First Trust Latin America 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 NASDAQ AlphaDEX® Latin America Index.

**Fund Facts**
- **Fund Ticker**: FLN
- **CUSIP**: 33737J125
- **Intraday NAV**: FLNIV
- **Fund Inception Date**: 4/18/11
- **Expense Ratio**: 0.80%
- **Rebalance Frequency**: Semi-Annual
- **Primary Listing**: Nasdaq

**Index Description**
- The NASDAQ AlphaDEX® Latin America Index is an "enhanced" index created and administered by Nasdaq, Inc. ("Nasdaq") which employs the AlphaDEX® stock selection methodology to select stocks from the NASDAQ Latin America Index that meet certain criteria.
- To construct the Index, Nasdaq ranks the eligible stocks on growth factors including 3-, 6- and 12-month price appreciation, sales to price and one year sales growth, and separately on value factors including book value to price, cash flow to price and return on assets. All stocks are ranked on the sum of the growth factors and, separately, all stocks are ranked on the sum of ranks for the value factors. A stock must have data for all growth and/or value factors to receive a rank for that style.
- Each stock receives the best style rank from the previous step as its selection score.
- The top 50 stocks based on the selection score determined in the previous step comprise the "selected stocks". The selected stocks are divided into quintiles based on their rankings and the top ranked quintiles receive a higher weight within the index. The stocks are equally weighted within each quintile.
- Each stock is then tested in order of its selection score rank to check if the weight assigned to that stock is outside the country/sector weighting constraints, which are set at 15% above the benchmark weight.
  - If the weight assigned to the stock, when added with the weight assigned to all higher ranking stocks in its country/sector, is greater than the constraint, then the stock’s weight is lowered to the highest rank in the next quintile. Stocks previously lower in rank then move up one rank. Such stocks in the lowest quintile that violate a constraint are removed from the portfolio and replaced by the highest scoring stock not originally selected, subject to country/sector constraints. This process continues until all the country/sector weightings meet the constraint.
- The index is reconstituted and rebalanced semi-annually.

**Performance Summary (%)¹**

<table>
<thead>
<tr>
<th>Fund Performance*</th>
<th>Quarter</th>
<th>YTD</th>
<th>1 Year</th>
<th>3 Years</th>
<th>5 Years</th>
<th>10 Years</th>
<th>Since Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Asset Value (NAV)</td>
<td>6.27</td>
<td>15.01</td>
<td>19.56</td>
<td>13.39</td>
<td>0.73</td>
<td>–</td>
<td>-0.88</td>
</tr>
<tr>
<td>After Tax Held</td>
<td>5.65</td>
<td>14.18</td>
<td>18.08</td>
<td>11.05</td>
<td>-0.89</td>
<td>–</td>
<td>-2.30</td>
</tr>
<tr>
<td>After Tax Sold</td>
<td>3.71</td>
<td>8.88</td>
<td>11.53</td>
<td>9.34</td>
<td>-0.22</td>
<td>–</td>
<td>-1.29</td>
</tr>
<tr>
<td>Market Price</td>
<td>6.25</td>
<td>14.73</td>
<td>19.43</td>
<td>13.24</td>
<td>0.74</td>
<td>–</td>
<td>-0.95</td>
</tr>
</tbody>
</table>

**Index Performance**
- **NASDAQ AlphaDEX® Latin America Index**: 6.51 16.10 20.96 15.19 – – –
- **MSCI EM Latin America Index**: 4.44 12.64 18.45 10.79 -0.75 – -2.68
- **NASDAQ Latin America Index**: 4.89 13.79 22.40 11.48 -0.30 – –

**Calendar Year Total Returns (%)¹**

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<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NAV</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>13.35</td>
<td>-10.17</td>
<td>-15.80</td>
<td>-29.08</td>
<td>42.81</td>
<td>-20.50</td>
<td>-16.73</td>
<td>-20.50</td>
<td>10.52</td>
</tr>
<tr>
<td>MSCI EM Latin America Index</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8.66</td>
<td>-13.36</td>
<td>-12.30</td>
<td>-31.04</td>
<td>31.04</td>
<td>23.74</td>
<td>-6.57</td>
<td>12.64</td>
<td></td>
</tr>
<tr>
<td>NASDAQ Latin America Index</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-16.59</td>
<td>-13.67</td>
<td>-29.90</td>
<td>31.44</td>
<td>22.93</td>
<td>-5.91</td>
<td>13.79</td>
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<td></td>
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</tbody>
</table>

**3-Year Statistics¹**

<table>
<thead>
<tr>
<th>FLN</th>
<th>Standard Deviation (%)</th>
<th>Alpha</th>
<th>Beta</th>
<th>Sharpe Ratio</th>
<th>Correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAV</td>
<td>21.67</td>
<td>2.03</td>
<td>0.97</td>
<td>0.62</td>
<td>0.97</td>
</tr>
<tr>
<td>MSCI EM Latin America Index</td>
<td>21.05</td>
<td>-0.41</td>
<td>0.98</td>
<td>0.52</td>
<td>1.00</td>
</tr>
<tr>
<td>NASDAQ Latin America Index</td>
<td>21.49</td>
<td>-</td>
<td>1.00</td>
<td>0.55</td>
<td>1.00</td>
</tr>
</tbody>
</table>

**Overall Morningstar Rating™**

Among 19 funds in the Latin America Stock category. This fund was rated 3 stars/19 funds (3 years), 4 stars/18 funds (5 years) based on risk adjusted returns.²

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.

¹On October 13, 2015, the fund’s underlying index changed from the Defined Latin America Index to the NASDAQ AlphaDEX® Latin America Index. Therefore, the fund’s performance and historical returns shown for the periods prior to this date are not necessarily indicative of the performance that the fund, based on its current index, would have generated.

²NAV 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 average annualized total returns, except those for periods of less than one year, which are cumulative. 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.

²²Performance information for the NASDAQ AlphaDEX® Latin America 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.
Securities held by the fund will generally not be bought or sold in response to market fluctuations. The fund’s shares will change in value, and you could lose money by investing in the fund.

Risk Considerations
The fund lists and principally trades its shares on The Nasdaq Stock Market LLC. 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 shares’ 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.

ETF Characteristics
The fund’s return may not match the return of the NASDAQ AlphaDEX® Latin America 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 shares’ 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 securities issued by companies concentrated in a particular sector or country which involves additional risks including limited diversification. The fund may invest in small capitalization and mid capitalization companies. Such companies may experience greater price volatility than larger, more established companies. An investment in a fund containing securities of non-U.S. issuers is subject to additional risks, including currency fluctuations, political risks, withholding, the lack of adequate financial information, and exchange control restrictions impacting non-U.S. issuers. These risks may be heightened for securities of companies located in, or with significant operations in, emerging market countries.

The value of fund shares may be adversely affected by political, economic, and social instability, inadequate investor protection, changes in laws or regulations of countries within Latin America, international relations with other nations, natural disasters, corruption and military activity. The economies of many Latin American countries differ from the economies of more developed countries in many respects. Certain Latin American countries are highly dependent upon and may be affected by developments in the U.S., Europe and other Latin American economies.

ETF Profits and Other Considerations
The fund may invest in depositary receipts which may be less liquid than the underlying shares in their primary trading market. The fund may, under most circumstances, effect a portion of creation/redemption transactions in connection with the trading of the First Trust Latin America AlphaDEX® Fund. First Trust Advisors L.P. makes no representation or warranty regarding the advisability of investing in the First Trust Latin America AlphaDEX® Fund or as to the result to be obtained by any person from use of the index in connection with the trading of the First Trust Latin America AlphaDEX® Fund.

Historical 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 method includes 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% 10-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. ©2019 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.