

### » Fund Objective

This exchange-traded fund seeks investment results that correspond generally to the price and yield (before the fund's fees and expenses) of an equity index called the NASDAQ AlphaDEX® Developed Markets Ex-US Small Cap Index.

### » Fund Facts

Fund Ticker	FDTs
CUSIP	33737J406
Intraday NAV	FDTsIV
Fund Inception Date	2/15/12
Expense Ratio	0.80%
Rebalance Frequency	Semi-Annual
Primary Listing	Nasdaq

### » Index Facts

Index Ticker	NQDXMXUSSCN
Index Inception Date	9/8/14

### » Index Description

- » The NASDAQ AlphaDEX® Developed Markets Ex-US Small Cap Index is an "enhanced" index created and administered by Nasdaq, Inc. ("Nasdaq") which employs the AlphaDEX® stock selection methodology to select stocks from the NASDAQ Developed Markets Ex-US Index that meet certain criteria.
- » To construct the Index, Nasdaq ranks the eligible stocks on growth factors including 3-, 6- and 12- month price appreciation, sales to price and one year sales growth, and separately on value factors including book value to price, cash flow to price and return on assets. All stocks are ranked on the sum of ranks for the growth factors and, separately, all stocks are ranked on the sum of ranks for the value factors. A stock must have data for all growth and/or value factors to receive a rank for that style.
- » Each stock receives the best style rank from the previous step as its selection score.
- » The top 400 stocks based on the selection score determined in the previous step comprise the "selected stocks". The selected stocks are divided into quintiles based on their rankings and the top ranked quintiles receive a higher weight within the index. The stocks are equally weighted within each quintile.
- » Each stock is then tested in order of its selection score rank to check if the weight assigned to that stock is outside the country/sector weighting constraints, which are set at 15% above the benchmark weight.
  - If the weight assigned to the stock, when added with the weight assigned to all higher ranking stocks in its country/sector, is greater than the constraint, then the stock's weight is lowered to the highest rank in the next quintile. Stocks previously lower in rank then move up one rank. Such stocks in the lowest quintile that violate a constraint are removed from the portfolio and replaced by the highest scoring stock not originally selected, subject to country/sector constraints. This process continues until all the country/sector weightings meet the constraint.
- » The index is reconstituted and rebalanced semi-annually.

### » Performance Summary (%)<sup>1</sup>

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
<b>Fund Performance*</b>							
Net Asset Value (NAV)	4.42	5.65	5.65	5.09	—	—	4.85
After Tax Held	4.19	4.89	4.89	4.18	—	—	3.83
After Tax Sold	2.50	3.21	3.21	3.51	—	—	3.30
Market Price	3.96	5.18	5.18	4.61	—	—	4.69

### Index Performance\*\*

NASDAQ AlphaDEX® Developed Markets Ex-US Small Cap Index	7.25	4.85	4.85	—	—	—	—
MSCI World ex-US Small Cap Index	5.82	5.46	5.46	7.82	—	—	7.45
NASDAQ Developed Markets Ex-US Small Cap Index	5.85	3.34	3.34	6.17	—	—	—
S&P Developed Markets ex-US Small Cap Index	5.17	5.54	5.54	8.44	—	—	8.10

### » Calendar Year Total Returns (%)<sup>1</sup>

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
FDTs	—	—	—	—	—	—	—	—	22.56	-10.36	5.65
MSCI World ex-US Small Cap Index	—	—	—	—	—	—	—	—	25.55	-5.34	5.46
NASDAQ Developed Markets Ex-US Small Cap Index	—	—	—	—	—	—	—	—	21.18	-4.44	3.34
S&P Developed Markets ex-US Small Cap Index	—	—	—	—	—	—	—	—	25.56	-3.77	5.54

### » 3-Year Statistics<sup>1</sup>

	Standard Deviation (%)	Alpha	Beta	Sharpe Ratio	Correlation
FDTs	11.94	-2.59	0.94	0.46	0.90
MSCI World ex-US Small Cap Index	11.65	-0.72	1.02	0.69	1.00
NASDAQ Developed Markets Ex-US Small Cap Index	11.35	-1.95	0.98	0.57	0.98
S&P Developed Markets ex-US Small Cap Index	11.40	—	1.00	0.75	1.00

*Performance data quoted represents past performance. Past performance is not a guarantee of future results and current performance may be higher or lower than performance quoted. Investment returns and principal value will fluctuate and shares when sold or redeemed, may be worth more or less than their original cost. You can obtain performance information which is current through the most recent month-end by visiting [www.ftportfolios.com](http://www.ftportfolios.com).*

<sup>1</sup>Following the close of trading on October 12, 2015, the fund's underlying index changed from the Defined Developed Markets ex-US Small Cap Index to the NASDAQ AlphaDEX® Developed Markets Ex-US Small Cap Index. Therefore, the fund's performance and historical returns shown for the periods prior to this date are not necessarily indicative of the performance that the fund, based on its current index, would have generated.

\***After Tax Held** returns represent return after taxes on distributions. Assumes shares have not been sold. **After Tax Sold** returns represent the return after taxes on distributions and the sale of fund shares. Returns do not represent the returns you would receive if you traded shares at other times. **Market Price** returns are based on the midpoint of the bid/ask spread. Returns are average annualized total returns, except those for periods of less than one year, which are cumulative. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

\*\***Performance information for the NASDAQ AlphaDEX® Developed Markets Ex-US Small Cap Index is for illustrative purposes only and does not represent actual fund performance.** Indexes do not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown. Indexes are unmanaged and an investor cannot invest directly in an index.

## » Portfolio Information

Number Of Holdings	403
Maximum Market Cap.	\$3.68 Billion
Median Market Cap.	\$1.13 Billion
Minimum Market Cap.	\$216 Million
Price/Earnings	10.52
Price/Book	1.10
Price/Cash Flow	6.46
Price/Sales	0.57

## » Top Country Exposure (%)

Japan	47.57
South Korea	9.36
Canada	5.83
Australia	5.79
United Kingdom	5.70
Germany	5.40
China	3.95
Singapore	2.33
Hong Kong	2.19
Norway	2.00

## » Top Holdings (%)

Bellamy's Australia Limited	0.70
Daikyonishikawa Corporation	0.67
Alpine Electronics, Inc.	0.56
Create SD Holdings Co., Ltd.	0.55
Megmilk Snow Brand Co., Ltd.	0.54
Nishio Rent All Co., Ltd.	0.54
BW LPG Limited	0.52
Kasai Kogyo Co., Ltd.	0.52
Kingboard Chemical Holdings Limited	0.51
Nordex SE	0.51

## » Top Sector Exposure (%)

Industrials	22.55
Consumer Discretionary	20.43
Materials	14.35
Information Technology	14.12
Financials	11.62
Consumer Staples	10.62
Energy	2.73
Utilities	1.72
Health Care	1.67
Telecommunication Services	0.19

*You should consider the fund's investment objectives, risks, and charges and expenses carefully before investing. Contact First Trust Portfolios L.P. at 1-800-621-1675 or visit [www.ftportfolios.com](http://www.ftportfolios.com) to obtain a prospectus or summary prospectus which contains this and other information about the fund. The prospectus or summary prospectus should be read carefully before investing.*

## ETF Characteristics

The fund lists and principally trades its shares on The Nasdaq Stock Market LLC.

The fund's return may not match the return of the NASDAQ AlphaDEX® Developed Markets Ex-US Small Cap Index. Securities held by the fund will generally not be bought or sold in response to market fluctuations.

Investors buying or selling fund shares on the secondary market may incur customary brokerage commissions. Market prices may differ to some degree from the net asset value of the shares. Investors who sell fund shares may receive less than the share's net asset value. Shares may be sold throughout the day on the exchange through any brokerage account. However, unlike mutual funds, shares may only be redeemed directly from the fund by authorized participants, in very large creation/redemption units.

## Risk Considerations

The fund's shares will change in value, and you could lose money by investing in the fund. One of the principal risks of investing in the fund is market risk. Market risk is the risk that a particular stock owned by the fund, fund shares or stocks in general may fall in value. There can be no assurance that the fund's investment objective will be achieved.

The fund may invest in securities issued by companies concentrated in a particular industry or country. The fund invests in small capitalization and mid capitalization companies. Such companies may experience greater price volatility than larger, more established companies.

An investment in a fund containing securities of non-U.S. issuers is subject to additional risks, including currency fluctuations, political risks, withholding, the lack of adequate financial information, and exchange control restrictions impacting non-U.S. issuers.

The fund may invest in depositary receipts which may be less liquid than the underlying shares in their primary trading market. The fund may effect a portion of creations and redemptions for cash, rather than in-kind securities. As a result, the fund may be less tax-efficient.

The fund is classified as "non-diversified" and may invest a relatively high percentage of its assets in a limited number of issuers. As a result, the fund may be more susceptible to a single adverse economic or regulatory occurrence affecting one or more of these issuers, experience increased volatility and be highly concentrated in certain issuers.

First Trust Advisors L.P. is the adviser to the fund. First Trust Advisors L.P. is an affiliate of First Trust Portfolios L.P., the fund's distributor.

## Definitions

**Standard Deviation** is a measure of price variability (risk). **Alpha** is an indication of how much an investment outperforms or underperforms on a risk-adjusted basis relative to its benchmark. **Beta** is a measure of price variability relative to the market. **Sharpe Ratio** is a measure of excess reward per unit of volatility. **Correlation** is a measure of the similarity of performance. The **MSCI World ex-US Small Cap Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance of all investable small cap securities in developed markets throughout the world, with the exception of U.S.-based companies. The **S&P Developed Markets ex-US Small Cap Index** is a comprehensive, rules-based index measuring performance of the small capitalization segment of equity markets domiciled in developed countries outside the U.S. The **NASDAQ Developed Markets Ex-US Small Cap Index** is a float adjusted market capitalization-weighted index that is designed to measure the small capitalization segment performance of countries which are designated as developed markets, excluding the United States.

The NASDAQ AlphaDEX® Developed Markets Ex-US Small Cap Index (the "Index") is a trademark of Nasdaq, Inc. and has been licensed for use by First Trust Portfolios L.P. AlphaDEX® is a trademark owned by First Trust Portfolios L.P. and has been licensed to Nasdaq, Inc. for use in the name of the Index. The First Trust Developed Markets ex-US Small Cap AlphaDEX® Fund is not sponsored, endorsed, sold or promoted by Nasdaq, Inc. and Nasdaq, Inc. makes no representation or warranty regarding the advisability of investing in the First Trust Developed Markets ex-US Small Cap AlphaDEX® Fund or as to the result to be obtained by any person from use of the Index in connection with the trading of the First Trust Developed Markets ex-US Small Cap AlphaDEX® Fund.

"AlphaDEX®" is a registered trademark of First Trust Portfolios L.P. First Trust Portfolios L.P. has obtained a patent for the AlphaDEX® stock selection methodology from the United States Patent and Trademark Office.