FXZ
As of 12/31/19

First Trust Materials AlphaDEX® Fund

» Fund Objective
This exchange-traded fund seeks investment results that correspond generally to the price and yield (before the fund’s fees and expenses) of an equity index called the StrataQuant® Materials Index.

» Fund Facts
- Fund Ticker: FXZ
- CUSIP: 33734X168
- Intraday NAV: FXZIV
- Fund Inception Date: 5/8/07
- Gross Expense Ratio*: 0.65%
- Net Expense Ratio: 0.65%
- Rebalance Frequency: Quarterly
- Primary Listing: NYSE Arca

» Index Facts
- Index Ticker: STRQMTTR
- Index Inception Date: 4/11/07

» Performance Summary (%)

<table>
<thead>
<tr>
<th>Fund Performance*</th>
<th>3 Month</th>
<th>YTD</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>10 Year</th>
<th>Since Fund Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Asset Value (NAV)</td>
<td>8.20</td>
<td>21.54</td>
<td>21.54</td>
<td>5.20</td>
<td>6.28</td>
<td>9.39</td>
<td>7.11</td>
</tr>
<tr>
<td>After Tax Held</td>
<td>7.97</td>
<td>20.73</td>
<td>20.73</td>
<td>4.63</td>
<td>5.70</td>
<td>8.77</td>
<td>6.54</td>
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<tr>
<td>After Tax Sold</td>
<td>4.85</td>
<td>12.73</td>
<td>12.73</td>
<td>3.75</td>
<td>4.63</td>
<td>7.38</td>
<td>5.52</td>
</tr>
<tr>
<td>Market Price</td>
<td>8.35</td>
<td>21.56</td>
<td>21.56</td>
<td>5.16</td>
<td>6.27</td>
<td>9.38</td>
<td>7.11</td>
</tr>
</tbody>
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Index Performance**
- StrataQuant® Materials Index: 8.39
- Russell 1000® Materials and Processing Index: 6.55
- Russell 1000® Index: 9.04
- S&P 500 Materials Index: 6.38

» Calendar Year Total Returns (%)

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</thead>
<tbody>
<tr>
<td>FXZ</td>
<td>59.95</td>
<td>28.15</td>
<td>-10.11</td>
<td>25.11</td>
<td>26.73</td>
<td>-0.98</td>
<td>-9.83</td>
<td>29.17</td>
<td>23.68</td>
<td>-22.55</td>
<td>21.54</td>
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<tr>
<td>Russell 1000®</td>
<td>46.72</td>
<td>24.68</td>
<td>-7.21</td>
<td>17.69</td>
<td>25.15</td>
<td>5.48</td>
<td>-7.57</td>
<td>19.96</td>
<td>23.87</td>
<td>-16.28</td>
<td>26.46</td>
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<tr>
<td>Russell 1000® Index</td>
<td>28.43</td>
<td>16.10</td>
<td>1.50</td>
<td>16.42</td>
<td>33.11</td>
<td>13.24</td>
<td>0.92</td>
<td>12.05</td>
<td>21.69</td>
<td>-4.78</td>
<td>31.43</td>
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</table>

» 3-Year Statistics

<table>
<thead>
<tr>
<th></th>
<th>Standard Deviation (%)</th>
<th>Alpha</th>
<th>Beta</th>
<th>Sharpe Ratio</th>
<th>Correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>FXZ</td>
<td>18.19</td>
<td>-5.36</td>
<td>1.23</td>
<td>0.28</td>
<td>0.94</td>
</tr>
<tr>
<td>S&amp;P 500 Materials Index</td>
<td>13.96</td>
<td></td>
<td>1.00</td>
<td>0.60</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Overall Morningstar Rating™ ★★★★

Among 115 funds in the Natural Resources category. This fund was rated 3 stars/115 funds (3 years), 4 stars/109 funds (5 years), 4 stars/80 funds (10 years) based on risk adjusted returns.6

Performance data quoted represents past performance. Past performance is not a guarantee of future results and current performance may be higher or lower than performance quoted. Investment returns and principal value will fluctuate and shares when sold or redeemed, may be worth more or less than their original cost. You can obtain performance information which is current through the most recent month-end by visiting www.ftportfolios.com.

*Expenses are capped contractually at 0.70% per year, at least until November 30, 2020.

*NAV returns are based on the fund’s net asset value which represents the fund’s net assets (assets less liabilities) divided by the fund’s outstanding shares. After Tax Held returns represent return after taxes on distributions. Assumes shares have not been sold. After Tax Sold returns represent the return after taxes on distributions and the sale of fund shares. Returns do not represent the returns you would receive if you traded shares at other times. Market Price returns are based on the midpoint of the bid/ask spread on the stock exchange on which shares of the fund are listed for trading as of the time that the fund’s NAV is calculated. Returns are annualized total returns, except those for periods of less than one year, which are cumulative. The fund’s performance reflects fee waivers and expense reimbursements, absent which performance would have been lower. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on the investor’s tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

**Performance information for the StrataQuant® Materials Index is for illustrative purposes only and does not represent actual fund performance. Indexes do not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown. Indexes are unmanaged and an investor cannot invest directly in an index.
**First Trust Materials AlphaDEX® Fund**

As of 12/31/19

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**ETF Characteristics**

The fund lists and principally trades its shares on the NYSE Arca, Inc. The fund’s return may not match the return of the StrataQuant® Materials Index. Securities held by the fund will generally not be bought or sold in response to market fluctuations. Investors buying or selling fund shares on the secondary market may incur customary brokerage commissions. Market prices may differ to some degree from the net asset value of the shares. Investors who sell fund shares may receive less than the share’s net asset value. Shares may be sold throughout the day on the exchange through any brokerage account. However, unlike mutual funds, shares may only be redeemed directly from the fund by authorized participants, in very large creation/redemption units. If the fund’s authorized participants are unable to proceed with creation/redemption orders and no other authorized participant is able to step forward to create or redeem, fund shares may trade at a discount to the fund’s net asset value and possibly face delisting.

**Risk Considerations**

The fund’s shares will change in value, and you could lose money by investing in the fund. One of the principal risks of investing in the fund is market risk. Market risk is the risk that a particular stock owned by the fund, fund shares or stocks in general may fall in value. There can be no assurance that the fund’s investment objective will be achieved. The fund may invest in small capitalization and mid capitalization companies. Such companies may experience greater price volatility than larger, more established companies.

Materials and processing companies are subject to certain risks, including the general state of the economy, consolidation, domestic and international politics and excess capacity. Materials companies may also be significantly affected by volatility of commodity prices, import controls, worldwide competition, liability for environmental damage, depletion of resources and mandated expenditures for safety and pollution control devices.

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**Top Holdings (%)**

- Reliance Steel & Aluminum Co.
- WestRock Company
- Steel Dynamics, Inc.
- Nucor Corporation
- Crown Holdings, Inc.
- Domtar Corporation
- The Scotts Miracle-Gro Company
- Martin Marietta Materials, Inc.
- United States Steel Corporation
- The Timken Company

**Top Industry Exposure (%)**

- Chemicals: 37.14
- Metals and Mining: 20.61
- Containers & Packaging: 19.00
- Construction Materials: 5.88
- Machinery: 4.54
- Building Products: 3.76
- Paper & Forest Products: 3.68
- Electrical Equipment: 3.03
- Aerospace & Defense: 1.66
- Trading Companies & Distributors: 0.70

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You should consider the fund’s investment objectives, risks, and charges and expenses carefully before investing. Contact First Trust Portfolios L.P. at 1-800-621-1675 or visit www.ftportfolios.com to obtain a prospectus or summary prospectus which contains this and other information about the fund. The prospectus or summary prospectus should be read carefully before investing.

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The Morningstar Rating™ for funds, or “star rating”, is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product’s monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36–59 months of total returns, 60% five-year rating/40% three-year rating for 60–119 months of total returns, and 50% three-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. ©2020 Morningstar, Inc. All Rights Reserved. The Morningstar Rating™ information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.