

FCA

First Trust China AlphaDEX Fund

Analyst Report

This ETF offers exposure to the Chinese stock market, making it one of many options available to investors looking to access one of the most important global economies that accounts for an increasingly large portion of global GDP growth. As such, FCA can be a useful tool for overweighting China within a long-term portfolio, or as a means of establishing a shorter-term tactical tilt designed to capitalize off of temporary mispricings. There are a number of products in the China Equities ETFdb Category that offer pure play exposure to Chinese stock markets; FCA is unique because of the methodology employed by the index that it seeks to replicate. This ETF is part of the AlphaDEX suite of ETFs from First Trust; it is linked to an index that utilizes rules-based quantitative screening techniques to select stocks deemed to have the greatest potential for capital appreciation (and therefore capable of generating excess returns relative to broader benchmarks). For the opportunity to generate alpha offered by this technique, investors can expect to pay a bit more; FCA is a bit more expensive than most of the ETFs in the China Equities ETFdb Category, though its expense ratio is generally comparable to some of the offerings. For those who believe that the AlphaDEX methodology is capable of outperforming cap-weighted benchmarks over the long run, this ETF might make sense as the best way to add China exposure to a portfolio. Those looking to keep fees down and simply own the broader market have several options available to them, including GXC.

ESG Themes and Scores

4.69/10

ESG Rate

12.69%

Global Percentile

11.85%

Peer Percentile

Performance Data

	FCA	ETF Database Category Average	Factset Segment Average
1 Month	-6.27%	0.45%	2.85%
3 Month	-9.56%	-0.25%	2.93%
YTD Return	8.77%	1.83%	8.55%
1 Year Return	41.17%	26.93%	35.37%
3 Year Return	19.32%	10.41%	8.50%
5 Year Return	4.32%	-3.24%	-1.64%

Top 5 Holdings

Symbol	Holding	% Assets
6869	Yangtze Optical Fibre and Cable Joint Stock Ltd Co Class	10.37%
1072	Dongfang Electric Corporation Limited Class H	4.37%
857	PetroChina Co., Ltd. Class H	4.11%
900948	Inner Mongolia Yitai Coal Company Limited Class B	3.90%
2618	JD Logistics, Inc.	3.62%

Vitals

Issuer	First Trust
Brand	First Trust
Structure	ETF
Expense Ratio	0.80%
Inception	Apr 18, 2011
Index Tracked	NASDAQ AlphaDEX China Index

ETF Database Themes

Category	China Equities
Asset Class	Equity
Asset Class Size	Multi-Cap
Asset Class Style	Blend
Region (General)	Broad Asia
Region (Specific)	Pacific ex-Japan

FactSet Classifications

Segment	Equity: China - Total Market
Category	Size and Style
Focus	Total Market
Niche	Broad-based
Strategy	Multi-factor
Weighting	Tiered

