

FEMS

First Trust Emerging Markets Small Cap AlphaDEX Fund Analyst Report

This ETF utilizes the AlphaDEX strategy to invest in emerging market small caps. This methodology involves a quantitative screening methodology designed to identify the stocks from a specific universe that have the greatest potential for capital appreciation. Specifically, stocks from the eligible universe are ranked on growth factors such as recent price appreciation, sales-to-price ratio, and one year sales growth, and separately on value factors such as book value to price ratio, cash flow to price ratio, and return on assets. Stocks with the highest scores are included in the benchmark, and the highest weightings are afforded larger weightings.

For those looking to make a play on small cap equities, FEMS certainly makes for a viable option. The fund has nearly 200 holdings, but allocates over 25% of its assets to Taiwan; an economy that most believe is already fully developed. This may dilute the emerging market exposure and lead to undesirable results. Beyond that, the fund has a sound strategy and can be used as a part of a bigger emerging market strategy, but the fund is not deep enough to be your core holding for exposure to developing economies.

ESG Themes and Scores

N/A

ESG Rate

N/A

Global Percentile

N/A

Peer Percentile

Performance Data

	FEMS	ETF Database Category Average	Factset Segment Average
1 Month	-1.59%	4.64%	1.57%
3 Month	3.21%	12.45%	8.04%
YTD Return	12.25%	18.81%	11.89%
1 Year Return	24.03%	37.09%	22.24%
3 Year Return	13.71%	17.65%	10.54%
5 Year Return	3.43%	5.22%	4.35%

Top 5 Holdings

Symbol	Holding	% Assets
EUPWR.E	Europower Enerji ve Otomasyon Teknolojileri Sanayi	1.64%
KTLEV.E	KATILIMEVIM TASARRUF FINANSMAN A.S.	1.44%
3026	Holy Stone Enterprise Co., Ltd.	1.44%
6213	ITEQ Corporation	1.40%
2489	AmTRAN Technology Co., Ltd.	1.25%

Vitals

Issuer	First Trust
Brand	First Trust
Structure	ETF
Expense Ratio	0.80%
Inception	Feb 15, 2012
Index Tracked	NASDAQ AlphaDEX EM Small Cap Index

ETF Database Themes

Category	Emerging Markets Equities
Asset Class	Equity
Asset Class Size	Mid-Cap
Asset Class Style	Blend
Region (General)	Emerging Markets
Region (Specific)	Broad

FactSet Classifications

Segment	Equity: Emerging Markets - Small Cap
Category	Size and Style
Focus	Small Cap
Niche	Broad-based
Strategy	Multi-factor
Weighting	Tiered

