

Edgar Filing: FIRST TRUST VALUE LINE DIVIDEND FUND - Form N-Q

FIRST TRUST VALUE LINE DIVIDEND FUND

Form N-Q

April 28, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-21381

FIRST TRUST VALUE LINE(R) DIVIDEND FUND
(Exact name of registrant as specified in charter)

1001 WARRENVILLE ROAD
SUITE 300
LISLE, IL 60532
(Address of principal executive offices) (Zip code)

W. SCOTT JARDINE
FIRST TRUST PORTFOLIOS L.P.
1001 WARRENVILLE ROAD
SUITE 300
LISLE, IL 60532
(Name and address of agent for service)

Registrant's telephone number, including area code: 630-241-4141

Date of fiscal year end: MAY 31

Date of reporting period: FEBRUARY 28, 2006

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (ss.ss. 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

ITEM 1. SCHEDULE OF INVESTMENTS.

The Schedule(s) of Investments is attached herewith.

FIRST TRUST VALUE LINE(R) DIVIDEND FUND
PORTFOLIO OF INVESTMENTS

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FEBRUARY 28, 2006 (UNAUDITED)

SHARES		MARKET VALUE
COMMON STOCKS - 98.8%		
	AIR FREIGHT & LOGISTICS - 0.5%	
39,083	United Parcel Service, Inc., Class B	\$ 2,919,891
	AUTO COMPONENTS - 0.6%	
40,182	Magna International, Inc.	2,990,344
	BEVERAGES - 1.1%	
70,349	Anheuser-Busch Companies, Inc.	2,922,297
70,316	The Coca-Cola Company	2,951,163
		5,873,460
	CAPITAL MARKETS - 0.6%	
101,337	Allied Capital Corp.	2,973,227
	CHEMICALS - 2.2%	
45,667	Air Products & Chemicals, Inc.	2,929,995
73,019	E. I. du Pont de Nemours and Company	2,938,285
86,111	International Flavors & Fragrances, Inc.	2,982,024
49,514	PPG Industries, Inc.	3,002,034
		11,852,338
	COMMERCIAL BANKS - 16.5%	
105,223	AmSouth Bancorporation	2,919,938
85,337	Associated Banc-Corp.	2,941,566
64,920	Bank of America Corp.	2,976,582
48,930	Bank of Montreal	2,971,519
70,755	Bank of Nova Scotia	2,968,172
73,640	BB&T Corp.	2,910,989
43,011	Canadian Imperial Bank of Commerce	3,018,512
38,754	City National Corp.	2,943,754
51,282	Comerica, Inc.	2,939,484
52,012	Commerce Bancshares, Inc.	2,681,219
58,660	Compass Bancshares, Inc.	2,949,425
53,872	Cullen/Frost Bankers, Inc.	2,969,425
74,705	Fifth Third Bancorp	2,887,348
86,924	First Midwest Bancorp, Inc.	2,923,254
21,300	Hancock Holding Company	951,045
66,160	Marshall & Ilsley Corp.	2,911,040
77,172	Mercantile Bankshares Corp.	2,947,970
53,191	National Bank of Canada	3,035,273
83,238	National City Corp.	2,896,682
113,279	North Fork Bancorporation, Inc.	2,893,146
137,834	Old National Bancorp	2,928,973
41,566	PNC Financial Services Group, Inc.	2,924,168
143,826	Popular, Inc.	2,938,365
84,359	Regions Financial Corp.	2,934,006
35,769	Royal Bank of Canada	2,983,850
40,375	SunTrust Banks, Inc.	2,921,939
103,593	Synovus Financial Corp.	2,936,861
52,275	Toronto-Dominion Bank	3,002,676
51,669	Wachovia Corp.	2,897,081
45,547	Wells Fargo & Company	2,924,117
68,230	Wilmington Trust Corp.	2,920,926

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88,949,305

See Notes to Quarterly Portfolio of Investments.

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FIRST TRUST VALUE LINE(R) DIVIDEND FUND
 PORTFOLIO OF INVESTMENTS - CONTINUED
 FEBRUARY 28, 2006 (UNAUDITED)

SHARES		MARKET VALUE

COMMON STOCKS - CONTINUED		
	COMMERCIAL SERVICES & SUPPLIES - 1.6%	
48,399	Avery Dennison Corp.	\$ 2,903,940
68,724	Pitney Bowes, Inc.	2,937,264
86,847	R.R. Donnelley & Sons Company	2,923,270

		8,764,474

	COMPUTERS & PERIPHERALS - 0.6%	
74,838	Diebold, Inc.	2,993,520

	CONSTRUCTION MATERIALS - 0.5%	
37,126	Vulcan Materials Company	2,932,954

	CONTAINERS & PACKAGING - 1.1%	
98,072	Bemis Company	2,940,199
91,575	Sonoco Products Company	2,996,334

		5,936,533

	DISTRIBUTORS - 0.5%	
65,953	Genuine Parts Company	2,936,228

	DIVERSIFIED TELECOMMUNICATION SERVICES - 2.2%	
104,997	AT&T Inc.	2,896,867
92,641	BellSouth Corp.	2,925,603
106,440	Telecom Corp. of New Zealand Ltd., Sponsored ADR	2,979,256
86,439	Verizon Communications, Inc.	2,912,994

		11,714,720

	ELECTRIC UTILITIES - 5.5%	
63,138	ALLETE, Inc.	2,946,650
66,775	Cinergy Corp.	2,943,442
51,399	Exelon Corp.	2,935,397
70,282	FPL Group, Inc.	2,946,924
102,547	Great Plains Energy, Inc.	2,912,335
110,226	Hawaiian Electric Industries, Inc.	2,946,341
70,977	Pinnacle West Capital Corp.	2,913,606

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66,130	Progress Energy, Inc.	2,934,849
86,363	The Southern Company	2,938,933
136,936	Westar Energy, Inc.	2,946,863

		29,365,340

	ELECTRICAL EQUIPMENT - 1.5%	
70,001	Baldor Electric Company	2,257,532
35,484	Emerson Electric Company	2,902,946
65,121	Hubbell, Inc., Class B	3,026,173

		8,186,651

	FOOD & STAPLES RETAILING - 1.1%	
97,552	Sysco Corp.	2,935,340
68,788	Weis Markets, Inc.	3,072,072

		6,007,412

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See Notes to Quarterly Portfolio of Investments.

FIRST TRUST VALUE LINE(R) DIVIDEND FUND
 PORTFOLIO OF INVESTMENTS - CONTINUED
 FEBRUARY 28, 2006 (UNAUDITED)

SHARES		MARKET
-----		VALUE
-----		-----
	COMMON STOCKS - CONTINUED	
	FOOD PRODUCTS - 8.2%	
72,019	Cadbury Schweppes PLC, Sponsored ADR	\$ 2,947,017
95,125	Campbell Soup Company	2,961,241
142,160	ConAgra Foods, Inc.	2,989,625
59,925	General Mills, Inc.	2,951,306
79,378	H.J. Heinz Company	3,006,045
65,425	Kellogg Company	2,898,982
97,166	Kraft Foods, Inc.	2,923,725
72,337	Lancaster Colony Corp.	2,903,607
88,679	McCormick & Company, Inc.	2,911,332
165,122	Sara Lee Corp.	2,917,706
56,229	The Hershey Company	2,876,113
75,086	The J.M. Smucker Company	2,967,399
42,107	Unilever NV	2,930,226
70,450	Unilever PLC, Sponsored ADR	2,927,198
45,500	Wm. Wrigley Jr. Company	2,891,070

		44,002,592

	GAS UTILITIES - 5.0%	
83,074	AGL Resources, Inc.	2,982,357
111,562	Atmos Energy Corp.	2,945,237
82,933	Equitable Resources, Inc.	3,015,444
90,644	National Fuel Gas Company	2,935,053
65,644	New Jersey Resources Corp.	2,953,980

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80,463	Peoples Energy Corp.	2,953,797
119,608	Piedmont Natural Gas Company, Inc.	2,956,710
131,552	UGI Corp.	2,953,342
95,341	WGL Holdings, Inc.	2,936,503

		26,632,423

	HEALTH CARE EQUIPMENT & SUPPLIES - 1.1%	
94,152	Arrow International Inc.	2,913,063
56,957	Hillenbrand Industries, Inc.	2,895,694

		5,808,757

	HOTELS, RESTAURANTS & LEISURE - 0.5%	
83,074	McDonald's Corp.	2,900,113

	HOUSEHOLD DURABLES - 1.1%	
123,443	Leggett & Platt, Inc.	2,898,442
75,762	Snap-On, Inc.	2,948,657

		5,847,099

	HOUSEHOLD PRODUCTS - 1.6%	
53,823	Colgate-Palmolive Company	2,932,277
49,324	Kimberly-Clark Corp.	2,918,994
48,736	The Clorox Company	2,970,459

		8,821,730

See Notes to Quarterly Portfolio of Investments.

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FIRST TRUST VALUE LINE(R) DIVIDEND FUND
 PORTFOLIO OF INVESTMENTS - CONTINUED
 FEBRUARY 28, 2006 (UNAUDITED)

SHARES		MARKET VALUE
-----		-----
COMMON STOCKS - CONTINUED		
	INDEPENDENT POWER PRODUCERS & ENERGY TRADERS - 1.1%	
50,181	Constellation Energy Group, Inc.	\$ 2,947,632
103,739	Duke Energy Corp.	2,946,188

		5,893,820

	INDUSTRIAL CONGLOMERATES - 1.1%	
39,920	3M Company	2,937,713
88,812	General Electric Company	2,919,250

		5,856,963

	INSURANCE - 5.5%	
99,564	Arthur J. Gallagher & Company	2,936,142

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66,594	Cincinnati Financial Corp.	2,954,110
48,519	Jefferson-Pilot Corp.	2,923,270
51,211	Lincoln National Corp.	2,907,248
46,400	Manulife Financial Corp.	2,966,816
49,800	MBIA Inc.	2,925,252
52,303	Mercury General Corp.	2,923,738
137,448	Old Republic International Corp.	2,926,268
54,360	The Allstate Corp.	2,977,841
60,867	Unitrin, Inc.	2,942,919

		29,383,604

	LEISURE EQUIPMENT & PRODUCTS - 0.5%	
58,220	Polaris Industries, Inc.	2,913,911

	MACHINERY - 1.1%	
38,340	Deere & Company	2,924,192
41,915	Eaton Corp.	2,920,218

		5,844,410

	MEDIA - 3.3%	
74,516	Dow Jones & Company, Inc.	3,029,075
46,784	Gannett Co., Inc.	2,908,093
47,740	Knight-Ridder, Inc.	2,865,355
83,521	Lee Enterprises, Inc.	2,919,059
103,703	The New York Times Company	2,926,499
95,620	Tribune Company	2,925,972

		17,574,053

	MULTI-UTILITIES - 8.2%	
57,480	Ameren Corp.	2,912,512
64,045	Consolidated Edison, Inc.	2,937,744
39,540	Dominion Resources, Inc.	2,969,454
117,765	Energy East Corp.	2,951,191
72,036	KeySpan Corp.	2,935,467
82,261	MDU Resources Group, Inc.	2,899,700
100,516	NSTAR	2,951,150
105,638	OGE Energy Corp.	3,037,092
119,195	PNM Resources Inc.	2,950,076
71,529	SCANA Corp.	2,916,953
60,554	Sempra Energy	2,896,903

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See Notes to Quarterly Portfolio of Investments.

FIRST TRUST VALUE LINE(R) DIVIDEND FUND
 PORTFOLIO OF INVESTMENTS - CONTINUED
 FEBRUARY 28, 2006 (UNAUDITED)

SHARES		MARKET VALUE
-----		-----
COMMON STOCKS - CONTINUED		
MULTI-UTILITIES - (CONTINUED)		
111,099	Vectren Corp.	\$ 2,928,570
72,694	Wisconsin Energy Corp.	2,971,004
55,341	WPS Resources Corp.	2,908,169
155,199	Xcel Energy, Inc.	2,880,493

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		44,046,478

	OIL, GAS & CONSUMABLE FUELS - 4.3%	
43,341	BP PLC, Sponsored ADR	2,878,709
50,892	Chevron Corp.	2,874,380
47,189	ConocoPhillips	2,876,641
48,703	Exxon Mobil Corp.	2,891,497
40,592	Marathon Oil Corp.	2,865,795
48,122	Royal Dutch Shell PLC, ADR, Class A	2,910,419
23,028	Total SA, Sponsored ADR	2,904,522
96,560	TransCanada Corp.	2,962,461

		23,164,424

	PERSONAL PRODUCTS - 0.6%	
104,923	Avon Products, Inc.	3,027,029

	PHARMACEUTICALS - 3.8%	
67,806	Abbott Laboratories	2,995,669
126,957	Bristol-Myers Squibb Company	2,932,707
57,604	GlaxoSmithKline PLC, ADR	2,927,435
50,569	Johnson & Johnson	2,915,303
52,471	Lilly (Eli) & Company	2,918,437
112,845	Pfizer, Inc.	2,955,410
60,232	Wyeth	2,999,554

		20,644,515

	REAL ESTATE (REITS) - 10.9%	
61,183	Archstone-Smith Trust	2,900,074
28,317	AvalonBay Communities, Inc.	2,916,651
53,735	BRE Properties, Inc., Class A	2,921,572
83,003	Duke Realty Corp.	2,913,405
95,651	Equity Office Properties Trust	3,008,224
64,045	Equity Residential	2,899,958
42,023	Federal Realty Investment Trust	2,928,583
106,401	Health Care Property Investors, Inc.	2,922,835
81,352	Kimco Realty Corp.	2,922,977
65,791	Liberty Property Trust	2,946,121
64,142	Mack-Cali Realty Corp.	2,879,976
119,244	New Plan Excel Realty Trust	2,987,062
72,089	Pennsylvania Real Estate Investment Trust	2,912,396
77,908	Plum Creek Timber Company, Inc.	2,894,282
55,739	Prologis	2,927,412
37,871	Public Storage, Inc.	2,954,695
34,908	Simon Property Group, Inc.	2,896,317
109,569	United Dominion Realty Trust, Inc.	2,930,971
88,893	Washington Real Estate Investment Trust	2,970,804
72,820	Weingarten Realty Investors	2,867,652

		58,501,967

See Notes to Quarterly Portfolio of Investments.

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FIRST TRUST VALUE LINE(R) DIVIDEND FUND
 PORTFOLIO OF INVESTMENTS - CONTINUED
 FEBRUARY 28, 2006 (UNAUDITED)

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SHARES		MARKET VALUE

COMMON STOCKS - CONTINUED		
69,700	SPECIALTY RETAIL - 0.6% The Sherwin-Williams Company	\$ 3,174,835

52,743	TEXTILES, APPAREL & LUXURY GOODS - 0.5% VF Corp.	2,890,316

102,476	THRIFTS & MORTGAGE FINANCE - 2.7% Astoria Financial Corp.	2,937,987
89,842	Capitol Federal Financial	2,961,192
43,430	Freddie Mac	2,926,748
125,122	Washington Federal, Inc.	2,960,387
67,603	Washington Mutual, Inc.	2,886,648

		14,672,962

68,852	TOBACCO - 0.5% Universal Corp.	2,800,211

46,474	WIRELESS TELECOMMUNICATION SERVICES - 0.5% ALLTEL Corp.	2,934,833

	TOTAL COMMON STOCKS	531,733,442

	(Cost \$478,045,155)	
	TOTAL INVESTMENTS - 98.8% (Cost \$478,045,155) *	531,733,442
	NET OTHER ASSETS & LIABILITIES - 1.2%	6,212,531
	NET ASSETS - 100.0%	\$ 537,945,973
=====		

* Aggregate cost for federal income tax and financial reporting purposes.

ADR American Depository Receipt

REIT Real Estate Investment Trust

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NOTES TO QUARTERLY PORTFOLIO OF INVESTMENTS (UNAUDITED)

FIRST TRUST VALUE LINE (R) DIVIDEND FUND

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FEBRUARY 28, 2006

1. VALUATION AND INVESTMENT PRACTICES

A. PORTFOLIO VALUATION:

First Trust Value Line(R) Dividend Fund (the "Fund") determines the net asset value ("NAV") of its shares daily, as of the close of regular session trading on the New York Stock Exchange ("NYSE"), normally 4:00 p.m. Eastern time, on each day the NYSE is open for trading. The NAV is computed by dividing the value of all assets of the Fund (including accrued interest and dividends), less all liabilities (including accrued expenses and dividends declared but unpaid), by the total number of shares outstanding.

The Fund's investments are valued at market value or, in the absence of market value with respect to any portfolio securities, at fair value according to procedures adopted by the Fund's Board of Trustees. Portfolio securities listed on any exchange other than the NASDAQ National Market ("NASDAQ") are valued at the last sale price on the business day as of which such value is being determined. If there has been no sale on such day, the securities are valued at the mean of the most recent bid and asked prices on such day. Securities traded on the NASDAQ are valued at the NASDAQ Official Closing Price as determined by NASDAQ. Portfolio securities traded on more than one securities exchange are valued at the last sale price on the business day as of which such value is being determined at the close of the exchange representing the principal market for such securities. Portfolio securities traded in the over-the-counter market, but excluding securities traded on the NASDAQ, are valued at the closing bid prices. Short-term investments that mature in less than 60 days are valued at amortized cost.

Foreign securities traded outside the United States are generally valued as of the time their trading is complete, which is usually different from the close of the NYSE. Occasionally, events affecting the value of such securities may occur between such times and the close of the NYSE that will not always be reflected in such securities' value. If events materially affecting the value of such securities occur during such period, these securities will be valued at their fair value according to procedures adopted by the Fund's Board of Trustees. All securities and other assets of the Fund denominated in foreign currencies will be converted to U.S. dollars using exchange rates in effect at the time of valuation.

B. SECURITIES TRANSACTIONS:

Securities transactions are recorded as of the trade date. Realized gains and losses from securities transactions are recorded on the identified cost basis.

Securities purchased or sold on a when-issued or delayed-delivery basis may be settled a month or more after the trade date; interest income on such securities is not accrued until settlement date. The Fund instructs the custodian to segregate assets of the Fund with a current value at least equal to the amount of its when-issued purchase commitments.

2. UNREALIZED APPRECIATION/(DEPRECIATION)

As of February 28, 2006, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$62,636,394, and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$8,948,107.

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ITEM 2. CONTROLS AND PROCEDURES.

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d)) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) FIRST TRUST VALUE LINE(R) DIVIDEND FUND

By (Signature and Title)* /S/ JAMES A. BOWEN

James A. Bowen, Chairman of the Board, President and Chief Executive Officer (principal executive officer)

Date APRIL 27, 2006

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)* /S/ JAMES A. BOWEN

James A. Bowen, Chairman of the Board, President and Chief Executive Officer (principal executive officer)

Date APRIL 27, 2006

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By (Signature and Title)* /S/ MARK R. BRADLEY

Mark R. Bradley, Treasurer, Controller,
Chief Financial Officer and Chief Accounting Officer
(principal financial officer)

Date APRIL 27, 2006

* Print the name and title of each signing officer under his or her signature.