□First Trust

TALKING POINTS

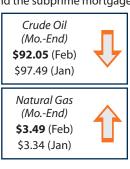
A Recap of February 2013

The Economy

The U.S. economy posted a GDP growth rate of 2.1% in 2012. For those investors concerned that 2.1% growth is too modest to exploit, consider that the average annual GDP growth rate in the U.S. from 1998 to 2012 was the same 2.1%, according to data from the Bureau of Labor Statistics. Over that 15-year period, the S&P 500 posted a cumulative total return of 92.79% – nearly a double. That isn't a bad showing when you factor in that the U.S. fought lengthy multiple wars, endured the fallout from the 9/11 terrorist attacks, experienced two relatively deep bear markets following the popping of the Internet bubble (2000) and the subprime mortgage-induced financial crisis (2008), as well as many more challenges both domestic and foreign.













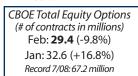


4.94M (Dec)

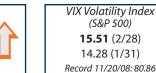
The	Stock	Market

			The Stock Market
Indices (Source: Bloomberg)	<u>Feb</u>	<u>12-mo.</u>	Eighty-three out of the 132 subsectors (63%) that comprise the S&P 500 posted a gain in February,
S&P 500	1.4%	13.4%	down from 121 (92%) last month, according to S&P. Consumer Staples was the top performing sector,
AILD	1.8%	11.5%	up 3.2%. In February, the dividend-payers (406) in the S&P 500 (equal weight) posted a total return of
NASDAQ 100	0.5%	5.8%	1.47%, vs. 0.35% for the non-payers (94), according to S&P.Y-T-D, the payers were up 7.67%, vs. a gain of
S&P 400	1.0%	14.6%	
Russell 2000	1.1%	14.0%	8.32% for the non-payers. For the 12-month period ended February, payers were up 14.81%, vs. a gain
Russell 3000	1.3%	13.6%	of 13.07% for the non-payers. The number of dividend increases y-t-d totaled 77, up from 68 a year ago.
MSCI World (ex U.S.) (USD)	-0.9%	9.3%	Three dividends were cut, matching the three cuts from a year ago. Data compiled by Bespoke
MSCI Emerging Markets (USD)	-1.3%	0.5%	Investment Group/Bloomberg found that short sales in the S&P Composite 1500 Index fell to 5.6% of
Growth/Value (Source: Bloomberg)	Feb	12-mo.	shares available for trading in Feb., down from a record 12.0% during the financial crisis and the lowest
S&P 500 Growth	1.4%	11.1%	level in the six years they've been tracking it, according to Bloomberg. For each share speculating on
S&P 500 Value	1.4%	16.3%	losses in U.S. equities, there are 14 betting on gains (close to 5-year high), according to Markit, a
S&P 400 Growth	0.3%		London-based research firm. The bull market in U.S. equities is poised to enter its fifth year next week.
S&P 400 Value	1.7%	17.7%	Nearly \$10 trillion of the losses sustained in the last bear market has been restored. As of 1/22, 61.4%
Russell 2000 Growth	1.1%	11.2	recard 210 trinion of the losses sustained in the last Deal Higher Has Deel restoled. As of 1722, 01.470
Russell 2000 Value	1.1%	16.9%	of U.S. companies beat their Q4 earnings estimates and 62.7% beat on revenue, according to Bespoke.











The Bond Market

Index (Source: Barclays)	<u>Feb</u>	<u>12-mo.</u>	<u>Yield</u>	The yield on the benchmark 10-Year T-Note fell 11 bps. to 1.88% in February. There appears
U.S. Treasury: Intermediate	0.42%	1.69%	0.61%	to be a shift in sentiment concerning how long the Fed should keep rates artificially low via
GNMA 30 Year	0.27%	1.77%	2.62%	its bond-buying initiatives. A recent survey by the National Association for Business
Municipal Bond (22+)	0.28%	8.09%	3.25%	Economics revealed that 44% of its members now believe the Fed's monetary policy is "too
U.S. Aggregate	0.50%	3.12%	1.84%	stimulative," up from 26% in September 2012, according to the Los Angeles Times. Two-thirds
Intermediate Corporate	0.70%	6.05%	2.04%	of those polled said the Fed should terminate its bond-buying program this year. Investors
U.S. Corporate High Yield	0.51%	11.83%	5.78%	may appear to be acting on this shift in sentiment. Net inflows to leveraged loan funds
Global Aggregate	-0.95%	0.77%	1.75%	(senior loans) totaled \$9.1 billion in the first two months of 2013, according to Lipper data
Global Emerging Markets	-0.63%	10.89%	4.50%	and Barron's. This group took in \$14.9 billion in 2012, according to Morningstar.

Key Rates as of February 28 Fed Funds 0-0.25% 2-Yr.T-Note 0.24% 1.88% 10-Yr. T-Bond 30-Yr. Mortgage 3.61% Bond Buyer 40 4.03% (Source: Bloomberg)

Key Yield Spread The spread between the Merrill Lynch High Yield Master II Index and the 10-Yr. T-Note was 467 basis points on 2/28/13, up from 453 on 1/31/13. It was 562 on 2/29/12.

(Source: Bloomberg)

2013 Debt Issuance Through January (Source:Thomson Reuters)							
Debt Category Treasury Corporate Convertible Asset-Backed Municipal	\$ Amount \$180.0 Billion \$150.4 Billion \$1.4 Billion \$14.7 Billion \$26.4 Billion	% change over '12 -37.7% +39.6% +244.7% +20.1% +51.8%					

Equity funds reported net inflows totaling \$37.9 billion in 1/13, vs. \$30.7 billion of net outflows in 12/12, according to the Investment Company Institute. Bond funds reported net inflows totaling \$32.8 billion, vs. \$7.3 billion of net inflows in 12/12. Money Market fund net outflows totaled \$10.7 billion, vs. \$76.5 billion of net inflows in 12/12. In 2012, equity funds reported net outflows totaling \$152.9 billion, vs. \$303.8 billion of net inflows for bond funds (municipals had net inflows totaling \$49.6B) and \$1.2 billion of net outflows for MMFs.



High/Low Snapshot

Data as of 2/28/13

Index	10-Yr. High Value	Date	10-Yr. Low Value	Date	Month-End Value	% Off High Value	YTD Return (USD)	Month-End Yield
S&P 500	1565.15	10/09/07	676.53	03/09/09	1514.68	-3.22%	6.61%	2.16%
S&P 500 Growth	808.17	02/19/13	363.99	03/09/09	799.64	-1.06%	5.35%	1.83%
S&P 500 Value	836.19	07/13/07	307.16	03/09/09	706.38	-15.52%	7.95%	2.52%
S&P 400	1123.74	02/19/13	385.18	03/12/03	1102.64	-1.88%	8.27%	1.80%
S&P 400 Growth	505.54	02/19/13	166.30	03/12/03	497.20	-1.65%	7.38%	1.24%
S&P 400 Value	392.77	02/19/13	141.27	03/12/03	384.49	-2.11%	9.22%	2.38%
S&P 100	729.79	10/09/07	322.13	03/09/09	682.53	-6.48%	6.04%	2.31%
DJIA	14164.53	10/09/07	6547.05	03/09/09	14054.49	-0.78%	7.77%	2.51%
NASDAQ 100	2864.03	09/19/12	958.82	03/11/03	2738.58	-4.38%	3.17%	1.45%
Russell 2000	932.00	02/19/13	343.26	03/09/09	911.11	-2.24%	7.43%	1.93%
Russell 2000 Growth	531.52	02/19/13	182.25	03/12/03	520.12	-2.14%	7.71%	1.26%
Russell 2000 Value	1276.63	06/04/07	469.32	03/09/09	1209.59	-5.25%	7.17%	2.56%
Russell 3000	912.36	02/19/13	389.61	03/09/09	901.62	-1.18%	6.89%	2.13%
MSCI World x U.S. (USD)	5379.90	10/31/07	1636.59	03/12/03	4426.12	-17.73%	3.87%	N/A
MSCI Emerging Markets (USD)	473.35	10/29/07	84.92	03/11/03	421.91	-10.87%	0.11%	N/A
Bovespa/Brazil (USD)	44638.24	05/19/08	2892.10	03/05/03	29077.06	-34.86%	-2.54%	4.70%
RTS/Russia (USD)	2487.92	05/19/08	360.33	03/31/03	1534.41	-38.33%	0.49%	3.83%
Bombay SE 500/India (USD)	226.04	01/07/08	22.28	04/25/03	137.23	-39.29%	-4.32%	1.52%
Shanghai Composite/China (USD)	810.24	10/16/07	122.21	07/11/05	380.22	-53.07%	4.40%	2.40%
KOSPI/South Korea (USD)	2.29	10/31/07	0.41	03/17/03	1.87	-18.37%	0.32%	1.06%
Hang Seng (USD)	4082.25	10/30/07	1078.13	04/25/03	2968.40	-27.29%	1.56%	3.09%
MSCI Euro (USD)	1988.53	10/31/07	598.84	03/12/03	1096.55	-44.86%	0.50%	4.15%
S&P Consumer Discretionary	405.31	02/19/13	125.72	03/09/09	401.16	-1.02%	6.90%	1.59%
S&P Consumer Staples	394.67	02/22/13	182.72	03/10/03	392.78	-0.48%	9.23%	2.98%
S&P Energy	668.81	05/20/08	177.85	03/12/03	573.39	-14.27%	8.09%	2.17%
S&P Utilities	223.91	12/10/07	88.06	03/11/03	189.00	-15.59%	7.21%	4.08%
S&P Financials	509.55	02/20/07	81.74	03/06/09	236.67	-53.55%	7.31%	1.84%
S&P Banks	414.38	02/20/07	49.02	03/05/09	165.18	-60.14%	4.96%	2.49%
FTSE NAREIT Equity REITs	676.54	02/07/07	163.57	03/06/09	537.76	-20.51%	4.94%	3.31%
S&P Health Care	505.51	02/19/13	252.84	03/05/09	502.10	-0.67%	8.86%	2.02%
S&P Pharmaceuticals	407.54	02/19/13	214.50	03/03/09	405.07	-0.61%	9.26%	2.94%
NYSE Arca Biotechnology	1702.36	02/28/13	311.69	03/11/03	1702.36	0.00%	10.07%	0.08%
S&P Information Technology	507.31	09/17/12	198.51	11/20/08	471.86	-6.99%	2.05%	1.53%
Philadelphia Semiconductor	560.65	01/12/04	171.32	11/20/08	426.63	-23.90%	11.43%	1.66%
S&P Telecom Services	181.06	05/31/07	84.18	03/11/03	153.05	-15.47%	5.87%	4.56%
S&P Industrials	381.16	10/09/07	132.83	03/09/09	354.41	-7.02%	8.30%	2.30%
S&P Materials	285.91	05/16/08	105.98	03/11/03	242.27	-15.26%	2.30%	2.57%
Philadelphia Gold & Silver	228.95	04/08/11	62.21	03/27/03	134.24	-41.37%	-18.75%	2.04%
Reuters/Jefferies CRB	473.52	07/02/08	200.34	03/02/09	292.95	-38.13%	-0.70%	N/A
Merrill Lynch Perpetual Preferred	197.85	05/08/07	51.79	03/09/09	191.86	-3.03%	2.15%	5.96%
Merrill Lynch High Yield Master II	321.17	01/28/13	122.93	03/03/03	320.71	-0.14%	1.85%	6.55%