Target Focus Four Portfolio

First Trust Portfolios L.P.

Target Focus Four Portfolio

Finding the right mix of investments is a key factor to successful investing. Because different investments often react differently to economic and market changes, diversifying among low-correlated investments primarily helps to reduce volatility and also has the potential to enhance your returns. The Target Focus Four Portfolio has been developed for this purpose.

The Target Focus Four Portfolio is a unit investment trust which provides you with the convenience of owning four distinct strategies in one investment. It invests in a fixed portfolio of stocks which are selected by applying pre-determined screens and factors and holds the stocks for approximately 15 months. The portfolio offers several important advantages:

- Complete transparency from the stock selection process to portfolio holdings and individual stock weightings;
- Automated buy and sell decisions helping to eliminate unwanted emotions from the investment process;
- No embedded capital gains. Capital gains taxes are paid only if there is a profit;
- No style drift from manager-driven trading;
- Low cash positions so more of your money is put to work;
- Diversification, discipline, and a periodic rebalancing opportunity helping to decrease volatility and potentially increase returns.

As you can see in the adjacent charts, if this strategy had been applied since 1996, investors would have realized higher total returns than by investing in the S&P 500 Index. It is important to note that the past performance of the strategy is hypothetical and it is not indicative of the future performance of the Target Focus Four Portfolio.

Keys to Strategy Investing

Diversify

We expect some strategies to perform better than others under different market conditions. That's why we believe it is important to diversify among different strategies. Target Focus Four consists of four distinct strategies – each using factors or screens to select stocks designed specifically for their unique characteristics. The result is a portfolio that is diversified across sectors as well as various market caps, growth and value styles and countries.

Have Discipline

History has shown that bear and bull markets are a normal occurrence. Although past performance is no guarantee of future results, history has also shown that equity investors have been rewarded for their patience over the long-term. The charts on the adjacent page illustrate this point. As you can see, the Target Focus Four strategy outperformed the S&P 500 Index during the most recent bear market and has also shown greater success the longer the strategy is followed. Of course, there is no guarantee that the performance of the strategy will be positive over any future time period.

Rebalance Annually

Studies have shown that rebalancing can provide benefits to your long-term investment plan. Rebalancing is simple with Target Focus Four. When the portfolio terminates, investors have the option to reinvest their proceeds, at a reduced sales charge, into a new, rebalanced portfolio. In addition to rebalancing the individual component strategies back to their original weighting, new stocks are also selected by reapplying the underlying strategies. It is important to note that rebalancing may cause a taxable event unless units of the portfolio are purchased in an IRA or other qualified plan.

Risk Considerations

An investment in this unmanaged unit investment trust should be made with an understanding of the risks involved with owning common stocks, such as an economic recession and the possible deterioration of either the financial condition of the issuers of the equity securities or the general condition of the stock market.

You should be aware that the portfolio is concentrated in stocks in the financials sector which involves additional risks, including limited diversification. The companies engaged in the financials sector are subject to the adverse effects of volatile interest rates, economic recession, increased competition from new entrants in the field, and potential increased regulation.

An investment in a portfolio containing equity securities of foreign issuers is subject to additional risks, including currency fluctuations, political risks, withholding, the lack of adequate financial information, and exchange control restrictions impacting foreign issuers.

An investment in a portfolio containing small-cap companies is subject to additional risks, as the share prices of small-cap companies are often more volatile than those of larger companies due to several factors, including limited trading volumes, products, financial resources, management inexperience and less publicly available information.

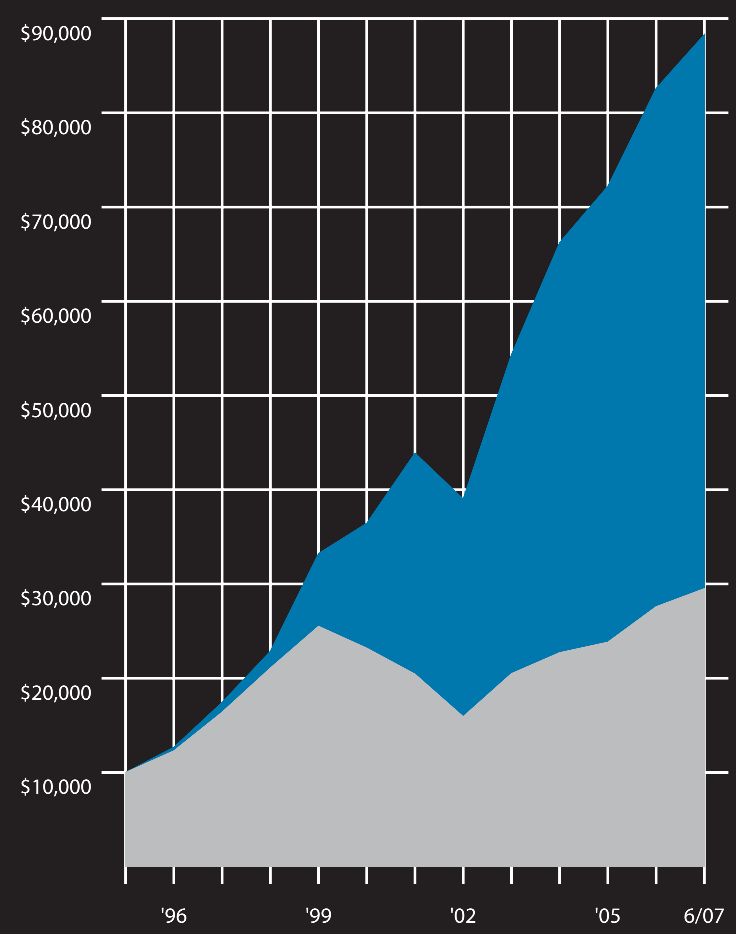
Although this unit investment trust terminates in approximately 15 months, the strategy is long-term. Investors should consider their ability to pursue investing in successive portfolios, if available. There may be tax consequences unless units are purchased in an IRA or other qualified plan.

You should consider the portfolio's investment objectives, risks, and charges and expenses carefully before investing. Contact your financial advisor or call First Trust Portfolios, L.P. at 1-800-621-1675 to request a prospectus, which contains this and other information about the portfolio. Read it carefully before you invest.

Strategy Performance

Growth of $10,000 (12/31/95 - 6/29/07)

- Strategy: $88,302
- S&P 500 Index: $29,508



Annual Total Returns

Year	S&P 500 Index	Strategy
1996	22.94%	26.77%
1997	33.35%	37.54%
1998	28.58%	31.08%
1999	21.04%	45.42%
2000	-9.10%	9.66%
2001	-11.88%	20.45%
2002	-22.09%	-11.09%
2003	28.67%	39.23%
2004	10.87%	21.89%
2005	4.91%	9.05%
2006	15.78%	14.35%
6/29/07	6.96%	6.92%

Average Annual Total Returns*

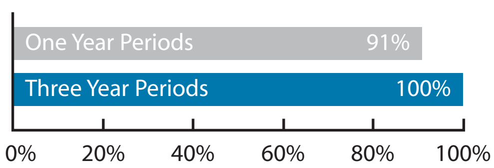
	S&P 500 Index	Strategy
Since 1996	9.66%	21.16%
10 years	8.42%	20.49%
5 years	6.18%	13.25%
3 years	10.43%	14.59%

Standard Deviations* / Sharpe Ratios*

	Standard Deviations* S&P 500 Index	Standard Deviations* Strategy	Sharpe Ratios* S&P 500 Index	Sharpe Ratios* Strategy
Since 1996	14.99%	17.22%	0.42	0.97
10 years	15.34%	17.55%	0.35	0.93
5 years	12.39%	14.55%	0.33	0.74
3 years	6.91%	11.42%	0.99	0.96

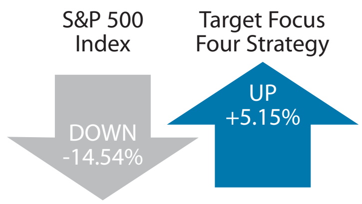
*Through 12/29/06

Percentage of Periods Strategy Performance Was Positive



Bear Market Performance

(Average Annual Total Return 2000 – 2002)



Past performance is no guarantee of future results and the actual current performance of the portfolio may be lower or higher than the hypothetical performance of the strategy. Hypothetical returns for the strategy in certain years were significantly higher than the returns of the S&P 500 Index. Hypothetical strategy returns were the result of certain market factors and events which may not be replicated in the future. You can obtain performance information which is current through the most recent month-end by calling First Trust Portfolios L.P. at 1-800-621-1675 option 2. Investment return and principal value of the portfolio will fluctuate causing units of the portfolio, when redeemed, to be worth more or less than their original cost.

Strategy performance is hypothetical and not representative of the portfolio or any prior series since none existed during all of the periods shown. Strategy returns reflect a sales charge of 2.95% in the first year, 1.95% in subsequent years, estimated annual operating expenses of 0.222%, plus organization costs, but not taxes or commissions paid by the portfolio to purchase securities. Returns assume that all dividends received during a year are reinvested monthly.

Actual portfolio performance will vary from that of investing in the strategy stocks because it may not be invested equally in these stocks and may not be fully invested at all times. It is important to note that the strategy may underperform the S&P 500 Index in certain years and may produce negative results.

The S&P 500 Index is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance. The index cannot be purchased directly by investors.

Standard deviation is a measure of volatility which shows the historic dispersion from the mean. Sharpe ratio is a measure of the excess reward per unit of volatility experienced.

Portfolio Selection Process

The Target Focus Four Portfolio seeks to provide the potential for above-average capital appreciation by adhering to a simple investment strategy; however, there is no assurance the objective will be met. The portfolio is comprised of the four strategies described below.

The Dow℠ Target Dividend Strategy – 30%

The strategy seeks to provide the potential for above-average total return through a combination of capital appreciation and dividend income and is based on the following steps:

- Begin with the stocks that comprise the Dow Jones Select Dividend Index℠. The index consists of 100 widely-traded, dividend-paying stocks derived from the Dow Jones U.S. Total Market Index℠.
- Rank each of the 100 stocks on two factors:
  - Greatest change in return on assets over the last 12 months
  - Price to book
- Purchase an approximately equally-weighted portfolio of the 20 stocks with the best overall ranking on the two factors.

S&P Target SMid 60 Strategy – 30%

The strategy seeks to provide the potential for above-average capital appreciation based on the following steps:

- Begin with the stocks that comprise the S&P MidCap 400 and the S&P SmallCap 600 Indices.
- Rank the stocks in each index by price to book value. Select the best quartile from each index – 100 stocks from the S&P MidCap 400 Index and 150 stocks from the S&P SmallCap 600 Index with the lowest, but positive, price to book ratio.
- Rank each remaining stock on three factors:
  - Price to cash flow
  - 12 month change in return on assets
  - 3 month price appreciation
- Eliminate any stock with a market capitalization of less than $250 million and also eliminate those with an average daily trading volume of less than $250,000.
- The 30 stocks from each index with the best overall ranking on the three factors are selected for the portfolio.
- The stocks selected from the S&P MidCap 400 Index are given approximately twice the weight of the stocks selected from the S&P SmallCap 600 Index.

Value Line® Target 25 Strategy – 30%

The strategy seeks to provide the potential for above-average capital appreciation based on the following steps:

- Begin with the 100 stocks that Value Line® currently gives a #1 ranking for Timeliness™. Financial companies and companies whose shares are not listed on a U.S. exchange are not included. Value Line® ranks approximately 1,700 stocks, only 100 of which are given their #1 ranking for Timeliness™. They base their rankings on a long-term trend of earnings, prices, recent earnings, price momentum, and earnings surprises.
- Purchase a market cap-weighted portfolio of the 25 stocks with the best overall ranking on the following criteria:
  - 12 month price appreciation
  - 6 month price appreciation
  - Return on assets
  - Price to cash flow

NYSE® International Target 25 Strategy – 10%

The strategy seeks to provide the potential for above-average capital appreciation based on the following steps:

- Begin with the stocks that comprise the NYSE International 100 Index℠. The index consists of the 100 largest non-U.S. stocks trading on the New York Stock Exchange.
- Screen for liquidity by eliminating companies with average daily trading volume below $300,000 for the prior three months.
- Rank each remaining stock on two factors:
  - Price to book
  - Price to cash flow
- Purchase an approximately equally-weighted portfolio of the 25 stocks with the best overall ranking on the two factors.

First Trust Portfolios L.P.

Member SIPC • Member NASD
1001 Warrenville Road
Lisle, Illinois 60532
1-800-621-1675
www.ftportfolios.com

7/07
F43QBR000707