

First Trust Advisors L.P.
1001 Warrenville Road
Lisle, IL 60532
1-800-621-1675

2007 Tax Information

Below is a per share table that provides the amounts distributed from each First Trust exchange-traded fund for federal income tax purposes in 2007. Each of the following exchange-traded funds has qualified as a "regulated investment company" as defined under the Internal Revenue Code. **This letter is not to be used as a substitute for your Form 1099-DIV.**

Fund Name (Ticker Symbol)	Per Share Ordinary Income Dividends	Percent Qualified Dividends	Percent Corporate Dividend Received Deduction	Per Share Long-Term Capital Gain Distribution	Per Share Nontaxable Distributions	Per Share Foreign Tax Paid	Percent Income from U.S. Government Securities
See Explanation Below	(1)	(2)	(3)	(4)	(5)	(6)	(7)
First Trust Exchange-Traded Fund							
First Trust Dow Jones Select Microcap Index SM Fund (FDM)	\$0.13500	100.00%	100.00%	---	---	---	---
First Trust Morningstar [®] Dividend Leaders SM Index Fund (FDL)	\$0.88300	100.00%	100.00%	---	---	---	---
First Trust IPOX-100 Index Fund (FPX)	\$0.06450	100.00%	100.00%	---	---	---	---
First Trust NASDAQ-100 Equal Weighted Index SM Fund (QQEW)	---	---	---	---	---	---	---
First Trust NASDAQ-100-Technology Sector Index SM Fund (QTEC)	---	---	---	---	---	---	---
First Trust Dow Jones Internet Index SM Fund (FDN)	---	---	---	---	---	---	---
First Trust Amex [®] Biotechnology Index Fund (FBT)	---	---	---	---	---	---	---
First Trust DB Strategic Value Index Fund (FDV)	\$0.20550	100.00%	100.00%	---	---	---	---
First Trust Value [®] Line Equity Allocation Index Fund (FVI)	\$0.25170	100.00%	91.38%	---	---	---	---
First Trust Value Line [®] Dividend Index Fund (FVD)	\$0.46530	100.00%	100.00%	---	---	---	---
First Trust NASDAQ-100 Ex-Technology Sector Index SM Fund (QQXT)	---	---	---	---	---	---	---
First Trust NASDAQ [®] Clean Edge [®] U.S. Liquid Series Index Fund (QCLN)	---	---	---	---	---	---	---
First Trust S&P REIT Index Fund (FRI)	\$0.37500	---	---	---	---	---	---
First Trust ISE Water Index Fund (FIW)	\$0.04450	100.00%	100.00%	---	---	---	---
First Trust ISE-Revere Natural Gas Index Fund (FCG)	\$0.02300	100.00%	100.00%	---	---	---	---
First Trust ISE Chindia Index Fund (FNI)	\$0.01550	100.00%	---	---	---	---	---

2007 Tax Information - Continued

Fund Name (Ticker Symbol)	Per Share Ordinary Income Dividends	Percent Qualified Dividends	Percent Corporate Dividend Received Deduction	Per Share Long-Term Capital Gain Distribution	Per Share Nontaxable Distributions	Per Share Foreign Tax Paid	Percent Income from U.S. Government Securities
See Explanation Below	(1)	(2)	(3)	(4)	(5)	(6)	(7)
First Trust Value Line [®] 100 Exchange-Traded Fund (FVL)	---	---	---	---	---	---	---
First Trust Exchange-Traded Fund II							
First Trust DJ STOXX [®] Select Dividend 30 Index Fund (FDD)	\$0.24100	91.59%	---	---	---	---	---
First Trust FTSE EPRA/NAREIT Global Real Estate Index Fund (FFR)	\$0.82200	21.29%	---	---	---	---	---
First Trust Dow Jones Global Select Dividend Index Fund (FGD)	\$0.16000	---	---	---	---	---	---
First Trust Exchange-Traded AlphaDEX[™] Fund							
First Trust Consumer Staples AlphaDEX [™] Fund (FXG)	\$0.11200	100.00%	100.00%	---	---	---	---
First Trust Consumer Discretionary AlphaDEX [™] Fund (FXD)	\$0.05400	100.00%	100.00%	---	---	---	---
First Trust Energy AlphaDEX [™] Fund (FXN)	\$0.11700	62.89%	61.67%	---	---	---	---
First Trust Financials AlphaDEX [™] Fund (FXO)	\$0.20800	100.00%	100.00%	---	---	---	---
First Trust Health Care AlphaDEX [™] Fund (FXH)	---	---	---	---	---	---	---
First Trust Industrials/Producer Durables AlphaDEX [™] Fund (FXR)	\$0.02200	100.00%	100.00%	---	---	---	---
First Trust Materials AlphaDEX [™] Fund (FXZ)	\$0.07400	100.00%	100.00%	---	---	---	---
First Trust Technology AlphaDEX [™] Fund (FXL)	---	---	---	---	---	---	---
First Trust Utilities AlphaDEX [™] Fund (FXU)	\$0.80000	100.00%	100.00%	---	---	---	---
First Trust Small Cap Core AlphaDEX [™] Fund (FYX)	\$0.04000	100.00%	100.00%	---	---	---	---
First Trust Mid Cap Core AlphaDEX [™] Fund (FNX)	\$0.08000	100.00%	100.00%	---	---	---	---
First Trust Large Cap Core AlphaDEX [™] Fund (FEX)	\$0.16300	100.00%	100.00%	---	---	---	---
First Trust Large Cap Growth Opportunities AlphaDEX [™] Fund (FTC)	\$0.11300	100.00%	100.00%	---	---	---	---
First Trust Large Cap Value Opportunities AlphaDEX [™] Fund (FTA)	\$0.25200	100.00%	100.00%	---	---	---	---
First Trust Multi Cap Growth AlphaDEX [™] Fund (FAD)	\$0.03200	100.00%	100.00%	---	---	---	---
First Trust Multi Cap Value AlphaDEX [™] Fund (FAB)	\$0.14000	100.00%	100.00%	---	---	---	---

- (1) Ordinary Income Dividends** – This is the total per share amount of ordinary income dividends and short-term capital gain distributions (if applicable) included in the amount reported in Box 1a – under the title “Total ordinary dividends” - on Form 1099-DIV. This amount does not include foreign tax paid, which is included in Box 1a on Form 1099-DIV.
- (2) Qualified Dividend Income** – This is the percentage of ordinary income dividends reported in Box 1a on Form 1099-DIV that is reported in Box 1b – under the title “Qualified dividends”. This is the amount that may be eligible to be taxed as “qualified dividend income” at the reduced capital gain tax rates of 15% or 5% in accordance with Internal Revenue Code Section 1 (h) 11. See Form 1040 / 1040A instructions for how to determine this amount.
- (3) Corporate Dividend Received Deduction Percent** – This is the percentage of the ordinary income dividends reported in Box 1a on Form 1099-DIV that is eligible for the 70% dividends received deduction allowed certain corporations under Internal Revenue Code Section 243.
- (4) Long-term Capital Gain Distribution** – This is the per share amount of the total long-term capital gain distributions reported in Box 2a – under the title “Total capital gain distr.” - on Form 1099-DIV. This amount should be reported as long-term capital gain no matter how long your shares have been held.
- (5) Nontaxable Distributions** – This is the per share amount of the nontaxable, or sometimes called return of capital, distributions reported in Box 3 – under the title “Nondividend distributions”. This amount should **not** be reported as taxable income on your current tax return. Rather, it should be treated as a reduction in the original cost basis of your investment in the respective exchange-traded fund. Although, once your basis is reduced to zero, excess “nontaxable distributions” are reported as capital gain.
- (6) Foreign Tax Paid** – This is the per share amount of the foreign taxes paid by the fund. You may be able to claim this amount as an itemized deduction or you may be able to obtain a foreign tax credit.
- (7) Percent of Income from U.S. Government Securities** – This is the percent of the amount reported in Box 1a that comes from interest on U.S. government securities, which may not be subject to state taxation.

General Note: Capital gains and losses, which occur when you sell or exchange your fund shares, must be reported to the IRS. Individual shareholders should use Form 1040, Schedule D to report sales of shares. IRS Publication 564 contains additional information which you may find helpful in complying with the IRS reporting requirements. The information above is provided to assist you in preparing your federal and state tax returns. **Please consult your tax advisor regarding your individual tax situation.**