

>> 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® Developed Markets Ex-US Small Cap Index.

>> Fund Facts

Fund Ticker	FDTS
CUSIP	33737J406
Intraday NAV	FDTSIV
Fund Inception Date	2/15/12
Expense Ratio*	0.80%
Rebalance Frequency	Semi-Annual
Primary Listing	Nasdaq

>> Index Facts

Index Ticker	NQDXMXUSCN
Index Inception Date	9/8/14

>> Index Description According to the Index Provider

- The Nasdaq AlphaDEX® Developed Markets Ex-US 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 Developed Markets Ex-US 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 400 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

	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Fund Inception
Fund Performance*							
Net Asset Value (NAV)	-9.90	-27.96	-27.78	0.08	-2.53	3.63	3.00
After Tax Held	-10.27	-28.62	-28.87	-1.12	-3.52	2.62	2.01
After Tax Sold	-5.86	-16.52	-16.31	-0.34	-2.24	2.42	1.93
Market Price	-9.69	-27.37	-28.22	0.26	-2.30	3.71	3.04

Index Performance**

Nasdaq AlphaDEX® Developed Markets Ex-US Small Cap Index	-9.27	-27.54	-27.68	1.04	-1.62	—	—
MSCI World ex-USA Small Cap Index	-9.46	-31.07	-30.80	-1.27	-1.24	4.78	4.54
Nasdaq Developed Markets Ex-US Small Cap Index	-9.82	-29.25	-30.74	-1.95	-2.56	—	—

>> Calendar Year Total Returns (%)¹

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD
FDTS	—	22.56	-10.36	5.65	2.96	36.23	-24.03	19.13	12.18	11.09	-27.96
MSCI World ex-USA Small Cap Index	—	25.55	-5.34	5.46	4.32	31.04	-18.07	25.41	12.78	11.14	-31.07
Nasdaq Developed Markets Ex-US Small Cap Index	—	21.18	-4.44	3.34	6.33	28.98	-18.34	19.39	11.07	8.32	-29.25

>> 3-Year Statistics¹

	Standard Deviation (%)	Alpha	Beta	Sharpe Ratio	Correlation
FDTS	24.45	2.68	1.10	0.10	0.98
MSCI World ex-USA Small Cap Index	22.79	0.91	1.03	0.03	0.99
Nasdaq Developed Markets Ex-US Small Cap Index	21.91	—	1.00	-0.01	1.00

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.

*The Investment Advisor has implemented fee breakpoints, which reduce the fund's investment management fee at certain assets levels. Please see the fund's SAI for full details.

¹On October 13, 2015, the fund's underlying index changed from the Defined Developed Markets ex-US Small Cap Index to the Nasdaq AlphaDEX® Developed Markets Ex-US 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 determined by using the midpoint of the national best bid offer price ("NBBO") 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 each listed 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	399
Maximum Market Cap.	\$5.20 Billion
Median Market Cap.	\$996 Million
Minimum Market Cap.	\$152 Million
Price/Earnings	4.43
Price/Book	0.76
Price/Cash Flow	3.23
Price/Sales	0.37

» Top Country Exposure (%)

Japan	26.68
South Korea	16.43
Canada	15.33
Australia	10.91
United Kingdom	5.31
Israel	4.18
Hong Kong	3.05
Norway	2.98
France	1.67
Switzerland	1.60

Risk Considerations

You could lose money by investing in a fund. An investment in a fund is not a deposit of a bank and is not insured or guaranteed. There can be no assurance that a fund's objective(s) will be achieved. Investors buying or selling shares on the secondary market may incur customary brokerage commissions. Please refer to each fund's prospectus and SAI for additional details on a fund's risks. The order of the below risk factors does not indicate the significance of any particular risk factor.

Some Asian economies are highly dependent on trade with other countries and there is a high concentration of market capitalization and trading volume in a small number of Asian issuers as well as a high concentration of investors and financial intermediaries. Certain Asian countries experience expropriation and nationalization of assets, confiscatory taxation, currency manipulation, political instability, armed conflict and social instability as a result of religious, ethnic, socio-economic and/or political unrest. In particular, escalated tensions involving North Korea could have severe adverse effect on Asian economies. Recent developments between the U.S. and China have heightened concerns of increased tariffs and restrictions on trade.

Unlike mutual funds, shares of the fund may only be redeemed directly from a fund by authorized participants in very large creation/redemption units. If a 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 premium or discount to a fund's net asset value and possibly face delisting and the bid/ask spread may widen.

A fund that effects all or a portion of its creations and redemptions for cash rather than in-kind 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.

A fund is susceptible to operational risks through breaches in cyber security. Such events could cause a fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss.

Depository receipts may be less liquid than the underlying shares in their primary trading market and distributions may be subject to a fee. Holders may have limited voting rights, and investment restrictions in certain countries may adversely impact their value.

Equity securities may decline significantly in price over short or extended periods of time, and such declines may occur in the equity market as a whole, or they may occur in only a particular country, company, industry or sector of the market.

Stocks with growth characteristics tend to be more volatile than certain other stocks and their prices may fluctuate more dramatically than the overall stock market.

An index fund will be concentrated in an industry or a group of industries to the extent that the index is so concentrated. A fund with significant exposure to a single asset class, or the securities of issuers within the same country, state, region, industry, or sector may have its value more affected by an adverse economic, business or political development than a broadly diversified fund.

A fund may be a constituent of one or more indices or models which could greatly affect a fund's trading activity, size and volatility.

There is no assurance that the index provider or its agents will compile or maintain the index accurately. Losses or costs associated with any index provider errors generally will be borne by a fund and its shareholders.

» Top Holdings (%)

Whitehaven Coal Limited	1.06
New Hope Corporation Limited	0.94
Cosmo Energy Holdings Co., Ltd.	0.68
D/S Norden A/S	0.68
Enerplus Corporation	0.63
Toho Titanium Co., Ltd.	0.63
Sembcorp Industries Limited	0.62
BW LPG Limited	0.60
Advantage Energy Ltd.	0.58
Vermilion Energy Inc.	0.58

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.

As inflation increases, the present value of a fund's assets and distributions may decline.

Because Japan's economy and equity market share a strong correlation with the U.S. markets, the Japanese economy may be affected by economic problems in the U.S. Japan also has a growing economic relationship with China and other Southeast Asian countries. Should political tension increase, it could adversely affect the economy and destabilize the region as a whole. Japan also remains heavily dependent on oil imports, and higher commodity prices could therefore have a negative impact on the economy. Japanese securities may also be subject to lack of liquidity, excessive taxation, government seizure of assets, different legal or accounting standards and less government supervision and regulation of exchanges than in the U.S. Furthermore, the natural disasters that have impacted Japan and the ongoing recovery efforts have had a negative effect on Japan's economy, and may continue to do so.

Market risk is the risk that a particular security, or shares of a fund in general may fall in value. Securities are subject to market fluctuations caused by such factors as general economic conditions, political events, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Shares of a fund could decline in value or underperform other investments as a result. In addition, local, regional or global events such as war, acts of terrorism, spread of infectious disease or other public health issues, recessions, or other events could have significant negative impact on a fund. In February 2022, Russia invaded Ukraine which has caused and could continue to cause significant market disruptions and volatility within the markets in Russia, Europe, and the United States. The hostilities and sanctions resulting from those hostilities could have a significant impact on certain fund investments as well as fund performance. The COVID-19 global pandemic and the ensuing policies enacted by governments and central banks have caused and may continue to cause significant volatility and uncertainty in global financial markets. While the U.S. has resumed "reasonably" normal business activity, many countries continue to impose lockdown measures. Additionally, there is no guarantee that vaccines will be effective against emerging variants of the disease. There can be no assurance that the securities held by a fund will stay within a fund's intended market capitalization range.

A fund faces numerous market trading risks, including the potential lack of an active market for fund shares due to a limited number of market makers. Decisions by market makers or authorized participants to reduce their role or step away in times of market stress could inhibit the effectiveness of the arbitrage process in maintaining the relationship between the underlying values of a fund's portfolio securities and a fund's market price.

An index fund's return may not match the return of the index for a number of reasons including operating expenses, costs of buying and selling securities to reflect changes in the index, and the fact that a fund's portfolio holdings may not exactly replicate the index.

Securities of non-U.S. issuers are subject to additional risks, including currency fluctuations, political risks, withholding, lack of liquidity, lack of adequate financial information, and exchange control restrictions impacting non-U.S. issuers.

A fund and a fund's advisor may seek to reduce various operational risks through controls and procedures, but it is not possible to completely protect against such risks. The fund also relies on third parties for a range of services, including custody, and any delay or failure related to those services may affect the fund's ability to meet its objective.

A fund that invests in securities included in or representative of an index will hold those securities regardless of investment merit and the fund generally will not take defensive positions in declining markets.

» Top Sector Exposure (%)

Materials	20.96
Energy	19.15
Industrials	16.03
Consumer Discretionary	12.77
Information Technology	7.65
Real Estate	6.30
Financials	6.17
Communication Services	3.27
Consumer Staples	3.07
Health Care	2.95
Utilities	1.68

High portfolio turnover may result in higher levels of transaction costs and may generate greater tax liabilities for shareholders.

Preferred securities combine some of the characteristics of both common stocks and bonds. Preferred stocks are typically subordinated to other debt instruments in terms of priority to corporate income, and therefore will be subject to greater credit risk than those debt instruments.

The market price of a fund's shares will generally fluctuate in accordance with changes in the fund's net asset value ("NAV") as well as the relative supply of and demand for shares on the exchange, and a fund's investment advisor cannot predict whether shares will trade below, at or above their NAV.

Real Estate Investment Trusts ("REITs") are subject to risks the risks of investing in real estate, including, but not limited to, changes in the real estate market, vacancy rates and competition, volatile interest rates and economic recession. Increases in interest rates typically lower the present value of a REIT's future earnings stream and may make financing property purchases and improvements more costly. The value of a fund will generally decline when investors in REIT stocks anticipate or experience rising interest rates.

Securities of small- and mid-capitalization companies may experience greater price volatility and be less liquid than larger, more established companies.

Trading on an exchange may be halted due to market conditions or other reasons. There can be no assurance that a fund's requirements to maintain the exchange listing will continue to be met or be unchanged.

Value characteristics of a stock may not be fully recognized for a long time or a stock judged to be undervalued may actually be appropriately priced at a low level.

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 World ex-US 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 developed markets throughout the world, with the exception of U.S.-based companies. **The Nasdaq Developed Markets Ex-US Small Cap Index** is a float adjusted market capitalization-weighted index that is designed to measure the small capitalization segment performance of countries which are designated as developed markets, excluding the United States.

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