

FYT

First Trust Small Cap Value AlphaDEX Fund

Analyst Report

This ETF seeks to replicate a benchmark which offers exposure small cap firms that have value characteristics in the U.S. equity market. The investment thesis behind small caps is that these firms are likely to provide strong 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 fund, since it focuses on value securities, has certain biases in its portfolio holdings and may not offer as much of a cross section as funds such as IWM. However, the fund does employ an 'alphaDEX methodology which makes it somewhat different from other products in the space. This method uses an equal dollar weighting system which looks to only invest in the best companies in the small cap space. While this greatly decreases the number of securities that the fund holds, it also increases expenses as well as FYT has a much higher expense ratio than comparable products, close to three times higher than many other funds in the space. As a result, cost conscious investors would be wise to look at other products and avoid FYT for their portfolios.

ESG Themes and Scores

5.06/10

ESG Rate

24.28%

Global Percentile

5.94%

Peer Percentile

Performance Data

	FYT	ETF Database Category Average	Factset Segment Average
1 Month	6.77%	6.90%	6.87%
3 Month	-0.40%	-0.90%	-0.79%
YTD Return	7.76%	4.62%	3.23%
1 Year Return	3.09%	-0.09%	-1.58%
3 Year Return	9.34%	8.69%	7.53%
5 Year Return	7.87%	5.15%	4.34%

Top 5 Holdings

Symbol	Holding	% Assets
FL	Foot Locker, Inc.	0.81%
MHO	M/I Homes, Inc.	0.78%
UVV	Universal Corp	0.73%
CHGG	Chegg, Inc.	0.73%
WGO	Winnebago Industries, Inc.	0.70%

Vitals

Issuer	First Trust
Brand	First Trust
Structure	ETF
Expense Ratio	0.73%
Inception	Apr 19, 2011
Index Tracked	NASDAQ AlphaDEX Small Cap Value Index

ETF Database Themes

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

FactSet Classifications

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

