

>> 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® Emerging Markets Small Cap Index.

>> Fund Facts

Fund Ticker	FEMS
CUSIP	33737J307
Intraday NAV	FEMSIV
Fund Inception Date	2/15/12
Expense Ratio	0.80%
Rebalance Frequency	Semi-Annual
Primary Listing	Nasdaq

>> Index Facts

Index Ticker	NQDXEMSCN
Index Inception Date	9/8/14

>> Index Description

- >> The NASDAQ AlphaDEX® Emerging Markets Small Cap 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 Emerging Markets 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 ranks for 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 200 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

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund Performance*							
Net Asset Value (NAV)	-4.33	-12.80	-8.49	13.75	4.50	—	5.87
After Tax Held	-4.80	-13.85	-9.94	12.20	3.13	—	4.60
After Tax Sold	-2.45	-7.20	-4.68	10.04	2.83	—	3.99
Market Price	-4.39	-13.97	-9.15	13.83	4.21	—	5.74
Index Performance**							
NASDAQ AlphaDEX® Emerging Markets Small Cap Index	-4.22	-11.97	-6.91	15.34	—	—	—
MSCI Emerging Markets Small Cap Index	-4.21	-12.30	-4.20	7.43	2.72	—	2.47
NASDAQ Emerging Markets Small Cap Index	-3.62	-10.43	-5.85	11.26	4.03	—	—

>> Calendar Year Total Returns (%)¹

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD
FEMS	—	—	—	—	—	5.65	-4.89	-13.39	13.53	46.57	-12.80
MSCI Emerging Markets Small Cap Index	—	—	—	—	—	1.04	1.01	-6.85	2.28	33.84	-12.30
NASDAQ Emerging Markets Small Cap Index	—	—	—	—	—	1.16	0.66	-9.14	12.10	31.94	-10.43

>> 3-Year Statistics¹

	Standard Deviation (%)	Alpha	Beta	Sharpe Ratio	Correlation
FEMS	16.24	1.05	1.15	0.82	0.93
MSCI Emerging Markets Small Cap Index	12.79	-2.66	0.92	0.56	0.94
NASDAQ Emerging Markets Small Cap Index	13.17	—	1.00	0.81	1.00

Overall Morningstar Rating™



Among 708 funds in the Diversified Emerging Mkts category.
This fund was rated 4 stars/708 funds (3 years), 4 stars/508 funds (5 years).⁵

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 Emerging Markets Small Cap Index to the NASDAQ AlphaDEX® Emerging Markets Small Cap 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.

*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 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.

**Performance information for the NASDAQ AlphaDEX® Emerging Markets Small Cap 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.

» Portfolio Information

Number Of Holdings	206
Maximum Market Cap.	\$4.42 Billion
Median Market Cap.	\$1.19 Billion
Minimum Market Cap.	\$276 Million
Price/Earnings	7.62
Price/Book	0.97
Price/Cash Flow	5.54
Price/Sales	0.68

» Top Country Exposure (%)

Taiwan	22.95
China	17.34
Turkey	8.42
Thailand	8.10
Hong Kong	8.02
South Africa	5.79
Brazil	5.51
Poland	5.15
Indonesia	4.98
Egypt	4.03

» Top Holdings (%)

Ta Chen Stainless Pipe Co., Ltd.	1.81
Grupa LOTOS S.A.	1.29
COSCO SHIPPING Ports Limited	1.28
Yihai International Holding Ltd.	1.15
SLC Agricola SA	1.13
Com7 Pcl (Foreign)	1.12
Huaxin Cement Co., Ltd.	1.12
Megacable Holdings, S.A.B. de C.V.	1.09
Resilient REIT Ltd.	1.06
Alexandria Mineral Oils Company	1.05

» Top Sector Exposure (%)

Materials	18.41
Information Technology	15.55
Real Estate	14.66
Industrials	12.84
Consumer Discretionary	8.60
Energy	8.55
Utilities	5.93
Consumer Staples	5.11
Financials	4.64
Communication Services	4.15
Health Care	1.56

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.

ETF Characteristics

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

The fund's return may not match the return of the NASDAQ AlphaDEX® Emerging Markets Small Cap 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 securities issued by companies concentrated in a particular sector or country which involves additional risks including limited diversification. The fund invests 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 NASDAQ AlphaDEX® Emerging Markets Small Cap Index (the "Index") is a trademark of Nasdaq, Inc. and has been licensed for use by First Trust Portfolios L.P. AlphaDEX® is a trademark owned by First Trust Portfolios L.P. and has been licensed to Nasdaq, Inc. for use in the name of the Index. The First Trust Emerging Markets Small Cap AlphaDEX® Fund is not sponsored, endorsed, sold or promoted by Nasdaq, Inc. and Nasdaq, Inc. makes no representation or warranty regarding the advisability of investing in the First Trust Emerging Markets Small Cap 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 Emerging Markets Small Cap AlphaDEX® Fund.

"AlphaDEX®" is a registered trademark of First Trust Portfolios L.P. First Trust Portfolios L.P. has obtained a patent for the AlphaDEX® stock selection methodology from the United States Patent and Trademark Office.

§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% 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. ©2018 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.

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 creations and redemptions for cash, rather than in-kind securities. As a result, the fund may be less tax-efficient.

Changes in currency exchange rates and the relative value of non-US currencies may affect the value of a fund's investments and the value of a fund's shares.

First Trust Advisors L.P. is the adviser to the fund. First Trust Advisors L.P. is an affiliate of First Trust Portfolios L.P., the fund's distributor.

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Definitions

Standard Deviation is a measure of price variability (risk). **Alpha** is an indication of how much an investment outperforms or underperforms on a risk-adjusted basis relative to its benchmark. **Beta** is a measure of price variability relative to the market. **Sharpe Ratio** is a measure of excess reward per unit of volatility. **Correlation** is a measure of the similarity of performance. The **MSCI Emerging Markets Small Cap Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance of all investable small cap securities in emerging markets. The **NASDAQ Emerging Markets Small Cap Index** is a float adjusted market capitalization-weighted index that is designed to measure the small capitalization segment performance of securities in countries which are designated as emerging markets.