

FSZ

First Trust Switzerland AlphaDEX Fund

Analyst Report

This ETF utilizes the AlphaDEX strategy to invest in the Swiss stock market. 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 Swiss equities, FSZ certainly makes for a viable option, but it is on the upper range of expenses; you pay a premium for the strategy which has proven itself under numerous market environments. Switzerland's economy has long been known for its stability and neutrality on international affairs, giving credence to FSZ. The ETF has a portfolio of 40 stocks with around 40% of assets going to the top ten securities; while that isn't the best diversity in the space, it certainly is not the worst. FSZ would probably not be used as a core holding in a portfolio, but can be a great tool for segmenting Swiss stocks as a satellite holding of a bigger portfolio.

ESG Themes and Scores

| | | |
|----------|-------------------|-----------------|
| 7.73/10 | 90.53% | 7.17% |
| ESG Rate | Global Percentile | Peer Percentile |

Performance Data

| | FSZ | ETF Database Category Average | Factset Segment Average |
|---------------|--------|-------------------------------|-------------------------|
| 1 Month | 2.55% | 5.47% | 2.86% |
| 3 Month | -3.43% | 2.96% | -3.40% |
| YTD Return | 3.61% | 8.31% | 4.49% |
| 1 Year Return | 12.23% | 21.54% | 15.83% |
| 3 Year Return | 12.77% | 18.11% | 12.54% |
| 5 Year Return | 6.67% | 8.73% | 7.30% |

Top 5 Holdings

| Symbol | Holding | % Assets |
|--------|-------------------|----------|
| SFSN | SFS Group AG | 4.83% |
| SDZ | Sandoz Group Ltd | 4.62% |
| GALD | Galderma Group AG | 4.16% |
| HOLN | Holcim Ltd | 4.09% |
| VACN | VAT Group AG | 3.89% |

Vitals

| | |
|---------------|-----------------------------------|
| Issuer | First Trust |
| Brand | First Trust |
| Structure | ETF |
| Expense Ratio | 0.80% |
| Inception | Feb 14, 2012 |
| Index Tracked | NASDAQ AlphaDEX Switzerland Index |

ETF Database Themes

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

FactSet Classifications

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

