

FNK

First Trust Mid Cap Value AlphaDEX Fund

Analyst Report

This ETF is one of several that offers targeted exposure to mid cap value stocks, a corner of the U.S. stock market that features a unique risk/return profile relative to equities of other sizes and styles and that may be attractive in certain environments. Given the narrow focus, FNK might not be a consideration for those building a long-term, buy-and-hold portfolio; many investors will elect to achieve exposure to this segment of the domestic market through more broadly-based equity ETFs that don't focus exclusively on a single style. FNK might be most effective for those interested in establishing a tactical tilt towards mid cap stocks. FNK is different from other options in the Mid Cap Value ETFdb Category because of the strategy employed by the underlying index. FNY is part of the AlphaDEX suite of products that are linked to indexes that use quant-based screens to select individual stocks deemed to possess the greatest potential for capital appreciation. Access to this process, which is based on quantitative analysis, comes with a higher price tag; FNK has an expense ratio well above the low cost ETF options such as VOE or IJJ. For those who believe that the AlphaDEX methodology is capable of generating excess returns over the long run, FNK might be an appealing way to access this asset class. For those looking to keep costs down and are happy to simply own the market, this ETF probably isn't all that appealing. Investors that fall into that camp are more likely to utilize an ETF such as VOE or IVOV, both of which are cheaper than FNK by wide margins.

ESG Themes and Scores

6.23/10

ESG Rate

37.6%

Global Percentile

71.05%

Peer Percentile

Performance Data

	FNK	ETF Database Category Average	Factset Segment Average
1 Month	-0.33%	1.80%	1.46%
3 Month	0.32%	5.52%	2.74%
YTD Return	7.84%	14.59%	9.90%
1 Year Return	21.52%	34.44%	20.79%
3 Year Return	14.24%	16.78%	11.65%
5 Year Return	7.22%	6.00%	5.73%

Top 5 Holdings

Symbol	Holding	% Assets
VNO	Vornado Realty Trust	0.92%
SIRI	SiriusXM Holdings Inc.	0.92%
CMC	Commercial Metals Company	0.89%
M	Macy's, Inc.	0.88%
KRC	Kilroy Realty Corporation	0.86%

Vitals

Issuer	First Trust
Brand	First Trust
Structure	ETF
Expense Ratio	0.74%
Inception	Apr 19, 2011
Index Tracked	NASDAQ AlphaDEX Mid Cap Value Index

ETF Database Themes

Category	Small Cap Value Equities
Asset Class	Equity
Asset Class Size	Small-Cap
Asset Class Style	Blend
Region (General)	North America
Region (Specific)	U.S.

FactSet Classifications

Segment	Equity: U.S. - Mid Cap Value
Category	Size and Style
Focus	Mid Cap
Niche	Value
Strategy	Value
Weighting	Tiered

