

FYC

First Trust Small Cap Growth AlphaDEX Fund

Analyst Report

FYC looks to track an index which offers exposure to small cap firms that exhibit growth characteristics in the American equity market. The investment idea behind small caps is that these firms are likely to provide quality growth prospects to a portfolio and should have a much easier time growing than their large cap counterparts. However, these securities are extremely volatile and can experience large losses or gains in a very short period of time. Despite their volatility, these products should probably be in every investors' portfolio as they tend to move somewhat independently of large caps and can be a better 'pure play' on the American economy. This particular ETF, focuses on a modified equal-dollar weighted index, the Defined Small Cap Growth Index, which seeks to select stocks from the S&P Small Cap 600 that may be able to generate alpha relative to traditional indexes. As a result, this fund is far less diversified than other products in the space and it charges a much higher expense ratio, one that is nearly three times higher than other funds in the space. However, the fund does do a decent job of removing some of the worst securities from the index and it may be a decent choice for those looking for greater exposure to small cap growth equities with lower levels of risk. Nevertheless, cost conscious investors should probably look elsewhere to a fund like VBK or VIOW instead.

ESG Themes and Scores

4.67/10

ESG Rate

13.13%

Global Percentile

1.17%

Peer Percentile

Performance Data

	FYC	ETF Database Category Average	Factset Segment Average
1 Month	7.93%	5.07%	7.24%
3 Month	20.56%	12.81%	15.96%
YTD Return	28.50%	19.65%	18.36%
1 Year Return	53.20%	29.01%	24.42%
3 Year Return	28.32%	15.19%	12.47%
5 Year Return	12.34%	5.55%	3.74%

Top 5 Holdings

Symbol	Holding	% Assets
AAMI	Acadian Asset Management Inc.	0.73%
RLAY	Relay Therapeutics, Inc.	0.72%
OSCR	Oscar Health, Inc. Class A	0.71%
HNGE	Hinge Health, Inc. Class A	0.70%
FA	First Advantage Corp.	0.70%

Vitals

Issuer	First Trust
Brand	First Trust
Structure	ETF
Expense Ratio	0.70%
Inception	Apr 19, 2011
Index Tracked	NASDAQ AlphaDEX Small Cap Growth Index

ETF Database Themes

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

FactSet Classifications

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

