposition, are greater (or less) than the adjusted cost base to you of the unit. Generally, a reclassification of units from one series to another of the Fund is not considered to be a disposition for tax purposes and accordingly, you will not realize a gain or loss on such reclassification.

At any time, the adjusted cost base of Series A or Series F units of the Fund will be the average cost per Series A or Series F unit for all Series A or Series F units of the Fund that you own at that time (including any Series A or Series F units acquired on a reinvestment of distributions from the Fund).

The adjusted cost base of a Series A unit to you will include any sales charges and distribution charges paid by you to buy such units. No sales or distribution charges are charged against Series F units. Series F unitholders should consult their own tax advisors regarding the tax treatment of independent fees payable by them in connection with the Series F fee based program.

One half of a capital gain (a “**taxable capital gain**”) realized by you will be included in computing your income and one half of a capital loss realized by you may be deducted from your taxable capital gains in accordance with the detailed rules of the Tax Act.

As noted above, you will be considered to realize a taxable capital gain as a result of a distribution designated as such by the Fund.

Pursuant to the Declaration of Trust, the Fund may make allocations of income and net realized capital gains to a Unitholder who has redeemed a Unit of the Fund during the taxation year of the Fund. If such allocations are made, they will reduce the proceeds of disposition of the redeemed Units to such Unitholder.

In certain situations where you dispose of units of the 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 identical units of the Fund (“substituted units”) within 30 days before or after you disposed of your units. In these circumstances, your capital loss may be deemed to be a “superficial loss” and denied. The amount of the denied capital loss will be added to the adjusted cost base to the owner of the substituted units.

Minimum Tax

Taxable dividends from Canadian corporations and capital gains distributed by the Fund to you and capital gains realized by you on a disposition of units of the Fund, may give rise to a liability for alternative minimum tax under the Tax Act.

MATERIAL CONTRACTS

The following are the material contracts of the Fund. These contracts may be inspected by you, either as a prospective investor or as an existing unitholder, at the offices of the Manager during normal business hours.

DECLARATION OF TRUST

The Declaration of Trust includes the following key terms:

- the fee paid to the trustee is accrued daily and is payable monthly by the Fund at the rate set forth in the Simplified Prospectus, which may be changed from time to time;
- the trustee will be reimbursed for all expenses of the Fund paid by the trustee;
- the Fund has agreed to indemnify the trustee and other parties subject to regulatory limitations and restrictions;
- the trustee may in its discretion and without Unitholder approval terminate the Fund;
- the trustee may resign upon not less than 30 days notice and may be removed in certain circumstances including if the trustee is in material default that has not been cured or if the trustee becomes insolvent or subject to a bankruptcy or similar proceeding.

MASTER PORTFOLIO

The master portfolio advisory agreement dated April 21, 2010 has been

**ADVISORY
AGREEMENT**

entered into between the Manager 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 units from the Fund payable by the Manager at a rate determined by the Manager and Portfolio Advisor, accrued daily and payable monthly;
- the Fund has 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 the Fund, may terminate the agreement upon 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 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 April 21, 2010 has been entered into between the Manager, as trustee of the Fund, and the Custodian. This agreement includes the following key terms:

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

**VALUATION AND
RECORDKEEPING
SERVICES
AGREEMENT**

The valuation and recordkeeping services agreement dated April 21, 2010 has been entered into between the Manager and RBC Dexia. This agreement includes the following key terms:

- RBC Dexia has agreed to perform certain valuation, recordkeeping and fund accounting services for the Fund;
- RBC Dexia is entitled to a fee, as agreed to with the Manager;
- The Manager 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, in respect of the Fund and other funds subject to this agreement and the valuation and recordkeeping services agreement relating to other First Trust funds cannot exceed the greater of (i) \$2 million and (ii) the aggregate amount of all fees received by RBC Dexia from the Trustee in respect of services provided to all such funds in the preceding 12 month period. The foregoing liability is determined based on the aggregate losses of all such funds arising out of acts or omissions in the immediately preceding 12 month period.
- a party may terminate the agreement on 90 days prior written notice to the other parties;
- termination of the agreement without notice is also permitted: (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 Fund has been terminated or is otherwise no longer in full force or effect; or (iv) the Fund is terminated.

INDEPENDENT AUDITOR'S CONSENT

We have read the prospectus and annual information form of First Trust Global Capital Strength Portfolio (the "**Fund**") dated January 27, 2012 relating to the offering of Series A and Series F units of the Fund. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above- mentioned prospectus of our report to the unitholders of the Fund on the schedule of investments as at June 30, 2011 and the statements of net assets as at June 30, 2011 and 2010, and the statements of operations and changes in net assets for the year ended June 30, 2011 and the period from April 21, 2010 to June 30, 2010. Our report is dated September 9, 2011.

"Deloitte & Touche LLP"

Chartered Accountants
Licensed Public Accountants

January 27, 2012

**CERTIFICATE OF FIRST TRUST GLOBAL CAPITAL STRENGTH PORTFOLIO,
THE MANAGER AND THE PROMOTER**

Dated: January 27, 2012

This annual information form of First Trust Global Capital Strength Portfolio (the “**Fund**”), together with the simplified prospectus 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.

FIRST DEFINED PORTFOLIO MANAGEMENT CO.,
as Trustee and Manager of the Fund

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
on behalf of the Fund

Mark Bradley

Mark Bradley
Director

FIRST DEFINED PORTFOLIO MANAGEMENT CO.,
as Promoter of the Fund

Fraser Howell

Fraser Howell
President

[BACK COVER]

ANNUAL INFORMATION FORM

Respecting Series A and Series F Units of

First Trust Global Capital Strength Portfolio

Additional information about the Fund is available in the Fund's Fund Facts, 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 Fund, 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.

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