

UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT COMPANY ACT OF 1940
Release No. 27784 / April 25, 2007

In the Matter of

FIRST TRUST EXCHANGE-TRADED FUND
FIRST TRUST EXCHANGE-TRADED FUND II
FIRST TRUST EXCHANGE-TRADED ALPHADDEX FUND
FIRST TRUST ADVISORS L.P.
FIRST TRUST PORTFOLIOS L.P.
1001 Warrenville Road
Lisle, IL 60532

(812-13262)

ORDER UNDER SECTIONS 6(c) AND 17(b) OF THE INVESTMENT COMPANY ACT OF
1940

First Trust Exchange-Traded Fund, First Trust Exchange-Traded Fund II, First Trust Exchange-Traded AlphaDEX Fund, First Trust Advisors L.P. and First Trust Portfolios L.P. filed an application on February 13, 2006, and amendments to the application on March 30, 2007 and April 13, 2007, requesting an order under sections 6(c) and 17(b) of the Investment Company Act of 1940 (“Act”) to amend a prior order under section 6(c) of the Act granting an exemption from sections 2(a)(32), 5(a)(1), 22(d) and 24(d) of the Act and rule 22c-1 under the Act, and under sections 6(c) and 17(b) of the Act granting an exemption from sections 17(a)(1) and (a)(2) of the Act (“Prior Order”).¹

The Prior Order permits: (a) open-end management investment companies that include series based on certain domestic equity securities indexes to issue shares (“Shares”) that can be redeemed only in large aggregations (“Creation Unit Aggregations”); (b) secondary market transactions in Shares to occur at negotiated prices; (c) dealers to sell Shares to purchasers in the secondary market unaccompanied by a prospectus when prospectus delivery is not required by the Securities Act of 1933 (“Securities Act”); and (d) certain affiliated persons of the series to deposit securities into, and receive securities from, the series in connection with the purchase and redemption of Creation Unit Aggregations. The amended order permits applicants to offer two new series and future series based on foreign equity securities indices. In addition, the amended

¹ *First Trust Exchange-Traded Fund, et al.*, Investment Company Act Release Nos. 27051 (Aug. 26, 2005) (notice) and 27068 (Sept. 20, 2005) (order).

order deletes a condition related to future relief in the Prior Order and amends another condition in the Prior Order.

On March 30, 2007, a notice of the filing of the application was issued (Investment Company Act Release No. 27772). The notice gave interested persons an opportunity to request a hearing and stated that an order disposing of the application would be issued unless a hearing was ordered. No request for a hearing has been filed, and the Commission has not ordered a hearing.

The matter has been considered and it is found, on the basis of the information set forth in the application, as amended, that granting the requested exemptions is appropriate in the public interest, and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

In addition, it is found that the terms of the proposed transactions, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching on the part of any person concerned, and that the proposed transactions are consistent with the policy of each registered investment company concerned and with the general purposes of the Act.

Accordingly, in the matter of First Trust Exchange-Traded Fund, et al. (File No. 812-13262),

IT IS ORDERED, under section 6(c) of the Act, that the requested exemption from sections 2(a)(32), 5(a)(1), 22(d), 22(e) and 24(d) of the Act and rule 22c-1 under the Act are granted, effective immediately, subject to the conditions contained in the application, as amended.

IT IS FURTHER ORDERED, under sections 6(c) and 17(b) of the Act, that the requested exemption from sections 17(a)(1) and (a)(2) of the Act is granted, effective immediately, subject to the conditions contained in the application, as amended.

The exemption from section 24(d) of the Act does not affect a purchaser's rights under the civil liability and anti-fraud provisions of the Securities Act. Thus, rights under section 11 and section 12(a)(2) of the Securities Act extend to all purchasers who can trace their securities to a registration statement filed with the Commission, whether or not they were delivered a prospectus in connection with their purchase.

For the Commission, by the Division of Investment Management, under delegated authority.

Florence E. Harmon
Deputy Secretary