

FLN

First Trust Latin America AlphaDEX Fund

Analyst Report

This ETF offers exposure to the stocks markets of Latin America, a group that includes several of the world's major commodity-producing economies such as Brazil, Mexico, Chile, and Peru. As such, FLN can potentially be used as a component of a long-term portfolio, though some investors may prefer to achieve exposure to these economies through broad-based emerging markets ETFs, such as EEM or FEM, that also include Asian and Middle Eastern markets as well. It should be noted that FLN excludes several South American economies, including Colombia and Argentina; those markets are accessible through GXG and ARGT, respectively. FLN is different from other Latin American equity ETFs such as GML or ILF because of the methodology used by the underlying index. FLN seeks to replicate an AlphaDEX benchmark that uses a quant-based strategy to identify stocks with the greatest potential for capital appreciation, with the goal of outperforming more broadly-based cap-weighted benchmarks. In return for this shot at alpha, investors will pay a bit more; FLN's expense ratio is higher than alternatives such as ILF and GML. Moreover, the AlphaDEX approach will generally result in a more balanced portfolio that avoids big weightings in mega cap companies. So for those who believe that the AlphaDEX methodology will be able to generate alpha over the long run, FLN might be a useful tool for establishing exposure to Latin American stocks. For those who prefer to simply own the market and keep fees down, other members of the Latin America Equities ETFdb Category may make for better choices.

ESG Themes and Scores

5.87/10

ESG Rate

29.93%

Global Percentile

70.89%

Peer Percentile

Performance Data

	FLN	ETF Database Category Average	Factset Segment Average
1 Month	-2.22%	-2.18%	-1.04%
3 Month	0.81%	-1.15%	0.19%
YTD Return	11.05%	8.42%	9.67%
1 Year Return	32.39%	25.25%	21.23%
3 Year Return	13.10%	9.61%	8.03%
5 Year Return	8.81%	7.53%	5.99%

Top 5 Holdings

Symbol	Holding	% Assets
KOFUBL	Coca-Cola Femsa SAB de CV Units Cons of 5 Shs -L- +	3.88%
FUNO11	Fibra Uno Administracion SA de CV Series -11-	3.56%
ENEV3	Eneva S.A.	3.40%
CPLE3	Companhia Paranaense de Energia	3.32%
ENELCHILE	Enel Chile SA	3.25%

Vitals

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

ETF Database Themes

Category	Latin America Equities
Asset Class	Equity
Asset Class Size	Multi-Cap
Asset Class Style	Blend
Region (General)	Latin America
Region (Specific)	Broad

FactSet Classifications

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

