

The Directors whose names appear on page v accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

**FIRST TRUST GLOBAL FUNDS  
PUBLIC LIMITED COMPANY  
an umbrella fund with segregated liability between sub-funds**

*(an open-ended investment company with variable capital incorporated with limited liability in Ireland and established as an umbrella fund with segregated liability between sub-funds and as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended)*

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**PROSPECTUS**

**for**

**First Trust US Large Cap Core AlphaDEX® UCITS ETF  
First Trust Emerging Markets AlphaDEX® UCITS ETF  
First Trust Eurozone AlphaDEX® UCITS ETF  
First Trust United Kingdom AlphaDEX® UCITS ETF  
First Trust Switzerland AlphaDEX® UCITS ETF  
First Trust Japan AlphaDEX® UCITS ETF  
First Trust Asia Pacific ex-Japan AlphaDEX® UCITS ETF  
First Trust Germany AlphaDEX® UCITS ETF  
First Trust Global Equity Income UCITS ETF  
First Trust US Equity Opportunities UCITS ETF  
First Trust US Equity Income UCITS ETF  
First Trust US Small Cap Core AlphaDEX® UCITS ETF  
First Trust FactorFX UCITS ETF  
First Trust Indxx Innovative Transaction & Process UCITS ETF  
First Trust Dow Jones Internet UCITS ETF  
First Trust IPOX® Europe Equity Opportunities UCITS ETF  
First Trust Cloud Computing UCITS ETF  
First Trust Low Duration Global Government Bond UCITS ETF  
First Trust Capital Strength UCITS ETF  
First Trust Indxx NextG UCITS ETF  
First Trust Value Line® Dividend Index UCITS ETF  
First Trust NYSE Arca Biotechnology UCITS ETF  
First Trust Nasdaq Cybersecurity UCITS ETF**

**Dated 30 April 2020**

**THIS DOCUMENT CONTAINS IMPORTANT INFORMATION ABOUT THE COMPANY AND THE FUNDS AND SHOULD BE READ CAREFULLY BEFORE INVESTING. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR BROKER, INTERMEDIARY, BANK MANAGER, LEGAL ADVISER, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL ADVISER.**

*Certain terms used in this Prospectus are defined in the section of this document entitled “Definitions”.*

#### **Central Bank Authorisation**

*The Company has been authorised by the Central Bank as a UCITS within the meaning of the UCITS Regulations. The authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. Authorisation of the Company by the Central Bank does not constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company or of any Fund. The Company is an umbrella fund with segregated liability between Funds.*

#### **Investment Risks**

*There can be no assurance that a Fund will achieve its investment objective. It should be appreciated that the value of the shares and any income from them is not guaranteed and may go down as well as up. An investment in a Fund involves investment risks, including possible loss of the amount invested. The capital return and income of the Funds are based on the capital appreciation and income on the investments it holds, less expenses incurred. Therefore, a Fund’s return may be expected to fluctuate in response to changes in such capital appreciation or income. Fluctuations in the rate of exchange between the currency in which the shares are denominated and the currency of investment may also have the effect of causing the value of an investment in the shares to diminish or increase. Investors’ attention is drawn to the specific risk factors set out in the section entitled “Risk Factors”.*

#### **Euronext Dublin Application**

*Application has been made to the Euronext Dublin for the Class A shares and/or Class B shares of various Funds to be admitted to the Official List and to trading on the regulated Market of Euronext Dublin.*

*This Prospectus comprises listing particulars, including all information required by the Euronext Dublin listings requirements, for the purpose of the application in respect of the Class A Shares of First Trust Dow Jones Internet UCITS ETF to listing on the Official List and to trading on the regulated Market of Euronext Dublin.*

*Neither the admission of these shares to the Official List and to trading on the regulated Market of Euronext Dublin nor the approval of these listing particulars pursuant to the listing requirements of the Euronext Dublin shall constitute a warranty or representation by the Euronext Dublin as to the competence of the service providers or any other party connected with the Company, the adequacy of information contained in the Prospectus or the suitability of the Company for investment purposes. Neither the delivery of this Prospectus nor the offer, issue or sale of shares shall, under any circumstances, constitute a representation that the information contained in this Prospectus is correct as of any time subsequent to the date of this Prospectus.*

*The shares of each Fund will be primarily listed and admitted for trading on the Euronext Dublin. It is also intended that the shares of the Funds will be listed and admitted for trading on a number of other stock exchanges but the Company does not warrant or guarantee that such listings will take place. The approval of any listing particulars pursuant to the listing requirements of the relevant stock exchange does not constitute a warranty or representation by such stock exchange as to the competence of the service providers or any other party connected with the Company, the adequacy of information contained in the listing particulars or the suitability of the Company for investment purposes. In the event that such listings do take place, the primary listing of the shares of the Funds will take place on the Euronext Dublin and any other listings shall be secondary to the listings on the Euronext Dublin.*

*It is possible that in certain jurisdictions, parties entirely unaffiliated with the Company or the Investment Manager, may make the shares of any Fund available for investment by investors in those jurisdictions through off market (or over the counter) trading mechanisms. Neither the Company, nor the Investment Manager, endorse or promote such activities and are not in any way connected to such parties or these activities and do not accept any liability in relation to their operation and trading.*

*For details of where the Funds are listed or admitted for trading, please refer to the First Trust website [www.ftglobalportfolios.com](http://www.ftglobalportfolios.com).*

### ***Distribution and Selling Restrictions***

*The distribution of this Prospectus and the offering or purchase of the shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or the accompanying application form in any such jurisdiction may treat this Prospectus or such application form as constituting an invitation to them to purchase or subscribe for shares, nor should they in any event use such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used. Accordingly, this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for shares pursuant to this Prospectus to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for shares should inform themselves as to the legal requirements of so applying and subscribing, holding or disposing of such shares and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence, incorporation or domicile, including any requisite government or other consents and the observing of any other formalities.*

*The shares have not been, and will not be, registered under the 1933 Act or the securities laws of any of the states of the US and the Company has not been, and will not be, registered under the 1940 Act or the laws of any of the states of the US. Accordingly the shares may not be offered or sold directly or indirectly in the US or to or for the account or benefit of any US Person, except pursuant to an exemption from, or in a transaction not subject to the regulatory requirements of, the 1933 Act and any applicable state securities laws. The Company's shares will only be available to US Persons who are "**qualified institutional buyers**" under Rule 144A under the 1933 Act and "**qualified purchasers**" within the meaning of Section 2(a)(51) of the 1940 Act and who make certain representations. Any re-offer or resale of any of the shares in the US or to US Persons may constitute a violation of US law. In the absence of such exemption or transaction, each applicant for shares will be required to certify that it is not a US Person.*

*The Company will not be registered under the 1940 Act, but will be exempt from such registration pursuant to Section 3(c)(7) thereunder. Section 3(c)(7) exempts non-US issuers who are not making or proposing to make a public offering of their securities in the US. The outstanding securities of those issuers, to the extent that they are owned by US Persons (or transferees of US Persons), must be owned exclusively by persons who, at the time of acquisition of such securities, are **qualified purchasers** within the meaning of Section 2(a)(51) of the 1940 Act. Any US purchaser of the Company's shares must therefore be both a **qualified institutional buyer** under Rule 144A under the 1933 Act and a **qualified purchaser** within Section 2(a)(51) of the 1940 Act.*

*Applicants for shares will be required to certify that they are not US Persons.*

*Under general Irish tax principles, the Company must hold a Relevant Declaration in respect of Shareholders who are neither Irish Residents nor Irish Ordinary Residents and, in respect of those Shareholders who are Irish Residents or Irish Ordinary Residents, to the extent that those Shareholders are not exempted Irish Investors. In the absence of a Relevant Declaration, the Company will be under an obligation to deduct tax on the happening of a chargeable event.*

*It should be noted that a Relevant Declaration or approval in relation to appropriate equivalent measures under the Finance Act 2010 provisions are not required to be made where the shares, the subject of the*

application for subscription or registration of transfer on a transfer of shares, are held in CREST or in another “recognised clearing system” so designated by the Revenue Commissioners. However, the Directors and the Administrator have determined that the Company will require a completed Relevant Declaration from each investor in the Funds. It is the current intention of the Directors that all of the shares will be held in CREST or in another “recognised clearing system”.

If in the future, the Directors permit shares to be held in certificated form outside CREST or another “recognised clearing system”, prospective investors for shares on subscription and proposed transferees of shares will be required to complete a Relevant Declaration as a pre-requisite to being issued shares in the Company or being registered as a transferee of the shares (as the case may be). Furthermore, the existing Shareholders in the Company will also be required to make a Relevant Declaration (prior to the shares ceasing to be held on a “recognised clearing system”) as a pre-requisite to being permitted to remain as Shareholders in the Company. A Relevant Declaration will not be required to be completed in this regard where the Company has received approval under the Finance Act 2010 provisions where appropriate equivalent measures have been put in place.

#### *Iceland*

*This Prospectus has been issued to you for your use only and exclusively for the purposes of the described investment opportunities. Accordingly, this document and relevant information may not be used for any other purpose or passed on to any other person in Iceland.*

*This investment described in this Prospectus has been registered for public distribution in Iceland with the financial supervisory authority pursuant to the Icelandic Act on Undertakings for Collective Investment in Transferable Securities (UCITS) and Investment Funds and institutional investment funds No.128/2011(the “Act No.128/2011”) and supplementary regulations.*

*This investment may not be offered or sold by means of this document or anyway later resold otherwise than in accordance with the Act No.128/2011.*

#### *Portugal*

*In relation to each member state of the EEA (each a “EEA Member State”) which has implemented the UCITS Directive, this Prospectus may only be distributed and Shares may only be offered or placed in a EEA Member State to the extent that: (1) the Fund is permitted to be marketed to professional investors in the relevant EEA Member State in accordance with UCITS Directive (as implemented into the local law/regulation of the relevant EEA Member State); or (2) this Prospectus may otherwise be lawfully distributed and the Shares/Units may otherwise be lawfully offered or placed in that EEA Member State (including at the initiative of the investor).*

#### *Singapore*

*This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of shares may not be circulated or distributed, nor may shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor pursuant to Section 304 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) or (ii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.*

#### **Marketing Rules**

*Distribution of this Prospectus is not authorised unless it is accompanied by a copy of the latest annual report and, if published thereafter, the latest half-yearly report. However, potential investors should note that the auditors do not accept or assume responsibility to any person other than the Company, the Company’s Shareholders as a body and any other person as may be agreed in writing by the auditors, for their audit work, their report or the opinions they have formed. Shares are offered only on the basis of the*

*information contained in the current Prospectus and, as appropriate, the latest annual report or half-yearly report of the Company.*

*Any further information or representation given or made by any dealer, salesman or other person should be disregarded and accordingly should not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of shares shall, under any circumstances, constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date of this Prospectus. Statements made in this Prospectus are based on the law and practice currently in force in Ireland and are subject to changes therein.*

*This Prospectus may be translated into other languages provided that any such translation shall be a direct translation of the English text. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in translation, the English text shall prevail and all disputes as to the terms thereof shall be governed by, and construed in accordance with, the law of Ireland. This Prospectus should be read in its entirety before making an application for shares.*

**FIRST TRUST GLOBAL FUNDS  
PUBLIC LIMITED COMPANY**

***Directors***

James A. Bowen  
Andy Roggensack  
David G. McGarel  
Bronwyn Wright  
Michael Boyce  
Tom Coghlan

***Depository***

The Bank of New York Mellon SA/NV, Dublin Branch  
Riverside Two  
Sir John Rogerson's Quay  
Grand Canal Dock  
Dublin 2  
Ireland

***Registered Office of the Company***

10 Earlsfort Terrace  
Dublin 2  
Ireland

***Administrator***

BNY Mellon Fund Services (Ireland) Designated  
Activity Company  
One Dockland Central  
Guild Street  
International Financial Services Centre  
Dublin 1  
Ireland

***The Manager***

First Trust Global Portfolios Management Limited  
10 Earlsfort Terrace  
Dublin 2  
Ireland

***Distributor (and Sub-Investment Manager for First  
Trust FactorFX UCITS ETF and First Trust Low  
Duration Global Government Bond UCITS ETF)***

First Trust Global Portfolios Limited  
8 Angel Court  
London EC2R 7HJ  
England

***Promoter and Investment Manager***

First Trust Advisors L.P.  
120 E. Liberty Drive  
Wheaton  
Illinois 60187  
USA

***Auditors***

Deloitte Ireland LLP  
29 Earlsfort Terrace  
Dublin 2  
Ireland

***Company Secretary***

Bradwell Limited  
10 Earlsfort Terrace  
Dublin 2  
Ireland

***Registrar***

Computershare Investor Services (Ireland) Limited  
3100 Lake Drive  
Citywest Business Campus  
Dublin 24  
D24 AK82  
Ireland

***Legal Advisers***

Arthur Cox  
Ten Earlsfort Terrace  
Dublin 2  
Ireland

***Listing Sponsor***

Arthur Cox Listing Services Limited  
10 Earlsfort Terrace  
Dublin 2  
Ireland

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## DEFINITIONS

In this Prospectus the following words and phrases shall have the meanings indicated below:

<b>“1933 Act”</b>	means the US Securities Act of 1933, as amended;
<b>“1940 Act”</b>	means the US Investment Company Act of 1940, as amended;
<b>“Administration Agreement”</b>	means the agreement dated 25 September 2019 between the Company, the Manager and the Administrator as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank, pursuant to which the latter acts as administrator of the Company;
<b>“Administrator”</b>	means BNY Mellon Fund Services (Ireland) Designated Activity Company (formerly known as BNY Mellon Fund Services (Ireland) Limited) or any successor administrator appointed by the Company in accordance with the requirements of the Central Bank;
<b>“Authorised Participant”</b>	means a market maker or broker entity which is registered with the Company as an authorised participant and therefore able to subscribe directly to, or redeem directly from, the Company for shares in a Fund (i.e. in the Primary Market);
<b>“Authorised Participant Agreement”</b>	means the agreement entered into by the Company with each Authorised Participant in respect of subscription for shares;
<b>“Base Currency”</b>	means the base currency of each Fund as specified in the section entitled Investment Policy;
<b>“Benchmark Regulation”</b>	means the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) no 596/2014;
<b>“Business Day”</b>	means a day on which either the London Stock Exchange is open for business or such other days as the Directors may from time to time determine and notify to Shareholders in advance;
<b>“Cash Component”</b>	means the cash component of the Portfolio Composition File which is made up of four elements, namely, (i) the accrued dividend attributable to Shareholders of the Fund (generally dividends and interest earned less fees and expenses incurred since the previous distribution), (ii) cash amounts representing amounts arising as a result of rounding the number of shares to be delivered, cash held by the Fund or amounts representing differences between the weightings of the Portfolio Composition File and the Fund, (iii) cash in lieu of any Investments set out in the Portfolio Composition File, and (iv) any Duties and Charges which may occur in relation to the issue and/or redemption of shares;
<b>“Central Bank”</b>	means the Central Bank of Ireland;
<b>“Central Bank Regulations”</b>	the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2019, (as amended, consolidated or substituted

	from time to time) and any regulations or guidelines issued by the Central Bank pursuant thereto for the time being in force;
<b>“Central Securities Depositories”</b>	means a Recognised Clearing System which is a national settlement systems for individual national markets. For the relevant Funds that are settled and/or cleared through the ICSD, Central Securities Depositories would be Participants in an ICSD;
<b>“CHF”</b>	means Swiss francs, the lawful currency of Switzerland;
<b>“Class Currency”</b>	means the currency of denomination of each Class in a Fund;
<b>“Class”</b>	means any class of shares from time to time issued by the Company;
<b>“Clearing Agent”</b>	means any entity affiliated with one or more Relevant Stock Exchanges and which facilitates the validation, delivery and settlement of transactions in the shares of a Fund that uses the ICSD settlement model;
<b>“Clearstream”</b>	means Clearstream Banking, S.A., Luxembourg;
<b>“Common Depositary”</b>	means an entity appointed as a depositary for the ICSD and nominated by the ICSD to hold the Global Share Certificate, currently The Bank of New York Mellon, London Branch;
<b>“Common Depositary’s Nominee”</b>	means the entity appointed by the Common Depositary and being the registered holder of the shares in the relevant Funds settled and/or cleared through the ICSD, currently The Bank of New York Depositary (Nominees) Limited;
<b>“Company”</b>	means First Trust Global Funds plc, an open-ended investment company with variable capital incorporated in Ireland pursuant to the Companies Act 2014 and organised as an umbrella fund with segregated liability between sub-funds;
<b>“Constitution”</b>	means the constitution of the Company;
<b>“Creation Units”</b>	means the minimum number of shares for subscription in kind or in cash or the minimum number of shares for redemption in kind or in cash, which shall be 50,000. The Company may accept subscriptions and pay redemptions either in kind or in cash for the Index Funds. The Company may accept subscriptions and pay redemptions in cash only for the First Trust FactorFX UCITS ETF and the First Trust Low Duration Global Government Bond UCITS ETF;
<b>“Dealing Day”</b>	means such Business Day or Business Days as the Directors, in conjunction with the Administrator, from time to time may determine and notify in advance to Shareholders, provided that, unless otherwise determined in respect of a Fund, each Business Day shall be a Dealing Day and provided further that in any event there shall be at least two Dealing Days each month at approximately equal intervals;
<b>“Dematerialised Form”</b>	in relation to shares, means shares the title to which is recorded as being in uncertificated form and which may be transferred by means of a computer based settlement system in accordance with the Companies Act 2014;

<b>“Depositary”</b>	means The Bank of New York Mellon SA/NV, Dublin Branch;
<b>“Depositary Agreement”</b>	means the amended and restated agreement dated 25 September 2019 between the Company, the Manager and the Depositary as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank, pursuant to which the latter acts as depositary of the Company;
<b>“Directors”</b>	means the directors of the Company for the time being and any duly constituted committee thereof;
<b>“Distribution Agreement”</b>	means the amended and restated agreement dated 25 September 2019 between the Company, the Manager and the Distributor as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank, pursuant to which the latter acts as distributor of the Company;
<b>“Distribution Date”</b>	for any distributing shares, a date on which distributions are to be declared and which shall be any Business Day during March, June, September and December in each year, as determined by the Investment Manager or the Distributor;
<b>“Distributor”</b>	means First Trust Global Portfolios Limited and/or any other distributor from time to time appointed by the Manager in accordance with the requirements of the Central Bank;
<b>“Duties and Charges”</b>	means in relation to subscriptions and/or redemptions of shares of any Fund on the Primary Market, the costs which may be charged to Authorised Participants, such as part or all of any of Transaction Costs; stamp and other duties; taxes; governmental charges; valuation fees; property management fees; agents fees; brokerage fees; bank charges; foreign exchange spreads; interest; depositary charges (relating to subscriptions and redemptions); transfer fees; registration fees; and all other duties and charges which, for the avoidance of doubt, includes, when calculating the Portfolio Composition File, any provision for spreads (to take into account the difference between the price at which Investments were valued for the purpose of calculating the Net Asset Value and the estimated price at which such Investments shall be bought as a result of a subscription or sold as a result of a redemption), whether in connection with the original acquisition or increase of the Investments of the relevant Fund or the creation, issue, sale, purchase, transfer, conversion or redemption of shares, or the purchase or proposed purchase of Investments or otherwise which may have become or will be payable in respect of or prior to or in connection with or arising out of or upon the occasion of any transaction or dealing in respect of which such duties and charges are payable on the issue and/or redemption of shares, any charges associated with payments of cash in lieu of securities delivery as part of the Cash Component of a Portfolio Composition File, and any costs associated with the acquisition or disposition of Investments while the relevant Regulated Market for the securities is closed, and costs associated with short settlement, long settlement, or any other non-standard settlement of subscriptions, redemptions, conversions or transfers of shares;
<b>“EEA”</b>	means the European Economic Area;

**“Eligible Collective Investment Schemes”**

means UCITS established in Member States which are authorised under the UCITS Directive and which may be listed on a Regulated Market in the EU and any UCITS established in the UK during the Transition Period and/or any of the following open-ended collective investment schemes:

- (a) schemes established in Guernsey and authorised as Class A schemes;
- (b) schemes established in Jersey as recognised funds;
- (c) schemes established in the Isle of Man as authorised schemes;
- (d) retail investor alternative investment funds authorised by the Central Bank provided such investment funds comply in all material respects with the provisions of the UCITS Regulations and the Central Bank Regulations; and
- (e) alternative investment funds authorised in the EU, the EEA, the UK, the US, Jersey, Guernsey or the Isle of Man and which comply, in all material respects with the provisions of the UCITS Regulations and the Central Bank Regulations;

**“EU”**

means the European Union;

**“Euro” or “euro” or “eur”**

means the currency unit referred to in the Second Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro;

**“Euroclear”**

means Euroclear Bank S.A./N.V. and any such successor in business thereto, as operator of the Euroclear clearing system, a Recognised Clearing System, which may provide securities services to the relevant Funds settled and/or cleared through the ICSD;

**“Euronext Dublin”**

means the Irish Stock Exchange plc trading as Euronext Dublin;

**“Fixed Income Securities”**

means convertible, exchangeable, non-exchangeable and non-convertible debt securities, fixed and floating rate bonds, zero coupon and discount bonds, transferable notes with variable or fixed interest rates;

**“Funds”**

means First Trust US Large Cap Core AlphaDEX<sup>®</sup> UCITS ETF, First Trust Emerging Markets AlphaDEX<sup>®</sup> UCITS ETF, First Trust Eurozone AlphaDEX<sup>®</sup> UCITS ETF, First Trust United Kingdom AlphaDEX<sup>®</sup> UCITS ETF, First Trust Switzerland AlphaDEX<sup>®</sup> UCITS ETF, First Trust Japan AlphaDEX<sup>®</sup> UCITS ETF, First Trust Asia Pacific ex-Japan AlphaDEX<sup>®</sup> UCITS ETF, First Trust Germany AlphaDEX<sup>®</sup> UCITS ETF, First Trust Global Equity Income UCITS ETF, First Trust US Equity Opportunities UCITS ETF, First Trust US Equity Income UCITS ETF, First Trust US Small Cap Core AlphaDEX<sup>®</sup> UCITS ETF, First Trust FactorFX UCITS ETF, First Trust Indxx Innovative Transaction & Process UCITS ETF, First Trust Dow Jones Internet UCITS ETF, First Trust IPOX<sup>®</sup> Europe Equity Opportunities UCITS ETF, First Trust Cloud Computing UCITS ETF, First Trust Low Duration Global Government Bond UCITS ETF, First Trust Capital Strength UCITS ETF, First Trust Indxx NextG UCITS ETF, First Trust Value Line<sup>®</sup> Dividend Index UCITS ETF, First Trust NYSE Arca Biotechnology

	UCITS ETF and the First Trust Nasdaq Cybersecurity UCITS ETF and “Fund” shall mean any one of them;
<b>“GBP”</b>	means British Pounds, the lawful currency of the United Kingdom;
<b>“Global Share Certificate”</b>	means the certificate issued in the name of the Company in respect of each Fund that is settled and/or cleared through the ICSD, as may be amended from time to time;
<b>“ICSD”</b>	means an International Central Securities Depository;
<b>“Index”</b>	means each Fund’s corresponding equity index, as described in Schedule IV, and together, “Indices”;
<b>“Index Fund”</b>	means each Fund other than First Trust FactorFX UCITS ETF and First Trust Low Duration Global Government Bond UCITS ETF;
<b>“Index Provider”</b>	means the provider of each Fund’s Index;
<b>“Initial Offer Period”</b>	means: <p>with respect to First Trust Asia Pacific ex-Japan AlphaDEX® UCITS ETF, the period which began on 5 May 2015 at 9.00 am (Irish time) and will terminate on 30 October 2020 at 5.00 pm (Irish time);</p> <p>with respect to the Class B shares of First Trust Eurozone AlphaDEX® UCITS ETF, the period which will begin on 14 August 2018 at 9.00 am (Irish time) and will terminate on 30 October 2020 at 5.00 pm (Irish time);</p> <p>with respect to First Trust IPOX® Europe Equity Opportunities UCITS ETF, the period which will begin on 15 November 2018 at 9.00 am (Irish time) and will terminate on 30 October 2020 at 5.00 pm (Irish time);</p> <p>with respect to First Trust Indxx NextG UCITS ETF, First Trust Value Line® Dividend Index UCITS ETF and First Trust NYSE Arca Biotechnology UCITS ETF the period which will begin on 15 January 2020 at 9.00 am (Irish time) and will terminate on 30 October 2020 at 5.00 pm (Irish time); and</p> <p>with respect to First Trust Nasdaq Cybersecurity UCITS ETF the period which will begin on 1 May 2020 at 9.00 am (Irish time) and will terminate on 30 October 2020 at 5.00 pm (Irish time);</p> <p>or such other time determined by the Directors in accordance with the requirements of the Central Bank;</p>
<b>“Intermediary”</b>	means a person who: (i) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or (ii) holds shares in an investment undertaking on behalf of other persons;
<b>“International Central Securities Depository”</b>	means Euroclear and Clearstream;

<b>“Investment”</b>	means any investment which is permitted by the UCITS Regulations and the Constitution;
<b>“Investment Grade”</b>	in reference to a security, means the security has a rating of BBB- or higher from S&P or Baa3 or higher from Moody’s or the equivalent or higher from another NRSRO or that the security is not rated but is considered by the Investment Manager to be of similar quality;
<b>“Investment Manager”</b>	means First Trust Advisors L.P. or any successor investment manager appointed by the Manager in accordance with the requirements of the Central Bank;
<b>“Investment Management Agreement”</b>	means the amended and restated agreement dated 25 September 2019 between the Company, the Manager and the Investment Manager as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank, pursuant to which the latter acts as investment manager of the Funds;
<b>“Investor Money Regulations”</b>	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers;
<b>“IPOX”</b>	means IPOX Schuster LLC;
<b>“Manager”</b>	means First Trust Global Portfolios Management Limited or any successor appointed by the Company in accordance with the requirements of the Central Bank;
<b>“Management Agreement”</b>	means the agreement dated 25 September 2019 between the Company and the Manager as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank, pursuant to which the latter acts as manager of the Company;
<b>“Member State”</b>	means a member state of the EU;
<b>“Money Market Fund”</b>	means an Eligible Collective Investment Scheme that invests in money market instruments;
<b>“Moody’s”</b>	means Moody’s Investors Service, Inc.;
<b>“NASDAQ”</b>	means The NASDAQ OMX Group, Inc;
<b>“Net Asset Value”</b>	means the net asset value of a Fund or Class, as appropriate, calculated as described herein;
<b>“Net Asset Value per share”</b>	means, in respect of any shares, the Net Asset Value attributable to the shares issued in respect of the Fund or Class, divided by the number of shares in issue in respect of that Fund or Class;
<b>“NRSRO”</b>	a Nationally Recognised Statistical Rating Agency, including Moody’s, and S&P;
<b>“NYSE”</b>	means the New York Stock Exchange;
<b>“OECD”</b>	means the Organisation for Economic Co-operation and Development;

<b>“Participants”</b>	means an accountholder in the ICSD which may include Authorised Participants, their nominees or agents, and who hold their interest in shares of the relevant Funds settled and/or cleared through the ICSD;
<b>“Portfolio Composition File”</b>	means the file setting out the Investments and Cash Component which the Company is willing to accept on a subscription for shares in satisfaction of the price of shares thereof or which the Company will provide to a Shareholder who has submitted a redemption request in satisfaction of the payment of redemption proceeds;
<b>“Primary Market”</b>	means a market on which the shares of a Fund are subscribed or redeemed (off exchange) directly with the Company;
<b>“Primary Market Dealing Timetable”</b>	means the timetable set out on pages 58-60;
<b>“Recognised Clearing System”</b>	means any clearing system for the settlement of transactions in relation to the securities designated by the Revenue Commissioners of Ireland as a recognised clearing system for the purposes of Chapter 1(a) of Part 27 of the Taxes Consolidation Act, 1997 which at the date of this Prospectus comprise Clearstream Banking SA, Clearstream Banking AG, Euroclear, Crest UK, National Securities Clearing System, Sicovam SA, SIS Sega Intersettle AG and NECIGEF (Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. the Dutch central institute for giro transferred securities), BNY Mellon, Central Securities Depository SA/NV, Central Moneymarkets Office, Depository Trust Company of New York, Deutsche Bank AG, Depository and Clearing System, Japan Securities Depository Centre, Monti Titoli SPA, National Securities Clearing System, The Canadian Depository for Securities Ltd. and VPC AB;
<b>“Redemption Dividend”</b>	means a dividend paid in respect of shares the subject of a valid request for redemption;
<b>“Registrar”</b>	means Computershare Investor Services (Ireland) Limited and or such other person as may be appointed, in accordance with the requirements of the Central Bank, to provide registrar services to the Funds, or any of them;
<b>“Registrar Agreement”</b>	means the amended and restated agreement dated 25 September 2019 between the Registrar, Computershare Investor Services plc, the Company, the Manager and the Administrator, as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank, pursuant to which the Registrar acts as registrar of the Funds;
<b>“Relevant Stock Exchange”</b>	means any stock exchange or regulated market in the EU upon which the Directors may determine to arrange the listing of the shares of any ETF;
<b>“Regulated Market”</b>	means a stock exchange or regulated market which is provided for in the Constitution, details of which are set out in Schedule II;
<b>“Relevant Institution”</b>	means (i) a credit institution authorised in the EEA; (ii) a credit institution authorised within a signatory state, other than a Member State of the EEA, to the Basle Capital Convergence Agreement of July 1988 (Canada, Japan, Switzerland and the US); or (iii) a credit institution



	authorised in Australia, Guernsey, the Isle of Man, Jersey or New Zealand;
<b>“Revenue Commissioners”</b>	means the Revenue Commissioners of Ireland;
<b>“S&amp;P”</b>	means Standard & Poor’s Financial Services LLC;
<b>“Secondary Market”</b>	means a market on which shares of the Funds are traded between investors rather than with the Company itself, which may either take place on a recognised stock exchange or over the counter;
<b>“Settlement Time”</b>	means the relevant time specified for subscription or redemption in the Primary Market Dealing Timetable and which shall not exceed 14 calendar days;
<b>“share” or “shares”</b>	means the shares of no par value in the Company;
<b>“Shareholder”</b>	means a holder of shares;
<b>“Subscriber Shares”</b>	means the subscriber shares issued by the Company;
<b>“S&amp;P”</b>	means Standard & Poor’s, a division of the McGraw-Hill Companies, Inc;
<b>“Sub-Investment Manager”</b>	means First Trust Global Portfolios Limited, or any successor sub-investment manager for First Trust FactorFX UCITS ETF and First Trust Low Duration Global Government Bond UCITS ETF;
<b>“Sub-Investment Management Agreement”</b>	the agreement dated 18 October 2019 between the Investment Manager and the Sub-Investment Manager as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank, pursuant to which the latter is appointed as sub-investment manager of the relevant Fund(s);
<b>“Supranational Organisation”</b>	means an entity established or financially supported by the national governments of one or more countries to promote reconstruction or development including those listed in paragraph 2.12 in Schedule III such as the International Bank for Reconstruction and Development (more commonly known as The World Bank), the European Union, the European Investment Bank, the Inter-American Development Bank and the Asian Development Bank;
<b>“Trade Cut-Off Time”</b>	means the relevant time specified for subscription or redemption in the Primary Market Dealing Timetable;
<b>“Transaction Costs”</b>	means any costs and expenses incurred in respect of the buying and selling of portfolio securities and financial instruments as Investments, including but not limited to brokerage fees and commission, interest or taxes payable in respect of such purchase and sale transactions;
<b>“UCITS”</b>	means an undertaking for collective investment in transferable securities established pursuant to the UCITS Regulations;
<b>“UCITS Directive”</b>	means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective

	investment in transferable securities (UCITS), as such may be amended, supplemented or replaced from time to time;
<b>“UCITS Regulations”</b>	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended from time to time) and any rules adopted by the Central Bank pursuant thereto;
<b>“UCITS Rules”</b>	means the UCITS Regulations and the Central Bank Regulations, as such may be amended, supplemented or replaced;
<b>“UK”</b>	means the United Kingdom of Great Britain and Northern Ireland;
<b>“Umbrella Cash Account”</b>	means a single umbrella cash account to be opened in the name of the Company;
<b>“US”</b>	means the United States of America, its territories, possessions and all other areas subject to its jurisdiction;
<b>“USD”</b>	means US dollar, the lawful currency of the US;
<b>“US Government Securities”</b>	means any security or securities issued or guaranteed by the US government, its agencies or instrumentalities;
<b>“US Person”</b>	means, unless otherwise determined by the Directors, (i) a citizen or resident of the US; (ii) a partnership organised or existing in or under the laws of the US; (iii) a corporation organised under the laws of the US; (iv) any estate or trust which is subject to US federal income tax on its income regardless of its source; and
<b>“Valuation Point”</b>	means the day and times at which the assets and liabilities of a Fund will be valued for the purposes of calculating the Net Asset Value which is specified in the Primary Market Dealing Timetable;
<b>“Yen”</b>	means Japanese yen, the lawful currency of Japan.

## INTRODUCTION

The Company is an open-ended investment company with variable capital organised under the laws of Ireland as a public limited company pursuant to the Companies Act 2014. The Company has been authorised by the Central Bank as a UCITS within the meaning of the UCITS Regulations on 25 October 2012. It was incorporated on 14 June 2012 under registration number 514357. Its sole object, as set out in Clause 2 of the Constitution, is the collective investment in transferable securities and/or other liquid financial assets referred to in Regulation 68 of the UCITS Regulations of capital raised from the public and which operates on the principle of risk spreading.

The Company is structured as an umbrella fund with segregated liability between Funds. The Constitution provides that the Company may offer separate Classes of shares, each representing interests in a Fund comprising a distinct portfolio of investments. In addition, each Fund may be further divided into a number of different Classes within the Fund.

This Prospectus relates to the First Trust US Large Cap Core AlphaDEX<sup>®</sup> UCITS ETF, First Trust Emerging Markets AlphaDEX<sup>®</sup> UCITS ETF, First Trust Eurozone AlphaDEX<sup>®</sup> UCITS ETF, First Trust United Kingdom AlphaDEX<sup>®</sup> UCITS ETF First Trust Switzerland AlphaDEX<sup>®</sup> UCITS ETF First Trust Japan AlphaDEX<sup>®</sup> UCITS ETF, First Trust Asia Pacific ex-Japan AlphaDEX<sup>®</sup> UCITS ETF, First Trust Germany AlphaDEX<sup>®</sup> UCITS ETF, First Trust Global Equity Income UCITS ETF, First Trust US Equity Opportunities UCITS ETF, First Trust US Equity Income UCITS ETF, First Trust US Small Cap Core AlphaDEX<sup>®</sup> UCITS ETF, First Trust FactorFX UCITS ETF, First Trust Indxx Innovative Transaction & Process UCITS ETF, First Trust Dow Jones Internet UCITS ETF, First Trust IPOX<sup>®</sup> Europe Equity Opportunities UCITS ETF, First Trust Cloud Computing UCITS ETF, First Trust Low Duration Global Government Bond UCITS ETF, First Trust Capital Strength UCITS ETF, First Trust Indxx NextG UCITS ETF, First Trust Value Line<sup>®</sup> Dividend Index UCITS ETF, First Trust NYSE Arca Biotechnology UCITS ETF and First Trust Nasdaq Cybersecurity UCITS ETF.

The Company has also established three other funds as of the date of this Prospectus the First Trust Tactical High Yield UCITS Fund<sup>1</sup>, First Trust All Weather UCITS Fund and First Trust North American Energy Infrastructure Income UCITS Fund, the details of which are in a separate prospectus.

With the prior approval of the Central Bank, the Company from time to time may create an additional Fund or Funds. The creation of further share Classes shall be notified to and cleared by the Central Bank.

## INDICES

### *General*

The Index Funds intend to replicate the performance of an Index. The companies invested in by an Index Fund are defined by the relevant Index Fund's Index. The constituents of an Index Fund's Index may change over time but the exact composition of the Index is published on the website of the Index and is referred to in Schedule IV. Potential investors in an Index Fund may obtain a breakdown of the constituents of the Index Fund's Index and held by the Index Fund itself from the First Trust website ([www.ftglobalportfolios.com](http://www.ftglobalportfolios.com)) or from the Investment Manager, subject to any applicable restrictions under the licence which the Investment Manager has in place with the relevant Index Providers.

There is no assurance that an Index Fund's Index will continue to be calculated and published on the basis described in this Prospectus or that it will not be amended significantly. The past performance of each Index is not necessarily a guide to future performance.

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<sup>1</sup> This sub-fund is closed to new subscriptions (including conversions into shares of the sub-fund) and is in the process of being terminated. An application will be made to the Central Bank for revocation of its approval of its approval of this sub-fund as soon as feasible.

The Directors reserve the right, if they consider it in the interests of the Company or any Index Fund to do so, to substitute another index for the Index if:-

- the weightings of constituent securities of the Index would cause the Index Fund (if it were to follow the Index closely) to be in breach of the UCITS Regulations;
- the particular Index or index series ceases to exist;
- a new index becomes available which supersedes the existing Index;
- a new index becomes available which is regarded as the market standard for investors in the particular market and/or would be regarded as of greater benefit to the Shareholders than the existing Index;
- it becomes difficult to invest in stocks comprised within the particular Index;
- the Index Provider increases its charges to a level which the Directors consider too high;
- the quality (including accuracy and availability of data) of a particular Index has, in the opinion of the Directors, deteriorated;
- a liquid futures market in which a particular Index Fund is investing ceases to be available; or
- where an index becomes available which more accurately represents the likely tax treatment of the investing Index Fund in relation to the component securities in that index.

Where such a change would result in a material difference between the constituent securities of the Index and the proposed index, Shareholder approval will be sought in advance. Any such change in an Index will be notified to the Central Bank and will be reflected in an updated prospectus in respect of the relevant Fund issued after any such change takes place.

The Directors may change the name of an Index Fund, particularly if its Index is changed. Any change to the name of an Index Fund will be approved in advance by the Central Bank and the relevant documentation pertaining to the relevant Index Fund will be updated to reflect the new name.

## **INVESTMENT OBJECTIVE AND POLICIES**

### ***General***

In seeking to achieve its investment objective, each Index Fund will purchase the equity securities in the relevant Index and will be passively managed. Details on each of the relevant Indices for the Index Funds (including the modified index where the AlphaDEX<sup>®</sup> selection methodology is used) are set out in the Investment Policy section below and in Schedule IV.

In seeking to achieve their investment objective, the First Trust FactorFX UCITS ETF and the First Trust Low Duration Global Government Bond UCITS ETF will pursue an actively managed investment strategy.

In respect of the Index Funds, the Investment Manager may also choose to overweight certain equity securities in the relevant Index, to purchase equity securities not in the Index which the Investment Manager believes are appropriate to substitute for certain securities in the Index, or utilise various combinations of the above techniques in seeking to track the Index and, in respect of the First Trust United Kingdom AlphaDEX<sup>®</sup> UCITS ETF only, to utilise various combinations of the above techniques in seeking to maintain at least 75% of that Index Fund's total assets in the equity securities of issuers domiciled in the United Kingdom. The Investment Manager may also sell equity securities that are represented in its Index in anticipation of their removal from the Index or purchase equity securities not represented in the Index in anticipation of their addition to the Index.

An Index Fund may, following an application to the Central Bank, make use of the increased diversification limits available under Regulation 71 of the UCITS Regulations and may be in a position to hold up to 35% of its Net Asset Value in one constituent of the Index issued by the same body, where necessary to ensure accurate tracking of the index or due to exceptional market conditions (i.e., the issuer represents an unusually large portion of this market measured by the Index).

Subject to Schedule III, the Investment Manager may also invest in a portfolio of assets which may comprise money market or short-term instruments such as Investment Grade fixed or floating government securities,

bankers' acceptances, certificates of deposit and Eligible Collective Investment Schemes which are money market funds. The amount which may be invested in such Eligible Collective Investment Schemes shall not exceed 10% of the Net Asset Value of the relevant Fund.

If the limits on investments contained in Schedule III are exceeded for reasons beyond the control of the Company, or as a result of the exercise of subscription rights, it shall adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of Shareholders. Each Fund is also subject to the relevant investment policies as outlined herein and, in the case of a conflict between such policies and Schedule III, the more restrictive limitation shall apply.

Any change in the investment objective and any material change in investment policies will be subject to the prior consent of Shareholders evidenced either by a majority vote at a meeting of Shareholders of the relevant Fund or by the written consent of all of the Shareholders. In the event of a change in the investment objective and/or investment policy of a Fund a reasonable notification period shall be provided by the Company to the Shareholders to enable the Shareholders to redeem their shares prior to the implementation of the change.

Under the rules of the Euronext Dublin, in the absence of unforeseen circumstances, the investment objective and policies for each Fund must be adhered to for at least three years following the admission of the shares of the relevant Fund to listing on the official list and trading on the regulated Market of Euronext Dublin. The rules also provide that any material change in the investment objective of a Fund or its policies during the said period may only be made with the approval of the Euronext Dublin and an ordinary resolution of the Shareholders of the relevant Fund.

There are a limited number of circumstances in which achieving the investment objective and policy of a Fund may be prohibited by regulation, may not be in the interests of Shareholders or may require the use of strategies which are ancillary to those set out in the Fund's investment objective and policy. These circumstances include, but are not limited to the following:

- (i) Each Fund is subject to the UCITS Regulations which include, inter alia, certain restrictions on the proportion of that Fund's value which may be held in individual securities. Depending on the concentration of the Index, a Fund may be restricted from investing to the full concentration level of the Index.
- (ii) The constituent securities of the Index change from time to time including as a result of the Index being rebalanced. The Investment Manager may adopt a variety of strategies when trading a Fund to bring it in line with the changed Index which may incur costs for the relevant Fund. For example, (a) for equity funds, where an equity security which forms part of the Index is not available or a market for such security does not exist, a Fund may instead hold depository receipts relating to such securities (e.g. ADRs and GDRs); (b) for fixed income funds, where a fixed income security which forms part of the Index is not available or a market for such security does not exist, the Fund may hold some fixed income securities which provide similar performance (with matching risk profile) even if such fixed income securities are not themselves constituents of the Index.
- (iii) From time to time, equity securities in the Index may be subject to corporate actions. The Investment Manager has discretion to manage these events in the most efficient manner.
- (iv) A Fund may hold ancillary liquid assets and will normally have dividend/income receivables.
- (v) Equity securities held by a Fund and included in the Index may, from time to time, become illiquid or otherwise unobtainable at fair value. In these circumstances, the Investment Manager may use a number of techniques, including purchasing securities whose returns, individually or collectively, are seen to be well-correlated to desired constituents of the Index.

- (vi) The Investment Manager will have regard to the costs of any proposed portfolio transaction. It may not necessarily be efficient to execute transactions which bring a Fund perfectly in line with the Index at all times.

**Profile of a Typical Investor**

Investment in a Fund may be appropriate for investors who have a medium-term investment horizon. The Funds are designed for investors who are willing to accept moderate volatility, including the possibility of a decline in the value of their investment and/or who are not seeking to invest to meet short term goals.

## **First Trust US Large Cap Core AlphaDEX® UCITS ETF**

### **Investment Objective**

The Fund seeks to provide investors with a total return, taking into account capital and income returns, which reflects the return of an equity index called the NASDAQ AlphaDEX® Large Cap Core Index (the “Index”).

### **Investment Policy**

In order to achieve its investment objective, the investment policy of this Fund is to invest at least 90% of its net assets in a portfolio of equity securities that consists of the equity securities of the Index.

The Fund attempts to replicate, before fees and expenses, the performance of the Index. The Investment Manager will seek to do this by replicating so far as possible the investments in the Index. The Investment Manager will regularly monitor the Fund’s tracking accuracy and will seek to maintain an appropriate correlation between the return of the Index and the return of the Fund. It is expected that the level of tracking error will be 0-2% in normal market conditions.

To assist in replicating its Index, this Fund may, in accordance with the requirements of the Central Bank, in very limited circumstances where direct investment in a constituent security of the Index is not possible, invest in depository receipts to gain exposure to the relevant security.

Subject to Schedule III, the Investment Manager may also invest in a portfolio of assets which may comprise money market or short-term instruments such as Investment Grade fixed and floating government securities, bankers’ acceptances, certificates of deposit, and Eligible Collective Investment Schemes which are either money market funds and/or which have a similar investment objective and policies as that of the Fund. The amount which may be invested in such money market instruments, short-term instruments and Eligible Collective Investment Schemes shall not exceed 10% of the Net Asset Value of the Fund.

The Fund’s Investments, other than its Investments in Eligible Collective Investment Schemes, will be listed or traded on Regulated Markets worldwide and which are set out in Schedule II, but principally listed or traded on Regulated Markets in the US.

Subject to the investment limits set out in the preceding paragraphs, the Fund assets are permanently physically invested with a minimum of at least 51% of their value in securities defined as equity in accordance to sec. 2 para. 8 of the German Investment Tax Act.

The Base Currency of the Fund is US dollars.

### **Index**

The NASDAQ AlphaDEX® Large Cap Core Index is a modified equal dollar-weighted index designed by NASDAQ to objectively identify and select stocks from the NASDAQ US 500 Large Cap Index, which may generate positive alpha relative to traditional passive-style indices through the use of the AlphaDEX® selection methodology. As at 29 January 2016, the Index comprised 375 securities. Details of the Index and how the Index is calculated are set out in Schedule IV.

### **Share Classes**

The Fund comprises of two share Classes, details of which are set out in Schedule I. The Fund may add additional share Classes from time to time at the discretion of the Directors in accordance with the requirements of the Central Bank. A separate pool of assets will not be maintained for each Class within the Fund.

**There is no guarantee that the Fund will achieve its objective.**

## **First Trust Emerging Markets AlphaDEX® UCITS ETF**

### **Investment Objective**

The Fund seeks to provide investors with a total return, taking into account capital and income returns, which reflects the return of an equity index called the NASDAQ AlphaDEX® Emerging Markets Index (the “Index”).

**It is recommended that an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

### **Investment Policy**

In order to achieve its investment objective, the investment policy of this Fund is to invest at least 90% of its net assets in a portfolio of equity securities that consists of the equity securities of the Index or in depositary receipts that may include American Depositary Receipts (“ADRs”), Global Depositary Receipts (“GDRs”) or European Depositary Receipts (“EDRs”) representing securities in the Index where direct investment in a constituent security of the Index is not possible.

The Fund attempts to replicate, before fees and expenses, the performance of the Index. The Investment Manager will seek to do this by replicating so far as possible the investments in the Index. The Investment Manager will regularly monitor the Fund’s tracking accuracy and will seek to maintain an appropriate correlation between the return of the Index and the return of the Fund. It is expected that the level of tracking error will be 0-2% in normal market conditions.

Subject to Schedule III, the Investment Manager may also invest in a portfolio of assets which may comprise money market or short-term instruments such as Investment Grade fixed and floating government securities, bankers’ acceptances, certificates of deposit, and Eligible Collective Investment Schemes which are either money market funds and/or which have a similar investment objective and policies as that of the Fund. The amount which may be invested in such money market instruments, short-term instruments and Eligible Collective Investment Schemes shall not exceed 10% of the Net Asset Value of the Fund.

In tracking the Index, the Fund may invest directly in Russian securities which are listed, traded or dealt in on the Moscow Exchange MICEX-RTS in Russia. The Fund may invest no more than 15% of the Net Asset Value of the Fund in such Russian securities. The Fund’s Investments, other than its Investments in Eligible Collective Investment Schemes, will be listed or traded on Regulated Markets worldwide and which are set out in Schedule II.

Subject to the investment limits set out in the preceding paragraphs, the Fund assets are permanently physically invested with a minimum of at least 51% of their value in securities defined as equity in accordance to sec. 2 para. 8 of the German Investment Tax Act.

The Base Currency of the Fund is US dollars.

### **Index**

The Index is a modified equal-weighted index designed by NASDAQ to objectively identify and select stocks from the NASDAQ Emerging Markets Index, which may generate positive alpha relative to traditional passive style indices through use of the AlphaDEX® selection methodology. The NASDAQ Emerging Markets Index is a comprehensive, rules-based index designed to measure stock market performance in emerging markets. As at 29 January 2016, the Index comprised 150 securities. Details of the Index and how the Index is calculated are set out in Schedule IV.

### **Share Classes**

The Fund will initially comprise of a single share Class, details of which are set out in Schedule I. The Fund may add additional share Classes from time to time at the discretion of the Directors in accordance with the requirements of the Central Bank. A separate pool of assets will not be maintained for each Class within the Fund.



**There is no guarantee that the Fund will achieve its objective.**

## **First Trust Eurozone AlphaDEX® UCITS ETF**

### **Investment Objective**

The Fund seeks to provide investors with a total return, taking into account capital and income returns, which reflects the return of an equity index called the NASDAQ AlphaDEX® Eurozone Index (the “Index”).

### **Investment Policy**

In order to achieve its investment objective, the investment policy of this Fund is to invest at least 90% of its net assets in a portfolio of equity securities that consists of the equity securities of the Index or in depositary receipts that may include American Depositary Receipts (“ADRs”), Global Depositary Receipts (“GDRs”) or European Depositary Receipts (“EDRs”) representing securities in the Index where direct investment in a constituent security of the Index is not possible.

The Fund attempts to replicate, before fees and expenses, the performance of the Index. The Investment Manager will seek to do this by replicating so far as possible the investments in the Index. The Investment Manager will regularly monitor the Fund’s tracking accuracy and will seek to maintain an appropriate correlation between the return of the Index and the return of the Fund. It is expected that the level of tracking error will be 0-2% in normal market conditions.

Subject to Schedule III, the Investment Manager may also invest in a portfolio of assets which may comprise money market or short-term instruments such as Investment Grade fixed and floating government securities, bankers’ acceptances, certificates of deposit, and Eligible Collective Investment Schemes which are either money market funds and/or which have a similar investment objective and policies as that of the Fund. The amount which may be invested in such money market instruments, short-term instruments and Eligible Collective Investment Schemes shall not exceed 10% of the Net Asset Value of the Fund.

The Fund’s Investments, other than its Investments in Eligible Collective Investment Schemes, will be listed or traded on Regulated Markets worldwide and which are set out in Schedule II.

Subject to the investment limits set out in the preceding paragraphs, the Fund assets are permanently physically invested with a minimum of at least 51% of their value in securities defined as equity in accordance to sec. 2 para. 8 of the German Investment Tax Act.

The Base Currency of the Fund is Euro.

### **Index**

The Index is a modified equal-weighted index designed by NASDAQ to objectively identify and select stocks from the NASDAQ Eurozone Index, which may generate positive alpha relative to traditional passive-style indices through the use of the AlphaDEX® selection methodology. The NASDAQ Eurozone Index is a comprehensive, rules-based index designed to measure stock market performance in the Eurozone. As at 29 January 2016, the Index comprised 149 securities. Details of the Index and how the Index is calculated are set out in Schedule IV.

### **Share Classes**

The Fund comprises of two share Classes, details of which are set out in Schedule I. The Fund may add additional share Classes from time to time at the discretion of the Directors in accordance with the requirements of the Central Bank. A separate pool of assets will not be maintained for each Class within the Fund.

**There is no guarantee that the Fund will achieve its objective.**

## **First Trust United Kingdom AlphaDEX<sup>®</sup> UCITS ETF**

### **Investment Objective**

The Fund seeks to provide investors with a total return, taking into account capital and income returns, which reflects the return of an equity index called the NASDAQ AlphaDEX<sup>®</sup> United Kingdom Index (the “Index”).

### **Investment Policy**

In order to achieve its investment objective, the investment policy of this Fund is to invest at least 90% of its net assets in a portfolio of equity securities that consists of the equity securities of the Index or in depositary receipts that may include American Depositary Receipts (“ADRs”), Global Depositary Receipts (“GDRs”) or European Depositary Receipts (“EDRs”) representing securities in the Index where direct investment in a constituent security of the Index is not possible.

At all times, at least 75% of the total assets of the First Trust United Kingdom AlphaDEX<sup>®</sup> UCITS ETF will be invested in the equity securities of issuers domiciled in the United Kingdom.

The Fund attempts to replicate, before fees and expenses, the performance of the Index. The Investment Manager will seek to do this by replicating so far as possible the investments in the Index. The Investment Manager will regularly monitor the Fund’s tracking accuracy and will seek to maintain an appropriate correlation between the return of the Index and the return of the Fund. It is expected that the level of tracking error will be 0-2% in normal market conditions.

Subject to Schedule III, the Investment Manager may also invest in a portfolio of assets which may comprise money market or short-term instruments such as Investment Grade fixed and floating government securities, bankers’ acceptances, certificates of deposit, and Eligible Collective Investment Schemes which are either money market funds and/or which have a similar investment objective and policies as that of the Fund. The amount which may be invested in such money market instruments, short-term instruments and Eligible Collective Investment Schemes shall not exceed 10% of the Net Asset Value of the Fund.

The Fund’s Investments, other than its Investments in Eligible Collective Investment Schemes, will be listed or traded on Regulated Markets worldwide and which are set out in Schedule II, but principally listed or traded on Regulated Markets in the United Kingdom.

Subject to the investment limits set out in the preceding paragraphs, the Fund assets are permanently physically invested with a minimum of at least 51% of their value in securities defined as equity in accordance to sec. 2 para. 8 of the German Investment Tax Act.

The Base Currency of the Fund is GBP.

### **Index**

The Index is a modified equal-weighted index designed by NASDAQ to objectively identify and select stocks from the NASDAQ United Kingdom Index, which may generate positive alpha relative to traditional passive style indices through use of the AlphaDEX<sup>®</sup> selection methodology. The NASDAQ United Kingdom Index is a comprehensive, rules-based index designed to measure stock market performance in the United Kingdom. As at 29 January 2016, the Index comprised 75 securities. Details of the Index and how the Index is calculated are set out in Schedule IV.

### **Share Classes**

The Fund comprises of two share Classes, details of which are set out in Schedule I. The Fund may add additional share Classes from time to time at the discretion of the Directors in accordance with the requirements of the Central Bank. A separate pool of assets will not be maintained for each Class within the Fund.

**There is no guarantee that the Fund will achieve its objective.**

## **First Trust Switzerland AlphaDEX<sup>®</sup> UCITS ETF**

### **Investment Objective**

The Fund seeks to provide investors with investment results that correspond generally to the price and yield of an equity index called the NASDAQ AlphaDEX<sup>®</sup> Switzerland Index (the “Index”).

### **Investment Policy**

In order to achieve its investment objective, the investment policy of this Fund is to invest at least 90% of its net assets in a portfolio of equity securities that consists of the equity securities of the Index or in depositary receipts that may include American Depositary Receipts (“ADRs”), Global Depositary Receipts (“GDRs”) or European Depositary Receipts (“EDRs”) representing securities in the Index where direct investment in a constituent security of the Index is not possible.

The Fund attempts to replicate, before fees and expenses, the performance of the Index. The Investment Manager will seek to do this by replicating so far as possible the investments in the Index. The Investment Manager will regularly monitor the Fund’s tracking accuracy and will seek to maintain at least a 90% correlation between the return of the Index and the return of the Fund. It is expected that the level of tracking error will be 0-2% in normal market conditions.

Subject to Schedule III, the Investment Manager may also invest in a portfolio of assets which may comprise money market or short-term instruments such as Investment Grade fixed and floating government securities, bankers’ acceptances, certificates of deposit, and Eligible Collective Investment Schemes which are either money market funds and/or which have a similar investment objective and policies as that of the Fund. The amount which may be invested in such money market instruments, short-term instruments and Eligible Collective Investment Schemes shall not exceed 10% of the Net Asset Value of the Fund.

The Fund’s Investments, other than its Investments in Eligible Collective Investment Schemes, will be listed or traded on Regulated Markets worldwide and which are set out in Schedule II, but principally listed or traded on Regulated Markets in Switzerland.

Subject to the investment limits set out in the preceding paragraphs, the Fund assets are permanently physically invested with a minimum of at least 51% of their value in securities defined as equity in accordance to sec. 2 para. 8 of the German Investment Tax Act.

The Base Currency of the Fund is Swiss francs.

### **Index**

The Index is a modified equal-weighted index designed by NASDAQ to objectively identify and select stocks from the NASDAQ Switzerland Index, which may generate positive alpha relative to traditional passive-style indices through the use of the AlphaDEX<sup>®</sup> selection methodology. The NASDAQ Switzerland Index is a comprehensive, rules-based index designed to measure stock performance of companies assigned to Switzerland in accordance with the methodology of the Index Provider, which is based on a company’s incorporation, domicile or primary exchange listing in Switzerland. As at 29 January 2016, the Index comprised 40 securities. Details of the Index and how the Index is calculated are set out in Schedule IV.

### **Share Classes**

The Fund will initially comprise of a single share Class, details of which are set out in Schedule I. The Fund may add additional share Classes from time to time at the discretion of the Directors in accordance with the requirements of the Central Bank. A separate pool of assets will not be maintained for each Class within the Fund.

**There is no guarantee that the Fund will achieve its objective.**

## **First Trust Japan AlphaDEX® UCITS ETF**

### **Investment Objective**

The Fund seeks to provide investors with investment results that correspond generally to the price and yield of an equity index called the NASDAQ AlphaDEX® Japan Index (the “Index”).

### **Investment Policy**

In order to achieve its investment objective, the investment policy of this Fund is to invest at least 90% of its net assets in a portfolio of equity securities that consists of the equity securities of the Index or in depositary receipts that may include American Depositary Receipts (“ADRs”), Global Depositary Receipts (“GDRs”) or European Depositary Receipts (“EDRs”) representing securities in the Index where direct investment in a constituent security of the Index is not possible.

The Fund attempts to replicate, before fees and expenses, the performance of the Index. The Investment Manager will seek to do this by replicating so far as possible the investments in the Index. The Investment Manager will regularly monitor the Fund’s tracking accuracy and will seek to maintain at least a 90% correlation between the return of the Index and the return of the Fund. It is expected that the level of tracking error will be 0-2% in normal market conditions.

Subject to Schedule III, the Investment Manager may also invest in a portfolio of assets which may comprise money market or short-term instruments such as Investment Grade fixed and floating government securities, bankers’ acceptances, certificates of deposit, and Eligible Collective Investment Schemes which are either money market funds and/or which have a similar investment objective and policies as that of the Fund. The amount which may be invested in such money market instruments, short-term instruments and Eligible Collective Investment Schemes shall not exceed 10% of the Net Asset Value of the Fund.

The Fund’s Investments, other than its Investments in Eligible Collective Investment Schemes, will be listed or traded on Regulated Markets worldwide and which are set out in Schedule II, but principally listed or traded on Regulated Markets in Japan.

Subject to the investment limits set out in the preceding paragraphs, the Fund assets are permanently physically invested with a minimum of at least 51% of their value in securities defined as equity in accordance to sec. 2 para. 8 of the German Investment Tax Act.

The Base Currency of the Fund is Yen.

### **Index**

The Index is a modified equal-weighted index designed by NASDAQ to objectively identify and select stocks from the NASDAQ Japan Index, which may generate positive alpha relative to traditional passive-style indices through the use of the AlphaDEX® selection methodology. The NASDAQ Japan Index is a comprehensive, rules-based index designed to measure stock performance of companies assigned to Japan in accordance with the methodology of the Index Provider, which is based on a company’s incorporation, domicile or primary exchange listing in Japan. As at 29 January 2016, the Index comprised 100 securities. Details of the Index and how the Index is calculated are set out in Schedule IV.

### **Share Classes**

The Fund will initially comprise of a single share Class, details of which are set out in Schedule I. The Fund may add additional share Classes from time to time at the discretion of the Directors in accordance with the requirements of the Central Bank. A separate pool of assets will not be maintained for each Class within the Fund.

**There is no guarantee that the Fund will achieve its objective.**

## **First Trust Asia Pacific ex-Japan AlphaDEX® UCITS ETF**

### **Investment Objective**

The Fund seeks to provide investors with investment results that correspond generally to the price and yield of an equity index called the NASDAQ AlphaDEX® Asia Pacific ex-Japan Index (the “Index”).

### **Investment Policy**

In order to achieve its investment objective, the investment policy of this Fund is to invest at least 90% of its net assets in a portfolio of equity securities that consists of the equity securities of the Index or in depositary receipts that may include American Depositary Receipts (“ADRs”), Global Depositary Receipts (“GDRs”) or European Depositary Receipts (“EDRs”) representing securities in the Index where direct investment in a constituent security of the Index is not possible.

The Fund attempts to replicate, before fees and expenses, the performance of the Index. The Investment Manager will seek to do this by replicating so far as possible the investments in the Index. The Investment Manager will regularly monitor the Fund’s tracking accuracy and will seek to maintain at least a 90% correlation between the return of the Index and the return of the Fund. It is expected that the level of tracking error will be 0-2% in normal market conditions.

Subject to Schedule III, the Investment Manager may also invest in a portfolio of assets which may comprise money market or short-term instruments such as Investment Grade fixed and floating government securities, bankers’ acceptances, certificates of deposit, and Eligible Collective Investment Schemes which are either money market funds and/or which have a similar investment objective and policies as that of the Fund. The amount which may be invested in such money market instruments, short-term instruments and Eligible Collective Investment Schemes shall not exceed 10% of the Net Asset Value of the Fund.

The Fund’s Investments, other than its Investments in Eligible Collective Investment Schemes, will be listed or traded on Regulated Markets worldwide and which are set out in Schedule II, but principally listed or traded on Regulated Markets in Asia Pacific ex- Japan.

Subject to the investment limits set out in the preceding paragraphs, the Fund assets are permanently physically invested with a minimum of at least 51% of their value in securities defined as equity in accordance to sec. 2 para. 8 of the German Investment Tax Act.

The Base Currency of the Fund is US dollars.

### **Index**

The Index is a modified equal-weighted index designed by NASDAQ to objectively identify and select stocks from the NASDAQ Asia Pacific ex-Japan Index, which may generate positive alpha relative to traditional passive-style indices through the use of the AlphaDEX® selection methodology. The NASDAQ Asia Pacific ex-Japan Index is a comprehensive, rules-based index designed to measure stock performance of companies assigned to the Asia Pacific region (excluding Japan) in accordance with the methodology of the Index Provider, which is based on a company’s incorporation, domicile or primary exchange listing in the Asia Pacific region (excluding Japan). As at 29 January 2016, the Index comprised 100 securities. Details of the Index and how the Index is calculated are set out in Schedule IV.

### **Share Classes**

The Fund will initially comprise of a single share Class, details of which are set out in Schedule I. The Fund may add additional share Classes from time to time at the discretion of the Directors in accordance with the requirements of the Central Bank. A separate pool of assets will not be maintained for each Class within the Fund.

**There is no guarantee that the Fund will achieve its objective.**

## **First Trust Germany AlphaDEX® UCITS ETF**

### **Investment Objective**

The Fund seeks to provide investors with investment results that correspond generally to the price and yield of an equity index called the NASDAQ AlphaDEX® Germany Index (the “Index”).

### **Investment Policy**

In order to achieve its investment objective, the investment policy of this Fund is to invest at least 90% of its net assets in a portfolio of equity securities that consists of the equity securities of the Index or in depositary receipts that may include American Depositary Receipts (“ADRs”), Global Depositary Receipts (“GDRs”) or European Depositary Receipts (“EDRs”) representing securities in the Index where direct investment in a constituent security of the Index is not possible.

The Fund attempts to replicate, before fees and expenses, the performance of the Index. The Investment Manager will seek to do this by replicating so far as possible the investments in the Index. The Investment Manager will regularly monitor the Fund’s tracking accuracy and will seek to maintain at least a 90% correlation between the return of the Index and the return of the Fund. It is expected that the level of tracking error will be 0-2% in normal market conditions.

Subject to Schedule III, the Investment Manager may also invest in a portfolio of assets which may comprise money market or short-term instruments such as Investment Grade fixed and floating government securities, bankers’ acceptances, certificates of deposit, and Eligible Collective Investment Schemes which are either money market funds and/or which have a similar investment objective and policies as that of the Fund. The amount which may be invested in such money market instruments, short-term instruments and Eligible Collective Investment Schemes shall not exceed 10% of the Net Asset Value of the Fund.

The Fund’s Investments, other than its Investments in Eligible Collective Investment Schemes, will be listed or traded on Regulated Markets worldwide and which are set out in Schedule II, but principally listed or traded on Regulated Markets in Germany.

Subject to the investment limits set out in the preceding paragraphs, the Fund assets are permanently physically invested with a minimum of at least 51% of their value in securities defined as equity in accordance to sec. 2 para. 8 of the German Investment Tax Act.

The Base Currency of the Fund is Euro.

### **Index**

The Index is a modified equal-weighted index designed by NASDAQ to objectively identify and select stocks from the NASDAQ Germany Index, which may generate positive alpha relative to traditional passive-style indices through the use of the AlphaDEX® selection methodology. The NASDAQ Germany Index is a comprehensive, rules-based index designed to measure stock performance of companies assigned to Germany in accordance with the methodology of the Index Provider, which is based on a company’s incorporation, domicile or primary exchange listing in Germany. As at 29 January 2016, the Index comprised 40 securities. Details of the Index and how the Index is calculated are set out in Schedule IV.

### **Share Classes**

The Fund will initially comprise of a single share Class, details of which are set out in Schedule I. The Fund may add additional share Classes from time to time at the discretion of the Directors in accordance with the requirements of the Central Bank. A separate pool of assets will not be maintained for each Class within the Fund.

**There is no guarantee that the Fund will achieve its objective.**

## **First Trust Global Equity Income UCITS ETF**

### **Investment Objective**

The Fund seeks to provide investors with investment results that correspond generally to the price and yield of an equity index called the NASDAQ Global High Equity Income Index (the “Index”).

### **Investment Policy**

In order to achieve its investment objective, the investment policy of this Fund is to invest at least 90% of its net assets in a portfolio of equity securities that consists of the equity securities of the Index or in depositary receipts that may include American Depositary Receipts (“ADRs”), Global Depositary Receipts (“GDRs”) or European Depositary Receipts (“EDRs”) representing securities in the Index where direct investment in a constituent security of the Index is not possible.

The Fund attempts to replicate, before fees and expenses, the performance of the Index. The Investment Manager will seek to do this by replicating so far as possible the investments in the Index. The Investment Manager will regularly monitor the Fund’s tracking accuracy and will seek to maintain at least a 95% correlation between the return of the Index and the return of the Fund. It is expected that the level of tracking error will be 0-2% in normal market conditions.

Subject to Schedule III, the Investment Manager may also invest in a portfolio of assets which may comprise money market or short-term instruments such as Investment Grade fixed and floating government securities, bankers’ acceptances, certificates of deposit, and Eligible Collective Investment Schemes which are either money market funds and/or which have a similar investment objective and policies as that of the Fund. The amount which may be invested in such money market instruments, short-term instruments and Eligible Collective Investment Schemes shall not exceed 10% of the Net Asset Value of the Fund.

The Fund’s Investments, other than its Investments in Eligible Collective Investment Schemes, will be listed or traded on Regulated Markets worldwide and which are set out in Schedule II.

Subject to the investment limits set out in the preceding paragraphs, the Fund assets are permanently physically invested with a minimum of at least 51% of their value in securities defined as equity in accordance to sec. 2 para. 8 of the German Investment Tax Act.

The Base Currency of the Fund is US dollars.

### **Index**

The Index is a modified value-weighted index designed to objectively select dividend paying stocks from the NASDAQ Global Index. As at 29 January 2016, the Index comprised 257 securities. Stocks that are comprised in the NASDAQ Global Index are selected based on a company’s incorporation, domicile or primary exchange listing in markets globally. Index constituents are selected based on quantitative initial screens. Details of the Index and how the Index is calculated are set out in Schedule IV.

### **Share Classes**

The Fund comprises two share Classes, details of which are set out in Schedule I. The Fund may add additional share Classes from time to time at the discretion of the Directors in accordance with the requirements of the Central Bank. A separate pool of assets will not be maintained for each Class within the Fund.

**There is no guarantee that the Fund will achieve its objective.**

## **First Trust US Equity Opportunities UCITS ETF**

### **Investment Objective**

The Fund seeks to provide investors with investment results that correspond generally to the price and yield of an equity index called the IPOX-100 U.S. Index (the “Index”).

### **Investment Policy**

In order to achieve its investment objective, the investment policy of this Fund is to invest at least 90% of its net assets in a portfolio of equity securities that consists of the equity securities of the Index or in depositary receipts that may include American Depositary Receipts (“ADRs”), Global Depositary Receipts (“GDRs”) or European Depositary Receipts (“EDRs”) representing securities in the Index where direct investment in a constituent security of the Index is not possible.

The Fund attempts to replicate, before fees and expenses, the performance of the Index. The Investment Manager will seek to do this by replicating so far as possible the investments in the Index. The Investment Manager will regularly monitor the Fund’s tracking accuracy and will seek to maintain at least a 95% correlation between the return of the Index and the return of the Fund. It is expected that the level of tracking error will be 0-2% in normal market conditions.

Subject to Schedule III, the Investment Manager may also invest in a portfolio of assets which may comprise money market or short-term instruments such as Investment Grade fixed and floating government securities, bankers’ acceptances, certificates of deposit, and Eligible Collective Investment Schemes which are either money market funds and/or which have a similar investment objective and policies as that of the Fund. The amount which may be invested in such money market instruments, short-term instruments and Eligible Collective Investment Schemes shall not exceed 10% of the Net Asset Value of the Fund.

The Fund’s Investments, other than its Investments in Eligible Collective Investment Schemes, will be listed or traded on Regulated Markets worldwide and which are set out in Schedule II, but principally listed or traded on the Regulated Markets in the US.

Subject to the investment limits set out in the preceding paragraphs, the Fund assets are permanently physically invested with a minimum of at least 51% of their value in securities defined as equity in accordance to sec. 2 para. 8 of the German Investment Tax Act.

The Base Currency of the Fund is US Dollars.

### **Index**

The Index is a market capitalisation-weighted index measuring the performance of the top 100 companies, ranked quarterly by market capitalisation, in the IPOX U.S. Composite Index, a sub-index comprising all companies in the IPOX Global Composite Index which are domiciled in the U.S. and/or trade on a stock exchange in the U.S.. As at 29 January 2016, the Index comprised 101 securities. The Index is a rules-based market capitalisation-weighted index measuring the average performance of US initial public offerings their first 1000 trading days (approximately four years). Index constituents are selected based on quantitative initial screens. The Index is rebalanced and reconstituted quarterly. Details of the Index and how the Index is calculated are set out in Schedule IV.

### **Share Classes**

The Fund will initially comprise of a single share Class, details of which are set out in Schedule I. The Fund may add additional share Classes from time to time at the discretion of the Directors in accordance with the requirements of the Central Bank. A separate pool of assets will not be maintained for each Class within the Fund.

**There is no guarantee that the Fund will achieve its objective.**

### **First Trust US Equity Income UCITS ETF**

#### **Investment Objective**

The Fund seeks to provide investors with investment results that correspond generally to the price and yield of an equity index called the NASDAQ US High Equity Income Index (the “Index”).



### **Investment Policy**

In order to achieve its investment objective, the investment policy of this Fund is to invest at least 90% of its net assets in a portfolio of equity securities that consists of the equity securities of the Index or in depositary receipts that may include American Depositary Receipts (“ADRs”), Global Depositary Receipts (“GDRs”) or European Depositary Receipts (“EDRs”) representing securities in the Index where direct investment in a constituent security of the Index is not possible.

The Fund attempts to replicate, before fees and expenses, the performance of the Index. The Investment Manager will seek to do this by replicating so far as possible the investments in the Index. The Investment Manager will regularly monitor the Fund’s tracking accuracy and will seek to maintain at least a 95% correlation between the return of the Index and the return of the Fund. It is expected that the level of tracking error will be 0-2% in normal market conditions.

Subject to Schedule III, the Investment Manager may also invest in a portfolio of assets which may comprise money market or short-term instruments such as Investment Grade fixed and floating government securities, bankers’ acceptances, certificates of deposit, and Eligible Collective Investment Schemes which are either money market funds and/or which have a similar investment objective and policies as that of the Fund. The amount which may be invested in such money market instruments, short-term instruments and Eligible Collective Investment Schemes shall not exceed 10% of the Net Asset Value of the Fund.

The Fund’s Investments, other than its Investments in Eligible Collective Investment Schemes, will be listed or traded on Regulated Markets worldwide and which are set out in Schedule II.

Subject to the investment limits set out in the preceding paragraphs, the Fund assets are permanently physically invested with a minimum of at least 51% of their value in securities defined as equity in accordance to sec. 2 para. 8 of the German Investment Tax Act.

The Base Currency of the Fund is US dollars.

### **Index**

The Index is a modified value-weighted index designed to objectively select dividend paying stocks from the NASDAQ US Benchmark Index. As at 29 January 2016, the Index comprised 97 securities. Stocks that are comprised in the NASDAQ US Benchmark Index are selected based on a company’s incorporation, domicile or primary exchange listing in the United States. Index constituents are selected based on quantitative initial screens. Details of the Index and how the Index is calculated are set out in Schedule IV.

### **Share Classes**

The Fund comprises two share Classes, details of which are set out in Schedule I. The Fund may add additional share Classes from time to time at the discretion of the Directors in accordance with the requirements of the Central Bank. A separate pool of assets will not be maintained for each Class within the Fund.

**There is no guarantee that the Fund will achieve its objective.**

### **First Trust US Small Cap Core AlphaDEX® UCITS ETF**

#### **Investment Objective**

The Fund seeks to provide investors with investment results that correspond generally to the price and yield of an equity index called the NASDAQ AlphaDEX Small Cap Core Index (the “Index”).

#### **Investment Policy**

In order to achieve its investment objective, the investment policy of this Fund is to invest at least 90% of its net assets in a portfolio of equity securities that consists of the equity securities of the Index or in depositary receipts that may include American Depositary Receipts (“ADRs”), Global Depositary Receipts (“GDRs”) or European Depositary Receipts (“EDRs”) representing securities in the Index where direct investment in a constituent security of the Index is not possible.

The Fund attempts to replicate, before fees and expenses, the performance of the Index. The Investment Manager will seek to do this by replicating so far as possible the investments in the Index. The Investment Manager will regularly monitor the Fund's tracking accuracy and will seek to maintain at least a 95% correlation between the return of the Index and the return of the Fund. It is expected that the level of tracking error will be 0-2% in normal market conditions.

Subject to Schedule III, the Investment Manager may also invest in a portfolio of assets which may comprise money market or short-term instruments such as Investment Grade fixed and floating government securities, bankers' acceptances, certificates of deposit, and Eligible Collective Investment Schemes which are either money market funds and/or which have a similar investment objective and policies as that of the Fund. The amount which may be invested in such money market instruments, short-term instruments and Eligible Collective Investment Schemes shall not exceed 10% of the Net Asset Value of the Fund.

The Fund's Investments, other than its Investments in Eligible Collective Investment Schemes, will be listed or traded on Regulated Markets worldwide and which are set out in Schedule II, but principally listed or traded on Regulated Markets in the US.

Subject to the investment limits set out in the preceding paragraphs, the Fund assets are permanently physically invested with a minimum of at least 51% of their value in securities defined as equity in accordance to sec. 2 para. 8 of the German Investment Tax Act.

The Base Currency of the Fund is US dollars.

### **Index**

The Index is a modified growth and value-weighted index designed to objectively select stocks from the NASDAQ US 700 Small Cap Index. As at 11 January 2017, the Index comprised 525 securities. Stocks that are comprised in the NASDAQ US 700 Small Cap Index are selected based on a company's incorporation, domicile or primary exchange listing in the United States. Index constituents are selected based on quantitative initial screens. Details of the Index and how the Index is calculated are set out in Schedule IV.

### **Share Classes**

The Fund initially comprises one share Class, details of which are set out in Schedule I. The Fund may add additional share Classes from time to time at the discretion of the Directors in accordance with the requirements of the Central Bank. A separate pool of assets will not be maintained for each Class within the Fund.

**There is no guarantee that the Fund will achieve its objective.**

### **First Trust FactorFX UCITS ETF**

#### **Investment Objective**

The Fund's investment objective is to deliver to investors total returns with lower correlation to the broader equity and bond markets over the medium to long term through its exposure to global currencies and related markets.

**It is recommended that an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**Although the Fund may invest substantially in cash deposits, cash equivalents, certificates of deposits and/or money market instruments in order to facilitate trading in derivatives where the underlying assets are primarily currencies, Shares in the Fund are not deposits and are different in nature to a deposit in that the investment is not guaranteed and the value of the investment is capable of fluctuation. Investment in the Fund involves certain investment risks, including the possible loss of principal.**

**Investors should note that the Fund may invest principally in financial derivative instruments. Transactions in financial derivative instruments may leverage the Fund due to the leverage inherent in such instruments. This may result in a higher level of volatility than would be the case if the Fund did not invest in financial derivative instruments.**

#### **Investment Policy**

The Fund intends to pursue an actively managed investment strategy. The Fund will seek to achieve its investment objective by investing primarily in sovereign Fixed Income Securities denominated in the local currencies of developed and emerging markets and currencies or currency-related financial derivative instruments of both developed and emerging markets in normal market conditions. The Fund's investments will not have any specific industry or sector focus. The financial derivative instruments used are forward foreign exchange contracts, futures, swaps and options. The Fund may also invest in short term instruments and cash and cash equivalents denominated in the currencies of both developed and emerging markets as more particularly described below. Under normal market conditions, it is anticipated that approximately 25% to 100% of the Fund's Net Asset Value will be invested in sovereign Fixed Income Securities (including short term government securities). The Fund may gain exposure to foreign currencies through the use of financial derivative instruments in an amount up to 100% of the Fund's Net Asset Value.

The sovereign Fixed Income Securities in which the Fund will invest will be traded or dealt in on Regulated Markets worldwide. These sovereign Fixed Income Securities may be in developed or emerging markets, may be either fixed or floating and Investment Grade or below Investment Grade and the average duration of these securities is likely to be less than two years. The Fund may invest up to 30% of its Net Asset Value in below Investment Grade Fixed Income Securities. The Fund may also invest up to 30% of its Net Asset Value in sovereign Fixed Income Securities issued in emerging markets.

Under normal market conditions, up to approximately 50% of the Fund's Net Asset Value will be invested in cash and cash equivalents. However, the Fund may invest up to 100% of its Net Asset Value in cash and ancillary liquid assets which may comprise Money Market Funds, money market instruments or short-term instruments such as bankers' acceptances, floating rate notes and certificates of deposit of issuers worldwide for liquidity purposes. The Fund may invest substantially all of its assets in deposits with credit institutions (or other ancillary liquid assets as described above) during periods of high market volatility. The Fund's allocation to cash and ancillary liquid assets will increase the Fund's ability to invest in financial derivative instruments (see below) and provide sufficient liquidity to support the Fund's direct investment in currencies on the currency markets. The Fund's investment in Money Market Funds shall not exceed 10% of the Net Asset Value of the Fund.

Investments are selected on the basis of the Sub-Investment Manager's internal research and ongoing investment analysis. The Fund's currency investments will be chosen based on the Sub-Investment Manager's proprietary rules-based strategy. This strategy seeks to exploit "carry" (i.e., the tendency of higher yielding assets to provide higher returns than lower yielding assets), "value" (i.e., the tendency for relatively low priced assets to outperform relatively high priced assets) and "momentum" (i.e., the tendency for an asset's recent relative performance to continue in the near future) risk premia. Risk premia is the expected excess return or premium earned by bearing exposure to a specific risk factor or factors. The process takes advantage of the low correlation between the three risk premia and seeks to combine them in an efficient manner to maximise returns and minimise volatility. The Fund's currency exposures will be adjusted on an ongoing basis to reflect changes in the carry, valuation and momentum premia, i.e., the more attractive the premia for an individual currency, the greater the likelihood of increasing exposure to that currency, and vice versa. A diversification test will ensure the portfolio is not overly exposed to any one individual currency or group of highly correlated currencies. When investing in sovereign Fixed Income Securities, the Sub-Investment Manager will seek to identify those securities offering maximum liquidity and maximum return on investment, based on its internal research and assessment of the securities' yield, interest rate sensitivity, and credit risk.

The Sub-Investment Manager intends to invest in a geographically diversified group of global currencies. The Fund's currency transactions will principally involve currencies of developed markets but may involve any other global currencies at the discretion of the Sub-Investment Manager. The Fund will typically trade these

currencies by using forward foreign exchange contracts, currency futures, currency swaps or options with typical maturities between one week and twelve months but mainly between one and three months.

The Fund will seek to use exchange-traded and over the counter financial derivative instruments (forward foreign exchange contracts, options, swaps and futures), each as described in the section of this Prospectus entitled “Investment Techniques and Instruments”, for currency related investment purposes and/or to manage the Fund’s exposure to interest rate and foreign exchange rate risk arising from its holdings. The Fund will use financial derivative instruments to get exposure to currencies that the Sub-Investment Manager identifies through its analysis described above. In respect of each of the asset classes that the Fund will invest in, its short positions will not exceed 100% of the Fund’s Net Asset Value and its long positions will not exceed 100% of the Fund’s Net Asset Value through the use of financial derivative instruments.

The Sub-Investment Manager will pursue an active currency strategy by making investment decisions to gain exposure to currencies with respect to carry, valuation and momentum risk premia as described above). The use of financial derivative instruments by the Fund will result in leverage of up to a maximum of 100% of the Net Asset Value of the Fund under the commitment approach and will be consistent with the risk profile of the Fund.

The Fund’s Investments, other than its Investments in Money Market Funds and over the counter financial derivative instruments, will be listed or traded on Regulated Markets worldwide and which are set out in Schedule II.

The Base Currency of the Fund shall be US dollars.

The Bloomberg Cumulative FX Carry Trade Index for Managed G10 Currencies is the benchmark index against which the Fund’s performance is compared. Details of the Fund’s performance relative to this benchmark index are available in the Fund’s KIID and certain marketing material. References to the benchmark index are for illustrative purposes only. There is no guarantee that the Fund’s performance will match or exceed the performance of the benchmark index.

The Fund is actively managed and, while a significant proportion of the Fund may be components of, and have similar weightings to, the benchmark index, the Sub-Investment Manager may use its discretion to invest a majority of the Fund in assets which are not included in the benchmark index or with weightings different to that of the benchmark index. For the avoidance of doubt, the Sub-Investment Manager considers that the benchmark index is not used for the purpose of constraining the composition of the Fund's portfolio.

#### **Share Classes**

The Fund will comprise of a number of Share Classes. Further details on the Share Classes are set out in Schedule I. The Fund may add additional Share Classes from time to time at the discretion of the Directors in accordance with the requirements of the Central Bank. A separate pool of assets will not be maintained for each class within the Fund.

**There is no guarantee that the Fund will achieve its objective.**

#### **First Trust Indxx Innovative Transaction & Process UCITS ETF**

##### **Investment Objective**

The Fund seeks to provide investors with investment results that correspond generally to the price and yield of an equity index called the Indxx Blockchain Index (the “Index”).

##### **Investment Policy**

In order to achieve its investment objective, the investment policy of this Fund is to invest at least 90% of its net assets in a portfolio of equity securities that consists of the equity securities (or corresponding American Depositary Receipts (“ADRs”) or Global Depositary Receipts (“GDRs”)) within the Index or in ADRs or GDRs representing securities in the Index where direct investment in a constituent security of the Index is not practicable or possible.

The Fund attempts to replicate, before fees and expenses, the performance of the Index. The Investment Manager will seek to do this by replicating so far as possible the investments in the index. The Investment Manager will regularly monitor the Fund's tracking accuracy and will seek to maintain at least a 95% correlation between the return of the Index and the return of the Fund. It is expected that the level of tracking error will be 0-2% in normal market conditions.

Subject to Schedule III, the Investment Manager may also invest in a portfolio of assets which may comprise money market or short-term instruments such as Investment Grade fixed and floating government securities, bankers' acceptances, certificates of deposit, and Eligible Collective Investment Schemes which are either money market funds and/or which have a similar investment objective and policies as that of the Fund. The amount which may be invested in such money market instruments, short-term instruments and Eligible Collective Investment Schemes shall not exceed 10% of the Net Asset Value of the Fund.

The Fund's Investments, other than its Investments in Eligible Collective Investment Schemes, will be listed or traded on Regulated Markets worldwide and which are set out in Schedule II.

Subject to the investment limits set out in the preceding paragraphs, the Fund assets are permanently physically invested with a minimum of at least 51% of their value in securities defined as equity in accordance to sec. 2 para. 8 of the German Investment Tax Act.

The Base Currency of the Fund is US dollars.

### **Index**

The Index is a modified equal-weighted index. Stocks that are comprised in the Index are selected based on a company's products or services related to blockchain technology. The Index is rebalanced semi-annually and reconstituted semi-annually in March and September for eligibility. The index provider, Indxx, LLC may adjust the rebalance/reconstitution schedule in the future to accommodate the evolution of the target universe. It is expected that the Fund will rebalance the weighting of its components and reconstitute its components within a short period of time after the Index publicly announces any such rebalancing or reconstitution. As at 17 January 2018, the Index comprised 67 securities.

### **Share Classes**

The Fund comprises one Share Class, details of which are set out in Schedule I. The Fund may add additional Share Classes from time to time at the discretion of the Directors in accordance with the requirements of the Central Bank. A separate pool of assets will not be maintained for each Class within the Fund.

### **First Trust Dow Jones Internet UCITS ETF**

#### **Investment Objective**

The Fund seeks to provide investors with a total return, taking into account capital and income returns, which reflects the return of an equity index called the Dow Jones Internet Composite Index<sup>SM</sup> (the "Index").

#### **Investment Policy**

In order to achieve its investment objective, the investment policy of this Fund is to invest at least 90% of its net assets in a portfolio of equity securities that consists of the equity securities of the Index or other depositary receipts representing securities in the Index where direct investment in a constituent security of the Index is not practicable or possible.

The Fund attempts to replicate, before fees and expenses, the performance of the Index. The Investment Manager will seek to do this by replicating so far as possible the investments in the Index. The Investment Manager will regularly monitor the Fund's tracking accuracy and will seek to maintain at least a 95% correlation between the return of the Index and the return of the Fund. It is expected that the level of tracking error will be 0-2% in normal market conditions.

Subject to Schedule III, the Investment Manager may also invest in a portfolio of assets which may comprise money market or short-term instruments such as Investment Grade fixed and floating government securities, bankers' acceptances, certificates of deposit, and Eligible Collective Investment Schemes which are either money market funds and/or which have a similar investment objective and policies as that of the Fund. The amount which may be invested in such money market instruments, short-term instruments and Eligible Collective Investment Schemes shall not exceed 10% of the Net Asset Value of the Fund.

The Fund's Investments, other than its Investments in Eligible Collective Investment Schemes, will be listed or traded on Regulated Markets worldwide and which are set out in Schedule II, but principally listed or traded on Regulated Markets in the US.

Subject to the investment limits set out in the preceding paragraphs, the Fund assets are permanently physically invested with a minimum of at least 51% of their value in securities defined as equity in accordance to sec. 2 para. 8 of the German Investment Tax Act.

The Base Currency of the Fund is US dollars.

### **Index**

The Index is a comprehensive, rules based index designed to measure stock performance of companies in accordance with the methodology of the Index Provider. The Index is a composite of two different indices (i.e. the Dow Jones Internet Commerce Index and the Dow Jones Internet Services Index) and accordingly stocks that are comprised in the Index are selected based on a company's operation in one of two different sectors; the internet commerce or internet services sectors. Stocks are selected to the Index based on float-adjusted market capitalisation and trading volume. All stocks selected are domiciled in the U.S. and traded on the New York Stock Exchange (NYSE), NYSE MKT and Nasdaq that meet the following criteria: (i) the company must generate the majority of its sales/revenues from the internet; (ii) the company must have a minimum of three months' trading history; and (iii) the company must have a three-month average float adjusted market capitalisation of at least \$100 million. Details of the Index and how the Index is calculated are set out in Schedule IV.

### **Share Classes**

The Fund initially comprises one share Class, details of which are set out in Schedule I. The Fund may add additional share Classes from time to time at the discretion of the Directors in accordance with the requirements of the Central Bank. A separate pool of assets will not be maintained for each Class within the Fund.

**There is no guarantee that the Fund will achieve its objective.**

### **First Trust IPOX<sup>®</sup> Europe Equity Opportunities UCITS ETF**

#### **Investment Objective**

The Fund seeks investment results that correspond generally to the price and yield, before fees and expenses, of an equity index called the IPOX 100 Europe Index (the "Index").

#### **Investment Policy**

In order to achieve its investment objective, the investment policy of this Fund is to invest at least 90% of its net assets in a portfolio of equity securities that consists of the equity securities of the Index or in depositary receipts that may include American Depositary Receipts ("ADRs"), Global Depositary Receipts ("GDRs) or European Depositary Receipts ("EDRs") representing securities in the Index where direct investment in a constituent security of the Index is not possible.

The Fund attempts to replicate, before fees and expenses, the performance of the Index. The Investment Manager will seek to do this by replicating so far as possible the investments in the Index. The Investment Manager will regularly monitor the Fund's tracking accuracy and will seek to maintain an appropriate correlation between the return of the Index and the return of the Fund. It is expected that the level of tracking error will be 0-2% in normal market conditions.

Subject to Schedule III, the Investment Manager may also invest in a portfolio of assets which may comprise money market or short-term instruments such as Investment Grade fixed and floating government securities, bankers' acceptances, certificates of deposit, and Eligible Collective Investment Schemes which are either money market funds and/or which have a similar investment objective and policies as that of the Fund. The amount which may be invested in such money market instruments, short-term instruments and Eligible Collective Investment Schemes shall not exceed 10% of the Net Asset Value of the Fund.

The Fund's Investments, other than its Investments in Eligible Collective Investment Schemes, will be listed or traded on Regulated Markets worldwide and which are set out in Schedule II, but principally listed or traded on Regulated Markets in Europe and the UK.

Subject to the investment limits set out in the preceding paragraphs, the Fund assets are permanently physically invested with a minimum of at least 51% of their value in securities defined as equity in accordance to sec. 2 para. 8 of the German Investment Tax Act.

The Base Currency of the Fund is Euro.

### **Index**

The Index is a market capitalisation-weighted index measuring the performance of the top 100 companies, ranked quarterly by market capitalisation, in the IPO Europe Composite Index, a sub-index comprising all companies in the IPOX Global Composite Index domiciled in Europe and trading on exchanges in either Europe or the U.S. As at 7 September 2018, the Index comprised 100 securities. The Index is a rules-based market capitalisation-weighted index measuring the average performance of European initial public offerings during their first 1000 trading days (approximately four years). Index constituents are selected based on quantitative initial screens. The index is reconstituted and rebalanced quarterly. Details of the Index and how the Index is calculated are set out in Schedule IV.

### **Share Classes**

The Fund initially comprises one share Class, details of which are set out in Schedule I. The Fund may add additional share Classes from time to time at the discretion of the Directors in accordance with the requirements of the Central Bank. A separate pool of assets will not be maintained for each Class within the Fund.

**There is no guarantee that the Fund will achieve its objective.**

## **First Trust Cloud Computing UCITS ETF**

### **Investment Objective**

The Fund seeks investment results that correspond generally to the price and yield, before fees and expenses, of an equity index called the ISE CTA Cloud Computing Index (the "Index").

### **Investment Policy**

In order to achieve its investment objective, the investment policy of this Fund is to invest at least 90% of its net assets in a portfolio of equity securities that consists of the equity securities of the Index or in depositary receipts that may include American Depositary Receipts ("ADRs"), Global Depositary Receipts ("GDRs) or European Depositary Receipts ("EDRs") representing securities in the Index where direct investment in a constituent security of the Index is not possible.

The Fund attempts to replicate, before fees and expenses, the performance of the Index. The Investment Manager will seek to do this by replicating so far as possible the investments in the Index. The Investment Manager will regularly monitor the Fund's tracking accuracy and will seek to maintain an appropriate correlation between the return of the Index and the return of the Fund. It is expected that the level of tracking error will be 0-2% in normal market conditions.

Subject to Schedule III, the Investment Manager may also invest in a portfolio of assets which may comprise money market or short-term instruments such as Investment Grade fixed and floating government securities, bankers' acceptances, certificates of deposit, and Eligible Collective Investment Schemes which are either money market funds and/or which have a similar investment objective and policies as that of the Fund. The amount which may be invested in such money market instruments, short-term instruments and Eligible Collective Investment Schemes shall not exceed 10% of the Net Asset Value of the Fund.

The Fund's Investments, other than its Investments in Eligible Collective Investment Schemes, will be listed or traded on Regulated Markets worldwide and which are set out in Schedule II, but principally listed or traded on Regulated Markets in the US.

Subject to the investment limits set out in the preceding paragraphs, the Fund assets are permanently physically invested with a minimum of at least 51% of their value in securities defined as equity in accordance to sec. 2 para. 8 of the German Investment Tax Act.

The Base Currency of the Fund is U.S. dollars.

### **Index**

The Index is a comprehensive, rules based index designed to track the performance of companies by their involvement in the cloud computing industry by classifying them as Infrastructure-as-a-Service, Platform-as-a-Service and Software-as-a-Service and which are set out in detail in Schedule IV. All stocks selected are domiciled in the U.S. and traded on the New York Stock Exchange (NYSE), NYSE MKT and NASDAQ meet the following criteria: (i) the company has a minimum market capitalisation of \$500 million; (ii) the company must have a minimum free float of 20%; and (iii) the company must have a three-month average daily dollar trading volume (ADDTV) of at least \$5 million.

Details of the Index and how the Index is calculated are set out in Schedule IV.

### **Share Classes**

The Fund initially comprises one share Class, details of which are set out in Schedule I. The Fund may add additional share Classes from time to time at the discretion of the Directors in accordance with the requirements of the Central Bank. A separate pool of assets will not be maintained for each Class within the Fund.

**There is no guarantee that the Fund will achieve its objective.**

### **First Trust Low Duration Global Government Bond UCITS ETF**

#### **Investment Objective**

The Fund's investment objective is to deliver total returns to investors over the medium to long term by investing in sovereign Fixed Income Securities globally.

**It is recommended that an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

#### **Investment Policy**

The Fund intends to pursue an actively managed investment strategy and will seek to achieve its investment objective by investing primarily in Investment Grade rated Fixed Income Securities which are listed, traded or dealt on Regulated Markets worldwide, including developed and emerging market countries (including Russia) and which are issued by governments, local authorities, Supranational Organisations and public sector bodies and will seek to minimize the effect of the underlying currency exposure of those securities by utilizing currency hedging transactions. The Fund may also use interest rate financial derivative instruments in order to manage and hedge its interest rate exposure. The financial derivative instruments used may be forward foreign exchange contracts, currency futures, interest rate futures and interest rate swaps.



Under normal market conditions, the Fund will invest at least 80% of its Net Asset Value in a portfolio of global sovereign Fixed Income Securities. It is expected that up to 50% of the Fund's Net Asset Value may be invested in Fixed Income Securities issued by issuers in emerging market countries (including Russia) and/or denominated in the currencies of emerging market countries (including the ruble). The sovereign Fixed Income Securities in which the Fund may invest may be in developed or emerging markets countries and will be Investment Grade at the time of purchase. The Fund's exposure at any time to below Investment Grade will be capped at 30% of its Net Asset Value. Under normal market conditions, the weighted average duration of the Fund's portfolio is likely to range between two and four years.

The Fund may invest in bonds issued or guaranteed by governments or companies headquartered or having their primary business operations in Russia, but not significantly. To the extent that the debt securities are listed/traded in Russia, such debt securities are required to be listed on the Moscow exchange MICEX-RTS. The Fund will not significantly invest in debt securities listed/traded in Russia.

The Fund will use exchange-traded and over the counter financial derivative instruments (forward foreign exchange contracts, currency futures, interest rate swaps and interest rate futures), each as described in the section of this Prospectus entitled "Investment Techniques and Instruments", in order to manage and hedge the currency, interest rate and foreign exchange rate risk exposures of the Fund. The Fund will also use interest rate swaps and interest rate futures for investment purposes. Interest rate swaps and interest rate futures will be used to adjust the weighted average duration of the Fund's portfolio to remain between the targeted range of two and four years. The selection methodology for the underlying sovereign bonds is based on the carry and value factors, described below, and is independent of duration which may result in the weighted average bond positions having a duration outside of the target. The interest rate swaps and futures will then be used to bring the weighted average duration back inside the targeted range. The currency related financial derivative instruments will be used to substantially hedge as much as possible of the underlying bonds' currency exposures. The Fund may take active long and short currency positions in a particular currency which may not be the Base Currency, some of which may operate as a hedge of its currency exposure. Through the combination of interest rate and currency related financial derivative instruments, the Investment Manager generally expects that neither its short nor its long positions will exceed 200% of the Fund's Net Asset Value. The use of financial derivative instruments by the Fund will result in leverage of up to a maximum of 100% of the Net Asset Value of the Fund using the commitment approach and will be consistent with the risk profile of the Fund. The Sub-Investment Manager will seek to hedge the currency exposures of the sovereign Fixed Income Securities using financial derivative instruments to minimize the impact of fluctuations in those currencies' values versus the Base Currency of the Fund. The Sub-Investment Manager will seek to use financial derivative instruments for investment purposes and/or to manage the Fund's overall exposure to interest rate risk arising from its holdings.

Investments are selected on the basis of the Sub-Investment Manager's internal research and ongoing investment analysis. The Sub-Investment Manager's internal research consists of calculating and testing the efficacy of the "carry" and "value" factors, described below on Fixed Income Securities. In implementing the Fund's investment policy, the Sub-Investment Manager will employ a proprietary rules-based process to evaluate potential investments using "carry" and "value" factors to construct a portfolio of global sovereign Fixed Income Securities. The Sub-Investment Manager will adopt a systematic process to determine the most attractive sovereign issuers and maturities across global investable sovereign yield curves while using financial derivative instruments to manage the overall interest rate exposure of the Fund. The strategy will seek to exploit the "carry" factor (i.e., the additional yield earned by investing in longer maturity sovereign Fixed Income Securities versus shorter maturity sovereign Fixed Income Securities) and the "value" factor (i.e., the relative yield earned on sovereign Fixed Income Securities) across sovereign issuers. Exploiting the carry factor involves selecting securities that exhibit a relatively attractive "carry" factor and avoiding securities that exhibit poor "carry". This results in portfolio exposures that are tilted towards having high "carry" attributes. These "carry" and "value" factors may also account for the costs of hedging the underlying currency exposures of a sovereign Fixed Income Security into the Base Currency of the Fund as the underlying sovereign Fixed Income Security may be denominated in a different currency to the Base Currency of the Fund and therefore the yields are not comparable. By hedging the underlying sovereign Fixed Income Security into the Base Currency of the Fund allows the sovereign Fixed Income Securities to be more comparable. The Fund's exposures to these factors will be adjusted on an ongoing basis to reflect changes in the relative "carry" and "value" factors across

sovereign issuers, i.e., the more attractive the factors for an individual sovereign issuer, the greater likelihood of increasing exposure to that sovereign issuer and vice versa.

The Base Currency of the Fund is EUR.

The ICE BofAML 3-5 Year Global Government Index is the benchmark index against which the Fund's performance is compared. Details of the Fund's performance relative to this benchmark index are available in the Fund's KIID and certain marketing material. References to the benchmark index are for illustrative purposes only. There is no guarantee that the Fund's performance will match or exceed the performance of the benchmark index.

The Fund is actively managed and, while a significant proportion of the Fund may be components of, and have similar weightings to, the benchmark index, the Sub-Investment Manager may use its discretion to invest a majority of the Fund in assets which are not included in the benchmark index or with weightings different to that of the benchmark index. For the avoidance of doubt, the Sub-Investment Manager considers that the benchmark index is not used for the purpose of constraining the composition of the Fund's portfolio.

#### **Share Classes**

The Fund will comprise a number of share Classes. Further details on the share Classes are set out in Schedule I. The Fund may add additional share Classes from time to time at the discretion of the Directors in accordance with the requirements of the Central Bank. A separate pool of assets will not be maintained for each Class within the Fund.

**There is no guarantee that the Fund will achieve its objective.**

#### **First Trust Capital Strength UCITS ETF**

##### **Investment Objective**

The 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 Capital Strength Index<sup>SM</sup> (the "Index").

##### **Investment Policy**

In order to achieve its investment objective, the investment policy of this Fund is to invest at least 90% of its net assets in the common stocks and real estate investment trusts ("REITs") that comprise the Index or in depositary receipts that may include American Depositary Receipts ("ADRs"), Global Depositary Receipts ("GDRs") or European Depositary Receipts ("EDRs") representing securities in the Index where direct investment in a constituent security of the Index is not possible.

The Fund attempts to replicate, before fees and expenses, the performance of the Index. The Investment Manager will seek to do this by replicating so far as possible the investments in the Index. The Investment Manager will regularly monitor the Fund's tracking accuracy and will seek to maintain an appropriate correlation between the return of the Index and the return of the Fund. It is expected that the level of tracking error will be 0-2% in normal market conditions.

Subject to Schedule III, the Investment Manager may also invest in a portfolio of assets which may comprise money market or short-term instruments such as Investment Grade fixed and floating government securities, bankers' acceptances, certificates of deposit, and Eligible Collective Investment Schemes which are either money market funds and/or which have a similar investment objective and policies as that of the Fund. The amount which may be invested in such money market instruments, short-term instruments and Eligible Collective Investment Schemes shall not exceed 10% of the Net Asset Value of the Fund.

The Fund's Investments, other than its Investments in Eligible Collective Investment Schemes, will be listed or traded on Regulated Markets in the US and which are set out in Schedule II.

Subject to the investment limits set out in the preceding paragraphs, the Fund's assets are permanently physically invested with a minimum of at least 51% of their value in securities defined as equity in accordance to sec. 2 para. 8 of the German Investment Tax Act.

The Base Currency of the Fund is US Dollars.

### **Index**

The Index seeks to provide exposure to well-capitalised companies with strong market positions that have the potential to provide their stockholders with a greater degree of stability and performance over time. The Index's initial universe consists of the securities comprising the NASDAQ US Benchmark Index, an index seeking to track the performance of small, mid and large capitalisation U.S. companies. As of 31 March 2019, the Index was comprised of 50 securities.

The Fund's investment manager seeks a correlation of 0.95 or better (before fees and expenses) between the Fund's performance and the performance of the Index; a figure of 1.00 would represent perfect correlation. Each portfolio is reconstituted and rebalanced quarterly. Details of the Index and how the Index is calculated are set out in Schedule IV.

### **Share Classes**

The Fund initially comprises one share Class, details of which are set out in Schedule I. The Fund may add additional share Classes from time to time at the discretion of the Directors in accordance with the requirements of the Central Bank. A separate pool of assets will not be maintained for each Class within the Fund.

**There is no guarantee that the Fund will achieve its objective.**

### **First Trust Indxx NextG UCITS ETF**

#### **Investment Objective**

The 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 Indxx 5G & NextG Thematic Index (the "Index").

#### **Investment Policy**

In order to achieve its investment objective, the investment policy of this Fund is to invest at least 90% of its net assets in the common stocks and depositary receipts that comprise the Index or in depositary receipts that may include American Depositary Receipts (“ADRs”), Global Depositary Receipts (“GDRs”) or European Depositary Receipts (“EDRs”) representing securities in the Index where direct investment in a constituent security of the Index is not possible.

The Fund attempts to replicate, before fees and expenses, the performance of the Index. The Investment Manager will seek to do this by replicating so far as possible the investments in the Index. The Investment Manager will regularly monitor the Fund’s tracking accuracy and will seek to maintain an appropriate correlation between the return of the Index and the return of the Fund. It is expected that the level of tracking error will be 0-2% in normal market conditions.

Subject to Schedule III, the Investment Manager may also invest in a portfolio of assets which may comprise money market or short-term instruments such as Investment Grade fixed and floating government securities, bankers’ acceptances, certificates of deposit, and Eligible Collective Investment Schemes which are either money market funds and/or which have a similar investment objective and policies as that of the Fund. The amount which may be invested in such money market instruments, short-term instruments and Eligible Collective Investment Schemes shall not exceed 10% of the Net Asset Value of the Fund.

The Fund’s Investments, other than its Investments in Eligible Collective Investment Schemes, will be listed or traded on Regulated Markets in Australia, Canada, Czech Republic, Finland, France, Germany, Hong Kong, Hungary, India, Israel, Japan, Malaysia, Norway, Russian Federation, Singapore, South Africa, South Korea, Spain, Sweden, Switzerland, Taiwan, Turkey, United Kingdom and US which are set out in Schedule II.

Subject to the investment limits set out in the preceding paragraphs, the Fund’s assets are permanently physically invested with a minimum of at least 51% of their value in securities defined as equity in accordance to sec. 2 para. 8 of the German Investment Tax Act.

The Base Currency of the Fund is US Dollars.

### **Index**

The Index is designed to track the performance of companies that have devoted, or have committed to devote, material resources to the research, development and application of fifth generation (“5G”) and next generation digital cellular technologies as they emerge. By utilising higher frequency radio waves, 5G networks enable significantly increased data rates, reduced latency and high-density connections that were previously unavailable in preceding technological generations. As of 7 May 2019, the Index was comprised of 97 securities.

Details of the Index and how the Index is calculated are set out in Schedule IV.

### **Share Classes**

The Fund initially comprises one share Class, details of which are set out in Schedule I. The Fund may add additional share Classes from time to time at the discretion of the Directors in accordance with the requirements of the Central Bank. A separate pool of assets will not be maintained for each Class within the Fund.

**There is no guarantee that the Fund will achieve its objective.**

### **First Trust Value Line® Dividend Index UCITS ETF**

#### **Investment Objective**

The 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 Value Line® Dividend Index (the “Index”).

#### **Investment Policy**

In order to achieve its investment objective, the investment policy of this Fund is to invest at least 90% of its net assets in the common stocks and depositary receipts that comprise the Index or in depositary receipts that may

include American Depositary Receipts (“ADRs”), Global Depositary Receipts (“GDRs”) or European Depositary Receipts (“EDRs”) representing securities in the Index where direct investment in a constituent security of the Index is not possible.

The Fund attempts to replicate, before fees and expenses, the performance of the Index. The Investment Manager will seek to do this by replicating so far as possible the investments in the Index. The Investment Manager will regularly monitor the Fund’s tracking accuracy and will seek to maintain an appropriate correlation between the return of the Index and the return of the Fund. It is expected that the level of tracking error will be 0-2% in normal market conditions.

Subject to Schedule III, the Investment Manager may also invest in a portfolio of assets which may comprise money market or short-term instruments such as Investment Grade fixed and floating government securities, bankers’ acceptances, certificates of deposit, and Eligible Collective Investment Schemes which are either money market funds and/or which have a similar investment objective and policies as that of the Fund. The amount which may be invested in such money market instruments, short-term instruments and Eligible Collective Investment Schemes shall not exceed 10% of the Net Asset Value of the Fund.

The Fund’s Investments, other than its Investments in Eligible Collective Investment Schemes, will be listed or traded on Regulated Markets worldwide and which are set out in Schedule II and including those listed or traded on Regulated Markets in Canada.

Subject to the investment limits set out in the preceding paragraphs, the Fund’s assets are permanently physically invested with a minimum of at least 51% of their value in securities defined as equity in accordance to sec. 2 para. 8 of the German Investment Tax Act.

The Base Currency of the Fund is US Dollars.

### **Index**

The Index seeks to measure the performance of the securities ranked #1 or #2 according to the Index Provider’s proprietary Value Line® Safety Ranking System (the “Safety Ranking System”) that are also still expected to provide above-average dividend yield. As of 31 March 2019, the Index was composed of 187 securities.

Each portfolio is reconstituted and rebalanced monthly. Details of the Index and how the Index is calculated are set out in Schedule IV.

### **Share Classes**

The Fund initially comprises one share Class, details of which are set out in Schedule I. The Fund may add additional share Classes from time to time at the discretion of the Directors in accordance with the requirements of the Central Bank. A separate pool of assets will not be maintained for each Class within the Fund.

**There is no guarantee that the Fund will achieve its objective.**

### **First Trust NYSE Arca Biotechnology UCITS ETF**

#### **Investment Objective**

The 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 NYSE Arca Biotechnology Index<sup>SM</sup> (the “Index”).

#### **Investment Policy**

In order to achieve its investment objective, the investment policy of this Fund is to invest at least 90% of its net assets in the common stocks and depositary receipts that comprise the Index or in depositary receipts that may include American Depositary Receipts (“ADRs”), Global Depositary Receipts (“GDRs”) or European Depositary Receipts (“EDRs”) representing securities in the Index where direct investment in a constituent security of the Index is not possible.

The Fund attempts to replicate, before fees and expenses, the performance of the Index. The Investment Manager will seek to do this by replicating so far as possible the investments in the Index. The Investment Manager will regularly monitor the Fund's tracking accuracy and will seek to maintain an appropriate correlation between the return of the Index and the return of the Fund. It is expected that the level of tracking error will be 0-2% in normal market conditions.

Subject to Schedule III, the Investment Manager may also invest in a portfolio of assets which may comprise money market or short-term instruments such as Investment Grade fixed and floating government securities, bankers' acceptances, certificates of deposit, and Eligible Collective Investment Schemes which are either money market funds and/or which have a similar investment objective and policies as that of the Fund. The amount which may be invested in such money market instruments, short-term instruments and Eligible Collective Investment Schemes shall not exceed 10% of the Net Asset Value of the Fund.

The Fund's Investments, other than its Investments in Eligible Collective Investment Schemes, will be listed or traded on Regulated Markets in the US and which are set out in Schedule II.

Subject to the investment limits set out in the preceding paragraphs, the Fund's assets are permanently physically invested with a minimum of at least 51% of their value in securities defined as equity in accordance to sec. 2 para. 8 of the German Investment Tax Act.

The Base Currency of the Fund is US Dollars.

#### **Index**

The Index is an equal-dollar weighted index designed to measure the performance of a cross section of small, mid and large capitalisation companies in the biotechnology industry that are primarily involved in the use of biological processes to develop products or provide services. As of 31 March 2019, the Index was composed of 30 securities. Details of the Index and how the Index is calculated are set out in Schedule IV.

#### **Share Classes**

The Fund initially comprises one share Class, details of which are set out in Schedule I. The Fund may add additional share Classes from time to time at the discretion of the Directors in accordance with the requirements of the Central Bank. A separate pool of assets will not be maintained for each Class within the Fund.

**There is no guarantee that the Fund will achieve its objective.**

### **First Trust Nasdaq Cybersecurity UCITS ETF**

#### **Investment Objective**

The Fund seeks investment results that correspond generally to the price and yield (before the Fund's fees and expenses) of a total return equity index called the Nasdaq CTA Cybersecurity Index<sup>SM</sup> (the "Index").

#### **Investment Policy**

In order to achieve its investment objective, the investment policy of this Fund is to invest at least 90% of its net assets in the common stocks and depositary receipts that comprise the Index or in depositary receipts that may include American Depositary Receipts ("ADRs") or Global Depositary Receipts ("GDRs") representing securities in the Index where direct investment in a constituent security of the Index is not possible.

The Fund attempts to replicate, before fees and expenses, the performance of the Index. The Investment Manager will seek to do this by replicating so far as possible the investments in the Index. The Investment Manager will regularly monitor the Fund's tracking accuracy and will seek to maintain an appropriate correlation between the return of the Index and the return of the Fund. It is expected that the level of tracking error will be 0-2% in normal market conditions.

Subject to Schedule III, the Investment Manager may also invest in a portfolio of assets which may comprise money market or short-term instruments such as Investment Grade fixed and floating government securities, bankers' acceptances, certificates of deposit, and Eligible Collective Investment Schemes which are either money market funds and/or which have a similar investment objective and policies as that of the Fund. The amount which may be invested in such money market instruments, short-term instruments and Eligible Collective Investment Schemes shall not exceed 10% of the Net Asset Value of the Fund.

The Fund's Investments, other than its Investments in Eligible Collective Investment Schemes, will be listed or traded on Regulated Markets worldwide and which are set out in Schedule II, but principally listed or traded on Regulated Markets in the US.

The Base Currency of the Fund is US dollars.

### **Index**

The Index is a modified liquidity weighted index designed to track the performance of companies engaged in the cybersecurity segment of the technology and industrial sectors. The Index includes companies primarily involved in the building, implementation and management of security protocols applied to private and public networks, computers and mobile devices in order to provide protection of the integrity of data and network operations. Details of the Index and how the Index is calculated are set out in Schedule IV.

### **Share Classes**

The Fund initially comprises one share Class, details of which are set out in Schedule I. The Fund may add additional share Classes from time to time at the discretion of the Directors in accordance with the requirements of the Central Bank. A separate pool of assets will not be maintained for each Class within the Fund.

### **BORROWINGS**

The Company on behalf of the Funds may not borrow money, grant loans or act as guarantor on behalf of third parties, except as follows:

1. foreign currency may be acquired by means of a back-to-back loan; and
2. borrowings not exceeding 10% of the total Net Asset Value of a Fund may be made on a temporary basis and the assets of the Fund may be charged as security for such borrowings.

### **DISTRIBUTION POLICY**

The Directors are empowered by the Constitution to declare and pay dividends in respect of the shares in any Fund in the Company out of the net income of the relevant Fund less accrued expenses of the Company.

It is intended to declare dividends in respect of the shares of the following Funds: First Trust US Equity Income UCITS ETF, First Trust Germany AlphaDEX<sup>®</sup> UCITS ETF, First Trust Low Duration Global Government Bond UCITS ETF and the Class B shares of First Trust US Large Cap Core AlphaDEX<sup>®</sup> UCITS ETF, First Trust Eurozone AlphaDEX<sup>®</sup> UCITS ETF, First Trust United Kingdom AlphaDEX<sup>®</sup> UCITS ETF, First Trust Global Equity Income UCITS ETF and First Trust Value Line<sup>®</sup> Dividend Index UCITS ETF on a quarterly basis (the "Distributing Share Classes"). Distributions in respect of these Classes will be declared on each Distribution Date in each year provided that if such dates are not Business Days, the declaration date will be the Business Day immediately following such date respectively. The distribution may comprise net income (if any) of the Fund.

For all other Funds not mentioned in the paragraph above, it is the intention of the Directors not to declare dividends in respect of those Funds. The income and earnings and gains of the Funds will be accumulated and reinvested on behalf of the Shareholders. Any change to this dividend policy shall be set out in an updated version of the Prospectus and notified to the Shareholders in advance.

Where a Class operates equalisation, distributions made by the Class will include an amount of income equalisation. This amount corresponds to the equalisation income included in the Net Asset Value per share of the Class.

Distributions are paid to a Shareholder's bank accounts by telegraphic transfer to the account of the Shareholder specified in the application form.

Distributions which have not been claimed within six years of their payment date shall no longer be payable to the beneficiaries and shall revert to the Fund.

## **INVESTMENT RESTRICTIONS**

The Funds' investments will be limited to investments permitted by the UCITS Regulations, as set out in Schedule III. If the UCITS Regulations are altered during the life of the Company, the investment restrictions may be changed to take account of any such alterations but any such changes shall be in accordance with the Central Bank's requirements, reflected in an updated version of the Prospectus and will be subject to approval by the majority of votes of Shareholders passed at a general meeting or by all of the Shareholders by way of a written resolution. Shareholders will be advised of such changes in the next succeeding annual or half-yearly report of the Company.

## **USE OF DERIVATIVES AND HEDGING**

The First Trust FactorFX UCITS ETF and the First Trust Low Duration Global Government Bond UCITS ETF may employ investment techniques and financial derivative instruments (forward foreign exchange contracts, currency futures, swaps, options, interest rate swaps and interest rate futures) for investment purposes and for the purpose of hedging currency exposure, subject to the conditions and within the limits from time to time set forth in Schedule V. Details of the risks associated with derivative instruments are set out in the section entitled "Risk Factors" below. The expected effect of the investment techniques and financial derivative instruments to be used is gain exposure to different global currencies in order to benefit from the Investment Manager's research into currency movements and to manage and hedge currency, interest rate and foreign exchange rate risk exposures of the Fund.

The Company employs a risk management process which enables it to accurately measure, monitor and manage the various risks associated with such investment techniques and instruments. Any financial derivative instruments not included in the risk management process will not be used until such time as a revised risk management process has been provided to the Central Bank.

The Company shall supply to a Shareholder on request supplementary information relating to the risk management methods employed including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

A list of the Regulated Markets on which the financial derivative instruments may be quoted or traded is set out in Schedule II. A description of the current conditions and limits laid down by the Central Bank in relation to financial derivative instruments is set out in Schedule V.

The policy that will be applied to collateral arising from OTC derivative transactions relating to the First Trust FactorFX UCITS ETF and the First Trust Low Duration Global Government Bond UCITS ETF is to adhere to the requirements set out in Schedule V. This sets out the permitted types of collateral, level of collateral required and haircut policy and, in the case of cash collateral, the re-investment policy prescribed by the Central Bank pursuant to the UCITS Regulations. The categories of collateral which may be received by the First Trust FactorFX UCITS ETF and the First Trust Low Duration Global Government Bond UCITS



ETF include cash and non-cash assets such as equities, Debt Securities and money market instruments. From time to time and subject to the requirements in Schedule V, the policy on levels of collateral required and haircuts may be adjusted, at the discretion of the Sub-Investment Manager, where this is determined to be appropriate in the context of the specific counterparty, the characteristics of the asset received as collateral, market conditions or other circumstances. The haircuts applied (if any) by the Sub-Investment Manager are adapted for each class of assets received as collateral, taking into account the characteristics of the assets such as the credit standing and/or the price volatility, as well as the outcome of any stress tests performed in accordance with the requirements in Schedule V. Each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets should be justified on the basis of this policy.

If cash collateral received by the First Trust FactorFX UCITS ETF and the First Trust Low Duration Global Government Bond UCITS ETF is re-invested, the Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the Fund will have less protection if the counterparty defaults. The risks associated with the re-investment of cash collateral are substantially the same as the risks which apply to the other investments of the First Trust FactorFX UCITS ETF and the First Trust Low Duration Global Government Bond UCITS ETF. For further details see the section entitled “Risk Factors”.

## **TYPES AND DESCRIPTIONS OF DERIVATIVES**

Below are the types of derivatives that First Trust FactorFX UCITS ETF and First Trust Low Duration Global Government Bond UCITS ETF (for the purposes of this section, the “Fund”) may purchase for the purposes of hedging currency exposure. The commercial purpose for the use of each of the below derivative transactions is to gain exposure to different global currencies in order to benefit from the Investment Manager’s research into currency movements and to hedge currency exposure.

### **Forward Foreign Exchange Contracts**

A forward foreign exchange contract, which involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract, reduces the Fund’s exposure to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will receive for the duration of the contract. The effect on the value of the Fund is similar to selling securities denominated in one currency and purchasing securities denominated in another currency. A contract to sell currency would limit any potential gain, which might be realised if the value of the hedged currency increases. The Fund may enter into these contracts to hedge against exchange risk, or to shift exposure to currency fluctuations from one currency to another. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in such transactions at any given time or from time to time. Also, such transactions may not be successful and may reduce any chance for the Fund to benefit from favourable fluctuations.

### **Currency Futures**

Currency future contracts provide for the future sale by one party and purchase by another party of a specified amount of currency at a specified price, date and time. Entering into a contract to buy currency is commonly referred to as buying or holding a long position in the currency. Entering into a contract to sell currency is commonly referred to as selling or holding a short position in the currency. Futures contracts are considered to be commodity contracts. Futures contracts traded OTC are frequently referred to as forward contracts. The Fund may buy or sell currency futures and forward foreign exchange contracts.

### **Options**

The purpose behind the purchase of call options by the Fund is to provide exposure to increases in the market (e.g. with respect to temporary cash positions) or to hedge against an increase in the price of securities or other investments that the Fund intends to purchase. The purpose behind the purchase of put options by the Fund is to hedge against a decrease in the market generally or to hedge against the price of securities or other investments held by the Fund.

The Fund may purchase options on futures contracts in lieu of writing or buying options directly on underlying securities or purchasing and selling underlying futures contracts. In order to hedge against a

possible decrease in the value of its portfolio securities, the Fund may purchase put options on futures contracts rather than sell futures contracts. In order to hedge against a possible increase in the price of securities which the Fund expects to purchase, the Fund may purchase call options on futures contracts as a substitute for the purchase of futures contracts. For example, currency options or options on currency futures, may be used to take a positional view on currency volatility whereby the Fund could, for example, sell volatility on a daily basis across a range of currency pairs provided the price of volatility was above a specified level.

### **Swaps**

Swap agreements are two-party contracts entered into primarily by institutional investors for periods ranging from a few weeks to more than one year. In a standard “swap” transaction, two parties agree to exchange returns (or differentials in rates of return) calculated with respect to a “notional amount”, e.g., the return on or increase in value of a particular dollar amount invested at a particular interest rate, in a particular foreign currency. Swap contracts may expose the Fund to substantial risk of loss.

### **Currency Transactions**

The Fund may hold active currency positions that are denominated in currencies other than the Base Currency and may be exposed to currency exchange risk. For example, changes in exchange rates between currencies or the conversion from one currency to another may cause the value of the Fund’s investments to diminish or increase. Currency exchange rates may fluctuate over short periods of time. They generally are determined by supply and demand in the currency exchange markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors. Currency exchange rates can be affected unpredictably by intervention (or the failure to intervene) by governments or central banks, or by currency controls or political developments. The Fund may, but is not obliged to, engage in foreign exchange transactions (such as currency futures and forwards, currency exchange contracts) in order to hedge against currency fluctuations between its underlying investments and the Base Currency. If the currency in which a security is denominated appreciates against the Base Currency, the Base Currency value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security expressed in the Base Currency. The Fund’s hedging transactions, while potentially reducing the currency risks to which the Fund would otherwise be exposed, involve certain other risks, including the risk of a default by a counterparty.

The Fund may comprise Classes denominated in a currency other than the Base Currency. In such case the Investment Manager may seek to hedge the currency exposure risk between the Base Currency of the Fund and the currency of denomination of the Classes of the Fund denominated in currencies other than the Base Currency. Although not intended, over-hedged or under-hedged positions may arise due to factors outside of the control of the Investment Manager. Over-hedged positions will not be permitted to exceed 105% of the Net Asset Value of the Class. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed the permitted level. This review will also incorporate a procedure to ensure that positions materially in excess of 100% will not be carried forward from month to month. A position shall be over-hedged where the currency forward or other derivative attributable to a specific Class hedges an amount of the currency of denomination of that class in excess of the Net Asset Value of the Class. Class Currency transactions will be clearly attributable to a specific Class (therefore currency exposures of different currency Classes may not be combined or offset and currency exposures of assets of the Fund may not be allocated to separate Classes).

The costs and gains or losses associated with any hedging transactions for hedged currency Classes will accrue solely to the hedged currency Class to which they relate. Whilst these hedging strategies are designed to reduce the losses to a Shareholder’s investment if the currency of that Class or the currencies of assets which are denominated in currencies other than the Base Currency fall against that of the Base Currency, the use of Class hedging strategies may substantially limit holders of Shares in the relevant Class from benefiting if the currency of that Class falls against that of the Base Currency and/or the currency in which the assets of the Company are denominated.

### **RISK FACTORS**

**Investors' attention is drawn to the following risk factors. This does not purport to be an exhaustive list of the risk factors relating to an investment in the Company and investors' attention is drawn to the description of the instruments set out in the section entitled "Investment Objective and Policies".**

#### ***Investment Risk***

There can be no assurance that each Fund will achieve its investment objective. The value of shares and the income therefrom may rise or fall as the capital value of the securities in which the Fund invests may fluctuate. The investment income of the Fund is based on the income earned on the securities it holds, less expenses incurred. Therefore, a Fund's investment income may be expected to fluctuate in response to changes in such income or expenses.

#### ***Index Risk***

There is no assurance that each Index will continue to be calculated and published on the basis described in this Prospectus or that it will not be amended significantly. The past performance of the relevant Index is not a guide to future performance.

#### ***Non-Correlation Risk***

An Index Fund's return may not match the return of the relevant Index for a number of reasons. For example, an Index Fund incurs operating expenses not applicable to the Index, and may incur costs in buying and selling securities, especially when rebalancing an Index Fund's portfolio holdings to reflect changes in the composition of the Index. In addition, an Index Fund's portfolio holdings will not exactly replicate the securities included in the relevant Index or the ratios between the securities included in the Index. An Index Fund may also hold uninvested assets in the form of cash. In addition, there may be timing differences between when the relevant Index reflects the declaration of dividends and when an Index Fund reflects the declaration of dividends. Certain securities comprising the Index may be unavailable for purchase.

The limits on the investments made by an Index Fund imposed by the UCITS Regulations may also mean that a Fund may not fully replicate the performance of the relevant Index if the concentration or type of investments in the Index contravenes those limits.

#### ***Replication Management Risk***

An Index Fund is exposed to additional market risk due to its policy of investing principally in the equity securities included in the relevant Index. As a result of this policy, equity securities held by an Index Fund will generally not be bought or sold in response to market fluctuations and the equity securities may be issued by companies concentrated in a particular industry. Therefore, an Index Fund will generally not sell an equity security because its issuer is in financial trouble, unless that equity security is removed or is anticipated to be removed from the relevant Index.

#### ***Index Tracking Risk and Non-Correlation Risk***

Tracking error is the difference between the return of an Index Fund and the return of the Index tracked. The Index Fund is subject to tracking error risk, which is the risk that its returns may not track exactly those of the Index. Tracking error may result from an inability to hold the exact constituents of the Index, for example where there are local market trading restrictions, and/or where the UCITS Regulations limit exposure to the constituents of the Index. The Fund's return may not match the return of the Index for a number of reasons. For example, the Fund incurs operating expenses not applicable to the Index, and may incur costs in buying and selling securities, especially when rebalancing the Fund's portfolio holdings to reflect changes in the composition of the Index. In addition, a Fund's portfolio holdings may not exactly replicate the securities included in the Index or the ratios between the securities included in the Index.

#### ***Market Capitalisation Risk***

An Index Fund normally invests a high proportion of its assets in equity securities that comprise the relevant Index. Where relevant, the equity securities of companies represented in an Index generally have market capitalisations that are consistent with the name of the Index. For purposes of determining the market capitalisation range of such equity securities, a Fund will use the current range of the Index. However, the relevant Index Fund will not be forced to sell an equity security because it has exceeded or fallen below the current market capitalisation range of the Index. Because of market movement, there can be no assurance

that the equity securities in the Index Fund will stay within a given market capitalisation range. As a result, the relevant Index Fund may be exposed to additional risk

#### ***Intellectual Property Risk***

Each Index Fund relies on a license and related sublicense that permits the Fund to use its Index and associated trade names, trademarks and service marks (the “Intellectual Property”) in connection with the name and investment strategies of the Fund. Such license and related sublicense may be terminated by the Index Provider, and, as a result, the Index Fund may lose its ability to use the Intellectual Property. There is also no guarantee that the Index Provider has all rights to license the Intellectual Property to the Company and the Investment Manager. Accordingly, in the event the license is terminated or the Index Provider does not have rights to license the Intellectual Property, it may have a significant effect on the operation of the relevant Fund.

#### ***Passive Investment Risk***

No Index Fund is actively managed. An Index Fund may be affected by a general decline in certain market segments relating to its Index. An Index Fund invests in securities included in or representative of its Index regardless of their investment merit. An Index Fund generally will not attempt to take defensive positions in declining markets.

#### ***Small-Cap Stocks***

A Fund may invest in smaller sized companies of a less seasoned nature. The securities of small-cap companies may pose greater investment risks because such companies may have limited product lines, distribution channels and financial and managerial resources. Further, there is often less publicly available information concerning such companies than for larger, more established businesses. The equity securities of small-cap companies may not be traded in the volumes typical of mid- and larger-cap companies and may be less liquid than large-cap companies. As a result of the less liquid nature of small-cap companies, a Fund may be required to dispose of such securities over a longer (and potentially less favourable) period of time than is required to dispose of the securities of larger, more established companies.

#### ***Bonds***

Bond prices and returns from investing in bond markets are sensitive to changes in interest rates which are in turn determined by a number of economic factors, in particular market expectations of future inflation. Investment in bonds also results in exposure to the risk that the bond issuer defaults on its obligations which is likely to result in a loss of value for the bondholder. Higher yielding bonds and emerging market bonds are generally perceived to carry a higher risk of default and a greater possibility of loss to a Fund.

#### ***Supranational Organisations***

A Fund may invest in debt securities issued by Supranational Organisations such as freely transferable promissory notes and bonds. Supranational Organisations include, among others, the Asian Development Bank, the European Investment Bank, the Inter American Development Bank, the International Monetary Fund, the International Bank for Reconstruction and Development and the European Bank for Reconstruction and Development. These organisations have no taxing authority and are dependent upon their members for payments of interest and principal. Moreover, the lending activities of such Supranational Organisations are limited to a percentage of their total capital (including “callable capital” contributed by members at an entity’s call), reserves and net income.

#### ***Management Risk***

The First Trust FactorFX UCITS ETF and the First Trust Low Duration Global Government Bond UCITS ETF are subject to management risk because they are actively managed Funds. In managing the relevant Fund’s investment portfolio, the Investment Manager will apply investment techniques and risk analyses that may not have the desired result. There can be no guarantee that each Fund will meet its investment objective.

#### ***Single Country Risk***

Where a Fund invests primarily in securities in a single country or a small number of countries, it may be subject to a greater level of risk and above average volatility, as compared to investing in a broader range of securities covering multiple countries.

### ***Trading Issues***

While shares of the Funds may be listed on the Euronext Dublin, it is not expected that an active trading market for such shares will develop. Although it is contemplated that the shares of each Fund will be listed for trading on the London Stock Exchange, there can be no assurance that an active trading market for such shares will develop or be maintained. Trading in shares on the London Stock Exchange may be halted due to market conditions or for reasons that, in the view of the London Stock Exchange, make trading in shares inadvisable. There can be no assurance that the requirements the Euronext Dublin or London Stock Exchange necessary to maintain any listing of the Funds will continue to be met or will remain unchanged.

### ***Fluctuation of Net Asset Value***

The Net Asset Value of each Fund will generally fluctuate with changes in the market value of such Fund's holdings. The market prices of shares will generally fluctuate in accordance with changes in Net Asset Value as well as the relative supply of and demand for shares on the Secondary Market. The Investment Manager cannot predict whether shares will trade below, at or above their Net Asset Value. Price differences may be due, in large part, to the fact that supply and demand forces at work in the Secondary Market for shares will be closely related to, but not identical to, the same forces influencing the prices of the stocks of the Fund trading individually or in the aggregate at any point in time. However, given that shares can be purchased and redeemed in Creation Units (unlike shares of closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their net asset value), the Investment Manager believes that large discounts or premiums to the Net Asset Value per share should not be sustained.

### ***Secondary Market Trading Risk***

The shares of each Fund will be listed and admitted to trading on one or more stock exchanges. There is no guarantee as to the liquidity of the shares on any relevant stock exchange, or as to the provision of intra-day prices for the shares.

### ***Insufficiency of Duties and Charges Risk***

Investors in the First Trust FactorFX UCITS ETF and the First Trust Low Duration Global Government Bond UCITS ETF may be charged a fixed amount relating to Duties and Charges associated with the purchase and sale of Investments. The level of Duties and Charges is determined by the Sub-Investment Manager and is estimated based on historic information concerning the costs incurred in trading the relevant securities in the relevant markets. If the Duties and Charges levied are insufficient to discharge all of the costs incurred in the purchase or sale of Investments, the difference will be paid out of the assets of the First Trust FactorFX UCITS ETF and the First Trust Low Duration Global Government Bond UCITS ETF, which will result in a reduction in the Net Asset Value of the Fund (and a corresponding reduction in the value of the holding of all of the Shareholders in the Fund).

### ***Lack of Operating History***

Some of the Funds are newly formed and have no operating history upon which investors can evaluate their likely performance. There can be no assurance that any of the Funds will achieve their investment objective.

### ***Market Risk***

The investments of a Fund are subject to normal market fluctuations and the risks inherent in investment in international securities markets and there can be no assurances that appreciation will occur. Stock markets can be volatile and stock prices can change substantially. Debt securities are interest rate sensitive and may be subject to price volatility due to various factors including, but not limited to, changes in interest rates and general market liquidity. Since investment in securities may involve currencies other than the Base Currency or Class Currency, the value of a Fund's assets may also be affected by changes in currency rates and exchange control regulations, including currency blockage. The performance of a Fund will therefore depend in part on the ability of the Investment Manager or the Sub-Investment Manager to anticipate and respond to such fluctuations in stock prices, market interest rates and currency rates and to utilise appropriate strategies to maximise returns, while attempting to reduce the associated risks to investment capital.

### ***Currency Risk***

A Fund may invest in assets that are denominated in a currency other than the Base Currency of that Fund and this will create currency exposure which may not be hedged. Accordingly, the value of a Shareholder's investment may be affected favourably or unfavourably by fluctuations in the rates of the different currencies. In respect of unhedged Share Classes, the value of a Share expressed in a currency other than the Base Currency will be subject to exchange rate risk in relation to the Base Currency. Shareholders should also note that in respect of unhedged Share Classes, any currency conversions will take place on subscriptions, redemptions, conversions and distributions at prevailing exchange rates. Shareholders should be aware that an unhedged Share Class may be exposed to hedging of currency exposures at the Fund level. A Fund may engage in currency hedging.

Where a Fund has hedged Share Classes the hedging is carried out at the Share Class level but may also be at the Fund level. Hedged Share Classes seek to hedge the currency exposure arising from the Class being denominated in a currency other than the Fund's Base Currency. Whilst these hedging strategies are designed to ensure that the Hedged Share Class moves in line with the performance of the underlying assets, the use of hedging strategies may substantially limit holders of Shares in the Hedged Share Class from benefiting if that currency rises against the Fund's Base Currency. With respect to a hedged Share Class, it is intended that the gains/losses on, and the costs of, the relevant derivatives entered into for hedging purposes will accrue to the Shareholders in that hedged Share Class. Any currency exposure of a hedged Share Class will not be combined with or offset with that of any other Share Class of the Fund. The accounting methodology used by the Company is designed to prevent contagion so that unrealised gains and losses of a hedged Share Class will be limited only to the hedged Share Class. Similarly, the monitoring of each hedged Share Class to identify the assets, liabilities and profit or loss to the relevant Share Classes from an operational perspective and the monitoring of the over-hedged positions and the counterparties with whom the derivatives are entered into are designed to ensure that any losses arising from potential operational or counterparty risk do not exceed the value of the hedged Share Class. However, the assets and liabilities attributable to a hedged Share Class are not "ring-fenced" from the liabilities attributable to other Share Classes within the same Fund due to the fact that there is no legal segregation of assets between Share Classes of a Fund. For hedged Share Classes in a Fund the derivatives used to implement such strategies shall be assets or liabilities of the Fund as a whole. Accordingly, in the unlikely event of a Fund being unable to meet liabilities attributable to any hedged Share Class out of the assets attributable to that hedged Share Class, the excess liabilities would have to be met out of the assets attributable to the other Share Classes of the same Fund and in those circumstances other Share Classes within the Fund may be adversely affected by the hedging transactions undertaken in respect of the hedged Share Classes.

### ***Currency Hedging Transactions***

The Investment Manager/Sub-Investment Manager takes a long-term view of currency, incorporating assumptions into the underlying investment analysis. Typically, currency exposure is consistent with the underlying equity exposure. Recognizing that currencies may fluctuate, the Investment Manager/Sub-Investment Manager may engage, as required, in currency hedging in order to seek to reduce risk and preserve capital, using forward currency contracts as described below.

Currency hedging transactions involve special risks, including the risk that a Fund's Base Currency will decline in value relative to the currency being hedged, thereby reducing the Fund's positive return or causing or exacerbating the Fund's negative return.

The Company may also create hedged currency share classes which are described below.

Over-hedged and under-hedged positions, while not intended, may arise due to factors outside the control of the Investment Manager/Sub-Investment Manager. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed 105% of the portion of the Net Asset Value of the Share Class in aggregate which is to be hedged against currency risk. Over-hedged positions materially in excess of 100% of the portion of the Net Asset Value of the Share Class and under-hedged positions short of 95% of the hedged portion of the Net Asset Value of the Share Class will not be carried forward from month to month. Where a Share Class is hedged, any costs related to such hedging shall be borne separately by the relevant Share Class. All gains or losses that may be made or incurred by any class of any Fund as a result of such

hedging transactions shall accrue to the relevant Share Class. The currency exposure of assets of the Fund will not be allocated to specific Share Classes.

#### ***Equity Market Risk***

Each Index Fund is subject to equity market risk. Equity risk is the risk that a particular share, a fund, an industry, or shares in general may fall in value. The value of investments in an Index Fund will go up and down with the prices of securities in which the Fund invests. The prices of equity securities change in response to many factors, including the historical and prospective earnings of the issuer, the value of its assets, management decisions, demand for an issuer's products or services, production costs, general economic conditions, interest rates, currency exchange rates, investor perceptions and market liquidity.

#### ***Volatility Risk***

Prices of securities may be volatile. Price movements of securities are difficult to predict and are influenced by, among other things, speculation, changing supply and demand relationships, governmental trade, fiscal, monetary and exchange control programs and policies, national and international political and economic events, climate, changes in interest rates, and the inherent volatility of the market place. Volatility may also be due to the fluctuations in the exchange rate of currencies. During periods of uncertain market conditions the combination of price volatility and the less liquid nature of securities markets may, in certain cases, affect a Fund's ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of the Fund.

#### ***Global Financial Market Crisis and Governmental Intervention***

As at the date of this Prospectus, global financial markets have undergone pervasive and fundamental disruptions and significant instability which has led to governmental intervention. Regulators in certain jurisdictions have implemented or proposed a number of emergency regulatory measures. Government and regulatory interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been detrimental to the efficient functioning of financial markets. It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the Investment Manager's ability to implement a Fund's investment objective.

Whether current undertakings by governing bodies of various jurisdictions or any future undertakings will help stabilise the financial markets is unknown. The Investment Manager cannot predict how long the financial markets will continue to be affected by these events and cannot predict the effects of these – or similar events in the future – on a Fund, the European or global economy and the global securities markets. The Investment Manager is monitoring the situation.

#### ***Temporary Suspension of Valuation of the Shares and of Sales, Repurchases and Conversions***

Investors are reminded that in certain circumstances their right to redeem or convert shares may be temporarily suspended.

#### ***Risks Associated with Delays in Providing Complete Customer Due Diligence***

Investors should note that there is a risk that any delay in providing a signed copy of the application form and all documents required in connection with the obligations to prevent money laundering and terrorist financing to the Administrator may result in shares not being issued at the prevailing Net Asset Value per share on a specific Dealing Day but on a later Dealing Day.

#### ***Cyber Security Risk***

Like other business enterprises, the use of the internet and other electronic media and technology exposes the Company, the Company's service providers, and their respective operations, to potential risks from cyber-security attacks or incidents (collectively, "cyber-events"). Cyber-events may include, for example, unauthorised access to systems, networks or devices (such as, for example, through "hacking" activity), infection from computer viruses or other malicious software code, and attacks which shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality. In addition to intentional cyber-events, unintentional cyber-events can occur, such as, for example, the inadvertent release of confidential information. Any cyber-event could adversely impact the Company and the Shareholders, and

cause a Fund to incur financial loss and expense, as well as face exposure to regulatory penalties, reputational damage, and additional compliance costs associated with corrective measures. A cyber-event may cause the Company, a Fund, or the Company's service providers to lose proprietary information, suffer data corruption, lose operational capacity (such as, for example, the loss of the ability to process transactions, calculate the Net Asset Value of a Fund or allow Shareholders to transact business) and/or fail to comply with applicable privacy and other laws. Among other potentially harmful effects, cyber events also may result in theft, unauthorised monitoring and failures in the physical infrastructure or operating systems that support the Company and the Company's service providers. In addition, cyber-events affecting issuers in which a Fund invests could cause the Fund's investments to lose value.

#### ***Umbrella structure of the Company and Cross-Liability Risk***

A Fund will be responsible for paying its fees and expenses regardless of the level of its profitability. The Company is an umbrella fund with segregated liability between Funds and under Irish law the Company generally will not be liable as a whole to third parties and there generally will not be the potential for cross liability between the Funds. Notwithstanding the foregoing, there can be no assurance that, should an action be brought against the Company in the courts of another jurisdiction, the segregated nature of the Funds would necessarily be upheld.

#### ***Risks Associated with Umbrella Cash Accounts***

The monies held in an Umbrella Cash Account will be commingled with the assets and liabilities of the other Funds and will be exposed to counterparty risk, the risk of market conditions generally, the Fund's creditors and any other risks affecting the relevant Fund such as the incorrect recording of the assets and liabilities attributable to individual Funds. In the event of an insolvency of the Fund, there is no guarantee that the Fund will have sufficient funds to pay unsecured creditors (including investors entitled to the subscription, redemption and dividend payments described above) in full.

Monies attributable to other Funds within the Company will also be held in the Umbrella Cash Account. In the event of the insolvency of a Fund (an "Insolvent Fund"), the recovery of any amounts to which another Fund (the "Beneficiary Fund") is entitled, but which may have transferred in error to the Insolvent Fund as a result of the operation of the Umbrella Cash Account, will be subject to applicable law and the operational procedures for the Umbrella Cash Account. There may be delays in effecting, and/or disputes as to the recovery of, such amounts, and the Insolvent Fund may have insufficient funds to repay amounts due to the Beneficiary Fund.

No interest will be paid on the amounts held in the Umbrella Cash Account prior to the payment of the redemption or dividend proceeds. Any interest earned on the monies in the Umbrella Cash Account will be for the benefit of the relevant Fund and will be allocated to the Fund on a periodic basis for the benefit of the Shareholders at the time of the allocation.

The "fund monies" regime and the related Central Bank guidance on umbrella cash accounts is untested and, as a result, may be subject to change and further clarification. Therefore, the structure of the Umbrella Cash Account(s) maintained by the Company and/or any other accounts used to manage subscription, redemption and dividend monies of investors may differ from that outlined in this Prospectus.

#### ***Taxation***

Statements in this Prospectus concerning the taxation of Shareholders, the Company or a Fund are based on law and our understanding of the practice of the Revenue Commissioners as at the date of this Prospectus. Any change in the tax status of the Company or a Fund, or in accounting standards, or a change in tax legislation or the tax regime, or in the practice relating to, the interpretation or application of tax legislation applicable to the Company, a Fund or the assets of a Fund, could affect the value of the investments held by the Fund, the Fund's ability to achieve its stated objective, the Fund's ability to provide dividends to Shareholders and/or alter the post-tax returns to Shareholders. It is possible that any legislative changes may have retrospective effect. The information contained in this Prospectus is intended as a guide only and is not a substitute for professional advice. A Shareholder that is eligible for an exemption from Irish withholding tax is required to provide a declaration to the Company confirming their status as a condition of obtaining the



exemption. Investors are advised to consult their own tax advisors in relation to their personal circumstances and suitability of this investment. Please see the section headed “Taxation”.

### ***Political Risks***

The performance of a Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and in legal, regulatory and tax requirements.

### ***Emerging Market Risks***

Due to the developing nature of the countries in which certain Funds may invest their markets are similarly of a developing nature. Accordingly, these markets may be insufficiently liquid and levels of volatility in price movements may be greater than those experienced in more developed economies and markets. In addition, reporting standards and market practices may not provide the same degree of information as would generally apply internationally and therefore may increase risk. In addition, an issuer may default on payments and such circumstances could mean that investors may not receive back on repurchase or otherwise the amount originally invested.

It should be remembered that the legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of shareholder protection or information to investors as would generally apply internationally. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from international accounting standards.

The value of the assets of each of the Funds referred to above may be affected by uncertainties, such as political developments, changes in government policies, taxation and currency repatriation and restrictions on foreign investment in some of the countries in which the Funds referred to above may invest.

A Fund may invest in securities of Russian issuers. Investment in these securities presents many of the same risks as investing in securities of issuers in other emerging market economies, as described in the immediately preceding section. However, the social, political, legal and operational risks of investing in Russian issuers, and of having assets custodied within Russia may be particularly pronounced. Certain Russian issuers may also not meet internationally accepted standards of corporate governance. A risk of particular note with respect to investment in Russian securities is the way in which ownership of shares of private companies is recorded. The ownership of, and settlement of transactions in, many Russian securities has been moved to a central securities depository, the National Settlement Depository (“NSD”). The Depository or its local agent in Russia is a participant on the NSD. The NSD in turn is reflected as the nominee holder of the securities on the register of the relevant issuer. Therefore, while this is intended to provide a centralised and regulated system for recording of the ownership of, and settlement of transactions in, Russian securities, it does not eliminate all of the risks associated with the registrar system outlined above.

### ***Counterparty Risk to the Depository***

The Company will be exposed to the credit risk of the Depository or any depository used by the Depository where cash is held by the Depository or other depositories. In the event of the insolvency of the Depository or other depositories, the Company will be treated as a general creditor of the Depository or other depositories in relation to cash holdings of the Company. The Company’s equity securities are however maintained by the Depository or other depositories in segregated accounts and should be protected in the event of insolvency of the Depository or other depositories.

### ***Trading in Derivatives***

A Fund may make use of swaps, currency forward contracts or currency futures for the purposes of hedging currency exposure. The use of derivative instruments such as swaps, currency forward contracts or currency futures involves a variety of material risks, including the extremely high degree of leverage sometimes embedded in such instruments. The derivatives markets are frequently characterised by limited liquidity, which can make it difficult as well as costly to close out open positions in order either to realise gains or to

limit losses. The pricing relationships between derivatives and the instruments underlying such derivatives may not correlate with historical patterns, resulting in unexpected losses.

Use of derivatives involves certain additional risks, including: (i) dependence on the ability to predict movements in the price of the securities hedged; (ii) imperfect correlation between movements in the securities on which the derivative is based and movements in the assets of the underlying portfolio; and (iii) possible impediments to effective portfolio management or the ability to meet short term obligations because of the percentage of a portfolio's assets segregated to cover its obligations. In addition, by hedging a particular position, any potential gain from an increase in the value of such position may be limited. The prices of all derivative instruments are highly volatile. Price movements are influenced by, among other things, interest rates, changing supply and demand relationships giving rise to liquidity risks, trade, fiscal, monetary and exchange control programmes and policies of governments, legal risks and national and international political and economic events and policies. The value also depends upon the price of the securities underlying them. There is also the risk of failure of any of the exchanges on which these instruments are traded or of their clearing houses. The following is a more detailed description of the risks associated with the use of derivatives.

#### ***Counterparty risk***

A Fund may enter into transactions in over-the-counter markets, which expose it to the credit risk of its counterparties and their ability to satisfy the terms of such contracts. Where a Fund enters into over-the-counter arrangements, it will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of the bankruptcy or insolvency of a counterparty, the Fund could experience delays in liquidating the position and may incur significant losses. There is also a possibility that ongoing derivative transactions may be terminated unexpectedly as a result of events outside the control of the Company, for instance, bankruptcy, supervening illegality or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated. In accordance with standard industry practice, it is the policy of the Company to net exposures against its counterparties therefore limiting potential loss.

#### ***European Market Infrastructure Regulation***

The Fund may enter into OTC derivative contracts for hedging purposes. European Market Infrastructure Regulation ("EMIR") establishes certain requirements for OTC derivatives contracts, including reporting requirements, bilateral risk management requirements, mandatory clearing requirements for certain classes of OTC derivatives and a margin posting obligation for OTC derivatives contracts not subject to clearing.

The implications of EMIR for a Fund include, without limitation, the following:

- clearing obligation: certain standardised OTC derivative transactions will be subject to mandatory clearing through a central counterparty (a "CCP"). Clearing derivatives through a CCP may result in additional costs and may be on less favourable terms than would be the case if such derivative was not required to be centrally cleared;
- risk mitigation techniques: for those of its OTC derivatives which are not subject to central clearing, the Fund will be required to put in place risk mitigation requirements, which include the collateralisation of all OTC derivatives. These risk mitigation requirements may increase the cost of the Fund pursuing its hedging strategy; and
- reporting obligations: each of the Fund's OTC derivative transactions must be reported to a trade depository or the European Securities and Markets Authority. This reporting obligation may increase the costs to the Fund of utilising OTC derivatives.

EMIR was amended as part of the European Commission's REFIT programme and the amending regulations Regulation 834/2019 ("EMIR REFIT") entered into force on 28 May 2019 and applied from 17 June 2019. EMIR REFIT introduced certain key obligations relating to clearing, reporting and risk-mitigation (margining). Although EMIR REFIT allows for certain clearing exemptions and provides for thresholds

below which no reporting is required, there can be no assurance as to whether the investments described herein made by a Fund will be affected by EMIR REFIT or any change thereto or review thereof.

***Liquidity risk***

Liquidity risk exists when a particular derivative instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

***Settlement risk***

A Fund is also subject to the risk of the failure of any of the exchanges on which these instruments are traded or of their clearing houses. The exchanges will have different clearance and settlement procedures and in certain markets, there have been times when settlements have been unable to keep pace with the volume of transactions, thereby making it difficult to conduct such transactions. Delays in settlements could result in temporary periods when assets of a Fund are uninvested and no return is earned thereon.

***International Central Securities Depository***

Investors that settle or clear through an ICSD will not be a registered Shareholders in the Company, they will hold an indirect beneficial interest in such shares. The rights of such investors, where such person is a Participant in the ICSD, shall be governed by the terms and conditions applicable to the arrangement between such Participant and their ICSD and where the holder of the indirect beneficial interests in the shares is not a Participant, shall be governed by their arrangement with their respective nominee, broker or Central Securities Depository, as appropriate, which may be a Participant or have an arrangement with a Participant. The Company will issue any notices and associated documentation to the registered holder of the shares i.e. the Common Depository's Nominee with such notice as is given by the Company in the ordinary course when convening general meetings. The Company will provide any notices and associated documentation to the global paying agent (the "Global Paying Agent") for onward transmission to the ICSD, with such notice as is given by the Company in the ordinary course when convening general meetings. The Global Paying Agent has a contractual obligation to relay any such notices received by it to the applicable ICSD, pursuant to the terms of its appointment by the Manager. The applicable ICSD will in turn relay notices received from the Global Paying Agent to its Participants in accordance with its rules and procedures. The Common Depository is contractually bound to collate all votes received from the applicable ICSDs (which reflects votes received by the applicable ICSD from Participants) and the Common Depository's Nominee is obligated to vote in accordance with such instructions. The Company has no power to ensure the applicable ICSD or the Global Paying Agent relays notices of votes in accordance with their instructions. The Company cannot accept voting instructions from any persons other than the Common Depository's Nominee.

Under these arrangements any dividends declared and any liquidation and mandatory redemption proceeds are paid by the Company to the Global Paying Agent for onward transmission to the applicable ICSD. Investors, where they are Participants, must look solely to the applicable ICSD for their share of each dividend payment or any liquidation or mandatory redemption proceeds paid by the Company or, where they are not Participants, they must look to their respective nominee, broker or Central Securities Depository (as appropriate, which may be a Participant or have an arrangement with a Participant of the applicable ICSD) for any portion of each dividend payment or any liquidation or mandatory redemption proceeds paid by the Company that relates to their investment. Investors shall have no claim directly against the Company in respect of dividend payments and any liquidation and mandatory redemption proceeds due on shares represented by the Global Share Certificate, and the obligations of the Company will be discharged by payment to the applicable ICSD.

***Position (market) risk***

There is a possibility that derivative instruments will be terminated unexpectedly as a result of events outside the control of the Company, for instance, bankruptcy, supervening illegality or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated.

***Off-Exchange Transactions***

While some off-exchange markets are highly liquid, transactions in off-exchange, or non-transferable, derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid and offer prices need not be quoted, and even where they are, they will be established by dealers in these instruments and, consequently, it may be difficult to establish what a fair price is.

### ***Suspensions of Trading***

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a stop-loss order will not necessarily limit losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

### ***Correlation risk***

Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, a Fund's use of derivative techniques may not always be an effective means of, and sometimes could be counterproductive to, the relevant Fund's investment objective. An adverse price movement in a derivative position may require cash payments of variation margin by a Fund that might in turn require, if there is insufficient cash available in the portfolio, the sale of the relevant Fund's investments under disadvantageous conditions.

### ***Insolvency***

A derivative broker's insolvency or default, or that of any other brokers involved with a Fund's transactions, may lead to positions being liquidated or closed out without the relevant Fund's consent. In certain circumstances, the relevant Fund may not get back the actual assets which it lodged as collateral and that Fund may have to accept any available payment in cash.

### ***Legal risks***

There are legal risks involved in using derivative instruments which may result in loss due to the unexpected application of a law or regulation or because contracts or clauses therein are not legally enforceable or documented correctly.

### ***The UK's Withdrawal from the EU***

Following the UK Government's notification to the EU of its intention to leave the Union (i.e. "Brexit"), on 23 January 2020, the UK Government enacted the European Union (Withdrawal Agreement) Act 2020 (the "WAA"). The WAA implemented the withdrawal agreement into UK law (the "Withdrawal Agreement"). The EU also ratified the Withdrawal Agreement in accordance with its procedures, with the European Parliament consenting to the Withdrawal Agreement on 29 January 2020.

As part of the Withdrawal Agreement, the UK and the EU agreed a transition period (referred to in the UK as an 'implementation period') in order to provide continuity and certainty (the "Transition Period"). During this time, the UK will generally continue to apply EU law as it does now. UK domiciled UCITS will continue to be referred to as UCITS and enjoy the rights conferred by the UCITS Directive during the Transition Period. EU UCITS will continue to use their cross-border passporting rights to passport into the UK.

Currently, the Transition Period will run from 12:00 midnight Central European Time ("CET") on 31 January 2020 until 12:00 midnight CET on 31 December 2020. Under the Withdrawal Agreement, before 1 July 2020, the UK Government and the EU are able to agree to extend the Transition Period for up to one or two years. However, the UK Government's stated policy is that it will not seek an extension and so it is highly likely that the Transition Period will end on 31 December 2020.

Once the Transition Period expires, all cross-border passporting rights to the UK for EU UCITS funds will cease; however, the UK's commitment to a temporary permission regime will mitigate the cliff-edge risks associated with a no-deal end of the Transition Period. The UK Government has also committed to bringing

forward domestic legislation to streamline the process to allow overseas (including EU) investment funds to be sold in the UK post-Brexit.

Notwithstanding the above, the UK's future economic and political relationship with the EU (and with other non-EU countries by agreement) continues to remain uncertain. This uncertainty is likely to generate further global currency and asset price volatility. This may negatively impact the returns of a Fund and its investments resulting in greater costs if a Fund decides to employ currency hedging policies. Ongoing uncertainty could adversely impact the general economic outlook and as such, this may impact negatively on the ability of the Company to execute its strategies effectively, and may also result in increased costs to the Company.

It is possible that there will be more divergence between UK and EU regulations post-Brexit, limiting what cross-border activities can take place. However it is unlikely to affect a Fund's ability to receive portfolio management services. At the date of this Prospectus, the Funds continue to be recognised by the FCA and can be marketed to UK investors. The nature and extent of the impact of any Brexit related changes are uncertain, but may be significant.

There had been uncertainty on the ability for exchange-traded funds to access recognised clearing systems (which include CREST) following the effective date of Brexit. However on 19 December 2018, the European Commission adopted a temporary equivalence decision ("Decision") under Article 25 of the Central Securities Depositories Regulation (EU/2014/909) in respect of UK authorised Central Securities Depositories ("CSDs"). This means that in the event of a hard-Brexit, UK CSDs, such as CREST, can continue to provide their services within the EU for a specified period. The settlement of trading in shares of the First Trust Capital Strength UCITS ETF, First Trust Indxx NextG UCITS ETF, First Trust Value Line® Dividend Index UCITS ETF, First Trust NYSE Arca Biotechnology UCITS ETF and First Trust Nasdaq Cybersecurity UCITS ETF is centralised in an ICSD structure and it is proposed that the settlement of trading of shares of all of the Funds will use the ICSD settlement model as and from 15 May 2020, subject to certain contingencies being fulfilled.

The information provided in this section is correct as at the date of this Prospectus.

#### ***Counterparty and Settlement Risks***

A Fund will be exposed to a credit risk on parties with whom it trades and may also bear the risk of settlement default.

#### ***Authorised Participant Concentration Risk***

Only an Authorised Participant may engage in creation or redemption transactions directly with a Fund. A limited number of institutions act as Authorised Participants. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to a Fund and no other Authorised Participant is able to step forward to create or redeem, in either of these cases, Fund shares may trade on the Secondary Market at a discount to the Fund's net asset value and possibly face delisting.

#### ***Blockchain Technology Risk***

The First Trust Indxx Innovative Transaction & Process UCITS ETF is subject to blockchain technology risk. Blockchain technology is an entirely new and relatively untested technology. The risks associated with blockchain technology may not emerge until the technology is widely used. Blockchain systems could be vulnerable to fraud, particularly if a significant minority of participants colluded to defraud the rest. Access to a given blockchain requires an individualised key, which, if compromised, could result in loss due to theft, destruction or inaccessibility. There is little regulation of blockchain technology other than the intrinsic public nature of the blockchain system. Any future regulatory developments could affect the viability and expansion of the use of blockchain technology. Because blockchain technology systems may operate across many national boundaries and regulatory jurisdictions, it is possible that blockchain technology may be subject to widespread and inconsistent regulation. Blockchain technology is not a product or service that provides identifiable revenue for companies that implement, or otherwise use it. Therefore, the values of the companies included in the Indxx Blockchain Index may not be a reflection of their connection to blockchain technology, but maybe based on other business operations. Currently, blockchain technology is primarily

used for the recording of transactions in digital currency, which are extremely speculative, unregulated and volatile. Problems in digital currency markets could have a wider effect on companies associated with blockchain technology. Blockchain technology also may never be implemented to a scale that provides identifiable economic benefit to the companies included in the Index. There are currently a number of competing blockchain platforms with competing intellectual property claims. The uncertainty inherent in these competing technologies could cause companies to use alternatives to blockchain. Finally, because digital assets registered in a blockchain do not have a standardized exchange, like a stock market, there is less liquidity for such assets and greater possibility of fraud or manipulation.

#### ***Cybersecurity Companies Risk***

Cybersecurity companies provide products and services intended to protect the integrity of data and network operations for private and public networks, computers and mobile devices. Like other types of technology and industrial companies, cybersecurity companies are generally subject to the risks of rapidly changing technologies, short product life cycles, fierce competition, aggressive pricing and reduced profit margins, loss of patent, copyright and trademark protections, cyclical market patterns, evolving industry standards and frequent new product introductions. These companies may also be smaller and less experienced companies, with limited product lines, markets, qualified personnel or financial resources.

#### ***Concentration Risk***

A Fund may be concentrated in the securities of an individual industry if the Fund's Index is concentrated in an individual industry and such concentration makes the Fund more susceptible to any single occurrence affecting the industry and may subject the Fund to greater market risk than more diversified funds.

#### ***Depositary Receipts Risk***

Depositary receipts may be less liquid than the underlying shares in their primary trading market. Any distributions paid to the holders of depositary receipts are usually subject to a fee charged by the depositary. Holders of depositary receipts may have limited voting rights, and investment restrictions in certain countries may adversely impact the value of depositary receipts because such restrictions may limit the ability to convert the equity shares into depositary receipts and vice versa. Such restrictions may cause the equity shares of the underlying issuer to trade at a discount or premium to the market price of the depositary receipts

#### ***Information Technology Companies Risk***

The First Trust Indxx Innovative Transaction & Process UCITS ETF and First Trust Dow Jones Internet UCITS ETF may be subject to information technology companies risk. Information technology companies are generally subject to the following risks: rapidly changing technologies; short product life cycles; fierce competition; aggressive pricing and reduced profit margins; the loss of patent, copyright and trademark protections; cyclical market patterns; evolving industry standards; and frequent new product introductions. Information technology companies may be smaller and less experienced companies, with limited product lines, markets or financial resources and fewer experienced management or marketing personnel. Information technology company stocks, particularly those involved with the Internet, have experienced extreme price and volume fluctuations that are often unrelated to their operating performance.

#### ***Internet Companies Risk***

The First Trust Dow Jones Internet UCITS ETF may be subject to internet companies risk. Internet companies are subject to rapid changes in technology, worldwide competition, rapid obsolescence of products and services, loss of patent protections, cyclical market patterns, evolving industry standards, frequent new product introductions and the considerable risk of owning small capitalisation companies that have recently begun operations.

#### ***REIT Risk***

REITs typically own and operate income-producing real estate, such as residential or commercial buildings, or real-estate related assets, including mortgages. As a result, investments in REITs are subject to the risks associated with investing in real estate, which may include, but are not limited to: fluctuations in the value of underlying properties; defaults by borrowers or tenants; market saturation; changes in general and local operating expenses; and other economic, political or regulatory occurrences affecting companies in the real

estate sector. REITs are also subject to the risk that the real estate market may experience an economic downturn generally, which may have a material effect on the real estate in which the REITs invest and their underlying portfolio securities. REITs may have also a relatively small market capitalisation which may result in their shares experiencing less market liquidity and greater price volatility than larger companies. 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. Because the market price of REIT stocks may change based upon investors' collective perceptions of future earnings, the value of such an investment will generally decline when investors anticipate or experience rising interest rates.

#### ***Market Maker Risk***

If a Fund has lower average daily trading volumes, it may rely on a small number of third-party market makers to provide a market for the purchase and sale of Shares. Any trading halt or other problem relating to the trading activity of these market makers could result in a dramatic change in the spread between a Fund's Net Asset Value and the price at which the Fund's Shares are trading on a stock exchange which could result in a decrease in value of the Fund's Shares. In addition, decisions by market makers or authorised participants to reduce their role or step away from these activities 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 the Fund's market price. This reduced effectiveness could result in Fund shares trading at a discount to net asset value and also in greater than normal intraday bid-ask spreads for Fund Shares.

#### ***European Benchmark Regulation***

The Benchmark Regulation introduces authorisation and registration requirements for the administrators of benchmarks (as defined in the Benchmark Regulation).

In respect of each of the relevant Funds, the Company is working with the applicable benchmark administrator for each benchmark used by the Fund to confirm that the benchmark administrators are, or intend to procure that they are, included in the register maintained by ESMA under the Benchmark Regulations.

A plan had been adopted by the Company to address the contingency of a benchmark changing materially or ceasing to be provided in accordance with the Benchmark Regulations.

#### ***Force Majeure Events***

Each of the Administrator, Depository, Investment Manager, Distributor and other service providers to the Company and their delegates may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism and labour strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies and social instability). Some force majeure events may adversely affect the ability of any such parties to perform their obligations to the Company until they are able to remedy the force majeure event. While it is expected that such service providers will implement contingency plans for addressing force majeure events it is possible that such force majeure events exceed the assumptions of such plans.

Certain force majeure events (such as war or an outbreak of an infectious disease) may also have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which the Funds may invest specifically. The spread of an infectious disease or similar public health threat could reduce consumer demand or economic output, impact on the market value of investments, result in market closures, travel restrictions or quarantines, and generally have a significant impact on the world economy and disrupt markets. The nature and extent of the impact of such events is difficult to predict but they may adversely affect the return on each Fund and its investments. Market disruptions or closures may result in the Administrator being unable to accurately value the assets of a Fund, or in the event of redemption requests on any Dealing Day representing 10% of the Net Asset Value or more of the shares in issue in respect of any Fund, the Company may use certain liquidity management tools permitted by the Central Bank, including deferred redemptions, the implementation of fair value pricing or temporary

suspension of a Fund. For further details please see the “*General Information*” section on pages 63-64, the “*Temporary Suspension of Valuation of the shares and of Sales, Repurchases and Conversions*” section on pages 67-68, and the “*Determination of the Net Asset Value*” section on pages 77-79.

## **APPLICATIONS FOR SUBSCRIPTIONS AND REDEMPTIONS**

### **Procedure for Subscriptions and Redemptions (Primary Market)**

The Primary Market is the market on which shares of the Funds are issued by the Company to Authorised Participants or redeemed by the Company from Authorised Participants. Only Authorised Participants are able to subscribe or redeem shares on the Primary Market.

All applicants applying for the first time to create or redeem shares in any Fund in the Company must first complete the Company’s Authorised Participant Agreement which may be obtained from the Company (contact information may be found on the Company’s website ([www.ftglobalportfolios.com](http://www.ftglobalportfolios.com))). A holiday timetable for each of the Funds is available on the Company’s website. The original signed Authorised Participant Agreement should be sent to the Administrator with supporting documentation in relation to money laundering prevention checks. No shares shall be issued or redeemed until the investor has completed and delivered to the Administrator the original Authorised Participant Agreement and supporting anti-money laundering documentation as described above. The Company has absolute discretion to accept or reject any Authorised Participant Agreement.

Measures aimed at the prevention of money laundering will require an applicant to provide verification of identity to the Company. The Company and/or the Administrator will specify what proof of identity and the source of wealth and/or source of funds is required, including but not limited to a passport or identification card duly certified by a public authority such as a notary public, the police or the ambassador in their country of residence, together with evidence of the applicant’s address, such as a utility bill or bank statement. In the case of corporate applicants, this may require production of a certified copy of the certificate of incorporation (and any change of name), by-laws, memorandum and articles of association (or equivalent), and the names and addresses of all directors and beneficial owners.

The Administrator reserves the right to request further details or evidence of identity and the source of wealth and/or source of funds from an applicant for shares. Investors must provide such declarations as are reasonably required by the Company, including, without limitation, declarations as to matters of Irish and US taxation. In this regard, investors should take into account the considerations set out in the sections entitled “Declaration as to Status of Investor” and “Taxation”.

Once the Authorised Participant Agreement and supporting anti-money laundering documentation has been processed by the Administrator and accepted by, or on behalf of, the Company, an applicant may submit a dealing request to subscribe or redeem shares in a Fund by an electronic order entry facility or by submitting a dealing form via facsimile to the Administrator. Dealing forms may be obtained from the Administrator. The use of the electronic order entry facility is subject to the prior consent of the Investment Manager or the Administrator and must be in accordance with and comply with the requirements of the Central Bank. Subscription and redemption orders are subject to the Trade Cut-Off Time. Deal instructions received after the Trade Cut-Off Time may be accepted for that Dealing Day, at the discretion of the Directors or their delegate, in exceptional circumstances, provided they are received prior to the Valuation Point.

All applications are at the applicant’s own risk. Dealing forms and dealing requests, once submitted, shall be irrevocable save with the consent of the Directors or their delegate (which may be withheld at their discretion). The Company and the Administrator shall not be responsible for any losses arising in the transmission of Authorised Participant Agreements and dealing forms or for any losses arising in the transmission of any dealing request by facsimile or through the electronic order entry facility.

The Company has absolute discretion to accept or reject in whole or in part any subscription for shares without assigning any reason therefor. The Company also has the right to determine whether it will only accept a redemption request from a Shareholder in kind or in cash for the Index Funds only.



At the discretion of the Company and with the consent of the Shareholder making such redemption request, assets may be transferred to the Shareholder in satisfaction of the redemption monies payable on the redemption of shares for the Index Funds only. The allocation of such assets shall be subject to the approval of the Depositary. Where a redemption request represents 5% or more of the Net Asset Value of a Fund, assets may be transferred to a shareholder in satisfaction of the redemption monies payable without the consent of the Shareholder. At the request of the Shareholder making such redemption request, the assets may be sold by the Company and the proceeds of sale shall be transmitted to the Shareholder. The transaction costs incurred in the sale of the assets will be payable by the Shareholder.

The Administrator and/or the Company reserves the right to request further details from an applicant for shares. Each applicant must notify the Administrator of any change in their details and furnish the Company with whatever additional documents relating to such change as it may request. Amendments to a shareholder's registration details and payment instructions will only be effected upon receipt by the Administrator of original documentation signed by the authorised signatories on the account. Redemption requests will be processed only where the payment is to be made to the applicant's account of record.

It is further acknowledged that the Company, the Investment Manager and the Administrator shall be held harmless by the applicant against any loss arising as a result of a failure to process the subscription if information that has been requested by the Company or the Administrator has not been provided by the applicant.

In respect of the Index Funds, the Company may accept subscriptions and pay redemptions either in kind or in cash. The Company may accept subscriptions and pay redemptions in cash only for the First Trust FactorFX UCITS ETF and First Trust Low Duration Global Government Bond UCITS ETF.

Subscription (in kind or in cash) and redemption (in kind or in cash) orders will normally be accepted in multiples of the minimum Creation Units listed for the Index Funds. Such minimums may be reduced in any case at the discretion of the Directors or their delegate.

### **Anti-Money Laundering Procedures**

The Administrator reserves the right, working in conjunction with the designated anti-money laundering reporting officer of the Company, to reject any application for shares or to request further details or evidence of identity and source of wealth and/or source of funds from an applicant for, or transferee of, shares. Investors must provide such declarations as are reasonably required by the Company, including, without limitation, declarations as to matters of Irish and U.S. taxation. In this regard, investors should take into account the considerations set out in the section entitled "Taxation".

Each Shareholder must notify the Administrator in writing of any change in the information contained in the application form and furnish the Administrator with whatever additional documents relating to such change as it may request. These instructions must be signed/authorised by the registered Shareholder(s) on the account.

Measures aimed at the prevention of money laundering may require an applicant to provide verification of identity to the Administrator.

The Administrator, working in conjunction with the designated anti-money laundering reporting officer of the Company, will notify applicants if additional proof of identity and source of wealth and/or source of funds is required. By way of example, an individual may be required to produce a certified copy of a passport or identification card together with evidence of the applicant's address, such as a utility bill or bank statement. In the case of corporate applicants, this may require production of a certified copy of the certificate of incorporation (and any change of name), bye-laws, memorandum and articles of association (or equivalent), and the names and addresses of all directors and beneficial owners.

Shares will not be issued until such time as the Administrator has received and is satisfied with all the information and documentation required to verify the identity and source of wealth and/or source of funds of the applicant. This may result in shares being issued on a Dealing Day subsequent to the Dealing Day on which an applicant initially wished to have shares issued to him. It is further acknowledged that the Administrator shall be held harmless by the applicant against any loss arising as a result of the failure to process the subscription if such information as has been requested by the Administrator has not been provided by the applicant.

### **Portfolio Composition File**

The Company will publish the Portfolio Composition File for the Funds setting out the Investments and/or the anticipated Cash Component to be delivered (a) by Shareholders in the case of subscriptions; or, (b) by the Company in the case of redemptions, in return for Creation Units of the Funds. For the Index Funds, the Company's current intention is that the Portfolio Composition File will normally stipulate that Investments must be in the form of the constituents of the relevant Index. Only Investments which form part of the investment objective and policy of a Fund will be included in the Portfolio Composition File. The weightings and holdings of the Portfolio Composition File may differ from time to time. The Company receives the calculation of this data from third parties. The provider of the Portfolio Composition File and the Company do not make any representation or warranty regardless of which formats the Portfolio Composition File is provided to Shareholders as to the accuracy of the information and shall not be liable for any damages resulting from the use of such information or any error in the information.

The Portfolio Composition File for the Funds for each Dealing Day will be available upon request from the Administrator. The Portfolio Composition File for any Dealing Day, if requested on that Dealing Day, shall be made available promptly and typically by the opening of business (Irish time) on the following Dealing Day and in any event at the latest by close of business (Irish time) on that day. Although subscriptions and redemptions in the First Trust FactorFX UCITS ETF and First Trust Low Duration Global Government Bond UCITS ETF may only be made in cash, a Portfolio Composition File will also be published for that Fund as described in the preceding paragraph.

### **Dealings**

*Index Funds (i.e., all Funds except the First Trust FactorFX UCITS ETF and First Trust Low Duration Global Government Bond UCITS ETF)*

With respect to the Index Funds, shares may be subscribed for on each Dealing Day at the Net Asset Value per share plus Duties and Charges. Cash subscriptions shall be made in the relevant Class Currency. Shares may be redeemed on each Dealing Day at the Net Asset Value per share less Duties and Charges. Duties and Charges may include trading and transaction costs, and variance in Net Asset Value related to the completion or the sale of a portfolio of the Investments needed to create or redeem a Creation Unit. Duties and Charges, as more particularly described in the section entitled "Definitions", applicable to cash and partial-cash transactions may, following completion of the transaction, result in a negative balance to be charged to, and required to be paid by, the relevant Authorised Participant. Conversely, any positive balance resulting from the aggregate Duties and Charges arising in connection with a completed cash or partial-cash transaction shall be refunded to the Authorised Participant by the relevant Fund.

The Trade Cut-Off Time and the Settlement Time for all subscriptions and redemptions, whether in kind or in cash, are set out in the table below.

*First Trust FactorFX UCITS ETF and First Trust Low Duration Global Government Bond UCITS ETF*

With respect to the First Trust FactorFX UCITS ETF and First Trust Low Duration Global Government Bond UCITS ETF, the Duties and Charges payable on subscriptions and redemptions may be charged to the Authorised Participant as a prescribed charge. The prescribed charge shall be determined by the Company and is expected to be in the range of 0.01% to 1.00% of the Net Asset Value per share of the shares being subscribed for or redeemed. Shareholders will be notified if the prescribed charge is required to be higher

than this range. It may not be possible to accurately ascertain in advance of any subscription or redemption the actual charges connected with these trading and transaction costs so the actual amount of these Duties and Charges may exceed or be less than the prescribed charge. The actual charge incurred will be available upon request from the Administrator or the Investment Manager. The charges described in this paragraph are intended to cover trading and transaction costs and the variance in Net Asset Value related to the completion or the sale of the Fund's Investments needed to create or redeem a Creation Unit. Any shortfall or excess in respect of the prescribed charge applicable to a subscription or redemption and the costs actually incurred shall be borne by or retained by, as applicable, First Trust FactorFX UCITS ETF and First Trust Low Duration Global Government Bond UCITS ETF.

The Trade Cut-Off Time and the Settlement Time for all subscriptions and redemptions are set out in the table below.

**Primary Market Dealing Timetable\***

<b>Fund Name</b>	<b>Fund Valuation Point</b>	<b>Trade Cut-Off Time</b>	<b>Subscription Settlement Time**</b>	<b>Redemption Settlement Time***</b>
First Trust US Large Cap Core AlphaDEX® UCITS ETF	10.00 pm on DD	4.00 pm on DD	Up to DD + 2	Up to DD + 2
First Trust Emerging Markets AlphaDEX® UCITS ETF	10.00 pm on DD	5.00 pm on DD -1	Up to DD + 2	Up to DD + 2
First Trust Eurozone AlphaDEX® UCITS ETF	4.30 pm on DD	3.30 pm on DD	Up to DD + 2	Up to DD + 2
First Trust United Kingdom AlphaDEX® UCITS ETF	4.30 pm on DD	3.30 pm on DD	Up to DD + 2	Up to DD + 2
First Trust Switzerland AlphaDEX® UCITS ETF	4.30 pm on DD	3.30 pm on DD	Up to DD + 2	Up to DD + 2
First Trust Japan AlphaDEX® UCITS ETF	4.00 pm on DD	5.00 pm on DD -1	Up to DD + 3	Up to DD + 3
First Trust Asia Pacific ex-Japan AlphaDEX® UCITS ETF	4.00 pm on DD	5.00 pm on DD -1	Up to DD + 3	Up to DD + 3
First Trust Germany AlphaDEX® UCITS ETF	4.30 pm on DD	3.30 pm on DD	Up to DD + 2	Up to DD + 2

<b>Fund Name</b>	<b>Fund Valuation Point</b>	<b>Trade Cut-Off Time</b>	<b>Subscription Settlement Time**</b>	<b>Redemption Settlement Time***</b>
First Trust Global Equity Income UCITS ETF	10.00 pm on DD	5.00 pm on DD - 1	Up to DD + 2	Up to DD + 2
First Trust US Equity Opportunities UCITS ETF	10.00 pm on DD	4.00 pm on DD	Up to DD + 2	Up to DD + 2
First Trust US Equity Income UCITS ETF	10.00 pm on DD	4.00 pm on DD	Up to DD + 2	Up to DD + 2
First Trust US Small Cap Core AlphaDEX® UCITS ETF	10.00 pm on DD	4.00 pm on DD	Up to DD + 2	Up to DD + 2
First Trust FactorFX UCITS ETF	10.00 pm on DD	4.00 pm on DD - 1	Up to DD + 2	Up to DD + 2
First Trust Indxx Innovative Transaction & Process UCITS ETF	10.00 pm on DD	5.00 pm on DD - 1	Up to DD + 2	Up to DD + 2
First Trust Dow Jones Internet UCITS ETF	10.00 pm on DD	4.00 pm on DD	Up to DD + 2	Up to DD + 2
First Trust IPOX® Europe Equity Opportunities UCITS ETF	4.30 pm on DD	3.30 pm on DD	Up to DD + 2	Up to DD + 2
First Trust Cloud Computing UCITS ETF	10.00 pm on DD	4.00 pm on DD	Up to DD + 2	Up to DD + 2
First Trust Low Duration Global Government Bond UCITS ETF	10.00 pm on DD	4.00 pm on DD - 1	Up to DD + 2	Up to DD + 2
First Trust Capital Strength UCITS ETF	10.00 pm on DD	4.00 pm on DD	Up to DD + 2	Up to DD + 2
First Trust Indxx NextG UCITS ETF	10.00 pm on DD	5.00 pm on DD - 1	Up to DD + 2	Up to DD + 2
First Trust Value Line® Dividend Index UCITS ETF	10.00 pm on DD	4.00 pm on DD	Up to DD + 2	Up to DD + 2

Fund Name	Fund Valuation Point	Trade Cut-Off Time	Subscription Settlement Time**	Redemption Settlement Time***
First Trust NYSE Arca Biotechnology Index UCITS ETF	10.00 pm on DD	4.00 pm on DD	Up to DD + 2	Up to DD + 2
First Trust Nasdaq Cybersecurity UCITS ETF	10.00 pm on DD	5.00 pm on DD - 1	Up to DD + 2	Up to DD + 2

\* All times are Irish time unless otherwise specified.

\*\* Earlier or later settlement times may be determined by the Directors or their delegate at their discretion with prior Shareholder notice, where applicable, and will be done strictly on a best efforts basis.

\*\*\* Applicable both to the time redemption proceeds are remitted by a Fund and the time by which shares of a Fund are to be delivered by the redeeming Shareholder. Earlier or later settlement times may be determined by the Directors or their delegate at their discretion with prior Shareholder notice, where applicable, and will be done strictly on a best efforts basis.

#### **Procedure for Subscriptions and Redemptions (Secondary Market)**

Shares may be purchased or sold on the Secondary Market by all investors through a relevant recognised stock exchange on which the shares are admitted to trading or over the counter.

It is expected that the shares of the Funds will be listed on one or more recognised stock exchanges. The purpose of the listing of the shares on stock exchange is to enable investors to buy and sell shares on the Secondary Market, normally via a broker/dealer or third party administrator, in smaller quantities than would be possible if they were to subscribe and/or redeem shares through the Company in the Primary Market. In accordance with the requirements of the relevant recognised stock exchange, market-makers (which may or may not be an Authorised Participant) are expected to provide liquidity and bid and offer prices to facilitate the Secondary Market trading of the shares.

All investors wishing to purchase or sell shares of a Fund on the Secondary Market should place their orders via their broker. Investors who invest in a Fund through a broker/dealer may not, from a clearing perspective, be recorded as a Shareholder on the register of Shareholders as the shares may be held in a nominee name. Such investors will, however, have rights as a beneficial holder of the relevant shares. Orders to purchase shares in the Secondary Market through the recognised stock exchanges, or over the counter, may incur brokerage and/or other costs which are not charged by the Company and over which the Company has no control. Such charges are publicly available on the recognised stock exchanges on which the shares are listed or can be obtained from stock brokers.

**Shares of a Fund purchased on the Secondary Market cannot usually be sold directly back to the Company. Investors must buy and sell shares on a Secondary Market with the assistance of an intermediary (e.g. a broker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying shares and may receive less than the current Net Asset Value when selling them.**

The market price of a share listed or traded on a stock exchange may not reflect the Net Asset Value per share of a Fund. The price of any shares traded on the Secondary Market will be determined by the market and prevailing economic conditions which may affect the value of the underlying assets. Any transactions in the shares of a Fund on a stock exchange will be subject to the customary brokerage commissions and/or transfer taxes associated with the trading and settlement through the relevant stock exchange. There can be

no guarantee that once the shares are listed on a stock exchange they will remain listed. Investors wishing to purchase or redeem shares on the Secondary Market should contact their broker.

With respect to the Index Funds, investors may redeem their shares through an Authorised Participant by selling its shares to the Authorised Participant (directly or through a broker).

If the stock exchange value of the shares of a Fund significantly varies from its Net Asset Value, investors who have acquired their shares (or, where applicable, any right to acquire a share that was granted by way of distributing a respective share) on the Secondary Market shall be allowed to sell them directly back to the Company. For example, this may apply in cases of market disruption such as the absence of a market maker. In such situations, information shall be communicated to the regulated market indicating that the Company is open for direct redemptions at the level of the Company. Investors should then contact the Administrator regarding the process to be followed to redeem their shares in these circumstances. Shares may be redeemed at the Net Asset Value per share less Duties and Charges.

Each Index Provider will publish a breakdown of the constituents of each Index on its website at <https://indexes.nasdaqomx.com/Index/Directory/Custom%20Indexes>, <http://www.ipoxschuster.com/indexes/us-100/>, <https://indxx.com/indices.php?id=252> or <https://us.spindices.com/indices>, as appropriate.

The Secondary Market dealing timetable depends upon the rules of the exchange upon which the shares are dealt or the terms of the over the counter trade. Please contact your professional advisor or broker for details of the relevant dealing timetable.

#### **Clearing and Settlement using the ICSD settlement structure**

The settlement of trading in shares of the First Trust Capital Strength UCITS ETF, First Trust Indxx NextG UCITS ETF, First Trust Value Line® Dividend Index UCITS ETF, First Trust NYSE Arca Biotechnology UCITS ETF and First Trust Nasdaq Cybersecurity UCITS ETF is centralised in an ICSD structure and the following disclosure relates to these Funds. It is proposed that the settlement or trading of shares of all of the other Funds will use the ICSD settlement model as and from 15 May 2020, subject to certain contingencies being fulfilled.

Shares in the Funds that settle through ICSD will not generally be issued in Dematerialised Form and no temporary documents of title or share certificates will be issued, other than the Global Share Certificate issued to the Common Depositary's Nominee which is required for the ICSD settlement model (the ICSD being the Recognised Clearing Systems through which the Funds' shares will be settled). These Funds will apply for admission for clearing and settlement through the applicable ICSD. The ICSD for these Funds will be Euroclear and Clearstream.

Under the ICSD settlement model, all shares in the relevant Fund that settles through ICSD will ultimately settle in an ICSD but investors may have their holdings within Central Securities Depositories which will be Participants. All shares in issue will be represented by a Global Share Certificate and the Global Share Certificate will be deposited with a Common Depositary and registered in the name of the Common Depositary's Nominee on behalf of Euroclear and Clearstream and accepted for clearing through Euroclear and Clearstream. The applicable ICSD for an investor is dependent on the market in which the shares are traded.

A purchaser of interests in shares in these Funds that settle through ICSD will not be a registered Shareholder in the Company, but will hold an indirect beneficial interest in such shares. Legal title to the shares of the Funds will be held by the Common Depositary's Nominee. The rights of the holder of the indirect beneficial interests in the shares, where such person is a Participant in the ICSD, shall be governed by the terms and conditions applicable to the arrangement between such Participant and their ICSD and where the holder of the indirect beneficial interests in the shares is not a Participant, shall be governed by their arrangement with their respective nominee, broker or Central Securities Depositary (as appropriate) which may be a Participant or have an arrangement with a Participant. The extent to which, and the manner in which, Participants may

exercise any rights arising under the shares will be determined by the respective rules and procedures of their ICSD. All references herein to actions by holders of the Global Share Certificate will refer to actions taken by the Common Depositary's Nominee as registered Shareholder following instructions from the applicable ICSD upon receipt of instructions from its Participants. All distributions, notices, reports, and statements issued to such Shareholder by the Company shall be distributed to the Participants in accordance with such applicable ICSD's procedures.

Interests in the shares represented by the Global Share Certificate will be transferable in accordance with applicable laws, any rules and procedures issued by the ICSDs and this Prospectus. Beneficial interests in such shares will only be transferable in accordance with the rules and procedures for the time being of the relevant ICSD and this Prospectus.

### **International Central Securities Depository**

Each Participant must look solely to its ICSD for documentary evidence of the amount of such Participant's interests in any shares. Any certificate or other document issued by the relevant ICSD, as to the interest in such shares standing to the account of any person shall be conclusive and binding as accurately representing such records. Each Participant must look solely to its ICSD for such Participant's (and therefore any person with an interest in the shares) portion of each payment or distribution made by these Funds to or on the instructions of a Common Depositary's Nominee and in relation to all other rights arising under the shares.

Participants shall have no claim directly against the Company, these Funds, any Global Paying Agent or any other person (other than their ICSD) relating to payments or distributions due in respect of the shares which are made by the Company or these Funds to or on the instructions of the Common Depositary's Nominee and such obligations of the Company shall be discharged thereby. The ICSD shall have no claim directly against the Company, these Funds, any paying agent or any other person (other than the Common Depositary).

The Company or its duly authorised agent may from time to time require the holder of the indirect beneficial interest in the shares to provide them with information relating to: (a) the capacity in which they hold an interest in shares; (b) the identity of any other person or persons then or previously interested in such shares; (c) the nature of any such interests; and (d) any other matter where disclosure of such matter is required to enable compliance by the Company with applicable laws or the constitutional documents of the Company.

The Company or its duly authorised agent may from time to time request the applicable ICSD to provide the Company with certain details in relation to Participants that hold interests in shares in each Fund including (but not limited to): ISIN, ICSD Participant name, ICSD Participant type (e.g. fund/bank/individual), residence of ICSD Participants, number of exchange traded funds and holdings of the Participant within Euroclear and Clearstream, as appropriate including which Funds, types of shares and the number of such interests in the shares held by each such Participant, and details of any voting instructions given and the number of such interests in the shares held by each such Participant. Euroclear and Clearstream Participants which are holders of interests in shares or intermediaries acting on behalf of such account holders will provide such information upon request of the ICSD or its duly authorised agent and have been authorised pursuant to the respective rules and procedures of Euroclear and Clearstream to disclose such information to the Company of the interest in shares or to its duly authorised agent. Similarly, the Company or its duly authorised agent may from time to time request any Central Securities Depository to provide the Company with details in relation to shares in each Fund or interests in shares in each Fund held in each Central Securities Depository and details in relation to the holders of those shares or interests in shares, including (without limitation) holder types, residence, number and types of holdings and details of any voting instructions given by each holder. Holders of shares and interests in shares in a Central Securities Depository or intermediaries acting on behalf of such holders agree to the Central Securities Depository, pursuant to the respective rules and procedures of the relevant Central Securities Depository, disclosing such information to the Company or its duly authorised agent.

The holder of the indirect beneficial interest in the shares may be required to agree to the applicable ICSD providing the identity of a Participant or investor to the Company upon their request.

### **Notices of Meetings and the Exercise of Voting Rights through the ICSD**

Notices of general meetings and associated documentation will be issued by the Company to the registered holder of the shares i.e. the Common Depositary's Nominee. Each Participant must look solely to its ICSD and the rules and procedures for the time being of the relevant ICSD governing onward delivery of such notices to the Participants and the Participant's right to exercise voting rights. Investors who are not Participants in the relevant ICSD would need to rely on their broker, nominee, custodian bank or other intermediary which is a Participant, or which has an arrangement with a Participant, in the relevant ICSD to receive any notices of Shareholder meetings of the Company and to relay their voting instructions to the relevant ICSD.

The Common Depositary will be subject to a contractual obligation to relay any notices of Shareholder meetings of the Company and any associated documentation issued by the Company to the relevant ICSD. Each ICSD will, in turn, relay notices and associated documentation received from the Common Depositary to its Participants in accordance with its rules and procedures. Similarly, each ICSD is contractually bound to collate and transfer all votes received from its participants to the Common Depositary's Nominee, which is obligated to vote in accordance with such voting instructions.

### **General Information**

Fractional shares will not be issued.

As with other Irish companies limited by shares, the Company is required to maintain a register of Shareholders. Until 15 May 2020, all shares in the Funds (with the exception of the First Trust Capital Strength UCITS ETF, First Trust Indxx NextG UCITS ETF, First Trust Value Line® Dividend Index UCITS ETF, First Trust NYSE Arca Biotechnology UCITS ETF and First Trust Nasdaq Cybersecurity UCITS ETF) will be issued in dematerialised (or uncertificated) form and that the Funds are admitted for clearing and settlement through CREST. As the Company is an Irish company, the operation of CREST in respect of these shares is governed by the Companies Act 2014.

The settlement of trading of shares in the First Trust Capital Strength UCITS ETF, First Trust Indxx NextG UCITS ETF, First Trust Value Line® Dividend Index UCITS ETF, First Trust NYSE Arca Biotechnology UCITS ETF and First Trust Nasdaq Cybersecurity UCITS ETF is centralised in an ICSD structure. Shares in these Funds will not generally be issued in Dematerialised Form and no temporary documents of title or share certificates will be issued, other than the Global Share Certificate issued to the Common Depositary's Nominee which is required for the ICSD settlement model (the ICSD being the Recognised Clearing Systems through which the Funds' shares will be settled). With effect from 15 May 2020, no temporary documents of title or share certificates will be issued, other than the Global Share Certificate issued to the Common Depositary's Nominee.

The Directors reserve the right to issue amended or additional procedures relating to the manner of creating or redeeming Creation Units, which will be notified to Shareholders in advance.

Applications received after the Trade Cut-Off Time will generally not be accepted. However, such applications may be accepted for dealing on the relevant Dealing Day, at the discretion of Directors or their delegate, in exceptional circumstances, provided they are received prior to the Valuation Point. Subscription proceeds should be paid in the Base Currency of the relevant Fund within the Settlement Time specified. For redemptions in cash, redemption proceeds shall be paid within the Settlement Time, provided that the shares have been transferred into the Company's account at a clearing system. For in kind dealings, settlement of the transfer of Investments and/or the Cash Component in respect of subscriptions and redemptions must take place within the Settlement Time specified. The Company reserves the right, in their sole discretion, to require the applicant to indemnify the Company against any losses arising as a result of a Fund's failure to receive Investments and/or the Cash Component within stated settlement times.



For in kind redemptions, no delivery instructions will be issued by the Administrator in relation to the Investments and/or Cash Component until the Administrator has confirmed receipt of the returned shares in the relevant Fund into the Company's account at a clearing system.

If redemption requests on any Dealing Day represent 10% of the Net Asset Value or more of the shares in issue in respect of any Fund, the Directors may, in their discretion, elect to restrict the total number of shares of the Fund repurchased on that Dealing Day to 10% or more of the Net Asset Value of the Fund. Any request for redemption on such Dealing Day shall be reduced rateably and the redemption requests shall be treated as if they were received on each subsequent Dealing Day until all shares to which the original request related have been redeemed. Any deferred redemption requests shall be treated in priority to any redemption requests received on subsequent Dealing Days. In any event settlement for redemptions will be made within fourteen days of the day on which the redemption request is made. Redemption proceeds shall be paid in the relevant Class Currency.

### **Redemption Dividend**

The Company may pay any accrued dividends related to a cash redemption or related to the Investments transferred to a Shareholder in satisfaction of a valid in kind redemption request. Such a dividend will become due immediately prior to the redemption of the shares and paid to the Shareholder as part of the cash amount in the case of a cash redemption or as part of the Cash Component in the case of an in kind redemption.

### **Failure to Deliver**

In the event a Shareholder fails to deliver the required Investment and Cash Component in relation to an in kind subscription or cleared funds in relation to a cash subscription in the stated settlement times for the Funds, the Company reserves the right to cancel the relevant subscription order. In such circumstances, the investor may be charged at normal commercial rates for any loss or expense suffered by the Company as a result of a failure by the Shareholder to deliver the required Investments and Cash Component or cleared funds in a timely fashion. The Company reserves the right to cancel the provisional allotment of the relevant shares in those circumstances.

The Directors may, in their sole discretion where they believe it is in the best interests of a Fund, decide not to cancel a subscription and provisional allotment of shares where a Shareholder has failed to deliver the required Investment and Cash Component or cash within the stated settlement times. In this event, the Company may temporarily borrow, subject to the requirements of the Central Bank, an amount equal to the subscription and invest the amount borrowed in accordance with the investment objective and policies of the relevant Fund. Once the required Investments and Cash Component or cash has been received, the Company will use this to repay the borrowings. The Company reserves the right to charge the relevant Shareholder for any interest or other costs incurred by the Company as a result of this borrowing. If the Shareholder fails to reimburse the Company for those charges, the Company and/or the Investment Manager will have the right to sell all or part of the applicant's holdings of shares in the Fund or any other Fund of the Company in order to meet those charges.

### **Declaration as to Status of Investor**

The Company will be required to deduct tax on redemption monies and distributions at the applicable rate unless it has received from the Shareholder a declaration in the prescribed form confirming that the Shareholder is not an Irish resident and not a person ordinarily resident in Ireland in respect of whom it is necessary to deduct tax (a "Relevant Declaration"). The Company reserves the right to redeem such number of shares held by such a Shareholder as may be necessary to discharge the tax liability arising. In addition, the Company will be required to account for tax at the applicable rate on the value of the shares transferred to another entity or person unless it has received from the transferor a Relevant Declaration. The Company reserves the right to redeem such number of shares held by the transferor as may be necessary to discharge the tax liability arising. The Company reserves the right to refuse to register a transfer of shares until it

receives a Relevant Declaration as to the transferee's residency or status in a form prescribed by the Revenue Commissioners.

It should be noted that a Relevant Declaration or approval in relation to appropriate equivalent measures under the Finance Act 2010 provisions are not required to be made where the shares, the subject of the application for subscription or registration of transfer on a transfer of shares, are held in CREST or in another "recognised clearing system" so designated by the Revenue Commissioners. However, the Directors and the Administrator have determined that the Company will require a completed Relevant Declaration from each investor in the Funds. It is the current intention of the Directors that all of the shares will be held in CREST or in another "recognised clearing system".

If in the future, the Directors permit shares to be held in certificated form outside CREST or another "recognised clearing system", prospective investors for shares on subscription and proposed transferees of shares will be required to complete a Relevant Declaration as a pre-requisite to being issued shares in the Company or being registered as a transferee of the shares (as the case may be). Furthermore, the existing Shareholders in the Company will also be required to make a Relevant Declaration (prior to the shares ceasing to be held on a "recognised clearing system") as a pre-requisite to being permitted to remain as Shareholders in the Company. A Relevant Declaration will not be required to be completed in this regard where the Company has received approval under the Finance Act 2010 provisions where appropriate equivalent measures have been put in place.

#### **Mandatory Repurchase of shares and Forfeiture of Dividends**

Shareholders are required to notify the Company immediately in the event that they become US Persons. Shareholders who become US Persons will be required to dispose of their shares to non-US Persons on the next Dealing Day thereafter unless the shares are held pursuant to an exemption which would allow them to hold the shares. The Company reserves the right to redeem or require the transfer of any shares which are or become owned, directly or indirectly, by a US Person or other person if the holding of the shares by such other person is unlawful or, in the opinion of the Directors, the holding might result in the Company, the Funds or the Shareholders incurring any liability to taxation or suffering any pecuniary, legal, regulatory or material administrative disadvantage which the Company, the Funds or the Shareholders might not otherwise suffer or incur.

#### **Transfer of shares**

All transfers of shares shall be effected by transfer in writing in any usual or common form and every form of transfer shall state the full name and address of the transferor and the transferee. The instrument of transfer of a share shall be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the share register in respect thereof.

The Directors may decline to register any transfer of shares if in consequence of such transfer the transferor or transferee would hold less than the relevant minimum holding, if there is such a minimum holding, or would otherwise infringe the restrictions on holding shares outlined above.

The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year.

The Directors may decline to register any transfer of shares unless the instrument of transfer is deposited at the registered office of the Company or at such other place as the Directors may reasonably require together with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

The transferee will be required to complete an application form and provide anti-money laundering documentation as required by the Administrator which includes a declaration that the proposed transferee is not a US Person or is acquiring shares on behalf of a US Person.

## Conversion of shares

With the prior consent of the Directors, at their discretion, a Shareholder may convert shares of one Fund into shares of another Fund on giving notice to the Directors in such form as the Directors may require provided that the Shareholder satisfies the minimum investment criteria. **The switching charge for the conversion of shares in a Fund into shares of another Fund shall be 3% of the Net Asset Value per share.** Conversion will take place in accordance with the following formula:

$$NS = \frac{(A \times B \times C) - D}{E}$$

where:

<i>NS</i>	=	the number of shares which will be issued in the new Fund;
<i>A</i>	=	the number of the shares to be converted;
<i>B</i>	=	the redemption price of the shares to be converted;
<i>C</i>	=	the currency conversion factor, if any, as determined by the Directors;
<i>D</i>	=	a switching charge of up to 3% of the Net Asset Value per share of each share to be switched; and
<i>E</i>	=	the Net Asset Value per share in the new Fund on the relevant Dealing Day.

If NS is not an integral number of shares the Administrator reserves the right to return the surplus arising to the Shareholder seeking to convert the shares.

The Company shall disclose details of when a Shareholder may be refused to that Shareholder.

## Umbrella Cash Accounts

Cash account arrangements will be put in place in respect of the Company and the Funds in response to the introduction of new requirements in relation to funding the subscription and/or redemption collection accounts. The following is a description of how such cash account arrangements are expected to operate.

In respect of the Company, subscription monies received from, and redemption monies due to, investors in the Funds and dividend monies due to Shareholders (together, "Investor Monies") will be held in a single Umbrella Cash Account. The assets in the Umbrella Cash Account will be assets of the Company. Accordingly, the Umbrella Cash Account will not be subject to the Investor Money Regulations and instead will be subject to the "fund monies" regime and, in particular, the guidance issued by the Central Bank entitled "Umbrella Funds - Cash Accounts", as such may be amended, supplemented or replaced from time to time.

Subscription monies received by a Fund in advance of the issue of Shares will be held in the Umbrella Cash Account and will be treated as an asset of the relevant Fund. The subscribing investors will be unsecured creditors of the relevant Fund with respect to the subscription amount until the corresponding Shares are issued on the relevant Dealing Day. Such investors will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights in respect of the subscription amounts (including dividend entitlements) until such time as the Shares are issued.

Redeeming investors will cease to be Shareholders of the redeemed Shares from the relevant Dealing Day. Redemption and dividend payments will, pending payment to the relevant Shareholders, be held in the Umbrella Cash Account. Redeeming investors and investors entitled to dividend payments held in the Umbrella Cash Account will be unsecured creditors of the Fund with respect to those monies. Such

Shareholders will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights (including, without limitation, the entitlement to future dividends) in respect of such amounts.

For information on the risks associated with Umbrella Cash Accounts, see “Risks Associated with Umbrella Cash Accounts” in the section entitled “Risk Factors” in this Prospectus.

### **Confirmations**

A written confirmation of ownership will be sent to the applicant following the Dealing Day. Shares will not be issued until such time as the Company is satisfied with all the information and documentation required to identify the applicant and is satisfied that the relevant Investments and Cash Component for in kind subscriptions or cash for cash subscriptions have been received by it.

The Constitution permits the holding and transfer of shares in Dematerialised Form. The shares of each Class are admitted as participating securities to CREST and application may be made for the shares to be admitted to other relevant computer-based settlement systems. This will enable investors to hold shares in, and to settle transactions in shares through, such systems, including CREST.

### **Publication of the Price of the shares**

Except where the determination of the Net Asset Value has been suspended, in the circumstances described below, the Net Asset Value per share of each Dealing Day and an indicative Net Asset Value per share on any Business Day which is not a Dealing Day shall be notified by the Administrator without delay to the Euronext Dublin and shall be made available at the registered office of the Administrator on the following Dealing Day and shall also be published on the Business Day immediately succeeding each Dealing Day (or Business Day in the case of an indicative Net Asset Value per share) on [www.bloomberg.com](http://www.bloomberg.com) and on [www.ftglobalportfolios.com](http://www.ftglobalportfolios.com). Such information shall relate to the Net Asset Value per share for the previous Dealing Day (or indicative Net Asset Value per share for a Business Day which is not a Dealing Day) and is published for information only. It is not an invitation to subscribe for, redeem or convert shares at that Net Asset Value.

### **Portfolio Holdings Disclosure Policy**

Details of the identity and weightings of portfolio holdings for the Funds (including First Trust FactorFX UCITS ETF and First Trust Low Duration Global Government Bond UCITS ETF) shall be available daily in respect of each Dealing Day by the opening of business (Irish time) on the following Business Day on [www.ftglobalportfolios.com](http://www.ftglobalportfolios.com). Any portfolio holdings information which may otherwise be provided on request shall be provided on a confidential basis. If requested on a Dealing Day, the portfolio holdings information as of that Dealing Day shall be made available promptly and typically by the opening of business (Irish time) on the following Dealing Day and in any event at the latest by close of business (Irish time) on that day.

### **Temporary Suspension of Valuation of the shares and of Sales, Repurchases and Conversions**

The Company may temporarily suspend the determination of the Net Asset Value and the sale, conversion or redemption of shares in the Company or any Fund during:-

- (a) any period (other than ordinary holiday or customary weekend closings) when any market is closed which is the main market for a significant part of the Fund’s investments, or when trading thereon is restricted or suspended;
- (b) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial portion of the investments of the Fund is not reasonably practicable without this being seriously detrimental to the interests of Shareholders of the Fund;

- (c) any period during which the disposal or valuation of investments which constitute a substantial portion of the assets of the Fund is not practically feasible or if feasible would be possible only on terms materially disadvantageous to Shareholders;
- (d) any period when for any reason the prices of any investments of the Fund cannot be reasonably, promptly or accurately ascertained by the Administrator;
- (e) any period when remittance of monies which will, or may, be involved in the realisation of, or in the payment for, investments of the Fund cannot, in the opinion of the Directors, be carried out at normal rates of exchange;
- (f) any period when the proceeds of the sale or repurchase of the shares cannot be transmitted to or from the Fund's account;
- (g) any period when a notice to terminate the Fund has been served or when a meeting of Shareholders has been convened to consider a motion to wind up the Company or to terminate a Fund;
- (h) upon the occurrence of an event causing the Company to enter liquidation or a Fund to terminate; or
- (i) any period where the Directors consider it to be in the best interests of the Shareholders of the Company or a Fund to do so.

A suspension of repurchases may be made at any time prior to the payment of the repurchase monies and the removal of the Shareholder's name from the register of members. A suspension of subscriptions may be made at any time prior to the entry of a Shareholder's name on the register of members.

Any such suspension shall be notified immediately and in any event within the same Business Day to the Euronext Dublin, the Central Bank and any other stock exchange which the Company is required to notify. Where possible, all reasonable steps will be taken to bring a period of suspension to an end as soon as possible.

## **FEES, COSTS AND EXPENSES**

The Company shall pay to the Manager out of the Fund's assets an annual Management Fee of a percentage of each Fund's average daily net assets. The Manager is responsible for discharging all operational expenses, including but not limited to, fees and expenses of the Investment Manager, Depositary, Administrator, Distributor, Registrar and Directors, the costs of maintaining the Funds and any registration of the Funds with any governmental or regulatory authority; preparation, printing, and posting of prospectuses, sales literature and reports to shareholders, regulatory fees of the Central Bank and other governmental agencies; marketing expenses; insurance premiums; fees and expenses for legal, audit and other services; paying for sublicensing fees related to each Fund's Index and any distribution fees or expenses but excluding interest, taxes, brokerage commissions and other expenses connected with execution of portfolio transactions, and extraordinary expenses. The Investment Manager is responsible for discharging the fees of First Trust Global Portfolios Limited, the discretionary sub-investment manager for First Trust FactorFX UCITS and First Trust Low Duration Global Government Bond UCITS ETF.

The Directors shall be entitled to be paid a fee from the assets of the Company by way of remuneration for their services at a rate to be determined from time to time by the Directors, provided that the aggregate amount of each Directors' remuneration in any one year shall not exceed €40,000 or such other maximum amount as may be determined by the Directors and notified to the Shareholders from time to time and disclosed in the Prospectus or the Company's annual or half-yearly report. The Directors will be entitled to be reimbursed by the Company for all reasonable disbursements and out-of-pocket expenses incurred by them.

The costs of establishing each Fund and of registering each Fund in other jurisdictions or with any stock exchange shall also be borne by the Manager.

The table below sets forth the annual Management Fee that the Manager may receive from each Fund.

<b>Fund</b>	<b>Annual Management Fee (% of average daily Net Asset Value)</b>
First Trust US Large Cap Core AlphaDEX® UCITS ETF	0.75%
First Trust Emerging Markets AlphaDEX® UCITS ETF	0.80%
First Trust Eurozone AlphaDEX® UCITS ETF	0.75%
First Trust United Kingdom AlphaDEX® UCITS ETF	0.75%
First Trust Switzerland AlphaDEX® UCITS ETF	0.75%
First Trust Japan AlphaDEX® UCITS ETF	0.80%
First Trust Asia Pacific ex-Japan AlphaDEX® UCITS ETF	0.80%
First Trust Germany AlphaDEX® UCITS ETF	0.75%
First Trust Global Equity Income UCITS ETF	0.70%
First Trust US Equity Opportunities UCITS ETF	0.65%
First Trust US Equity Income UCITS ETF	0.65%
First Trust US Small Cap Core AlphaDEX® UCITS ETF	0.75%
First Trust FactorFX UCITS ETF	0.75%
First Trust Indxx Innovative Transaction & Process UCITS ETF	0.65%
First Trust Dow Jones Internet UCITS ETF	0.55%
First Trust IPOX® Europe Equity Opportunities UCITS ETF	0.65%
First Trust Cloud Computing UCITS ETF	0.60%
First Trust Low Duration Global Government Bond UCITS ETF	0.55%
First Trust Capital Strength UCITS ETF	0.60%
First Trust Indxx NextG UCITS ETF	0.70%
First Trust Value Line® Dividend Index UCITS ETF	0.70%
First Trust NYSE Arca Biotechnology Index UCITS ETF	0.60%
First Trust Nasdaq Cybersecurity UCITS ETF	0.60%

With respect to the First Trust US Large Cap Core AlphaDEX® UCITS ETF, First Trust United Kingdom AlphaDEX® UCITS ETF and First Trust Eurozone AlphaDEX® UCITS ETF, there is a further 0.10% fee waiver from the Annual Management Fee referred to above with effect from 18 November 2013, which shall expire on 18 May 2020.

With respect to the First Trust Switzerland AlphaDEX® UCITS ETF, there is a further 0.10% fee waiver from the Annual Management Fee referred to above with effect from 23 December 2014, which shall expire on 18 May 2020.

With respect to the First Trust Japan AlphaDEX® UCITS ETF and First Trust Germany AlphaDEX® UCITS ETF, there is a further 0.10% fee waiver from the Annual Management Fee referred to above with effect from 1 May 2015, which shall expire on 18 May 2020.

With respect to the First Trust Global Equity Income UCITS ETF, there is a further 0.10% fee waiver from the Annual Management Fee referred to above with effect from 14 July 2015, which shall expire on 18 May 2020.

With respect to the First Trust US Equity Income UCITS ETF, there is a further 0.10% fee waiver from the Annual Management Fee referred to above with effect from 9 August 2016, which shall expire on 18 May 2020.

With respect to the First Trust Low Duration Global Government Bond UCITS ETF, there is a further 0.10% fee waiver from the Annual Management Fee referred to above with effect from 21 October 2019 which shall expire on 18 May 2020.

In the event that a Fund's operational, establishment and/or registration expenses combined exceed the stated Annual Management Fee, the Investment Manager shall discharge any excess out of its own assets. To the extent that there is a change in how any excess is to be discharged, Shareholders will be notified in advance. If it is proposed to increase the level of the Management Fee, this will be reflected in an updated version of the Prospectus and will be subject to approval by the majority of votes of Shareholders passed at a general meeting of the relevant Fund or Funds or by all of the relevant Shareholders by way of a written resolution.

### **Portfolio Turnover**

A Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may indicate higher transaction costs. These costs, which are not reflected in annual Fund operating expenses, affect the Fund's performance.

All of the fees shall be calculated daily and shall accrue daily by reference to the Net Asset Value of a Fund on the last Dealing Day and shall be payable monthly or quarterly in arrears.

## **MANAGEMENT AND ADMINISTRATION**

### **The Board of Directors and Secretary**

The Directors control the affairs of the Company and are responsible for the overall investment policy. The Directors may delegate certain functions to the Administrator, the Depositary and the Investment Manager. The Company shall be managed and its affairs supervised by the Directors whose details (including country of residence) are set out below. The Directors are all non-executive directors. The address of the Directors is the registered office of the Company.

#### ***James A. Bowen***

Mr. Bowen is the CEO of First Trust Portfolios L.P. and its affiliate, First Trust Advisors L.P.

Prior to forming First Trust Portfolios with several partners, Mr. Bowen was responsible for the First Trust product line at Clayton Brown & Associates, a unit investment trust sponsor. In 1991, Mr. Bowen was instrumental in leading the purchase of the First Trust product line from Clayton Brown & Associates. Since that time, First Trust has grown to be the largest independent unit investment trust sponsor, by sales, in the United States. Under Mr. Bowen's direction, First Trust has expanded its offerings to include closed-end funds, separately managed accounts, variable annuity sub-accounts, exchange-traded funds and exchange-traded notes. First Trust is also affiliated with several specialised money managers, which allows it to offer additional investment solutions to its client base.

Mr. Bowen has over 30 years of experience with packaged products for financial services. He earned his bachelor's degree from Wheaton College in Wheaton, Illinois, USA.

#### ***Andy Roggensack***

Mr. Roggensack is President of First Trust Portfolios L.P. and its affiliate, First Trust Advisors L.P. He is responsible for directing the distribution of the firm's many products and services.

Prior to joining First Trust Portfolios L.P. in 1991, Mr. Roggensack was a wholesaler at Clayton Brown & Associates, Inc. a unit investment trust sponsor. Mr. Roggensack has over 25 years' experience with packaged products for financial services. He earned his Bachelor's degree from the University of Illinois in Champaign-Urbana, Illinois, USA.

#### ***David G. McGarel***

Mr. McGarel is the Chief Investment Officer and a Managing Director of First Trust Portfolios L.P. and its affiliate, First Trust Advisors L.P. As a member of the Investment Committee of First Trust Advisors L.P., he is responsible for developing and implementing quantitative investment strategies. Mr. McGarel received his B.A. in Business Administration from the University of Notre Dame in 1988. He has over 24 years of experience in the financial services industry and is a recipient of the Chartered Financial Analyst designation.

#### ***Bronwyn Wright***

Ms. Wright is a former Managing Director and was Head of Securities and Fund Services for Citi Ireland. In that position, she was responsible for the management and strategic direction of the securities and fund services business which included funds, custody, security finance and global agency and trust. Due to her role in managing Citi's European fiduciary business, Ms. Wright has extensive knowledge of regulatory requirements and best market practice in the UK, Luxembourg, Jersey, Germany and Ireland. Currently Ms. Wright acts as an independent director to a number of Irish collective investment schemes.

Ms. Wright holds a degree in Economics and Politics as well as a Masters degree in Economics from University College Dublin. Ms. Wright is past chairperson of the Irish Funds Industry Association committee for Trustee Services. Ms. Wright is Irish resident.

#### ***Michael Boyce***

Mr. Boyce has worked in the financial services industry for over 30 years, including stockbroking, fund management and fund administration. He previously served as Executive Director of Northern Trust Investor Services (Ireland) Limited (formerly Ulster Bank Investment Services Limited (UBIS)). Prior to that position, Mr. Boyce was Managing Director of UBIS Custodial Services, which was the Trustee and Custody operation of Ulster Bank's funds business from 1990 to 1997. From 1997 to 2000 Mr. Boyce was the Managing Director of Ulster Investment Bank Investment Services. Following the purchase of UBIS by Northern Trust in May 2000, Mr. Boyce was appointed Director of Client Operations with responsibility for servicing a large range of institutional and retail clients. Currently Mr. Boyce acts as an independent director to a number of Irish collective investment schemes.

Mr. Boyce is a graduate of the Michael Smurfit School of Business at University College Dublin, from which he holds a Diploma in Corporate Governance. He is a member of the Chartered Institute for Securities and Investment and serves on the Committee of the Independent Directors forum. Mr. Boyce is also a member of the Institute of Directors Ireland, and a member of the Corporate Governance Association of Ireland. Mr. Boyce is Irish resident.

#### ***Tom Coghlan***

Mr. Coghlan is an independent director of number of different fund and corporate structures, including UCITS, qualifying investor alternative investment schemes, Section 110 companies and Cayman domiciled funds.

Prior to this, Mr. Coghlan was a senior international investment banking executive with diverse financial services and capital markets experience and acted as investment advisor to all significant investment institutions (domestic & foreign) in Ireland. Mr. Coghlan was responsible for a diverse client base, including 'long only' institutions, hedge funds, thematic funds and structured product providers. Mr. Coghlan is a fellow of the Institute of Chartered Accountants in Ireland and has extensive audit experience with a particular focus on control environments, systems and procedures review and corporate governance.

The Company Secretary is Bradwell Limited.

This Prospectus comprises listing particulars, including all information required by The Euronext Dublin listing requirements, for the purpose of the application for admission to trading in respect of these shares.

No Director has:



- (i) any unspent convictions in relation to indictable offences; or
- (ii) been bankrupt or the subject of an involuntary arrangement, or has had a receiver appointed to any asset of such Director; or
- (iii) been a director of any company which, while he was a director with an executive function or within twelve months after he ceased to be a director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangements, or made any composition or arrangements with its creditors generally or with any class of its creditors; or
- (iv) been a partner of any partnership, which while he was a partner or within twelve months after he ceased to be partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or
- (v) had any official public incrimination or sanctions issued against them by statutory or regulatory authorities (including recognised professional bodies); or
- (vi) been disqualified by a court from acting as a director or from acting in the management or conduct of affairs of any company.

The Constitution does not stipulate a retirement age for Directors and do not provide for retirement of Directors by rotation.

The Constitution provides that a Director may be a party to any transaction or arrangement with the Company or in which the Company is interested provided that he has disclosed to the Directors the nature and extent of any material interest which he may have. A Director may not vote in respect of any contract in which he has a material interest. However, a Director may vote in respect of any proposal concerning any other company in which he is interested, directly or indirectly, whether as an officer or shareholder or otherwise, provided that he is not the holder of 5% or more of the issued shares of any class of such company or of the voting rights available to members of such company. A Director may also vote in respect of any proposal concerning an offer of shares in which he is interested as a participant in an underwriting or sub-underwriting arrangement and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent by the Director to the Company or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of the Company for which the Director has assumed responsibility in whole or in part.

### **The Manager**

First Trust Global Portfolios Management Limited has been appointed as manager of the Company pursuant to the Management Agreement. Under the terms of the Management Agreement, the Manager has responsibility for the management and administration of the Company affairs, subject to the overall supervision and control of the Directors.

The Manager was incorporated as a private company limited by shares in Ireland under the Companies Act 2014, as amended, under registration number 637071 on 6 November 2018 and is authorised by the Central Bank to act as a UCITS management company pursuant to the UCITS Regulations. The Manager has issued share capital of €125,000. The Manager's main business is the provision of fund management services to UCITS. The Manager is a wholly owned subsidiary of First Trust Global Enterprises L.P. which is a limited partnership established under the laws of the State of Illinois in the United States of America.

The Manager is managed and supervised by its board. The board oversees the general management and conduct of all aspects of the Company's business, including its compliance with its obligations under the UCITS Regulations, the Central Bank Regulations and the Central Bank's Fund Management Company Guidance.

The directors of the Manager are also the directors of the Company.

The company secretary is Bradwell Limited.

### **The Administrator**

The Manager has appointed BNY Mellon Fund Services (Ireland) Designated Activity Company (formerly known as BNY Mellon Fund Services (Ireland) Limited) to act as administrator of the Company with responsibility for performing the day to day administration of the Company, including the calculation of the Net Asset Value and the Net Asset Value per share of each Fund. The Administrator is a private limited company incorporated in Ireland on 31 May 1994 and is engaged in the provision of fund administration, accounting, registration, transfer agency and related shareholders services to collective investment schemes and investment funds. The Administrator is authorised by the Central Bank under the Investment Intermediaries Act, 1995.

The Administration Agreement may be terminated by any party giving ninety days' notice to the other parties or at any time in the event that a petition for an examiner or similar officer is made in respect of another party or a receiver is appointed over all or a substantial part of another party's undertaking, assets or revenues or in the event of a material breach by another party of the provisions of the Administration Agreement which is incapable of remedy or has not been remedied within thirty days' notice of the breach or if another party is unable to pay its debts as they fall due or otherwise becomes insolvent or enters into any composition or arrangement with or for the benefit of any creditors or class of creditors or in the event that another party is the subject of an effective resolution for its winding up or is the subject of a court order for its winding up. The Manager or the Company may terminate the Administration Agreement if the Administrator is no longer permitted to perform its obligations under any applicable law. The Administrator may terminate the Administration Agreement at any time if the Manager's or the Company's authorisation is revoked by the Central Bank.

The Administrator shall not be liable for any loss, damage or expense arising out of or in connection with the performance by it of its duties, obligations and responsibilities under the Administration Agreement otherwise than by reason of its negligence, wilful default, recklessness, bad faith, or fraud in the performance of its duties under the Administration Agreement.

### **The Registrar**

The Manager has appointed Computershare Investor Services (Ireland) Limited to provide registrar and transfer agency services in relation to the Funds pursuant to the registrar agreement. This agreement also contains the appointment of Computershare Investor Services plc as the Company's paying agent in the UK.

The Registrar is a private limited company incorporated in Ireland on 10 October 1995 and is ultimately a wholly owned subsidiary of Computershare Limited, an Australian company.

The Registrar Agreement provides that the appointment of the Registrar will continue unless and until terminated by any party, giving to the others not less than six months' written notice although in certain circumstances the agreement may be terminated forthwith by notice in writing by one party to the others. The Registrar Agreement also contains an indemnity in favour of the Registrar which is restricted to exclude matters arising by reason of fraud, negligence, bad faith or wilful default or breach of contract or applicable law or regulations by the Registrar in the performance of its duties. The aggregate liability of the Registrar over any 12 month period is capped at twice its annual fee save for liability arising from fraud.

The Registrar shall establish, maintain and update on a timely basis the register of Shareholders of the Funds, which shall remain the property of the Company and hold the same open for inspection by persons entitled to inspect the register. The Registrar shall keep or cause to be kept at its premises in Ireland the register of Shareholders of the Company and all other books and records to give a complete record of all activities carried out by it in relation to the shares of the Company and such other books, records and statements as

may be required by law. For Funds that distribute dividends, the Registrar is also responsible for making dividend payments to Shareholders. The Registrar will maintain client asset accounts into which monies for distribution to Shareholders as dividends will be transferred from the Company's custody cash accounts. The Registrar will make dividend payments to Shareholders on the relevant dividend payment date out of monies held in these client asset accounts.

### **The Depositary**

The Bank of New York Mellon SA/NV, Dublin Branch is appointed as depositary of the Company and the Funds pursuant to the Depositary Agreement.

The Bank of New York Mellon SA/NV is a wholly owned subsidiary of the Bank of New York Mellon. The Bank of New York Mellon is the main banking entity of the Bank of New York Mellon Corporation (the "BNY Mellon") BNY Mellon is a global financial services company focused on helping clients manage and service their financial assets, operating in 35 countries and serving more than 100 markets. BNY Mellon is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. As at 31 December 2018, the Bank of New York Mellon SA/NA had \$2.4 trillion in assets under custody.

The duty of the Depositary is to provide safekeeping, oversight and asset verification services in respect of the assets of the Company and each Fund in accordance with the provisions of the UCITS Rules and the Directive. The Depositary will also provide cash monitoring services in respect of each Fund's cash flows and subscriptions.

The Depositary will be obliged, inter alia, to ensure that the sale, issue, repurchase and cancellation of Shares in the Company is carried out in accordance with the UCITS Regulations and the Constitution. The Depositary will carry out the instructions of the Manager, unless they conflict with the UCITS Regulations or the Constitution. The Depositary is also obliged to enquire into the conduct of the Company in each financial year and report thereon to Shareholders.

The Depositary will be liable for loss of financial instruments held in custody or in the custody of any sub-custodian, unless it can prove that loss was not as a result of the Depositary's negligent or intentional failure to perform its obligations and has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary shall also be liable for all other losses suffered as a result of the Depositary's negligent or intentional failure to fulfil its obligations under the UCITS Regulations.

The Depositary has power to delegate the whole or any part of its depositary functions, however, its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary has delegated its safe-keeping duties in respect of financial instruments in custody to The Bank of New York Mellon SA/NV and/or The Bank of New York Mellon. The list of sub-delegates appointed by The Bank of New York Mellon SA/NV or The Bank of New York Mellon is set out in Schedule VI hereto. The use of particular sub delegates will depend on the markets in which the Company invests. No conflicts arise as a result of such delegation.

The Depositary Agreement between the Company, the Manager and the Depositary shall continue in force until terminated by any party on not less than ninety days' notice in writing to the other parties. A party may terminate the Depositary Agreement: (i) at any time upon or after another party going into liquidation (except voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the party who served notice of termination which approval shall not be unreasonably withheld, conditioned or delayed) or being unable to pay its debts within the meaning of Section 570 of the Companies Act 2014 or in the event of the appointment of a receiver over any of the assets of another party or if an examiner is appointed to another party or if some event having an equivalent effect occurs: (ii) at any time if another party shall commit any material breach of its obligations under this Agreement and (if such breach shall be capable of remedy) shall fail within 30 days of receipt of notice requiring it to do so to make good

such breach. The Manager or the Company may forthwith terminate the appointment of the Depositary if the Depositary shall cease to be authorised to act as a depositary to a fund authorised under the UCITS Regulations or otherwise under applicable law to carry out its functions pursuant to the Depositary Agreement. Under the terms of the Depositary Agreement, the Depositary may appoint sub-custodians in relation to the Company's assets. However, the liability of the Depositary shall not be affected by the fact that it has entrusted some or all of the Company's assets in its safekeeping to a third party.

Up-to-date information regarding the duties of the Depositary, any conflicts of interest that may arise and the Depositary's delegation arrangements will be made available to investors by the Manager on request.

### **The Promoter and Investment Manager**

The Company's Promoter and Investment Manager is First Trust Advisors L.P.

The Investment Manager is a limited partnership with one limited partner, Grace Partners of DuPage L.P., and one general partner, The Charger Corporation. The Investment Manager is registered as an investment adviser with the US Securities and Exchange Commission. The Investment Manager acts as adviser or sub-adviser to various collective investment schemes and mutual funds in the US which include exchange-traded funds and closed-end funds. As of 31 December 2017, along with its affiliate First Trust Portfolios L.P., it had USD\$118.9 billion of assets under management and supervision.

The Manager has delegated responsibility for the investment and re-investment of the Funds' assets to the Investment Manager, pursuant to the Investment Management Agreement. The Investment Manager will be responsible to the Company and the Manager for managing the assets of the Funds in accordance with the investment objectives and policies described in this Prospectus, subject always to the supervision and direction of the Directors. The Investment Management Agreement provides that subject to the prior approval of the Company and in accordance with the requirements of the Central Bank, the Investment Manager shall be entitled at its own expense to delegate all or part of its investment management functions to one or more investment advisers, sub-investment managers, or other delegates duly appointed by the Investment Manager provided that the Investment Manager shall remain liable for the acts or omissions of any such investment adviser, sub-investment manager or other delegate appointed by it as if such acts or omissions were its own. Information on any such delegate will be provided to Shareholders on request and details of the investment adviser or sub-investment manager will be disclosed in the annual and half-yearly accounts.

The Investment Manager shall not be liable to the Company, the Manager and the Funds or the Shareholders in the absence of the wilful default, fraud, bad faith, negligence or recklessness on the part of the Investment Manager in respect of its obligations or functions under the Investment Management Agreement. The Investment Manager shall not be liable for indirect, special or consequential damages. The Investment Management Agreement provides for the termination of the appointment of the Investment Manager by any party on not less than ninety days' notice to the other parties. The Investment Management Agreement may be also terminated at any time immediately by any party in the event that another party goes into liquidation or is unable to pay its debts or commits an act of bankruptcy or a receiver is appointed over the assets of the other party or some event having equivalent effect occurs or an examiner, administrator or similar person is appointed to the other party or another party commits a material breach of the Investment Management Agreement and fails to remedy a breach of the Investment Management Agreement (if such breach is capable of remedy) within thirty days of being requested to do so or the Investment Manager ceases to be permitted under applicable law to act as such under any applicable laws or regulations. The Investment Management Agreement shall terminate forthwith on the termination of the Management Agreement.

### **The Sub-Investment Manager (for First Trust FactorFX UCITS ETF and First Trust Low Duration Global Government Bond UCITS ETF) and Distributor**

The Manager has appointed First Trust Global Portfolios Limited to act as discretionary sub-investment manager for First Trust FactorFX UCITS ETF and First Trust Low Duration Global Government Bond UCITS ETF pursuant to a sub-investment management agreement.

Pursuant to a distribution agreement the Manager has appointed First Trust Global Portfolios Limited as a distributor of the Funds. Further distributors may be appointed by the Manager. The Distribution Agreement provides that the Distributor shall not be liable for any loss suffered by the Manager, the Company or the Shareholders in connection with the performance by the Distributor of its functions and duties, except a loss resulting from negligence, wilful default, bad faith, recklessness or fraud by the Distributor or its directors, officers or agents in the performance of its or their functions and duties. The Company shall indemnify the Distributor against all liabilities, damages, costs and claims and expenses (including reasonable legal fees) incurred by the Distributor in the performance of its functions and duties other than where the Distributor is guilty of any negligence, wilful default, bad faith, recklessness or fraud in the performance of its functions or duties. Appointment of distributors may be terminated at any time on not more than ninety days' notice in writing by any party. The Distribution Agreement shall terminate forthwith on the termination of the Management Agreement.

The Manager or the Distributor may appoint such paying agents and local representatives as may be required to facilitate the authorisation or registration of the Company, the Funds and/or the marketing of any of the shares in any jurisdictions.

Local regulations in EEA countries and the UK may require the appointment of paying agents and the maintenance of accounts by such agents through which subscriptions and redemption monies may be paid. Investors who choose or are obliged under local regulations to pay/receive subscription/redemption monies via an intermediary entity rather than directly to/from the Administrator or the Depositary (e.g. a sub-distributor or agent in the local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Administrator or the Depositary for the account of a Fund and (b) redemption monies payable by such intermediate entity to the relevant investor. The fees of sub-distributors and paying agents will be borne by the relevant Fund and shall be charged at normal commercial rates.

### **Index Providers**

The equity indices set out in Schedule IV that the First Trust US Large Cap Core AlphaDEX® UCITS ETF, First Trust Emerging Markets AlphaDEX® UCITS ETF, First Trust Eurozone AlphaDEX® UCITS ETF, First Trust Switzerland AlphaDEX® UCITS ETF, First Trust Japan AlphaDEX® UCITS ETF, First Trust Asia Pacific ex-Japan AlphaDEX® UCITS ETF First Trust Germany AlphaDEX® UCITS ETF, First Trust United Kingdom AlphaDEX® UCITS ETF, First Trust Global Equity Income UCITS ETF, First Trust US Equity Income UCITS ETF, First Trust US Small Cap Core AlphaDEX® UCITS ETF, First Trust Capital Strength UCITS ETF and First Trust Nasdaq Cybersecurity UCITS ETF seek to track are compiled by NASDAQ. NASDAQ is not affiliated with the Company or the Investment Manager. The Funds are entitled to use certain equity indices pursuant to sublicensing arrangements by and among the Company and First Trust Portfolios L.P, which has a licensing agreement with NASDAQ. NASDAQ, or its agent, also serves as the index calculation agent for the various Funds referred to above. The index calculation agent will calculate and disseminate the values of such Index at least once every 15 seconds.

The equity indices set out in Schedule IV that the First Trust US Equity Opportunities UCITS ETF and First Trust IPOX Europe Equity Opportunities UCITS ETF seek to track are compiled by IPOX. IPOX is not affiliated with the Company or the Investment Manager. The Fund is entitled to use certain equity indices pursuant to sublicensing arrangements by and among the Company and the Investment Manager which has a licensing agreement with IPOX. IPOX, or its agent, also serves as the index calculation agent for the First Trust US Equity Opportunities UCITS ETF. The index calculation agent will calculate and disseminate the values of the Index at least once every 15 seconds.

The equity indices set out in Schedule IV that the First Trust Indxx Innovative Transaction & Process UCITS ETF and First Trust Indxx NextG UCITS ETF seek to track are compiled by Indxx, LLC. Indxx, LLC is not affiliated with the Company or the Investment Manager. The Fund is entitled to use certain equity indices pursuant to sublicensing arrangements by and among the Company and the Investment Manager which has a licensing agreement with Indxx, LLC which also serves as the index calculation agent for the First Trust

Indxx Innovative Transaction & Process UCITS ETF. The index calculation agent will calculate and disseminate the values of the Index at least once every 15 seconds.

The equity index set out in Schedule IV that the First Trust Dow Jones Internet UCITS ETF seeks to track is compiled by S&P Dow Jones Indices. S&P Dow Jones Indices is not affiliated with the Company or the Investment Manager. The Fund is entitled to use certain equity indices pursuant to sublicensing arrangements by and among the Company and the Investment Manager which has a licensing agreement with S&P Dow Jones Indices which also serves as the index calculation agent for First Trust Dow Jones Internet UCITS ETF. The index calculation agent will calculate and disseminate the values of the Index at least once every 15 seconds.

The equity index set out in Schedule IV that the First Trust Value Line® Dividend Index UCITS ETF seeks to track is compiled by S&P. S&P is not affiliated with the Company or the Investment Manager. The Fund is entitled to use certain equity indices pursuant to sublicensing arrangements by and among the Company and the Investment Manager which has a licensing agreement with S&P which also serves as the index calculation agent for First Trust Value Line® Dividend Index UCITS ETF. The index calculation agent will calculate and disseminate the values of the Index at least once every 15 seconds.

### **Securities Lending Agent**

The Funds may engage in securities lending activities but it is not their current intention to do so. The Investment Manager may be appointed as the lending agent of the Funds under the terms of a written agreement. Under the terms of such an agreement, the lending agent would be appointed to manage the Funds' securities lending activities and would be entitled to receive a fee which is in addition to its fee as investment manager. Any income earned from securities lending will be allocated between the Funds and the Investment Manager and paid on a percentage basis to the Investment Manager at normal commercial rates. Full financial details of the amounts earned and expenses incurred with respect to securities lending for the Funds, including fees paid, will be included in the annual and half-yearly financial statements of the Company. If a Fund decides to engage in securities lending activities in accordance with the Central Bank's requirements, details of such activities shall be set out in an updated version of the Prospectus.

## **ADMINISTRATION OF THE COMPANY**

### **Determination of the Net Asset Value**

The Administrator shall determine the Net Asset Value per share of each Class, on each Dealing Day at the Valuation Point on the basis set forth below and in accordance with the Constitution. The Administrator also intends to calculate an indicative Net Asset Value per share on every Business Day which is not a Dealing Day on the same basis, for information purposes only.

The Net Asset Value per share of the Fund shall be the value of the gross assets attributable to such Fund less all of the liabilities attributable to such Fund (including such provisions as the Administrator considers appropriate in respect of the costs and expenses payable in relation to such Fund) divided by the number of shares of such Fund outstanding as of the Dealing Day. Any liabilities of the Company which are not attributable to any Fund shall be allocated among all of the Funds pro rata to the relative Net Asset Value of the Funds.

The Net Asset Value of each Class shall be determined by calculating the amount of the Net Asset Value attributable to each Class. The amount of the Net Asset Value of the Fund attributable to a Class shall be determined by establishing the proportion of the assets of the Class as at the most recent Net Asset Value calculation or the close of the Initial Offer Period in the case of an initial offer of a Class, adjusted to take account of any subscription orders (after deduction of any redemption orders) and by allocating relevant Class Expenses (as defined below) and fees to the Class and making appropriate adjustments to take account of distributions paid, if applicable, and apportioning the Net Asset Value accordingly. The Net Asset Value per share of a Class shall be calculated by dividing the Net Asset Value of the Class by the number of shares in issue in that Class. Class Expenses or fees or charges not attributable to a particular Class may be allocated

amongst the Classes based on their respective Net Asset Value or any other reasonable basis determined by the Company in consultation with the Administrator and approved by the Depositary having taken into account the nature of the fees and charges, provided that such reasonable basis is fair and equitable. Class Expenses and fees relating specifically to a Class will be charged to that Class. In the event that Classes are priced in a currency other than the Base Currency, currency conversion costs will be borne by that Class.

“Class Expenses” means the expenses of registering a Class in any jurisdiction or with any stock exchange, regulated market or settlement system, and all other expenses arising from such registration and such further expenses howsoever arising as may be disclosed in the Prospectus. The cost of converting currency and the costs and gains/losses of the hedging transactions are borne solely by the relevant Class.

The Net Asset Value per share shall be rounded upwards or downwards as appropriate to the nearest 3 decimal places.

In determining the value of the assets of the Fund, each investment listed, traded or dealt in on a Regulated Market for which market quotations are readily available shall be valued at the last traded price at the Valuation Point in the relevant Regulated Market on the relevant Dealing Day, provided that the value of the investment listed, traded or dealt in on a Regulated Market but acquired or traded at a premium or at a discount outside or off the relevant stock exchange may be valued, taking into account the level of premium or discount as at the date of valuation of the investment and the Depositary must ensure that the adoption of such procedure is justifiable in the context of establishing the probable realisation value of the security. If the investment is normally listed, traded or dealt in on or under the rules of more than one Regulated Market, the relevant Regulated Market shall be that which constitutes the main market for the investment. If prices for an investment listed, traded or dealt in on the relevant Regulated Market are not available at the relevant time or are unrepresentative, or in the event that any investments are not listed or traded on any Regulated Market, such investment shall be valued at such value as shall be certified with care and good faith as the probable realisation value of the investment by a competent professional person appointed by the Directors and approved for such purpose by the Depositary which may be the Investment Manager.

Units or shares in collective investment schemes which are not valued in accordance with the provisions above shall be valued on the basis of the latest available net asset value per unit/share as published by the collective investment scheme.

Cash deposits and similar investments shall be valued at their face value together with accrued interest unless in the opinion of the Directors any adjustment should be made to reflect the fair value thereof.

Exchange-traded derivative instruments shall be valued at the relevant settlement price on the applicable exchange, provided that if the settlement price of an exchange-traded derivative instrument is not available, the value of such instrument shall be the probable realisation value estimated with care and in good faith by a competent person appointed by the Directors and approved for the purpose by the Depositary. The counterparty to derivative instruments not traded on an exchange must be prepared to value the contract and to close out the transaction at the request of the Company at fair value. The Company may choose to value over the counter derivatives using either the counterparty valuation or an alternative valuation, such as a valuation calculated by the Company or by an independent pricing vendor. The Company must value over the counter derivatives on a daily basis. Where the Company values over the counter derivatives using an alternative valuation the Company must follow international best practice and will adhere to the principles on the valuation of over the counter instruments established by bodies such as IOSCO and AIMA. The alternative valuation is that provided by a competent person appointed by the Directors and approved for the purpose by the Depositary. The alternative valuation will be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise these will be promptly investigated and explained. Where the Company values over the counter derivatives using the counterparty valuation the valuation must be approved or verified by a party who is approved for the purpose by the Depositary and who is independent of the counterparty. The independent verification must be carried out at least weekly. Forward foreign exchange contracts shall be valued by reference to freely available market quotations.

The Fund may apply an amortised cost method of valuation in respect of money market instruments in a money market fund or non-money market fund in accordance with the requirements of the Central Bank. The Directors may adjust the Net Asset Value per share where such an adjustment is considered necessary to reflect the fair value in the context of currency, marketability, dealing costs and/or such other considerations which are deemed relevant.

In the event of it being impossible or incorrect to carry out a valuation of a specific investment in accordance with the valuation rules set out above or if such valuation is not representative of an asset's fair market value, a competent person appointed by the Company and approved for the purpose by the Depositary is entitled to use such other generally recognised valuation method in order to reach a proper valuation of that specific instrument, provided that such method of valuation has been approved by the Depositary.



## TAXATION

The following is a general summary of the main Irish tax considerations applicable to the Company and certain investors in the Company who are the beneficial owners of shares in the Company. It does not purport to deal with all of the tax consequences applicable to the Company or to all categories of investors, some of whom may be subject to special rules. For instance, it does not address the tax position of Shareholders whose acquisition of shares in the Company would be regarded as a shareholding in a Personal Portfolio Investment Undertaking (“PPIU”). The tax consequences of an investment in shares will depend not only on the nature of the Company’s operations and the then applicable tax principles, but also on certain factual determinations which cannot be made at this time. Accordingly, its applicability will depend on the particular circumstances of each Shareholder. It does not constitute tax advice and Shareholders and potential investors are advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling, converting or otherwise disposing of the shares under the laws of Ireland and/or their country of incorporation, establishment, citizenship, residence or domicile, or other liability to tax and in light of their particular circumstances.

The following statements on taxation are based on advice received by the Directors regarding the law and practice in force in Ireland at the date of this document. Legislative, administrative or judicial changes may modify the tax consequences described below and as is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made will endure indefinitely.

### Taxation of the Company

The Directors have been advised that, under current Irish law and practice, the Company qualifies as an investment undertaking for the purposes of Section 739B of the Taxes Consolidation Act, 1997, as amended (“TCA”) so long as the Company is resident in Ireland. Accordingly, it is generally not chargeable to Irish tax on its income and gains.

As a result of changes introduced in the Finance Act 2016, a regime applies to IREFs (i.e. Irish Real Estate Funds) (broadly, a fund in which 25% or more of the value of its assets is derived directly or indirectly from Irish property assets) which imposes a 20% withholding tax on ‘IREF taxable events’. The changes primarily target non-Irish resident investors. The regime applies on a sub-fund level. On the basis that the Funds do not, and are not expected to hold Irish property assets, these provisions should not be relevant and are not discussed further.

### *Chargeable Event*

Although the Company is not chargeable to Irish tax on its income and gains, Irish tax (at rates ranging from 25% to 60%) can arise on the happening of a “chargeable event” in the Company. A chargeable event includes any payments of distributions to Shareholders, any encashment, repurchase, redemption, cancellation or transfer of shares and any deemed disposal of shares as described below for Irish tax purposes arising as a result of holding shares for a period of eight years or more. Where a chargeable event occurs, the Company is required to account for the Irish tax thereon.

No Irish tax will arise in respect of a chargeable event where:

- (a) the Shareholder is neither resident nor ordinarily resident in Ireland (“Non-Irish Resident”) and it (or an intermediary acting on its behalf) has made the necessary declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained in the declaration is not, or is no longer, materially correct; or
- (b) the Shareholder is Non-Irish Resident and has confirmed that to the Company and the Company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence is deemed to have been complied with in respect of the Shareholder and the approval has not been withdrawn; or

(c) the Shareholder is an Exempt Irish Resident as defined below.

A reference to “intermediary” means an intermediary within the meaning of Section 739B(1) of the TCA, being a person who (a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or (b) holds units in an investment undertaking on behalf of other persons.

In the absence of a signed and completed declaration or written notice of approval from the Revenue Commissioners, as applicable, being in the possession of the Company at the relevant time there is a presumption that the Shareholder is resident or ordinarily resident in Ireland (“Irish Resident”) and is not an Exempt Irish Resident and a charge to tax arises.

A chargeable event does not include:

- any transactions (which might otherwise be a chargeable event) in relation to shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or
- a transfer of shares between spouses/civil partners and any transfer of shares between spouses/civil partners or former spouses/civil partners on the occasion of judicial separation, decree of dissolution and/or divorce, as appropriate; or
- an exchange by a Shareholder, effected by way of arm’s length bargain, of shares in a Fund for r shares in another Fund; or
- an exchange of shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the TCA) of the Company with another investment undertaking.

It is the intention of the Directors that the shares will at all times be held in a recognised clearing system. On that basis, it is not envisaged that a chargeable event will arise on which the Company will be liable to account for tax. However, if, for any reason, the shares cease to be held in a recognised clearing system and the Company becomes liable to account for tax on a chargeable event, the Company shall be entitled to deduct from the payment arising on that chargeable event an amount equal to the appropriate tax and/or, where applicable, to repurchase and cancel such number of shares held by the Shareholder as is required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of a chargeable event.

### **Shareholders whose shares are held in a Recognised Clearing System**

Where shares are held in a “recognised clearing system” such as CREST, the obligation falls on the Shareholder (rather than the Company) to self-account for any tax arising on a chargeable event.

In the case of an individual who is Irish Resident, tax at the rate of 41% in respect of distributions arising after 1 January 2014, should be accounted for by the Shareholder. Similarly, tax at the rate of 41% on any distribution or gain arising to the Shareholder on an encashment, redemption or transfer of shares by a Shareholder after 1 January 2014. Where the Shareholder has not correctly included the income in his/her tax return he/she will be liable to tax on the income at his/her marginal rate of tax for the relevant year. Currently, the tax rate of income tax is 41%.

Unless an Irish Resident corporate Shareholder holds the shares in connection with their trade and is taxable at 12.5% on all income and gains from the shares, tax will apply in relation to any distributions made by the Company (other than on a disposal) to an Irish Resident corporate Shareholder, at the rate of 25%. Tax will also apply to any gain arising on an encashment, repurchase, redemption or other disposal of shares by such a corporate Shareholder, at the rate of 25%. Any gain will be computed as the difference between the value of the Shareholder’s investment in the Company at the date of the chargeable event and the original cost of the investment as calculated under special rules.

Where a currency gain is made by a Shareholder on the disposal of shares, the Shareholder will be liable to capital gains tax in respect of that gain in the year/s of assessment in which the shares are disposed of.

For Shareholders who are not Non-Irish Resident, no corporate, income or capital gains tax will apply to any income and gains arising from their Shareholding.

**Shareholders and potential investors should consult their own professional advisors concerning possible taxation consequences of purchasing, holding, selling, converting or otherwise disposing of the shares under their country of incorporation, establishment, citizenship, residence or domicile and in light of their particular circumstances.**

It should be noted that a Relevant Declaration or approval in relation to appropriate equivalent measures under the Finance Act 2010 provisions are not required to be made where the shares, the subject of the application for subscription or registration of transfer on a transfer of shares, are held in CREST or in another “recognised clearing system” so designated by the Revenue Commissioners. However, the Directors and the Administrator have determined that the Company will require a completed Relevant Declaration from each investor in the Funds. It is the current intention of the Directors that all of the shares will be held in CREST or in another “recognised clearing system”.

If in the future, the Directors permit shares to be held in certificated form outside CREST or another “recognised clearing system”, prospective investors for shares on subscription and proposed transferees of shares will be required to complete a Relevant Declaration as a pre-requisite to being issued shares in the Company or being registered as a transferee of the shares (as the case may be). Furthermore, the existing Shareholders in the Company will also be required to make a Relevant Declaration (prior to the shares ceasing to be held on a “recognised clearing system”) as a pre-requisite to being permitted to remain as Shareholders in the Company. A Relevant Declaration will not be required to be completed in this regard where the Company has received approval under the Finance Act 2010 provisions where appropriate equivalent measures have been put in place.

Where a Relevant Declaration is required but is not provided to the Company by a Shareholder or if from 3 April 2010 approval in relation to appropriate equivalent measures under the new provisions introduced by Finance Act 2010 has not been received from the Revenue Commissioners and tax is subsequently deducted by the Company on the occurrence of a chargeable event, Irish legislation provides for a refund of such tax only to companies within the charge to Irish corporation tax, to certain incapacitated persons and in certain other limited circumstances.

The remainder of the Irish Taxation Section outlines the tax consequences where, for any reason, the shares cease to be held in a recognised clearing system.

### **Shareholders whose shares are not held in a Recognised Clearing System**

#### *Irish Courts Service*

Where shares are held by the Irish Courts Service the Company is not required to account for Irish tax on a chargeable event in respect of those shares. Rather, where money under the control or subject to the order of any Court is applied to acquire shares in the Company, the Courts Service assumes, in respect of the shares acquired, the responsibilities of the Company to, *inter alia*, account for tax in respect of chargeable events and file returns.

### **Exempt Irish Resident Shareholders**

The Company will not be required to deduct tax in respect of the following categories of Irish Resident Shareholders, provided the Company has in its possession the necessary declarations from those persons (or an intermediary acting on their behalf) and the Company is not in possession of any information which would reasonably suggest that the information contained in the declarations is not, or is no longer, materially correct. A Shareholder who comes within any of the categories listed below and who (directly or through an intermediary) has provided the necessary declaration to the Company is referred to herein as an “Exempt Irish Resident”:

- (a) a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the TCA, or a retirement annuity contract or a trust scheme to which Section 784 or Section 785 of the TCA, applies;
- (b) a company carrying on life business within the meaning of Section 706 of the TCA;
- (c) an investment undertaking within the meaning of Section 739B(1) of the TCA, or an investment limited partnership within the meaning of Section 739J of the TCA;
- (d) a special investment scheme within the meaning of Section 737 of the TCA;
- (e) a charity being a person referred to in Section 739D(6)(f)(i) of the TCA;
- (f) a qualifying management company within the meaning of Section 739B(1) of the TCA or a specified company within the meaning of section 734(1) of the TCA;
- (g) a unit trust to which Section 731(5)(a) of the TCA applies;
- (h) a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the TCA where the shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (i) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the TCA, and the shares are assets of a Personal Retirement Savings Account (PRSA);
- (j) a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- (k) the National Asset Management Agency;
- (l) the National Treasury Management Agency or a fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance of Ireland is the sole beneficial owner or Ireland acting through the National Treasury Management Agency;
- (m) a company within the charge to corporation tax in accordance with Section 110(2) of the TCA (securitisation companies);
- (n) in certain circumstances, a company within the charge to corporation tax in accordance with Section 739G(2) of the TCA in respect of payments made to it by the Company; or
- (o) any other person who is resident or ordinarily resident in Ireland who may be permitted to own shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising the tax exemptions associated with the Company.

There is no provision for any refund of tax to Shareholders who are Exempt Irish Residents where tax has been deducted in the absence of the necessary declaration. A refund of tax may only be made to corporate Shareholders who are within the charge to Irish corporation tax.

### **Taxation of Non-Irish Resident Shareholders**

Non-Irish Resident Shareholders who (directly or through an intermediary) have made the necessary declaration of non-residence in Ireland, where required, are not liable to Irish tax on the income or gains arising to them from their investment in the Company and no tax will be deducted on distributions from the Company or payments by the Company in respect of an encashment, repurchase, redemption, cancellation or other disposal of their investment. Such Shareholders are generally not liable to Irish tax in respect of

income or gains made from holding or disposing of shares except where the shares are attributable to an Irish branch or agency of such Shareholder.

Unless the Company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence had been complied with in respect of the Shareholder and the approval has not been withdrawn, in the event that a non-resident Shareholder (or an intermediary acting on its behalf) fails to make the necessary declaration of non-residence, tax will be deducted as described above on the happening of a chargeable event and notwithstanding that the Shareholder is not resident or ordinarily resident in Ireland any such tax deducted will generally not be refundable.

Where a Non-Irish Resident company holds shares which are attributable to an Irish branch or agency, it will be liable to Irish corporation tax in respect of income and capital distributions it receives from the Company under the self-assessment system.

### **Taxation of Irish Resident Shareholders**

#### *Deduction of Tax*

Tax will be deducted and remitted to the Revenue Commissioners by the Company from any distributions made by the Company (other than on a disposal) to an Irish Resident Shareholder who is not an Exempt Irish Resident or any gain arising on an encashment, repurchase, cancellation, redemption or other disposal of shares by such a Shareholder at the rate of 41%. Any gain will be computed as the difference between the value of the Shareholder's investment in the Company at the date of the chargeable event and the original cost of the investment as calculated under special rules.

Where the Shareholder is an Irish resident company and the Company is in possession of a relevant declaration from the Shareholder that it is a company and which includes the company's tax reference number, tax will be deducted and remitted to the Revenue Commissioners by the Company from any distributions made by the Company to the Shareholder and from any gains arising on an encashment, repurchase, redemption, cancellation or other disposal of shares by the Shareholder at the rate of 25%.

#### *Deemed Disposals*

A deemed disposal of Shares will occur on each and every eighth anniversary of the acquisition of Shares in the Company held by Irish Resident Shareholders who are not Exempt Irish Residents. The Company may elect not to account for Irish tax in respect of deemed disposals in certain circumstances. Where the total value of Shares held by Shareholders who are Irish Resident and, who are not Exempt Irish Residents, is 10% or more of the Net Asset Value of the relevant Fund, the Company will be liable to account for the tax arising on a deemed disposal in respect of Shares in that Fund. However, where the total value of Shares held by such Shareholders is less than 10% of the Net Asset Value of the relevant Fund, the Company may, and it is expected that the Company will, elect not to account for tax on the deemed disposal. In this instance, the Company will notify relevant Shareholders that it has made such an election and those Shareholders will be obliged to account for the tax arising under the self-assessment system themselves.

The deemed gain will be calculated as the difference between the value of the Shares held by the Shareholder on the relevant eighth year anniversary or, where the Company so elects, the value of the Shares on the later of the 30 June or 31 December prior to the date of the deemed disposal and the relevant cost of those Shares. The excess arising will be taxable at the rate of 41% (or in the case of Irish resident corporate Shareholders where a relevant declaration has been made, at the rate of 25%). Tax paid on a deemed disposal should be creditable against the tax liability on an actual disposal of those Shares.

#### *Residual Irish Tax Liability*

As outlined above, corporate Shareholders resident in Ireland which receive payments from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D from which tax at the rate of 25% (or 41% if no declaration has been made) has been deducted. Subject to the comments below concerning tax on a currency gain, in general, such Shareholders will not be subject to further Irish tax on payments received in respect of their holding from which tax has been

deducted. A corporate Shareholder resident in Ireland which holds the shares in connection with a trade will be taxable on any income or gains received from the Company as part of that trade with a set-off against corporation tax payable for any tax deducted from those payments by the Company. In practice, where tax at a rate higher than 25% has been deducted from payments to a corporate Shareholder resident in Ireland, a credit of the excess tax deducted over the higher corporation tax rate of 25% should be available.

Where a currency gain is made by a Shareholder who is Irish Resident on the disposal of shares, the Shareholder may be liable to capital gains tax in respect of that gain in the year/s of assessment in which the shares are disposed of.

Any Irish Resident Shareholder who is not an Exempt Irish Resident and who receives a distribution or a gain on an encashment, repurchase, redemption, cancellation or other disposal from which tax has not been deducted (for example, because the shares are held in a recognised clearing system) will be liable to account for income tax or corporation tax as the case may be on the payment or on the amount of the gain under the self-assessment system and in particular, Part 41A of the TCA.

### **Overseas Dividends**

Dividends (if any) and interest which the Company receives with respect to investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of the investments are located. It is not known whether the Company will be able to benefit from reduced rates of withholding tax under the provisions of the double tax treaties which Ireland has entered into with various countries.

However, in the event that the Company receives any repayment of withholding tax suffered, the Net Asset Value of the relevant Fund will not be restated and the benefit of any repayment will be allocated to the then existing Shareholders rateably at the time of such repayment.

### **Stamp Duty**

On the basis that the Company qualifies as an investment undertaking within the meaning of Section 739B of the TCA, generally, no stamp duty will be payable in Ireland on the issue, transfer, repurchase or redemption of shares in the Company. However, where any subscription for or redemption of shares is satisfied by an in-kind or in specie transfer of securities or other property, Irish stamp duty might arise on the transfer of such securities or properties.

No Irish stamp duty will be payable by the Company on the conveyance or transfer of stock or marketable securities of a company not registered in Ireland, provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property, or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B of the TCA or a qualifying company within the meaning of Section 110 of the TCA) which is registered in Ireland.

### **Residence**

In general, investors in the Company will be either individuals, corporate entities or trusts. Under Irish rules, both individuals and trusts may be resident or ordinarily resident. The concept of ordinary residence does not apply to corporate entities.

#### ***Individual Investors***

##### *Test of Residence*

An individual will be regarded as resident in Ireland for a particular tax year if the individual is present in Ireland: (1) for a period of at least 183 days in any one tax year; or (2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is resident in Ireland for at least 31 days in each tax

year. In determining days present in Ireland an individual is deemed to be present if he / she is present in the country at any time during the day.

If an individual is not resident in Ireland in a particular tax year the individual may, in certain circumstances, elect to be treated as resident.

#### *Test of Ordinary Residence*

If an individual has been resident for the three previous tax years then the individual will be deemed “ordinarily resident” from the start of the fourth year. An individual will remain ordinarily resident in Ireland until the individual has been non-resident for three consecutive tax years.

#### ***Trust Investors***

A trust will generally be regarded as resident in Ireland where all of the trustees are resident in Ireland. Trustees are advised to seek specific tax advice if they are in doubt as to whether the trust is resident in Ireland.

#### ***Corporate Investors***

A company will be resident in Ireland if its central management and control is in Ireland or (in certain circumstances) if it is incorporated in Ireland. For Ireland to be treated as the location of a company’s central management and control this typically means Ireland is the location where all fundamental policy decisions of the company are made.

All companies incorporated in Ireland are resident in Ireland for tax purposes except where:

- (i) in the case of a company incorporated before 1 January 2015, the company or a related company carries on a trade in Ireland, and either (a) the company is ultimately controlled by persons resident in a “relevant territory”, being an EU member state or a country with which Ireland has a double taxation agreement in force by virtue of Section 826(1) of the TCA or that is signed and which will come into force once all the ratification procedures set out in Section 826(1) of the TCA have been completed or (b) the principal Class of the shares in the company or a related company is substantially and regularly traded on a recognised stock exchange in a relevant territory, and the Company’s central management and control is located outside of Ireland (however this exception does not apply where the Company’s place of central management and control is in a jurisdiction that only applies an incorporation test for determining residency and the Company would thus not be regarded as tax-resident in any jurisdiction); or
- (ii) the company is regarded as resident in a country other than Ireland and not resident in Ireland under a double taxation agreement between Ireland and that other country.

The exception from the incorporation rule of tax residence at (i) above in respect of a company incorporated before 1 January 2015 will however cease to apply or be available after 31 December 2020, or, if earlier, from the date, after 31 December 2014, of a change in ownership (direct or indirect) of the company where there is a major change in the nature or conduct of the business of the company within the period beginning on the later of 1 January 2015 or the date which occurs one year before the date of the change in ownership of the company, and ending 5 years after the date of the change in ownership. For these purposes a major change in the nature or conduct of the business of the company includes the commencement by the company of a new trade or a major change arising from the acquisition by the company of property or of an interest in or right over property.

## **Disposal of shares and Irish Capital Acquisitions Tax**

### Persons Domiciled or Ordinarily Resident in Ireland

The disposal of shares by means of a gift or inheritance made by a disponent domiciled or ordinarily resident in Ireland or received by a beneficiary domiciled or ordinarily resident in Ireland may give rise to a charge to Irish Capital Acquisitions Tax for the beneficiary of such a gift or inheritance with respect to those shares.

### Persons Not Domiciled or Ordinarily Resident in Ireland

On the basis that the Company qualifies as an investment undertaking within the meaning of Section 739B of the TCA, the disposal of shares will not be within the charge to Irish Capital Acquisitions Tax provided that:

- the shares are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date;
- the donor is not domiciled or ordinarily resident in Ireland at the date of the disposition; and
- the beneficiary is not domiciled or ordinarily resident in Ireland at the date of the gift or inheritance.

## **The Foreign Account Tax Compliance Act (FATCA)**

The provisions of FATCA are designed to require certain U.S. persons' direct and indirect ownership of certain non-U.S. accounts and non-U.S. entities to be reported by foreign financial institutions ("FFIs") to foreign tax authorities who will then provide the information to the IRS.

The Company may be regarded as an FFI for FATCA purposes. FATCA may impose a withholding tax of up to 30 per cent. with respect to certain U.S. source payments (which will include, after 31 December 2018, gross proceeds) and, after 31 December 2018, gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends paid to an FFI.

FATCA compliance is enforced under Irish tax legislation, including the Financial Accounts Reporting (United States of America) Regulations 2014, and reporting rules and practices. The Company may require additional information from Shareholders in order to comply with these provisions. The Company may disclose the information, certificates or other documentation that it receives from (or concerning) its Shareholders to the Revenue Commissioners as necessary to comply with the Irish tax legislation and reporting rules and practices relating to FATCA, related intergovernmental agreements or other applicable law or regulation. The Revenue Commissioners, in turn, report such information to the IRS. If a Shareholder causes (directly or indirectly) the Company to suffer a withholding for or on account of FATCA ("FATCA Deduction") or other financial penalty, cost, expense or liability, the Company may compulsorily repurchase any Shares of such Shareholder and/or take any action required to ensure that such FATCA Deduction or other financial penalty, cost, expense or liability is economically borne by such shareholder. Each prospective investor is urged to consult its tax adviser regarding the applicability of FATCA and any other reporting requirements with respect to the prospective investor's own situation. If applicable, investors should contact their intermediary regarding the application of this regime to their investments in the Company.

## **The OECD Common Reporting Standard**

Ireland has implemented the "Standard for Automatic Exchange of Financial Account Information", also known as the Common Reporting Standard ("CRS"), into Irish law.

The CRS is a single global standard on Automatic Exchange of Information ("AEOI") which was approved by the Council of the OECD in July 2014. It draws on earlier work of the OECD and the EU, global anti-money laundering standards and, in particular, the Model FATCA Intergovernmental Agreement. The CRS sets out details of the financial information to be exchanged, the financial institutions required to report, together with common due diligence standards to be followed by financial institutions.



Under the CRS, participating jurisdictions are required to exchange certain information held by financial institutions regarding their non-resident customers. To comply with its obligations under the CRS (or similar information sharing arrangements), the Company may require additional information and documentation from Shareholders. The Company may disclose the information, certifications or other documentation that they receive from or in relation to Shareholders to the Revenue Commissioners who may in turn exchange this information with tax authorities in other territories.

By subscribing for Shares in the Company, each Shareholder is agreeing to provide such information upon request from the Company or its delegate. Shareholders refusing to provide the requisite information to the Company may be reported to the Irish tax authorities or other parties as necessary to comply with the CRS.

The above description is based in part on regulations, guidance from the OECD and the CRS, all of which are subject to change. Each prospective investor should consult their own tax adviser on the requirements applicable to their own situation under these arrangements.

### **Investment Undertaking Reporting**

Pursuant to Section 891C TCA and the Return of Values (Investment Undertakings) Regulations 2013, the Company is obliged to report certain details in relation to Shares held by investors to the Revenue Commissioners on an annual basis. The details to be reported include the name, address, date of birth (if on record) and the tax reference number of the Shareholder (being an Irish tax reference number or VAT registration number, or in the case of an individual, the individual's PPS number or, in the absence of a tax reference number, a marker indicating that this was not provided) and the investment number associated with and the value of the Shares held by the Shareholder. These provisions do not require such details to be reported in respect of Shareholders who are:

- Exempt Irish Residents (as defined above);
- Shareholders who are neither Irish Resident nor ordinarily resident in Ireland (provided the relevant declaration has been made); or

Shareholders whose Shares are held in a recognised clearing system.

### **Additional tax information and investment restrictions applying to funds compliant with the German Investment Tax Act:**

The information given in this section is a high-level summary of certain aspects of the German Taxation System, based on the law and official guidance currently available and subject to change. The information is not intended to be exhaustive and does not constitute legal or tax advice.

With effect from 1 January 2018 a new version of the German Investment Tax Act ("GITA") will apply to the taxation at fund level as well as to the taxation at investor level. A "partial tax exemption" provides for tiered rate of German tax relief at shareholder level upon taxable income derived from German or foreign funds. The scope of relief depends on both the investor category as well as the category of the fund. Any investment income (distributions, pre-determined tax bases and capital gains from the disposal of investment fund units) can generally be subject to a partial exemption provided that the respective investment fund qualifies as equity fund, mixed or real estate fund.

According to sec. 2 para 8 GITA, Equity funds are investment funds that invest continuously at least 51% of their value in equity participations according to their constitutive documents. Equity investments are admitted to official trading on a stock exchange or shares quoted on an organized market at a corporation. The partial exemption amounts to 30% for private individuals. For individuals holding the investment fund units as part of their business assets, the partial exemption increases to 60%. For corporate investors, 80% of the investment proceeds are tax-free.

According to sec. 2 para 8 GITA, Mixed funds are investment funds that invest continuously at least 25% of their value in equity participations according to their constitutive documents. In this case, half of the partial exemption rates applicable to equity funds is available.

Real estate funds are investment funds that invest continuously at least 51% of their value in real estate and real estate companies according to their constitutive documents. The partial exemption rate amounts to 60%. If the relevant investments are made in non-German real estate and non-German real estate companies, the partial exemption rate increases to 80.

*Equity Funds, as defined by the GITA:*

The investment strategy of the funds listed below is to continuously invest at least 51% of their value in equity assets as defined in sec 2. para 8 German Investment Tax Act (2018).

- First Trust Dow Jones Internet UCITS ETF
- First Trust US Large Cap Core AlphaDEX® UCITS ETF
- First Trust Emerging Markets AlphaDEX® UCITS ETF
- First Trust Eurozone AlphaDEX® UCITS ETF
- First Trust United Kingdom AlphaDEX® UCITS ETF
- First Trust Switzerland AlphaDEX® UCITS ETF
- First Trust Japan AlphaDEX® UCITS ETF
- First Trust Germany AlphaDEX® UCITS ETF
- First Trust Global Equity Income UCITS ETF
- First Trust US IPO Index UCITS ETF
- First Trust US Equity Income UCITS ETF
- First Trust US Small Cap Core AlphaDEX® UCITS ETF
- First Trust Indxx Innovative Transaction & Process UCITS ETF
- First Trust Capital Strength UCITS ETF
- First Trust Indxx NextG UCITS ETF
- First Trust Value Line® Dividend Index UCITS ETF
- First Trust NYSE Arca Biotechnology UCITS ETF
- First Trust Nasdaq Cybersecurity UCITS ETF

## **GENERAL**

### **Data Protection Notice**

Shareholders should note that by completing the application form they have provided personal information, which may constitute “personal data” within the meaning of the Irish Data Protection Acts 1988 and 2018, the EU Data Protection Directive 95/46/EC, the EU ePrivacy Directive 2002/58/EC (as amended), the European Communities (Electronic Communications Networks and Services)(Privacy and Electronic Communications) Regulations 2011, the General Data Protection Regulation (Regulation (EU) 2016/679) and any relevant transposition of, or successor or replacement to, those laws (including, when it comes into force, the successor to the ePrivacy Directive) (together, the “Data Protection Legislation”).

Shareholders’ personal data will be used by the Company for the following purposes:

- to manage and administer a shareholder’s holding in the Company and any related accounts on an ongoing basis in accordance with the contract between the shareholder and the Company;
- to carry out statistical analysis and market research as the Company’s legitimate business interest;
- to comply with legal and regulatory obligations applicable to the shareholder and the Company from time to time including applicable anti-money laundering and counter terrorist financing legislation. In particular, in order to comply with the information reporting regimes set out in Section 891C and Section 891E to Section 891G (inclusive) of the Taxes Consolidation Act 1997 (as amended) and

regulations made pursuant to those sections), Shareholders' personal data (including financial information) may be shared with the Revenue Commissioners. They in turn may exchange information (including personal data and financial information) with foreign tax authorities (including the U.S. Internal Revenue Service and foreign tax authorities located outside the European Economic Area). Please consult the AEOI (Automatic Exchange of Information) webpage on [www.revenue.ie](http://www.revenue.ie) for further information in this regard; and

- for any other specific purposes where the investor has given specific consent.

Shareholder' personal data may be disclosed by the Company to its delegates, professional advisors, service providers, regulatory bodies, auditors, technology providers and any duly authorised agents or related, associated or affiliated companies of the foregoing for the same or related purposes.

Shareholder' personal data may be transferred to countries which may not have the same or equivalent data protection laws as Ireland. If such transfer occurs, the Company is required to ensure that such processing of shareholders' personal data is in compliance with Data Protection Legislation and, in particular, that appropriate measures are in place such as entering into model contractual clauses (as published by the European Commission) or ensuring that the recipient is "Privacy Shield" certified, if appropriate. For more information on the means of transfer of shareholders' data or a copy of the relevant safeguards, please contact [FTGlobalFunds@ftadvisors.com](mailto:FTGlobalFunds@ftadvisors.com).

Pursuant to the Data Protection Legislation, shareholders have a number of rights which may be exercised in respect of their personal data, i.e.:

- the right of access to personal data held by the Company;
- the right to amend and rectify any inaccuracies in personal data held by the Company;
- the right to erase personal data held by the Company;
- the right to data portability of personal data held by the Company; and
- the right to request restriction of the processing of personal data held by the Company; and
- the right to object to processing of personal data by the Company.

These rights will be exercisable subject to limitations as provided for in the Data Protection Legislation. In certain circumstances it may not be feasible for the Company to discharge these rights, for example because of the structure of the Company or the manner in which the Shareholder holds Shares in a Fund. Shareholders may make a request to the Company to exercise these rights by contacting [FTGlobalFunds@ftadvisors.com](mailto:FTGlobalFunds@ftadvisors.com).

Please note that personal data may be retained by the Company for the duration of a shareholder's investment and afterwards in accordance with the Company's legal and regulatory obligations, including but not limited to the Company's record retention policy.

The Company is a data controller within the meaning of the Data Protection Legislation and undertakes to hold any personal information provided by shareholders in confidence and in accordance with the Data Protection Legislation. For queries, requests or comments in respect of this notice or the way in which the Company uses shareholders' personal data, please contact [FTGlobalFunds@ftadvisors.com](mailto:FTGlobalFunds@ftadvisors.com). Shareholders have the right to lodge a complaint with the Office of the Data Protection Commissioner if they are dissatisfied with the manner in which their personal data is used by the Company.

### **Conflicts of Interest and Best Execution**

The Company has policies designed to ensure that in all transactions a reasonable effort is made to avoid conflicts of interest and, when they cannot be avoided, that the Funds and their Shareholders are fairly treated.

The Directors, the Manager, the Investment Manager, the Depositary, the Administrator and the Distributor may from time to time act as directors, manager, investment manager, investment adviser, depositary, administrator, company secretary, dealer or distributor in relation to, or be otherwise involved in, other funds

and accounts established by parties other than the Company which have similar investment objectives to those of the Company and any Fund. Such other funds and accounts may pay higher fees than a Fund or performance-based fees for such services. The Investment Manager and its affiliates shall not be under any obligation to offer investment opportunities of which any of them becomes aware to the Company or to account to the Company in respect of (or share with the Company or inform the Company of) any such transaction or any benefit received by any of them from any such transaction, but will allocate any such opportunities on an equitable basis between the Company and other clients, taking into consideration the investment objectives, investment limitations, capital available for investment and diversification posture of the Company and other clients. The Investment Manager may hold shares in any Fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interests with the Company and a Fund. Each of the Directors, the Manager, the Investment Manager, the Depositary, the Administrator and the Distributor will, at all times, have regard in such event to its obligations to the Company and the Fund and will ensure that such conflicts are resolved fairly. In addition, any of the foregoing may deal, as principal or agent, with the Company in respect of the assets of a Fund, provided that at least one of the conditions in the following paragraphs (a), (b) or (c) is complied with:

- (a) the value of the transaction is certified by either: (i) a person who has been approved by the Depositary as being independent and competent; or (ii) a person who has been approved by the Directors as being independent and competent in the case of transactions involving the Depositary;
- (b) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of the relevant exchange; or
- (c) the transaction is executed on terms which the Depositary is or, in the case of a transaction involving the Depositary, the Directors are, satisfied conformed to the requirement that transactions with such parties be conducted at arm's length and in the best interests of Shareholders.

The Depositary or, in the case of a transaction involving the Depositary, the Directors, shall document how it or they complied with the requirements of (a), (b) or (c) above. Where transactions are conducted in accordance with (c) above, the Depositary or, in the case of a transaction involving the Depositary, the Directors, shall document its or their rationale for being satisfied that the transaction conformed to the requirement that transactions with such parties be conducted at arm's length and in the best interests of Shareholders.

The Investment Manager and its affiliates may invest, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the Company. Neither the Investment Manager nor any of its affiliates is under any obligation to offer investment opportunities of which any of them becomes aware to the Company or to account to the Company in respect of or share with the Company or inform the Company of any such transaction or any benefit received by any of them from any such transaction, but will allocate any such opportunities on an equitable basis between the Company and other clients.

The Investment Manager may be responsible for valuing certain securities held by the Funds. The Investment Manager is paid a fee which is a percentage of the Net Asset Value of each Fund. Consequently a conflict of interest could arise between its interests and those of a Fund. In the event of such a conflict of interests, the Investment Manager shall have regard to its obligations to the Company and the Fund and will ensure that such a conflict is resolved fairly and in the best interests of the Shareholders.

The Company has adopted a policy designed to ensure that its service providers act in a Fund's best interests when executing decisions to deal and placing orders to deal on behalf of the Fund in the context of managing the Fund's portfolio. For these purposes, all reasonable steps must be taken to obtain the best possible result for the Fund, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature or any other consideration relevant to the execution of the order. Information about the Company's execution policy and any material changes to the policy are available to Shareholders at no charge upon request.

The Company has developed a strategy for determining when and how voting rights are exercised. Details of the actions taken on the basis of those strategies are available to Shareholders free of charge upon request.

The Investment Manager may direct transactions to brokers in return for research services (such as written research reports on companies, sectors, or economies or the subscription of on-line data bases that provide real time, historical pricing information and meetings with portfolio company representatives). In such circumstances, the Investment Manager may enter into soft commission agreements or similar arrangements with such brokers. Under such arrangements, the Investment Manager must ensure that the broker or counterparty to the arrangement has agreed to provide best execution to the Funds. The benefit provided must assist the Investment Manager in its provision of investment services to the Funds.

## **Complaints**

Information regarding the Company's complaint procedures is available to Shareholders free of charge upon request. Shareholders may file complaints about the Company free of charge at the registered office of the Company.

### *The Share Capital*

The share capital of the Company shall at all times equal the Net Asset Value of the Company. The Directors are empowered to issue up to 500 billion shares of no par value in the Company at the Net Asset Value per Share on such terms as they may think fit. There are no rights of pre-emption upon the issue of shares in the Company. The Subscriber Shares do not participate in the assets of any Fund. The Company reserves the right to redeem some or all of the Subscriber Shares provided that the Company at all times has a minimum issued share capital to the value of €300,000.

Each of the shares entitles the Shareholder to participate equally on a pro rata basis in the dividends and net assets of a Fund attributable to the relevant Class in respect of which they are issued, save in the case of dividends declared prior to becoming a Shareholder. The Subscriber Shares' entitlement is limited to the amount subscribed and accrued interest thereon.

The proceeds from the issue of shares shall be applied in the books of the Company to the relevant Fund and shall be used in the acquisition on behalf of the relevant Fund of assets in which the Fund may invest. The records and accounts of each Fund shall be maintained separately.

The Directors reserve the right to redesignate any Class of shares from time to time, provided that shareholders in that Class shall first have been notified by the Company that the shares will be redesignated and shall have been given the opportunity to have their shares redeemed by the Company, except that this requirement shall not apply where the Directors redesignate shares in issue in order to facilitate the creation of an additional Class of shares.

Each of the shares entitles the holder to attend and vote at meetings of the Company and of the Fund represented by those shares. No Class of shares confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any other Class of shares or any voting rights in relation to matters relating solely to any other Class of shares.

Any resolution to alter the Class rights of the shares requires the approval of three quarters of the holders of the shares represented or present and voting at a general meeting duly convened in accordance with the Constitution.

The Constitution of the Company empower the Directors to issue fractional shares in the Company. Fractional shares may be issued and shall not carry any voting rights at general meetings of the Company or of any Fund or Class and the Net Asset Value of any fractional Share shall be the Net Asset Value per Share adjusted in proportion to the fraction.

It is intended that all but two of the Subscriber Shares will be redeemed by the Company at their Net Asset Value on the Dealing Day on which the first issue of shares is effected after the Initial Offer Period. The

Subscriber Shares entitle the Shareholders holding them to attend and vote at all meetings of the Company but do not entitle the holders to participate in the dividends or net assets of any Fund or of the Company.

### **The Company and Segregation of Liability**

The Company is an umbrella fund with segregated liability between sub-funds and each Fund may comprise one or more Classes of shares in the Company. The Directors may, from time to time, upon the prior approval of the Central Bank, establish further Funds by the issue of one or more separate Classes of shares on such terms as the Directors may resolve. The Directors may, from time to time, in accordance with the requirements of the Central Bank, establish one or more separate Classes of shares within each Fund on such terms as the Directors may resolve.

The assets and liabilities of each Fund will be allocated in the following manner:

- (a) the proceeds from the issue of shares representing a Fund shall be applied in the books of the Company to the Fund and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Constitution;
- (b) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Company to the same Fund as the assets from which it was derived and in each valuation of an asset, the increase or diminution in value shall be applied to the relevant Fund;
- (c) where the Company incurs a liability which relates to any asset of a particular Fund or to any action taken in connection with an asset of a particular Fund, such a liability shall be allocated to the relevant Fund, as the case may be; and
- (d) where an asset or a liability of the Company cannot be considered as being attributable to a particular Fund, such asset or liability, subject to the approval of the Depositary, shall be allocated to all the Funds *pro rata* to the Net Asset Value of each Fund.

Any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund, and neither the Company nor any Director, receiver, examiner, liquidator, provisional liquidator or other person shall apply, nor be obliged to apply, the assets of any such Fund in satisfaction of any liability incurred on behalf of, or attributable to, any other Fund.

There shall be implied in every contract, agreement, arrangement or transaction entered into by the Company the following terms, that:

- (I) the party or parties contracting with the Company shall not seek, whether in any proceedings or by any other means whatsoever or wheresoever, to have recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund;
- (II) if any party contracting with the Company shall succeed by any means whatsoever or wheresoever in having recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund, that party shall be liable to the Company to pay a sum equal to the value of the benefit thereby obtained by it; and
- (III) if any party contracting with the Company shall succeed in seizing or attaching by any means, or otherwise levying execution against, the assets of a Fund in respect of a liability which was not incurred on behalf of that Fund, that party shall hold those assets or the direct or indirect proceeds of the sale of such assets on trust for the Company and shall keep those assets or proceeds separate and identifiable as such trust property.

All sums recoverable by the Company shall be credited against any concurrent liability pursuant to the implied terms set out in (i) to (iii) above.

Any asset or sum recovered by the Company shall, after the deduction or payment of any costs of recovery, be applied so as to compensate the Fund.

In the event that assets attributable to a Fund are taken in execution of a liability not attributable to that Fund, and in so far as such assets or compensation in respect thereof cannot otherwise be restored to the Fund affected, the Directors, with the consent of the Depositary, shall certify or cause to be certified, the value of the assets lost to the Fund affected and transfer or pay from the assets of the Fund or Funds to which the liability was attributable, in priority to all other claims against such Fund or Funds, assets or sums sufficient to restore to the Fund affected, the value of the assets or sums lost to it.

A Fund is not a legal person separate from the Company but the Company may sue and be sued in respect of a particular Fund and may exercise the same rights of set-off, if any, as between its Funds as apply at law in respect of companies and the property of a Fund is subject to orders of the court as it would have been if the Fund were a separate legal person.

Separate records shall be maintained in respect of each Fund.

### **Meetings and Votes of Shareholders**

All general meetings of the Company or a Fund shall be held in Ireland. In each year the Company shall hold a general meeting as its annual general meeting. The quorum for any general meeting convened to consider any alteration to the Class rights of the shares shall be such number of Shareholders being two or more persons whose holdings comprise one-third of the shares. The quorum for meetings other than a meeting to consider changes in Class rights shall be two persons present in person or by proxy. Twenty-one days' notice (excluding the day of posting and the day of the meeting) shall be given in respect of each general meeting of the Company. The notice shall specify the venue and time of the meeting and the business to be transacted at the meeting. A proxy may attend on behalf of any Shareholder. An ordinary resolution is a resolution passed by a simple majority of votes cast and a special resolution is a resolution passed by a majority of 75% or more of the votes cast. The Constitution provide that matters may be determined by a meeting of Shareholders on a show of hands unless a poll is requested by five Shareholders or by Shareholders holding 10% or more of the shares or unless the Chairman of the meeting requests a poll. On a show of hands a Shareholder present at a meeting is entitled to one vote. Each share (including the Subscriber Shares) gives the holder one vote in relation to any matters relating to the Company which are submitted to Shareholders for a vote by poll.

### **Termination**

All of the shares in the Company or all of the shares in a Fund or Class may be redeemed by the Company in the following circumstances:

- (i) a majority of votes cast at a general meeting of the Company or the relevant Fund or Class, as appropriate, approve the redemption of the shares;
- (ii) if so determined by the Directors, following consultation with the Manager, provided that not less than 21 days' written notice has been given to the holders of the shares of the Company or the Fund or the Class, as appropriate, that all of the shares of the Company, the Fund or the Class, as the case may be, shall be redeemed by the Company; or
- (iii) if no replacement depositary shall have been appointed during the period of 90 days commencing on the date the Depositary or any replacement thereof shall have notified the Company of its desire to retire as depositary or shall have ceased to be approved by the Central Bank.

Where a redemption of shares would result in the number of Shareholders falling below two or such other minimum number stipulated by statute or where a redemption of shares would result in the issued share capital of the Company falling below such minimum amount as the Company may be obliged to maintain pursuant to applicable law, the Company may defer the redemption of the minimum number of shares

sufficient to ensure compliance with applicable law. The redemption of such shares will be deferred until the Company is wound up or until the Company procures the issue of sufficient shares to ensure that the redemption can be effected. The Company shall be entitled to select the shares for deferred redemption in such manner as it may deem to be fair and reasonable and as may be approved by the Depositary.

On a winding up or if all of the shares in any Fund are to be redeemed, the assets available for distribution (after satisfaction of creditors' claims) shall be distributed pro rata to the holders of the shares in proportion to the number of the shares held in that Fund. The balance of any assets of the Company then remaining that are not attributable to any particular Fund shall be apportioned among the Funds pro rata to the Net Asset Value of each Fund immediately prior to any distribution to Shareholders and shall be distributed among the Shareholders of each Fund pro rata to the number of shares in that Fund held by them. With the authority of an ordinary resolution of the Shareholders or with the consent of any Shareholder, the Company may make distributions in specie to Shareholders or to any individual Shareholder who so consents. At the request of any Shareholder the Company shall arrange the sale of such assets at the expense of such Shareholder and without any liability on the part of the Company, the Administrator, the Investment Manager if the proceeds of sale of any asset are less than the value of the assets at the time at which it was distributed in specie. The transaction costs incurred in the disposal of such investments shall be borne by the Shareholder. The Subscriber Shares do not entitle the holders to participate in the dividends or net assets of any Fund.

### **Deferred Repurchase**

Where a redemption of shares would result in the number of Shareholders falling below two or such other minimum number stipulated by statute or where a redemption of shares would result in the issued share capital of the Company falling below such minimum amount as the Company may be obliged to maintain pursuant to applicable law, the Company may defer the redemption of the minimum number of shares sufficient to ensure compliance with applicable law. The redemption of such shares will be deferred until the Company is wound up or until the Company procures the issue of sufficient shares to ensure that the redemption can be effected. The Company shall be entitled to select the shares for deferred redemption in such manner as it may deem to be fair and reasonable and as shall be approved by the Depositary.

### **Reports**

In each year the Directors shall arrange to be prepared an annual report and audited annual accounts for the Company. These will be available to Shareholders and the Euronext Dublin (by post, by electronic mail or any other means of electronic communication (including by placing a copy of such document on the website of the Company)) upon publication, which shall be within four months of the end of the financial year, and at least 21 days before the annual general meeting. In addition, the Company shall make available to Shareholders upon publication, which shall be within two months of the end of the relevant period, a half-yearly report which shall include unaudited half-yearly accounts for the Company.

Annual accounts shall be made up to 31 December in each year and the next audited accounts shall be made up to 31 December 2020. Unaudited half-yearly accounts shall be made up to 30 June in each year and the next half-yearly accounts shall be made up to 30 June 2020.

Audited annual reports and unaudited half-yearly reports incorporating financial statements shall be sent (by post, by electronic mail or any other means of electronic communication (including by placing a copy of such document on the website of the Company)) and may be available, free of charge, on request, to Shareholders and any potential investors, and will be made available for inspection at the registered office of the Company.

### **Remuneration Policy of the Manager**

The Manager has adopted a remuneration policy as required by the UCITS Regulations (the "Remuneration Policy"). The Remuneration Policy seeks to be consistent with, and promote, sound and effective risk management and is designed to discourage risk-taking by the Manager which is inconsistent with the risk profiles of the Funds. The Remuneration Policy applies to those categories of staff of the Manager whose



professional activities have a material impact on the risk profile of the Manager or the Funds (“Identified Staff”). As at the date of this Prospectus, the Identified Staff comprise the Directors. While certain Directors are paid a fixed annual fee for their services to the Manager, Directors that are employees of the Investment Manager or an affiliate are not paid any fees for their services as a Director. Due to the size and internal organisation of the Manager and the nature, scope and complexity of its activities, a remuneration committee has not been established by the Manager. Any fee arrangements with Directors shall be subject to the approval of the Board of Directors. Please see the section entitled “Fees and Expenses” for details of the fees and expenses payable to the Directors. Further information on the current remuneration policy of the Manager, including a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits is available at [www.ftglobalportfolios.com/UCITS/remuneration](http://www.ftglobalportfolios.com/UCITS/remuneration). A paper copy of this information is available free of charge upon request from the Manager.

### **Miscellaneous**

- (i) The Company is not, and has not been since its incorporation, engaged in any legal or arbitration proceedings and no legal or arbitration proceedings are known to the Directors to be pending or threatened by or against the Company.
- (ii) Except as disclosed in paragraph (iv) below, there are no service contracts in existence between the Company and any of its Directors, nor are any such contracts proposed.
- (iii) None of the Directors are interested in any contract or arrangement subsisting at the date hereof which is significant in relation to the business of the Company.
- (iv) At the date of this document, neither the Directors nor their spouses nor their infant children nor any connected person have any direct or indirect interest in the share capital of the Company or any options in respect of such capital.
- (v) At the date of this document, the Company has no loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, finance leases, hire purchase commitments, guarantees or contingent liabilities in respect of any of the Funds.
- (vi) Save as disclosed herein in the section entitled “Fees, Costs and Expenses” above, no commissions, discounts, brokerage, or other special terms have been granted by the Company in relation to shares issued by the Company.
- (vii) The Company does not have, nor has it had since its incorporation, any employees or subsidiary companies.

### **Material Contracts**

The following contracts, details of which are set out in the section entitled “Management and Administration”, have been entered into and are, or may be, material:

1. The Management Agreement.
2. The Administration Agreement.
3. The Depositary Agreement.
4. The Amended and Restated Investment Management Agreement.
5. The Distribution Agreement.

6. The Registrar Agreement.

### **Supply and Inspection of Documents**

The following documents are available for inspection free of charge during normal business hours on any business day at the registered office of the Company:

1. the certificate of incorporation and memorandum and articles of association of the Company;
2. the material contracts referred to above;
3. a copy of the UCITS Regulations and the UCITS Rules issued by the Central Bank; and
4. a list of past and current directorships and partnerships held by each Director of the Company over the last 5 years.

Copies of the memorandum and articles of association of the Company and the latest financial reports of the Company, as appropriate, may be obtained, free of charge, upon request at the registered office of the Company.

**SCHEDULE I**

**Share Classes**

<b>Fund</b>	<b>Fund Base Currency</b>	<b>Share Class</b>	<b>Class Currency</b>	<b>Initial Offer Price</b>	<b>Initial Offer Period Status</b>	<b>Minimum Initial Subscription</b>	<b>Minimum Redemption Requirement</b>	<b>Minimum Holding</b>	<b>Fractional Shares</b>	<b>Dividend Policy</b>
<b>First Trust US Large Cap Core AlphaDEX® UCITS ETF</b>	USD	Class A	USD	\$25.00	Closed	50,000 shares	50,000 shares	N/A	No	Accumulating
		Class B	USD	\$35.00	Closed	50,000 shares	50,000 shares	N/A	No	Distributing
<b>First Trust Emerging Markets AlphaDEX® UCITS ETF</b>	USD	Class A	USD	\$25.00	Closed	50,000 shares	50,000 shares	N/A	No	Accumulating
<b>First Trust Eurozone AlphaDEX® UCITS ETF</b>	Euro	Class A	Euro	€20.00	Closed	50,000 shares	50,000 shares	N/A	No	Accumulating
		Class B	Euro	€34.00	Closed	50,000 shares	50,000 shares	N/A	No	Distributing
<b>First Trust United Kingdom AlphaDEX® UCITS ETF</b>	GBP	Class A	GBP	£15.00	Closed	50,000 shares	50,000 shares	N/A	No	Accumulating
		Class B	GBP	£18.00	Closed	50,000 shares	50,000 shares	N/A	No	Distributing
<b>First Trust Switzerland AlphaDEX® UCITS ETF</b>	CHF	Class A	CHF	CHF20.00	Closed	50,000 shares	50,000 shares	N/A	No	Accumulating
<b>First Trust Japan</b>	Yen	Class A	Yen	¥2,750.00	Closed	50,000 shares	50,000 shares	N/A	No	Accumulating

<b>Fund</b>	<b>Fund Base Currency</b>	<b>Share Class</b>	<b>Class Currency</b>	<b>Initial Offer Price</b>	<b>Initial Offer Period Status</b>	<b>Minimum Initial Subscription</b>	<b>Minimum Redemption Requirement</b>	<b>Minimum Holding</b>	<b>Fractional Shares</b>	<b>Dividend Policy</b>
<b>AlphaDEX® UCITS ETF</b>										
<b>First Trust Asia Pacific ex-Japan AlphaDEX® UCITS ETF</b>	USD	Class A	USD	\$25.00	Existing	50,000 shares	50,000 shares	N/A	No	Accumulating
<b>First Trust Germany AlphaDEX® UCITS ETF</b>	Euro	Class A	Euro	€20.00	Closed	50,000 shares	50,000 shares	N/A	No	Distributing
<b>First Trust Global Equity Income UCITS ETF</b>	USD	Class A	USD	\$40.00	Closed	50,000 shares	50,000 shares	N/A	No	Accumulating
		Class B	USD	\$40.00	Closed	50,000 shares	50,000 shares	N/A	No	Distributing
<b>First Trust US Equity Opportunities UCITS ETF</b>	USD	Class A	USD	\$20.00	Closed	50,000 shares	50,000 shares	N/A	No	Accumulating
<b>First Trust US Equity Income UCITS ETF</b>	USD	Class A	USD	\$20.00	Closed	50,000 shares	50,000 shares	N/A	No	Distributing
		Class B	USD	\$20.00	Closed	50,000 shares	50,000 shares	N/A	No	Accumulating
<b>First Trust US Small Cap Core AlphaDEX® UCITS ETF</b>	USD	Class A	USD	\$20.00	Closed	50,000 shares	50,000 shares	N/A	No	Accumulating

<b>Fund</b>	<b>Fund Base Currency</b>	<b>Share Class</b>	<b>Class Currency</b>	<b>Initial Offer Price</b>	<b>Initial Offer Period Status</b>	<b>Minimum Initial Subscription</b>	<b>Minimum Redemption Requirement</b>	<b>Minimum Holding</b>	<b>Fractional Shares</b>	<b>Dividend Policy</b>
<b>First Trust FactorFX UCITS ETF</b>	USD	Class A	USD	\$20.00	Closed	50,000 shares	50,000 shares	N/A	No	Accumulating
		Class B	GBP (Hedged)	£16.00	Closed	50,000 shares	50,000 shares	N/A	No	Accumulating
		Class C	EUR (Hedged)	€19.00	Closed	50,000 shares	50,000 shares	N/A	No	Accumulating
<b>First Trust Indxx Innovative Transaction &amp; Process UCITS ETF</b>	USD	Class A	USD	\$20.00	Closed	50,000 shares	50,000 shares	N/A	No	Accumulating
<b>First Trust Dow Jones Internet UCITS ETF</b>	USD	Class A	USD	\$20.00	Closed	50,000 shares	50,000 shares	N/A	No	Accumulating
<b>First Trust IPOX® Europe Equity Opportunities UCITS ETF</b>	EUR	Class A	EUR	€20.00	Existing	50,000 shares	50,000 shares	N/A	No	Accumulating
<b>First Trust Cloud Computing UCITS ETF</b>	USD	Class A	USD	\$20.00	Closed	50,000 shares	50,000 shares	N/A	No	Accumulating
<b>First Trust Low Duration Global Government Bond UCITS ETF</b>	EUR	Class A	USD (hedged)	\$20.00	New	50,000 shares	50,000 shares	N/A	No	Distributing
		Class B	GBP (hedged)	£16	New	50,000 shares	50,000 shares	N/A	No	Distributing
		Class C	EUR	€20.00	New	50,000 shares	50,000 shares	N/A	No	Distributing

<b>Fund</b>	<b>Fund Base Currency</b>	<b>Share Class</b>	<b>Class Currency</b>	<b>Initial Offer Price</b>	<b>Initial Offer Period Status</b>	<b>Minimum Initial Subscription</b>	<b>Minimum Redemption Requirement</b>	<b>Minimum Holding</b>	<b>Fractional Shares</b>	<b>Dividend Policy</b>
<b>First Trust Capital Strength UCITS ETF</b>	USD	Class A	USD	\$20.00	New	50,000 shares	50,000 shares	N/A	No	Accumulating
<b>First Trust Indxx NextG UCITS ETF</b>	USD	Class A	USD	\$20.00	New	50,000 shares	50,000 shares	N/A	No	Accumulating
<b>First Trust Value Line® Dividend Index UCITS ETF</b>	USD	Class A	USD	\$20.00	New	50,000 shares	50,000 shares	N/A	No	Accumulating
<b>First Trust Value Line® Dividend Index UCITS ETF</b>	USD	Class B	USD	\$20.00	New	50,000 shares	50,000 shares	N/A	No	Distributing
<b>First Trust NYSE Arca Biotechnology Index UCITS ETF</b>	USD	Class A	USD	\$20.00	New	50,000 shares	50,000 shares	N/A	No	Accumulating
<b>First Trust Nasdaq Cybersecurity UCITS ETF</b>	USD	Class A	USD	\$20.00	New	50,000 shares	50,000 shares	N/A	No	Accumulating

## SCHEDULE II

### The Regulated Markets

The following is a list of regulated stock exchanges and markets in which the assets of each Fund may be listed and/or traded from time to time and is set out in accordance with the regulatory criteria as defined in the Central Bank Regulations. With the exception of permitted investments in unlisted securities, each Fund will only invest in securities traded on a stock exchange or market which meets the regulatory criteria (regulated, operating regularly, be recognised and open to the public) and which is listed in this Prospectus. The Central Bank does not issue a list of approved stock exchanges or markets. A Regulated Market shall comprise any stock exchange or market which is located in any Member State; or located in any of the following countries: Australia, Canada, Japan, Hong Kong, New Zealand, Norway, Switzerland, the UK, the United States of America; or any stock exchange or market included in the following list:

Argentina-the stock exchanges in Buenos Aires, Cordoba, Mendoza, Rosario and La Plata; Bahrain-the Bahrain Stock Exchange; Bangladesh – the stock exchanges in Chittagong and Dhaka; Botswana – the Botswana Share Market; Brazil – the stock exchanges in Sao Paulo, Brasilia, Bahia-Sergipe-Alagoas, Extremo Sul Porto Alegre, Parana Curitiba, Regional Fortaleza, Santos, Pernambuco e Paraiba and Rio de Janeiro; Chile – the stock exchanges in Santiago and Valparaiso; China-the stock exchanges in Shanghai and Shenzhen; Colombia – the stock exchanges in Bogota and Medellin; Croatia – the Zagreb Stock Exchange; Egypt – the stock exchanges in Cairo and Alexandria; Ghana – the Ghana Stock Exchange; Hong Kong – the stock exchange in Hong Kong; Iceland – the stock exchange in Reykjavik; India – the Bombay Stock Exchange, the National Stock Exchange, the stock exchanges in Madras, Delhi, Ahmedabad, Bangalore, Cochin, Guwahati, Magadh, Pune, Hyderabad, Ludhiana, Uttar Pradesh and Calcutta; Indonesia – the stock exchanges in Jakarta and Surabaya; Israel – the stock exchange in Tel Aviv; Jordan – the stock exchange in Amman; Kazakhstan – the Kazakhstan Stock Exchange; Kenya – the stock exchange in Nairobi; Korea – the stock exchange in Seoul; Lebanon - the Beirut Stock Exchange; Mauritius – the stock exchange in Mauritius; Malaysia – the stock exchange in Kuala Lumpur; Mexico – the stock exchange in Mexico City; Morocco - the stock exchange in Casablanca; Pakistan – the stock exchanges in Karachi and Lahore; Peru – the stock exchange in Lima; Philippines – the Philippine Stock Exchange; Singapore – the stock exchange in Singapore; Serbia – the Belgrade Stock Exchange; South Africa – the stock exchange in Johannesburg; Sri Lanka – the stock exchange in Colombo; Taiwan – the stock exchange in Taipei; Thailand – the stock exchange in Bangkok; Tunisia – the stock exchange in Tunis; Turkey – the stock exchange in Istanbul; Ukraine – the Ukrainian Stock Exchange; United Arab Emirates - Dubai Financial Market; Venezuela – the stock exchanges in Caracas and Maracaibo; Vietnam – the Ho Chi Minh City Stock Exchange; Zambia – the Lusaka Stock Exchange; Zimbabwe – the stock exchange in Harare; or any of the following: Equity Securities listed in Russian Trading System 1 (RTS1) and Russian Trading System 2 (RTS2) and Moscow Interbank Currency Exchange (MICEX); the market organised by the International Capital Markets Association; the “listed money market institutions”, as described in the Bank of England publication “The Regulation of the Wholesale Cash and OTC Derivatives Markets in Sterling, Foreign Currency and Bullion” dated April, 1988 (as amended from time to time); the market comprising dealers which are regulated by the Federal Reserve Bank of New York; the over-the-counter market conducted by primary and secondary dealers comprising dealers which are regulated by the United States Financial Industry Regulatory Authority and the United States Securities and Exchange Commission; NASDAQ; and the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan.

The following is a list of regulated futures and options exchanges and markets in which the assets of each Fund may be invested from time to time and is set out in accordance with the Central Banks requirements. The Central Bank does not issue a list of approved futures and options exchanges or markets.

- (i) all futures and options exchanges:
  - in a Member State;
  - in a Member State of the European Economic Area (EEA) (excluding Iceland and Liechtenstein i.e. Norway); and
  - in the UK
- (ii) any derivatives and options exchanges included in the following list:

Australian Stock Exchange;  
Bermuda Stock Exchange;  
Bolsa Mexicana de Valores;  
Chicago Board of Trade;  
Chicago Board Options Exchange;  
Chicago Mercantile Exchange; the Commodity Exchange Inc;  
Coffee, Sugar and Cocoa Exchange;  
Copenhagen Stock Exchange (including FUTOP);  
EDX London;

Eurex Deutschland;  
Euronext Amsterdam;  
Euronext.liffe;  
Euronext Paris;  
European Options Exchange;  
Financial Futures and Options Exchange;  
Financiele Termijnmarkt Amsterdam;  
Finnish Options Market;  
Hong Kong Futures Exchange;  
International Monetary Market;  
International Capital Market Association;  
Irish Futures and Option Exchange (IFOX);  
New Zealand Futures and Options Exchange;  
Kansas City Board of Trade  
Korean Futures Exchange;  
Korean Stock Exchange;  
Marche des options Negocioables de Paris (MONEP);  
Marche a Terme International de France;  
MEFF Renta Fiji;  
MEFF Renta Variable;  
Midwest Stock Exchange;  
Montreal Exchange;  
National Association of Securities Dealers Automated Quotations System (NASDAQ);  
New York Futures Exchange;  
New York Mercantile Exchange;  
New York Stock Exchange;  
NYSE MKT;  
Osaka Securities Exchange;  
OMX Exchange Helsinki;  
OMX The London Securities and Derivatives Exchange Ltd.;  
OM Stockholm AB;  
Pacific Stock Exchange;  
Philadelphia Board of Trade;  
Philadelphia Stock Exchange;  
Singapore International Monetary Exchange;  
Singapore Stock Exchange;  
Tokyo International Financial Futures Exchange;  
Tokyo Stock Exchange;  
Singapore International Monetary Exchange;  
South Africa Futures Exchange (SAFEX);  
Sydney Futures Exchange;  
Tokyo Stock Exchange;  
Toronto Futures Exchange; and  
TSX Group Exchange.

These markets and exchanges are listed in accordance with the requirements of the Central Bank, which does not issue a list of approved markets and exchanges.



**SCHEDULE III**

**Investment Restrictions**

<b>1</b>	<b>Permitted Investments</b>
	Investments of a UCITS are confined to:
<b>1.1</b>	Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments other than those dealt on a regulated market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	Units of AIFs.
<b>1.6</b>	Deposits with credit institutions.
<b>1.7</b>	Financial derivative instruments.
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	A UCITS may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
<b>2.2</b>	<p>Recently Issued Transferable Securities</p> <p>Subject to paragraph (2) a responsible person shall not invest any more than 10% of assets of a UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2011 apply.</p> <p>Paragraph (1) does not apply to an investment by a responsible person in US Securities known as “Rule 144 A securities” provided that;</p> <p>(a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and</p> <p style="padding-left: 40px;">(b) the securities are not illiquid securities i.e. they may be realised by the UCITS within 7 days at the price, or approximately at the price, which they are valued by the UCITS.</p>
<b>2.3</b>	A UCITS may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
<b>2.4</b>	The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bondholders. If a UCITS invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the UCITS.
<b>2.5</b>	The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
<b>2.6</b>	The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.

2.7	Cash booked in accounts and held as ancillary liquidity shall not exceed 20% of the net assets of the UCITS.
2.8	<p>The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of net assets.</p> <p>This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand</p>
2.9	<p>Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:</p> <ul style="list-style-type: none"> <li>- investments in transferable securities or money market instruments;</li> <li>- deposits, and/or</li> <li>- counterparty risk exposures arising from OTC derivatives transactions.</li> </ul>
2.10	The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
2.11	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
2.12	<p>A UCITS may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.</p> <p>The individual issuers must be listed in the prospectus and may be drawn from the following list:  OECD Governments (provided the relevant issues are of investment grade), Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority and Straight-A Funding LLC.</p> <p>The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p>
<b>3</b>	<b>Investment in Collective Investment Schemes (“CIS”)</b>
3.1	A UCITS may not invest more than 20% of net assets in any one CIS.
3.2	Investment in AIFs may not, in aggregate, exceed 30% of net assets.
3.3	The CIS are prohibited from investing more than 10% of net assets in other open-ended CIS.
3.4	When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the UCITS investment in the units of such other CIS.

3.5	Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment advisor receives a commission on behalf of the UCITS (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the UCITS.
4	<b>Index Tracking UCITS</b>
4.1	A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank
4.2	The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.
5	<b>General Provisions</b>
5.1	An investment company, ICAV or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
5.2	<p>A UCITS may acquire no more than:</p> <ul style="list-style-type: none"> <li>(i) 10% of the non-voting shares of any single issuing body;</li> <li>(ii) 10% of the debt securities of any single issuing body;</li> <li>(iii) 25% of the units of any single CIS;</li> <li>(iv) 10% of the money market instruments of any single issuing body.</li> </ul>
5.3	<p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.</p> <p>5.1 and 5.2 shall not be applicable to:</p> <ul style="list-style-type: none"> <li>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</li> <li>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</li> <li>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</li> <li>(iv) shares held by a UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.</li> </ul>
5.3	<ul style="list-style-type: none"> <li>(v) Shares held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.</li> </ul>
5.4	UCITS need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
5.5	The Central Bank may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
5.6	If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.

5.7	<p>Neither an investment company, ICAV nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:</p> <ul style="list-style-type: none"> <li>- transferable securities;</li> <li>- money market instruments*;</li> <li>- units of investment funds; or</li> <li>- financial derivative instruments.</li> </ul>
5.8	A UCITS may hold ancillary liquid assets.
<b>6</b>	<b>Financial Derivative Instruments ('FDIs')</b>
6.1	The UCITS global exposure relating to FDI must not exceed its total net asset value.
6.2	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations/Guidance. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations.)
6.3	<p>UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that</p> <ul style="list-style-type: none"> <li>- The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.</li> </ul>
6.4	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank

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\* Any short selling of money market instruments by UCITS is prohibited

## SCHEDULE IV

### Indices

#### *First Trust US Large Cap Core AlphaDEX® UCITS ETF – NASDAQ AlphaDEX® Large Cap Core Index*

The Index is a modified equal-weighted index designed by NASDAQ to objectively identify and select stocks from the NASDAQ US 500 Large Cap Index that may generate positive alpha relative to traditional passive-style indices through the use of the AlphaDEX® selection methodology. The NASDAQ US 500 Large Cap Index, on which the NASDAQ AlphaDEX® Large Cap Core Index is based, is a modified market capitalisation-weighted index designed to track the performance of securities in the U.S. and will represent an adequate benchmark for the U.S. market.

Alpha is an indication of how much an investment outperforms or underperforms on a risk-adjusted basis relative to its benchmark. The inception date of the Index was 11 January 2016. The initial divisor was created to set a benchmark value of 1,000.00 on 11 January 2016. The initial divisor is the number by which the total share prices of all of the initial constituent securities in the index are divided by to obtain the initial value of the index.

For details of the exact composition of the NASDAQ US 500 Large Cap Index, please refer to the NASDAQ website (<https://indexes.nasdaqomx.com>). For details of the exact composition of the NASDAQ AlphaDEX® Large Cap Core Index, please see the following address (<https://indexes.nasdaqomx.com/docs/Nasdaq%20AlphaDEX%20US%20Index%20Family.pdf>).

The NASDAQ AlphaDEX® Large Cap Core Index (the “Index”) is constructed by NASDAQ in the following manner:

1. Start with all eligible companies in the NASDAQ US 500 Large Cap Index.  
Exclude the following:
  - i. Duplicates (multiple share classes) of a common issuer.
  - ii. Stocks with an average daily US dollar volume over any rolling five day period during the latest 60 trading days of less than \$500,000.
2. Rank all remaining stocks in the universe using a set of growth and value factors. The growth factors are 3, 6 & 12-month price appreciation, sales to price and 1-year sales growth. The three value factors are 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.
3. Stocks are classified as either a value stock or growth stock, as determined by NASDAQ. Stocks classified as a value stock will receive their value rank and stocks classified as a growth stock will receive their growth rank from Step 1 as their “selection score”
4. Based on the selection score determined in the previous step, the top scoring 375 stocks comprise the “selected stocks”.
5. The “selected stocks” are then split into quintiles based on their selection score. The top ranked quintile receives a total weight of 5/15 (33.3%) of the portfolio with successive quintiles receiving 4/15 (26.7%), 3/15 (20.0%), 2/15 (13.3% and 1/15 (6.7%), respectively. Stocks are equally weighted within each quintile.

The Index is evaluated quarterly in March, June, September and December. Security additions and deletions are made effective at the market open on the 6<sup>th</sup> business day of the following month. At each quarter, the Index is rebalanced such that the “selected stock” universe will be set at a predetermined weight and the

costs of the rebalancing which are not expected to be significant will be borne by the Fund. As at 29 January 2016, the Index comprised 375 securities.

The Fund is subject to tracking error risk, which is the risk that its returns may not track exactly those of the Index.

## ***First Trust Emerging Markets AlphaDEX® UCITS ETF – NASDAQ AlphaDEX® Emerging Markets Index***

### **Index Description**

The Index is a modified equal-weighted index designed by NASDAQ to objectively identify and select stocks from the NASDAQ Emerging Markets Index, which may generate positive alpha relative to traditional passive-style indices through the use of the AlphaDEX® selection methodology. As of 29 January, 2016, the NASDAQ Emerging Markets Index was comprised of 150 securities. The NASDAQ Emerging Markets Index is a comprehensive, rules-based index designed to measure stock performance of companies in accordance with the methodology of the Index Provider, which is based on a company's incorporation, domicile or primary exchange listing in emerging markets globally.

Alpha is an indication of how much an investment outperforms or underperforms on a risk-adjusted basis relative to its benchmark. The inception date of the Index was 11 February 2015. The initial divisor was created to set a benchmark value of 1,000.00 on 11 February 2015. The initial divisor is the number by which the total share prices of all of the initial constituent securities in the index are divided by to obtain the initial value of the index.

For details of the exact composition of the NASDAQ Emerging Markets Index, please refer to the NASDAQ website (<https://indexes.nasdaqomx.com>). For details of the exact composition of the NASDAQ AlphaDEX® Emerging Markets Index, please see the following address <https://indexes.nasdaqomx.com/Index/Directory/Custom%20Indexes>.

The NASDAQ AlphaDEX® Emerging Markets Index (the “Index”) is constructed by NASDAQ in the following manner:

1. Start with all eligible companies in the NASDAQ Emerging Markets Index.  
Exclude the following:
  - i. Stocks which do not trade on an eligible exchange.
  - ii. Duplicates (multiple share classes) of a common issuer.
  - iii. Stocks with an average daily US dollar volume over any rolling five day period during the latest 60 trading days of less than \$500,000.
  - iv. Stocks with a market cap less than the NYSE midcap breakpoint (50th percentile) as calculated by NASDAQ.
  - v. Should the steps above result in an eligible universe of fewer than 200 stocks, the next largest stock below the midcap breakpoint passing all other eligibility requirements is added until the eligible universe reaches 200 stocks.
2. Rank all remaining stocks in the universe using a set of growth and value factors. The growth factors are 3, 6 & 12-month price appreciation, sales to price and 1-year sales growth. The three value factors are 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.
3. Each stock receives the better of its growth or value rank as its selection score.
4. Based on the selection score determined in the previous step, the top scoring 150 stocks comprise the “selected stocks”.
5. The “selected stocks” are then split into quintiles based on their selection score. The top ranked quintile receives a total weight of 5/15 (33.3%) of the portfolio with successive quintiles receiving 4/15 (26.7%), 3/15 (20.0%), 2/15 (13.3% and 1/15 (6.7%), respectively. Stocks are equally weighted within each quintile.

6. After weights are assigned, each stock is tested in order of its selection score rank to check if the weight assigned to that stock violates a sector/country weighting constraint. Sector/country weighting constraints are set at 15% above the benchmark weight.
7. Stocks will fail the sector/country constraint if the weight assigned to the stock, when added with the weight assigned to all higher ranking stocks in its sector/country, is greater than the sector/country weighting constraint.
8. Stocks failing the sector/country weighting constraint test are lowered in rank to the highest rank in the next quintile. Stocks previously lower in rank than the failing stock move up one rank. This may result in a weighting change for these stocks if they move up to a higher quintile. The failing stock will later be retested for constraint violations with its new lower assigned weight in the order determined by its new rank. Stocks in the lowest quintile are removed from the portfolio and are replaced by the highest scoring stock not originally selected, subject to country/sector constraints.

The Index is rebalanced and reconstituted semi-annually as of the last business day of March and September and the costs of the rebalancing which are not expected to be significant will be borne by the Fund. As of 29 January 2016, the Index was comprised of 150 securities.

The Fund is subject to tracking error risk, which is the risk that its returns may not track exactly those of the Index.



### *First Trust Eurozone AlphaDEX® UCITS ETF– NASDAQ AlphaDEX® Eurozone Index*

The Index is a modified equal-weighted index designed by NASDAQ to objectively identify and select stocks from the NASDAQ Eurozone Index, which may generate positive alpha relative to traditional passive-style indices through the use of the AlphaDEX® selection methodology. As of 29 January 2016, the NASDAQ Eurozone Index was comprised of 705 securities. The NASDAQ Eurozone Index is a comprehensive, rules-based index designed to measure stock market performance in the Eurozone. The companies for the NASDAQ Eurozone Index are selected based on these rules: all Eurozone securities that have (1) float adjusted market values of USD\$100 million or more; and (2) annual US dollar value traded of at least USD\$50 million. NASDAQ creates and maintains the NASDAQ Eurozone Index. Alpha is an indication of how much an investment outperforms or underperforms on a risk-adjusted basis relative to its benchmark. The inception date of the Index was 2 September 2014. The initial divisor was created to set a benchmark value of 100.00 on 2 September 2014. The initial divisor is the number by which the total share prices of all of the initial constituent securities in the index are divided by to obtain the initial value of the index.

For details of the exact composition of the NASDAQ Eurozone Index, please refer to the NASDAQ website <https://indexes.nasdaqomx.com/>. For details of the exact composition of the NASDAQ AlphaDEX® Eurozone Index, please see the following address <https://indexes.nasdaqomx.com/Index/Directory/Custom%20Indexes>.

The NASDAQ AlphaDEX® Eurozone Index (the “Index”) is constructed by NASDAQ in the following manner:

1. Start with all companies in the NASDAQ Eurozone Index.
2. Exclude the following:
  - i. Stocks which do not trade on an eligible exchange.
  - ii. Duplicates (multiple share classes) of a common issuer.
  - iii. Stocks with an average daily dollar volume over any rolling five day period during the latest 60 day trading period (US markets) of less than \$500,000.
  - iv. Stocks with a market cap less than the midcap breakpoint (50th percentile).
  - v. Should the steps above result in an eligible universe of fewer than 200 stocks, the next largest stock below the NYSE midcap breakpoint passing all other eligibility requirements is added until the eligible universe reaches 200 stocks.
2. Rank all remaining stocks in the universe on both growth and value factors. The five growth factors are 3, 6 & 12 month price appreciation, sales to price and 1 year sales growth. The three value factors are 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.
3. Each stock receives the best rank from step 2 as its selection score.
4. The top 150 stocks based on the selection score determined in step 3 comprise the “selected stocks.” The “selected stocks” are then split into quintiles based on their selection score. The top ranked quintile receives 5/15 (33.3%) of the portfolio weight with successive quintiles receiving 4/15 (26.7%), 3/15 (20.0%), 2/15 (13.3%) and 1/15 (6.7%), respectively. Stocks are equally weighted within each quintile.
5. After weights are assigned, each stock is tested in order of its selection score rank to check if the weight assigned to that stock violates a country and/or sector weighting constraint. Country and sector weighting constraints are set at 15% above the benchmark weight.

6. Stocks will fail the country/sector constraint 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 country/sector weighting constraint.
7. Stocks failing the country/sector weighting constraint test are lowered in rank to the highest rank in the next quintile. Stocks previously lower in rank than the failing stock move up one rank. This may result in a weighting change for these stocks if they move up to a higher quintile. The failing stock will later be retested for constraint violations with its new lower assigned weight in the order determined by its new rank. Stocks in the lowest quintile are removed from the portfolio and are replaced by the highest scoring stock not originally selected, subject to country/sector constraints.

The Index is rebalanced and reconstituted semi-annually as of the last business day of March and September and the costs of the rebalancing which are not expected to be significant will be borne by the Fund. As of 29 January 2016, the Index was comprised of 149 securities.

The Fund is subject to tracking error risk, which is the risk that its returns may not track exactly those of the Index.

## First Trust United Kingdom AlphaDEX<sup>®</sup> UCITS ETF – *NASDAQ AlphaDEX<sup>®</sup> United Kingdom Index*

### Index Description

The Index is a modified equal-weighted index designed by NASDAQ to objectively identify and select stocks from the NASDAQ United Kingdom Index, which may generate positive alpha relative to traditional passive-style indices through the use of the AlphaDEX<sup>®</sup> selection methodology. As of 29 January 2016, the NASDAQ United Kingdom Index was comprised of 444 securities. The NASDAQ United Kingdom Index is a comprehensive, rules-based index designed to measure stock performance of companies in accordance with the methodology of the Index Provider, which is based on a company's incorporation, domicile or primary exchange listing in the United Kingdom.

Alpha is an indication of how much an investment outperforms or underperforms on a risk-adjusted basis relative to its benchmark. The inception date of the Index was 18 May 2015. The initial divisor was created to set a benchmark value of 1000.00 on 18 May 2015. The initial divisor is the number by which the total share prices of all of the initial constituent securities in the index are divided by to obtain the initial value of the index.

For details of the exact composition of the NASDAQ United Kingdom Index, please refer to the NASDAQ website <https://indexes.nasdaqomx.com/>. For details of the exact composition of the NASDAQ AlphaDEX<sup>®</sup> United Kingdom Index, please see the following address <https://indexes.nasdaqomx.com/Index/Directory/Custom%20Indexes>.

The NASDAQ AlphaDEX<sup>®</sup> United Kingdom Index (the "Index") is constructed by NASDAQ in the following manner:

1. Start with all eligible companies in the NASDAQ United Kingdom Index.  
Exclude the following:
  - i. Stocks which do not trade on an eligible exchange.
  - ii. Duplicates (multiple share classes) of a common issuer.
  - iii. Stocks with an average US daily dollar volume over any rolling five day period during the last 60 trading days of less than \$500,000.
  - iv. Stocks with a market cap less than the NYSE midcap breakpoint (50th percentile) as calculated by NASDAQ.
  - v. Should the steps above result in an eligible universe of fewer than 100 stocks, the next largest stock below the NYSE midcap breakpoint passing all other eligibility requirements is added until the eligible universe reaches 100 stocks.
2. Rank all remaining stocks in the universe using a set of growth and value factors. The growth factors are 3, 6 & 12-month price appreciation, sales to price and 1-year sales growth. The three value factors are 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.
3. Each stock receives the better of its growth or value rank as its selection score.
4. Based on the selection score determined in the previous step, the top scoring 75 stocks comprise the "selected stocks".
5. The "selected stocks" are then split into quintiles based on their selection score. The top ranked quintile receives a total weight of 5/15 (33.3%) of the portfolio with successive quintiles receiving 4/15 (26.7%), 3/15 (20.0%), 2/15 (13.3%) and 1/15 (6.7%), respectively. Stocks are equally weighted within each quintile.

6. After weights are assigned, each stock is tested in order of its selection score rank to check if the weight assigned to that stock violates a sector weighting constraint. Sector weighting constraints are set at 15% above the benchmark weight.
7. Stocks will fail the sector constraint if the weight assigned to the stock, when added with the weight assigned to all higher ranking stocks in its sector/country, is greater than the sector weighting constraint.
8. Stocks failing the sector weighting constraint test are lowered in rank to the highest rank in the next quintile. Stocks previously lower in rank than the failing stock move up one rank. This may result in a weighting change for these stocks if they move up to a higher quintile. The failing stock will later be retested for constraint violations with its new lower assigned weight in the order determined by its new rank. Stocks in the lowest quintile are removed from the portfolio and are replaced by the highest scoring stock not originally selected, subject to country/sector constraints.

The Index is rebalanced and reconstituted semi-annually as of the last business day of March and September and the costs of the rebalancing which are not expected to be significant will be borne by the Fund. As of 29 January 2016, the Index was comprised of 75 securities.

The Fund is subject to tracking error risk, which is the risk that its returns may not track exactly those of the Index.

## First Trust Switzerland AlphaDEX<sup>®</sup> UCITS ETF – *NASDAQ AlphaDEX<sup>®</sup> Switzerland Index*

The Index is an equally weighted index designed by NASDAQ to objectively identify and select stocks from the NASDAQ Switzerland Index, which may generate positive alpha relative to traditional passive-style indices through the use of the AlphaDEX<sup>®</sup> selection methodology. As of 29 January 2016, the NASDAQ Switzerland Index was comprised of 177 securities. The NASDAQ Switzerland Index is a float adjusted market capitalisation-weighted index designed to track the performance of companies assigned to Switzerland in accordance with the methodology of the Index Provider, which is based on a company's incorporation, domicile or primary exchange listing in Switzerland. Alpha is an indication of how much an investment outperforms or underperforms on a risk-adjusted basis relative to its benchmark. The inception date of the Index was 15 December 2014. The initial divisor was created to set a benchmark value of 1,000.00 on 15 December 2014. The initial divisor is the number by which the total share prices of all of the initial constituent securities in the index are divided by to obtain the initial value of the index.

For details of the exact composition of the NASDAQ Switzerland Index, please refer to the NASDAQ website <https://indexes.nasdaqomx.com/>. For details of the exact composition of the NASDAQ AlphaDEX<sup>®</sup> Switzerland Index, please see the following address <https://indexes.nasdaqomx.com/Index/Directory/Custom%20Indexes>.

The NASDAQ AlphaDEX<sup>®</sup> Switzerland Index (the "Index") is constructed by NASDAQ in the following manner:

1. Start with all companies in the NASDAQ Switzerland Index.  
Exclude the following:
  - i. Stocks which do not trade on an eligible exchange.
  - ii. Duplicates (multiple share classes) of a common issuer.
  - iii. Stocks with an average daily dollar volume over any rolling five day period during the latest 60 trading days of less than \$500,000.
  - iv. Stocks with a market cap less than the midcap breakpoint (50th percentile) as calculated by NASDAQ.
  - v. Should the steps above result in an eligible universe of fewer than 54 stocks, the next largest stock below the midcap breakpoint passing all other eligibility requirements is added until the eligible universe reaches 54 stocks.
2. Rank all remaining stocks in the universe on both growth and value factors. The five growth factors are 3, 6 & 12 month price appreciation, sales to price and 1 year sales growth. The three value factors are 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.
3. Each stock receives the best rank from step 3 as its selection score.
4. The top 40 stocks based on the selection score determined in step 4 comprise the "selected stocks." The "selected stocks" are then split into quintiles based on their selection score. The top ranked quintile receives 5/15 (33.3%) of the portfolio weight with successive quintiles receiving 4/15 (26.7%), 3/15 (20.0%), 2/15 (13.3%) and 1/15 (6.7%), respectively. Stocks are equally weighted within each quintile.
5. After weights are assigned, each stock is tested in order of its selection score rank to check if the weight assigned to that stock violates a sector weighting constraint. Sector weighting constraints are set at 15% above the benchmark weight.
6. Stocks will fail the sector constraint if the weight assigned to the stock, when added with the weight assigned to all higher ranking stocks in its sector, is greater than the sector weighting constraint.

7. Stocks failing the sector weighting constraint test are lowered in rank to the highest rank in the next quintile. Stocks previously lower in rank than the failing stock move up one rank. This may result in a weighting change for these stocks if they move up to a higher quintile. The failing stock will later be retested for constraint violations with its new lower assigned weight in the order determined by its new rank. Stocks in the lowest quintile are removed from the portfolio and are replaced by the highest scoring stock not originally selected, subject to country/sector constraints.

The Index is rebalanced and reconstituted semi-annually as of the last business day of June and December and the costs of the rebalancing which are not expected to be significant will be borne by the Fund. As of 29 January 2016, the Index was comprised of 40 securities.

The Fund is subject to tracking error risk, which is the risk that its returns may not track exactly those of the Index.

## **First Trust Japan AlphaDEX® UCITS ETF – NASDAQ AlphaDEX® Japan Index**

The Index is a modified equal weighted index designed by NASDAQ to objectively identify and select stocks from the NASDAQ Japan Index, which may generate positive alpha relative to traditional passive-style indices through the use of the AlphaDEX® selection methodology. As of 29 January 2016, the NASDAQ Japan Index was comprised of 1,290 securities. The NASDAQ Japan Index is a comprehensive, rules-based index designed to measure stock performance of companies assigned to Japan in accordance with the methodology of the Index Provider, which is based on a company's incorporation, domicile or primary exchange listing in Japan.

Alpha is an indication of how much an investment outperforms or underperforms on a risk-adjusted basis relative to its benchmark. The inception date of the Index was 15 December 2014. The initial divisor was created to set a benchmark value of 1,000.00 on 15 December 2014. The initial divisor is the number by which the total share prices of all of the initial constituent securities in the index are divided by to obtain the initial value of the index.

For details of the exact composition of the NASDAQ Japan Index, please refer to the NASDAQ website <https://indexes.nasdaqomx.com/>. For details of the exact composition of the NASDAQ AlphaDEX® Japan Index, please see the following address <https://indexes.nasdaqomx.com/Index/Directory/Custom%20Indexes>.

The NASDAQ AlphaDEX® Japan Index (the “Index”) is constructed by NASDAQ in the following manner:

1. Start with all companies in the NASDAQ Japan Index.  
Exclude the following:
  - i. Stocks which do not trade on an eligible exchange as determined by NASDAQ.
  - ii. Stocks classified as a trust or limited partnership
  - iii. Duplicates (multiple share classes) of a common issuer.
  - iv. Stocks with an average daily dollar volume over any rolling five day period during the latest 60 trading days of less than \$500,000.
  - v. Stocks with a market cap less than the midcap breakpoint (50th percentile) as calculated by NASDAQ.
  - vi. Should the steps above result in an eligible universe of fewer than 134 stocks, the next largest stock below the midcap breakpoint passing all other eligibility requirements is added until the eligible universe reaches 134 stocks.
2. Rank all remaining stocks in the universe on both growth and value factors. The growth factors are 3, 6 & 12 month price appreciation, sales to price and 1 year sales growth. The value factors are 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.
3. Each stock receives the best rank from step 2 as its selection score.
4. The top 100 stocks based on the selection score determined in step 3 comprise the “selected stocks.” The “selected stocks” are then split into quintiles based on their selection score. The top ranked quintile receives 5/15 (33.3%) of the portfolio weight with successive quintiles receiving 4/15 (26.7%), 3/15 (20.0%), 2/15 (13.3%) and 1/15 (6.7%), respectively. Stocks are equally weighted within each quintile.
5. After weights are assigned, each stock is tested in order of its selection score rank to check if the weight assigned to that stock violates a sector weighting constraint. Sector weighting constraints are set at 15% above the benchmark weight.
6. Stocks will fail the sector constraint if the weight assigned to the stock, when added with the weight assigned to all higher ranking stocks in its sector, is greater than the sector weighting constraint.

7. Stocks failing the sector weighting constraint test are lowered in rank to the highest rank in the next quintile. Stocks previously lower in rank than the failing stock move up one rank. This may result in a weighting change for these stocks if they move up to a higher quintile. The failing stock will later be retested for constraint violations with its new lower assigned weight in the order determined by its new rank. Stocks in the lowest quintile are removed from the portfolio and are replaced by the highest scoring stock not originally selected, subject to sector constraints.
8. The stocks remaining in each of the five quintiles will make up the final Index securities.

The Index is rebalanced and reconstituted semi-annually as of the last business day of June and December and the costs of the rebalancing which are not expected to be significant will be borne by the Fund. As of 29 January 2016, the Index was comprised of 100 securities.

The Fund is subject to tracking error risk, which is the risk that its returns may not track exactly those of the Index.



## **First Trust Asia Pacific ex-Japan AlphaDEX<sup>®</sup> UCITS ETF – NASDAQ ALPHAD<sup>®</sup>EX Asia Pacific ex-Japan Index**

The Index is a modified equal weighted index designed by NASDAQ to objectively identify and select stocks from the NASDAQ Asia Pacific ex-Japan Index, which may generate positive alpha relative to traditional passive-style indices through the use of the AlphaDEX<sup>®</sup> selection methodology. As of 29 January 2016, the NASDAQ Asia Pacific ex-Japan Index was comprised of 2,432 securities. The NASDAQ Asia Pacific ex-Japan Index is a comprehensive, rules-based index designed to measure stock performance of companies assigned to Japan in accordance with the methodology of the Index Provider, which is based on a company's incorporation, domicile or primary exchange listing in Japan.

Alpha is an indication of how much an investment outperforms or underperforms on a risk-adjusted basis relative to its benchmark. The inception date of the Index was 15 December 2014. The initial divisor was created to set a benchmark value of 1,000.00 on 15 December 2014. The initial divisor is the number by which the total share prices of all of the initial constituent securities in the index are divided by to obtain the initial value of the index.

For details of the exact composition of the NASDAQ Asia Pacific ex-Japan Index, please refer to the NASDAQ website <https://indexes.nasdaqomx.com/>. For details of the exact composition of the NASDAQ AlphaDEX<sup>®</sup> Asia Pacific ex-Japan Index, please see the following address <https://indexes.nasdaqomx.com/Index/Directory/Custom%20Indexes>.

The NASDAQ AlphaDEX<sup>®</sup> Asia Pacific ex-Japan Index (the "Index") is constructed by NASDAQ in the following manner:

1. Start with all companies in the NASDAQ Asia Pacific ex-Japan Index.  
Exclude the following:
  - i. Stocks which do not trade on an eligible exchange as determined by NASDAQ.
  - ii. Stocks classified as a trust or limited partnership
  - iii. Duplicates (multiple share classes) of a common issuer.
  - iv. Stocks with an average daily dollar volume over any rolling five day period during the latest 60 trading days of less than \$500,000.
  - v. Stocks with a market cap less than the midcap breakpoint (50th percentile) as calculated by NASDAQ.
  - vi. Should the steps above result in an eligible universe of fewer than 134 stocks, the next largest stock below the midcap breakpoint passing all other eligibility requirements is added until the eligible universe reaches 134 stocks.
2. Rank all remaining stocks in the universe on both growth and value factors. The growth factors are 3, 6 & 12 month price appreciation, sales to price and 1 year sales growth. The value factors are 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.
3. Each stock receives the best rank from step 2 as its selection score.
4. The top 100 stocks based on the selection score determined in step 3 comprise the "selected stocks." The "selected stocks" are then split into quintiles based on their selection score. The top ranked quintile receives 5/15 (33.3%) of the portfolio weight with successive quintiles receiving 4/15 (26.7%), 3/15 (20.0%), 2/15 (13.3%) and 1/15 (6.7%), respectively. Stocks are equally weighted within each quintile.
5. After weights are assigned, each stock is tested in order of its selection score rank to check if the weight assigned to that stock violates a country/sector weighting constraint. Country/sector weighting constraints are set at 15% above the benchmark weight.

6. Stocks will fail the country/sector constraint 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 country/sector weighting constraint.
7. Stocks failing the country/sector weighting constraint test are lowered in rank to the highest rank in the next quintile. Stocks previously lower in rank than the failing stock move up one rank. This may result in a weighting change for these stocks if they move up to a higher quintile. The failing stock will later be retested for constraint violations with its new lower assigned weight in the order determined by its new rank. Stocks in the lowest quintile are removed from the portfolio and are replaced by the highest scoring stock not originally selected, subject to country/sector constraints.
8. The stocks remaining in each of the five quintiles will make up the final Index securities.

The Index is rebalanced and reconstituted semi-annually as of the last business day of March and September and the costs of the rebalancing which are not expected to be significant will be borne by the Fund. As of 29 January 2016, the Index was comprised of 100 securities.

The Fund is subject to tracking error risk, which is the risk that its returns may not track exactly those of the Index.

## First Trust Germany AlphaDEX<sup>®</sup> UCITS ETF – *NASDAQ ALPHAD<sup>®</sup>EX Germany Index*

### Index Description

The Index is a modified equal weighted index designed by NASDAQ to objectively identify and select stocks from the NASDAQ Germany Index, which may generate positive alpha relative to traditional passive-style indices through the use of the AlphaDEX<sup>®</sup> selection methodology. As of 29 January 2016, the NASDAQ Germany Index was comprised of 158 securities. The NASDAQ Germany Index is a comprehensive, rules-based index designed to measure stock performance of companies assigned to Germany in accordance with the methodology of the Index Provider, which is based on a company's incorporation, domicile or primary exchange listing in Germany.

Alpha is an indication of how much an investment outperforms or underperforms on a risk-adjusted basis relative to its benchmark. The inception date of the Index was 15 December 2014. The initial divisor was created to set a benchmark value of 1,000.00 on 15 December 2014. The initial divisor is the number by which the total share prices of all of the initial constituent securities in the index are divided by to obtain the initial value of the index.

For details of the exact composition of the NASDAQ Germany Index, please refer to the NASDAQ website <https://indexes.nasdaqomx.com/>. For details of the exact composition of the NASDAQ AlphaDEX<sup>®</sup> Germany Index, please see the following address <https://indexes.nasdaqomx.com/Index/Directory/Custom%20Indexes>.

The NASDAQ AlphaDEX<sup>®</sup> Germany Index (the "Index") is constructed by NASDAQ in the following manner:

1. Start with all companies in the NASDAQ Germany Index.  
Exclude the following:
  - i. Stocks which do not trade on an eligible exchange as determined by NASDAQ.
  - ii. Stocks classified as a trust or limited partnership
  - iii. Duplicates (multiple share classes) of a common issuer.
  - iv. Stocks with an average daily dollar volume over any rolling five day period during the latest 60 trading days of less than \$500,000.
  - v. Stocks with a market cap less than the NYSE midcap breakpoint (50th percentile) as calculated by NASDAQ.
  - vi. Should the steps above result in an eligible universe of fewer than 54 stocks, the next largest stock below the midcap breakpoint passing all other eligibility requirements is added until the eligible universe reaches 54 stocks.
2. Rank all remaining stocks in the universe on both growth and value factors. The growth factors are 3, 6 & 12 month price appreciation, sales to price and 1 year sales growth. The value factors are 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.
3. Each stock receives the best rank from step 2 as its selection score.
4. The top 40 stocks based on the selection score determined in step 3 comprise the "selected stocks." The "selected stocks" are then split into quintiles based on their selection score. The top ranked quintile receives 5/15 (33.3%) of the portfolio weight with successive quintiles receiving 4/15 (26.7%), 3/15 (20.0%), 2/15 (13.3%) and 1/15 (6.7%), respectively. Stocks are equally weighted within each quintile.
5. After weights are assigned, each stock is tested in order of its selection score rank to check if the weight assigned to that stock violates a sector weighting constraint. Sector weighting constraints are set at 15% above the benchmark weight.

6. Stocks will fail the sector constraint if the weight assigned to the stock, when added with the weight assigned to all higher ranking stocks in its sector, is greater than the sector weighting constraint.
7. Stocks failing the sector weighting constraint test are lowered in rank to the highest rank in the next quintile. Stocks previously lower in rank than the failing stock move up one rank. This may result in a weighting change for these stocks if they move up to a higher quintile. The failing stock will later be retested for constraint violations with its new lower assigned weight in the order determined by its new rank. Stocks in the lowest quintile are removed from the portfolio and are replaced by the highest scoring stock not originally selected, subject to sector constraints.
8. The stocks remaining in each of the five quintiles will make up the final Index securities.

The Index is rebalanced and reconstituted semi-annually as of the last business day of June and December and the costs of the rebalancing which are not expected to be significant will be borne by the Fund. As of 29 January 2016, the Index was comprised of 40 securities.

The Fund is subject to tracking error risk, which is the risk that its returns may not track exactly those of the Index.

## First Trust Global Equity Income UCITS ETF – *NASDAQ Global High Equity Income Index*

### Index Description

The NASDAQ Global High Equity Income Index is a modified market capitalisation index designed by NASDAQ to objectively identify and select stocks from the NASDAQ Global Index.

As of 30 September 2015, the NASDAQ Global Index was comprised of 8,762 securities. The NASDAQ Global Index is a comprehensive, rules-based index designed to measure stock performance of companies in accordance with the methodology of the Index Provider. Stocks that are comprised in the NASDAQ Global Index are selected based on a company's incorporation, domicile or primary exchange listing in markets globally.

The inception date of the Index was 20 January 2016. The initial divisor was created to set a benchmark value of 1000.00 on 20 January 2016. The initial divisor is the number by which the total share prices of all of the initial constituent securities in the index are divided by to obtain the initial value of the index.

For details of the exact composition of the NASDAQ Global Index, please refer to the NASDAQ website <https://indexes.nasdaqomx.com/>. For details of the exact composition of the NASDAQ Global High Equity Income Index, please see the following address <https://indexes.nasdaqomx.com/Index/Directory/Custom%20Indexes>.

The NASDAQ Global High Equity Income Index (the "Index") is constructed by NASDAQ in the following manner:

Start with all eligible companies in the NASDAQ Global Index (the "base universe").

1. For liquidity, reduce the base universe to the largest 2,000 stocks by market capitalisation with an average daily traded value over any rolling five day period during the latest 60 trading days of greater than USD 2.5 million. If less than 2,000 stocks are available, select all stocks with enough volume in the base universe.
2. For minimum dividend yield, exclude stocks with a minimum trailing 12 month dividend yield less than 1.5 times median yield of the dividend payers from step 1.
3. For dividend growth, exclude stocks which do not have a positive dividend growth over the last three years or initiated a dividend.
4. For quality, exclude:
  - i. stocks in the bottom quintile by return on assets.
  - ii. stocks with long term debt to assets greater than 75%.
  - iii. stocks with a three year dividend payout ratio greater than 90%.
  - iv. stocks with negative free cashflow.
5. Weight all remaining stocks by "net income minus dividends paid" or "plowback", subject to a maximum weight of 3%. If there are not enough stocks remaining for a portfolio, the minimum yield threshold can then be set to 1.25 times the median yield of the dividend payers from step 1 and all exclusions and screening stock selection processes (steps three through five above) are to be applied at this lower median yield.
6. The portfolio, as determined in step 5, is then divided pro-rata into six sub-portfolios, each comprising a total of 16.67% of the total portfolio weight. Each sub-portfolio is rebalanced and reconstituted semi-annually following steps 1-5. The sub-portfolios are rebalanced to their ideal weights once a year, in conjunction with the rebalance in December. The rebalance schedule for each sub-portfolio is as follows:
  - i. sub-portfolio A is rebalanced as of the last business day of June and December.
  - ii. sub-portfolio B is rebalanced as of the last business day of January and July.

- iii. sub-portfolio C is rebalanced as of the last business day of February and August.
- iv. sub-portfolio D is rebalanced as of the last business day of March and September.
- v. sub-portfolio E is rebalanced as of the last business day of April and October.
- vi. sub-portfolio F is rebalanced as of the last business day of May and November.

The costs of the rebalancing which are not expected to be significant will be borne by the Fund. The Fund is subject to tracking error risk, which is the risk that its returns may not track exactly those of the Index.

## **First Trust US Equity Opportunities UCITS ETF – *IPOX-100 U.S. Index***

### **Index Description**

The IPOX-100 U.S Index (the “Index”) is a market capitalisation-weighted index measuring the performance of the top 100 companies, ranked quarterly by market capitalisation, in the IPOX U.S. Composite Index, a sub-index comprising all companies in the IPOX Global Composite Index which are domiciled in the U.S. and/or trade on a stock exchange in the U.S..

The IPOX Global Composite Index is a fully market-capitalisation weighted index that is constructed and managed to provide a broad and objective measure of the global aftermarket performance of initial public offerings (“IPOs”) and spin-offs in all world countries (developed and emerging) for their first four publicly traded years. After applying initial screens, all eligible companies enter on their 6<sup>th</sup> trading day and exit a minimum of 1000 trading days (approximately four years) thereafter. This provides a ‘buy and hold’ perspective to the long-run effects of “going public”. As of 29 January 2016, the IPOX Global Composite Index was comprised of 3,166 securities, with \$3.3 trillion market cap, \$1 trillion float and a daily average equity turnover of approximately \$9 billion.

The inception date of the Index was 6 August 2004. The Index utilises a 10% capping on all constituents and includes the 100 largest and most liquid US IPOs in the IPOX Global Composite Index. The Index is a rules-based market capitalisation-weighted index measuring their average performance of US IPOs (including spin-offs and equity carve outs) during the first 1000 trading days (approximately four years). Index constituents are selected based on quantitative initial screens.

The initial divisor was created to set a benchmark value of \$500 on 6 August, 2004. The initial divisor is the number by which the total share prices of all of the initial constituent securities in the index are divided by to obtain the initial value of the index.

For details of the composition of the Index, please refer to the following website <http://www.ipoxschuster.com/indexes/us-100/>. For details of the exact composition of the Index, please refer to the following website <http://www.ipoxschuster.com/news/index.php/category/announcements/>.

The Index is rebalanced and reconstituted quarterly as of the last business day of March, June, September and December and the costs of the rebalancing which are not expected to be significant will be borne by the Fund. As of 29 January 2016, the Index was comprised of 101 securities.

The Fund is subject to tracking error risk, which is the risk that its returns may not track exactly those of the Index.

## First Trust US Equity Income UCITS ETF – *NASDAQ US High Equity Income Index*

### Index Description

The NASDAQ US High Equity Income Index is a modified value-weighted index designed by NASDAQ to objectively identify and select stocks from the NASDAQ US Benchmark Index.

As of 31 December 2015, the NASDAQ US Benchmark Index was comprised of 2,847 securities. The NASDAQ US Benchmark Index is a comprehensive, rules-based index designed to measure stock performance of companies in accordance with the methodology of the Index Provider. Stocks that are comprised in the NASDAQ US Benchmark Index are selected based on a company's incorporation, domicile or primary exchange listing in the United States.

The inception date of the Index was 11 January 2016. The initial divisor was created to set a benchmark value of 1000.00 on 11 January 2016. The initial divisor is the number by which the total share prices of all of the initial constituent securities in the index are divided by to obtain the initial value of the index.

For details of the exact composition of the NASDAQ US Benchmark Index, please refer to the NASDAQ website <https://indexes.nasdaqomx.com/>. For details of the exact composition of the NASDAQ US High Equity Income Index, please see the following address <https://indexes.nasdaqomx.com/Index/Directory/Custom%20Indexes>.

The NASDAQ US High Equity Income Index (the "Index") is constructed by NASDAQ in the following manner:

Start with all eligible companies in the NASDAQ US Benchmark Index (the "base universe").

1. For liquidity, reduce the base universe to the largest 2,000 stocks by market capitalisation with an average daily traded value over any rolling five day period during the latest 60 trading days of greater than USD 2.5 million. If less than 2,000 stocks are available, select all stocks with enough volume in the base universe.
2. For minimum dividend yield, exclude stocks with a minimum trailing 12 month dividend yield less than 1.5 times median yield of the dividend payers from step 1.
3. For dividend growth, exclude stocks which do not have a positive dividend growth over the last three years or initiated a dividend.
4. For quality, exclude:
  - i. stocks in the bottom quintile by return on assets.
  - ii. stocks with long term debt to assets greater than 75%.
  - iii. stocks with a three year dividend payout ratio greater than 90%.
  - iv. stocks with negative free cashflow.
5. Weight all remaining stocks by "net income minus dividends paid" or "plowback", subject to a maximum weight of 3%. If there are not enough stocks remaining for a portfolio, the minimum yield threshold can then be set to 1.25 times the median yield of the dividend payers from step 1 and all exclusions and screening stock selection processes (steps three through five above) are to be applied at this lower median yield.
6. The portfolio, as determined in step 5, is then divided pro-rata into six sub-portfolios, each comprising a total of 16.67% of the total portfolio weight. Each sub-portfolio is rebalanced and reconstituted semi-annually following steps 1-5. The sub-portfolios are rebalanced to their ideal weights once a year in conjunction with the December rebalance. The rebalance schedule for each sub-portfolio is as follows:
  - i. sub-portfolio A is rebalanced as of the last business day of June and December.



- ii. sub-portfolio B is rebalanced as of the last business day of January and July.
- iii. sub-portfolio C is rebalanced as of the last business day of February and August.
- iv. sub-portfolio D is rebalanced as of the last business day of March and September.
- v. sub-portfolio E is rebalanced as of the last business day of April and October.
- vi. sub-portfolio F is rebalanced as of the last business day of May and November.

The costs of the rebalancing which are not expected to be significant will be borne by the Fund. The Fund is subject to tracking error risk, which is the risk that its returns may not track exactly those of the Index.

## **First Trust US Small Cap Core AlphaDEX® UCITS ETF – *NASDAQ AlphaDEX® Small Cap Core Index***

### **Index Description**

The NASDAQ AlphaDEX® Small Cap Core Index (the “Index”) is a modified market capitalisation index designed by NASDAQ to objectively identify and select stocks from the NASDAQ US 700 Small Cap Index.

As of 31 December 2016, the NASDAQ US 700 Small Cap Index was comprised of 699 securities. The NASDAQ US 700 Small Cap Index is a comprehensive, rules-based index designed to measure stock performance of companies in accordance with the methodology of the Index Provider. Stocks that are comprised in the NASDAQ US 700 Small Cap Index are selected based on a company’s incorporation, domicile or primary exchange listing in the United States.

The inception date of the Index was 11 January 2016. The initial divisor was created to set a benchmark value of 1000.00 on 11 January 2016. The initial divisor is the number by which the total share prices of all of the initial constituent securities in the index are divided by to obtain the initial value of the index.

For details of the exact composition of the NASDAQ US 700 Small Cap Index, please refer to the NASDAQ website <https://indexes.nasdaqomx.com/>. For details of the exact composition of the Index, please see the following address <https://indexes.nasdaqomx.com/Index/Directory/Custom%20Indexes>.

The Index is constructed by NASDAQ in the following manner:

1. Start with all companies in the NASDAQ US 700 Small Cap Index (the “base universe”) and exclude the following:
  - (i) stocks which do not trade on any eligible exchange as determined by NASDAQ;
  - (ii) duplicates (multiple share classes) of a common issuer; and
  - (iii) stocks with an average daily dollar volume over any rolling five-day period during the latest 60 day trading period of less than \$500,000;
2. Rank all stocks in the base universe on both growth and value factors. The five growth factors are 3, 6 & 12 month price appreciation, sales to price and 1 year sales growth. The three value factors are 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.
3. NASDAQ designates each stock as either growth or value, and assigns the relevant rating from step 2 as its selection score.
4. Stocks are then ranked according to their selection score from step 3. The top 525 stocks based on the selection score determined in step 3 comprise the “selected stocks.”
5. The “selected stocks” are then split into quintiles based on their selection score. The top ranked quintile receives 5/15 (33.3%) of the portfolio weight with successive quintiles receiving 4/15 (26.7%), 3/15 (20.0%), 2/15 (13.3%) and 1/15 (6.7%), respectively. Stocks are equally weighted within each quintile.

The Index is rebalanced and reconstituted quarterly as of the last business day of March, June, September and December and the costs of the rebalancing which are not expected to be significant will be borne by the Fund. As of 11 January 2017, the Index was comprised of 525 securities. The Fund is subject to tracking error risk, which is the risk that its returns may not track exactly those of the Index.

## First Trust Indxx Innovative Transaction & Process UCITS ETF – Indxx Blockchain Index

### Index Description

The Index is a modified equal-weighted index measuring the performance of the companies that are either actively using, investing in, developing, or have products that are poised to benefit from blockchain technology and/or the potential for increased efficiency that it provides to various business processes. The Index tracks the performance of equity securities (or corresponding American Depositary Receipts (“ADRs”) and Global Depositary Receipts (“GDRs”)).

The inception date of the Index was 7 December 2017.

The securities included in the Index are selected in the following manner:

1. the Index begins with a global universe of equity securities, ADRs and GDRs in both developed and emerging markets;
2. companies with market capitalisations of less than \$250 million are removed;
3. companies with an average daily trading volume of less than \$1 million over the last three months are removed;
4. companies that have not traded on at least 90% of the eligible trading days in the last six months (three months for securities with less than six months of trading history) are removed;
5. companies with a free float of less than 20% of outstanding shares are removed;
6. companies trading at a price of \$10,000 or above per share are removed;
7. the universe is then narrowed to companies with exposure to blockchain technology and/or the potential to benefit from the increased process efficiency it could provide (as discussed above), as identified by the Index Provider;
8. from the eligible universe, each company is assigned to a tier based on three categories of exposure (see “Index Information” for additional information);
  - (i) Tier 1 – Active Enablers – companies that are actively developing blockchain technology products or systems for their own use and for sale and support to other companies; companies that are direct service providers for blockchain technology; or, companies that have business models that rely on delivering products or services that utilize blockchain technology;
  - (ii) Tier 2 – Active Users – companies that are using blockchain technology which is generally supported by an Active Enabler; or, companies that have at least one use or test case implementing blockchain technology;
  - (iii) Tier 3 – Active Explorers – companies that have been publicly disclosed as being active in exploring the incorporation of blockchain technology into their business; or, companies that have a press release on their website or a news article stating that they have started working in the blockchain technology space;
9. companies assigned to Tiers 1 and 2 are eligible for inclusion in the Index. Companies assigned to Tier 3 will not be included in the Index;

10. the top 100 companies (see below for further information), ranked by exposure to blockchain technology, are included in the Index;
11. companies from Tier 1 and Tier 2 will each make up 50% of the Index, with companies equally-weighted within each tier (see “Index Information” for weighting restrictions).

The Index is capped at 100 companies. If more than 100 names qualify for inclusion in the Index, the 100 constituents for the Index shall then be determined by each name’s exposure to blockchain technology where blockchain has the most substantial impact on their respective businesses. This shall be accomplished via a multi-faceted approach that may involve but not be limited to (1) business focus; (2) investment; (3) market capitalisation; (4) liquidity; and (5) other factors. Each company shall be assigned an individual score for each of the factors, which shall be aggregated. The 100 companies with the highest aggregate scores shall be included in the Index.

As of 17 January, 2018, the Index was comprised of 67 common stocks traded on U.S. and non-U.S. exchanges, ADRs and GDRs with market capitalisations ranging from \$291.7 million to \$695.4 billion.

The Index is rebalanced and reconstituted semi-annually in March and September of each year for eligibility. The Fund expects to rebalance the weighting of its components and reconstitute (i.e., add or delete) its components within a short period of time after the Index publicly announces any such rebalancing or reconstitution and the costs of the rebalancing, which are not expected to be significant, will be borne by the Fund. The Index Provider may adjust the rebalance/reconstitution schedule in the future to accommodate the evolution of the target universe.

For details of the exact composition of the Index, please refer to the following website <https://indxx.com/indices.php?id=252>.

The Fund is subject to tracking error risk, which is the risk that its returns may not track exactly those of the Index.

## First Trust Dow Jones Internet UCITS ETF – Dow Jones Internet Composite Index<sup>SM</sup>

### Index Description

The Dow Jones Internet Composite Index<sup>SM</sup> (the “Index”) is a float adjusted market capitalisation and volume weighted index. The Index is a composite of two different indices (i.e. the Dow Jones Internet Commerce Index<sup>SM</sup> and the Dow Jones Internet Services Index<sup>SM</sup>) and accordingly stocks that are comprised in the Index are selected based on a company’s operation in one of two different sectors; the internet commerce or internet services sectors. The Index is comprised of 40 stocks - 25 from the internet services sector and 15 from the internet commerce sector.

The inception date of the Index was 18 February 1999.

The securities included in the Index are selected in the following manner:

1. the Index begins with a global universe of equity securities, i.e. all stocks domiciled in the U.S. and traded on the New York Stock Exchange (NYSE), NYSE MKT and Nasdaq;
2. companies that don’t generate the majority of their sales / revenues from the internet are removed;
3. companies that have less than three months’ trading history are removed;
4. companies that have a three-month average float-adjusted market capitalisation of less than US\$ 100 million are removed;
5. from the eligible universe, each company is ranked in accordance with the below (see “Index Information” for additional information);
  - (i) eligible stocks are ranked first by three-month average float-adjusted market capitalisation and then by three-month average share volume;
  - (ii) final rank is calculated based on an equally weighted average of the market cap and volume rankings;
  - (iii) companies are then sorted in descending order by final rank within the internet commerce and internet services sectors, respectively. Stocks are selected to the Index based on the final ranks. Composition changes during scheduled reviews are subject to the following buffers, which are designed to limit turnover:
    - (A) Non-constituents ranked 10th or higher in the internet commerce sector or 15th or higher in the internet services sector are added to the Index, replacing the lowest-ranked constituents.
    - (B) Constituents ranked 25th or lower in the internet commerce sector or 45th or lower in the internet services sector are deleted from the Index and replaced with the highest-ranking non-constituents.

The weights of individual constituents in the Index are capped at 10%. Additionally, the aggregate weight of constituents with weights of 4.5% or more is restricted to 45% for the Index.

As of February 2018, the Index was comprised of stocks of 40 issuers - 25 from the internet services sector and 15 from the internet commerce sector. The Index is rebalanced and reconstituted quarterly in March, June, September and December of each year for eligibility. The Fund expects to rebalance the weighting of its components and reconstitute (i.e., add or delete) its components within a short period of time after the Index publicly announces any such rebalancing or reconstitution and the costs of the rebalancing, which are

not expected to be significant, will be borne by the Fund. The Index Provider may adjust the rebalance/reconstitution schedule in the future to accommodate the evolution of the target universe.

For details of the composition of the Index, please refer to the following website <https://us.spindices.com/indices/equity/dow-jones-internet-composite-index-usd>. The constituent information for the Index is available on a supplemental website at [https://us.spindices.com/indices/equity/dow-jones-internet-composite-index-usd/?geographicalRegion=europe&complianceLevel=esma&cvmlanguage=1&\\_ga=2.115326094.825436414.1520263298-445770702.1519399425](https://us.spindices.com/indices/equity/dow-jones-internet-composite-index-usd/?geographicalRegion=europe&complianceLevel=esma&cvmlanguage=1&_ga=2.115326094.825436414.1520263298-445770702.1519399425)

The Fund is subject to tracking error risk, which is the risk that its returns may not track exactly those of the Index.

## **First Trust IPOX® Europe Equity Opportunities ETF UCITS ETF – IPOX 100 Europe Index**

### **Index Description**

The IPOX 100 Europe Index (the “Index”) is a market capitalisation-weighted index measuring the performance of the top 100 companies, ranked quarterly by market capitalisation, in the IPOX Europe Composite Index, a sub-index comprising all companies in the IPOX Global Composite Index which are domiciled in Europe (Austria, Belgium, Denmark, Finland, France, Germany, Italy, Ireland, Luxembourg, Norway, Portugal, Spain, Sweden, Switzerland, the Netherlands and the United Kingdom) and which are listed on exchanges in either Europe or the U.S..

The IPOX Global Composite Index is a fully market capitalisation-weighted index that is constructed and managed to provide a broad and objective measure of the global aftermarket performance of initial public offerings (“IPOs”) and spin-offs in all world countries (developed and emerging) for their first four publicly traded years. After applying initial screens, all eligible companies enter on their 6<sup>th</sup> trading day and exit a minimum of 1000 trading days (approximately four years) thereafter, providing a buy-and-hold perspective to the long-run effects of “going public”.

As of 7 September 2018, the Index was comprised of stocks of 100 issuers. The Index is rebalanced and reconstituted quarterly.

The inception date of the Index was 31 December 2005.

The Index utilises a 10% capping on all individual constituents and includes the 100 largest and most liquid European IPOs in the IPOX Global Composite Index. The Index is a rules-based market capitalisation-weighted index measuring the average performance of European IPOs (including spin-offs and equity carve-outs where a company offers an equity stake in a business unit) during their first 1000 trading days (approximately four years). Index constituents are selected based on quantitative initial screens.

For details of the composition of the Index, please refer to the following website [http://www.ipoxschuster.com/wordpress/wp-content/uploads/IPOX\\_Indexes\\_Rulebook\\_Version\\_March\\_2017.pdf](http://www.ipoxschuster.com/wordpress/wp-content/uploads/IPOX_Indexes_Rulebook_Version_March_2017.pdf).

The constituent information for the Index is available on a supplemental website at [www.ipoxschuster.com/news/index.php/category/announcements/](http://www.ipoxschuster.com/news/index.php/category/announcements/).

## First Trust Cloud Computing UCITS ETF – ISE CTA Cloud Computing Index

### Index Description

The ISE CTA Cloud Computing Index (the “Index”). The Index employs a modified equal weighted methodology which weights each company by a “Cloud Score” similar to market cap weighted. The maximum number of securities in the Index is 80. The Index is a comprehensive, rules based index designed to measure the performance of companies engaged in a business activity in the cloud computing industry. The cloud computing industry is a group of companies that offer internet and technology products, services and applications delivered via the internet, as opposed to traditional computing which focuses on computer desktop applications. To be included in the Index, a security must also be classified as a cloud computing company defined below by the Consumer Technology Association (CTA):

1. Infrastructure-as-a-Service (IaaS): Companies that deliver cloud computing infrastructure – servers, storage, and networks – as an on-demand service;
2. Platform-as-a-Service (PaaS): Companies that deliver a platform for the creation of software in the form of virtualization, middleware, and/or operating systems, which is then delivered over the internet; and
3. Software-as-a-Service (SaaS): Companies that deliver software applications over the internet enabling other companies to conduct their operations using the application.

The Index employs a modified equal weighted methodology which weights each company by a “Cloud Score”. At every Index evaluation, each security receives a score of 3 if it is classified as IaaS, 2 if it is classified as PaaS and 1 if it is classified as SaaS. Each company’s cloud score is then summed up. This sum is divided by the total sum of the scores in the universe to determine the weight of each security. The weight of any individual security is capped at 4.5%. If the total number of securities in the Index exceeds 80, an intensity rating is utilized to eliminate those SaaS companies with the lowest rating until the number of names in the Index reached 80. If there is a tie in the intensity rating, the more liquid security is selected.

The inception date of the Index was 31 December 2007.

The securities included in the Index are selected in the following manner:

1. companies listed on the Nasdaq Stock Market, New York Stock Exchange, NYSE American or CBOE BZX Exchange;
2. companies that have a minimum market capitalisation of \$500 million;
3. companies that have a minimum free float of 20%; and
4. companies that have a three-month average daily dollar trading volume (ADDTV) of \$5 million.

As of 7 September 2018, the Index was comprised of stocks of 30 issuers.

The Index is rebalanced and reconstituted quarterly in March, June, September and December of each year. The new methodology implements a weighting cap of 4.5% per issuer at each rebalance.

For details of the composition and constituent information for the Index, please refer to the following website <https://indexes.nasdaqomx.com/Index/Overview/CPQ>

The Fund is subject to tracking error risk, which is the risk that its returns may not track exactly those of the Index.”



## **First Trust Capital Strength UCITS ETF - The Capital Strength Index<sup>SM</sup>**

### **Index Description**

The Index seeks to provide exposure to well-capitalised companies with strong market positions that have the potential to provide their stockholders with a greater degree of stability and performance over time. The Index's initial universe consists of the securities comprising the NASDAQ US Benchmark Index, an index seeking to track the performance of small, mid and large capitalisation U.S. companies.

As of 31 March 2019, the Index was comprised of 50 securities.

The inception date of the Index was 20 March 2013. Index constituents are selected based on quantitative initial screens.

For details of the composition of the Index, please refer to the following website <https://www.nasdaq.com/solutions/nasdaq-global-index-policies>

The Index seeks to provide exposure to well-capitalised companies with strong market positions that have the potential to provide their stockholders with a greater degree of stability and performance over time. The Index's initial universe consists of the securities comprising the NASDAQ US Benchmark Index, an index seeking to track the performance of small, mid and large capitalisation U.S. companies. The Index then excludes all securities with a three-month average daily trading volume of less than \$5 million. The Index then ranks the remaining securities by float-adjusted market capitalisation and excludes all securities not ranked in the top 500. The universe is further narrowed by excluding those securities issued by companies with less than \$1 billion in cash and short-term investments, companies with a long-term debt to market capitalisation ratio greater than 30% and companies with a return on equity that is 15% or less. The remaining securities are then given a volatility score based upon a combination of their short-term (90 days) and long-term (260 days) realised volatility. The 50 securities with the lowest volatility score are chosen for inclusion in the Index.

The costs of the rebalancing which are not expected to be significant will be borne by the Fund. The Fund is subject to tracking error risk, which is the risk that its returns may not track exactly those of the Index.

## First Trust Indxx NextG UCITS ETF - Indxx 5G & NextG Thematic Index

### Index Description

The Index is designed to track the performance of companies that have devoted, or have committed to devote, material resources to the research, development and application of fifth generation (“5G”) and next generation digital cellular technologies as they emerge. By utilising higher frequency radio waves, 5G networks enable significantly increased data rates, reduced latency and high-density connections that were previously unavailable in preceding technological generations.

As of 7 May 2019, the Index was comprised of 97 securities.

The inception date of the Index was 7 May 2019. Index constituents are selected based on quantitative initial screens.

For details of the composition of the Index, please refer to the following website [https://www.indxx.com/assets/images/media/Announcement\\_of\\_Reconstitution\\_of\\_Indxx\\_5G\\_NextG\\_Thematic\\_Index.pdf](https://www.indxx.com/assets/images/media/Announcement_of_Reconstitution_of_Indxx_5G_NextG_Thematic_Index.pdf)

The Index methodology ranks the 150 largest REITs by market cap in USD and eliminates any REITs that do not have greater than \$2.5 million capitalisation over the last three months. The portfolio is divided into six separate sub-portfolios, which each receive 16.67% of the total portfolio weight.

The equity securities comprising the Index may include common stock, real estate investment trusts (“REITs”) and depositary receipts issued by small, mid and large capitalisation companies operating in both developed and emerging market countries. To be eligible for inclusion in the Index, a security must have: (i) a minimum market capitalisation of \$500 million; (ii) a six-month average daily trading volume of greater than or equal to \$2 million for developed market companies and \$1 million for emerging market companies; (iii) traded for at least 90% of the total trading days over the prior six months or, for a security recently issued in an initial public offering, have traded for at least 90% of the trading days over the prior three months; (iv) at least 10% of its outstanding shares publicly available for trading; and (v) a share price of less than \$10,000 for new Index constituents.

The Index’s selection universe is further narrowed by excluding all securities issued by companies that do not comprise one of the following two sub-themes: (i) “5G Infrastructure & Hardware” and (ii) “Telecommunications Service Providers.” Issuers comprising the 5G Infrastructure & Hardware sub-theme include the following companies:

1. Data Center REITs: Companies that own and manage facilities used to safely store data and offer a range of products and services to help keep servers and data safe, including providing uninterruptable power supplies, air-cooled chillers and physical security.
2. Cell Tower REITs: Companies that own operate and develop wireless communications and broadcast “cell towers”. A cell tower houses the electronic communications equipment along with an antenna to support cellular communication in a network.
3. Equipment Manufacturers: Companies that manufacture the equipment that facilitates the development, set-up and operation of the 5G network architecture. This includes fiber optics, semiconductors, chipsets, 5G modems for enhanced bandwidth, hotspot devices, wireless spectrum equipment and other such equipment required to support the 5G domain.
4. Network Testing and Validation Equipment and Software Companies: Companies that provide testing and measurement solutions along with quality assurance for equipment manufacturers, mobile phone manufacturers and telecommunications service providers.
5. Mobile Phone Manufacturers: Companies that manufacture smartphones and mobile devices that support and enable 5G network access.

Companies comprising the Telecommunications Service Providers sub-theme are those companies that operate the mobile cellular and wireless communication networks that offer public access to 5G networks.

All securities issued by companies that do not fall within one of the Index's identified sub-themes are removed from consideration for inclusion in the Index. The Index ranks all remaining eligible securities based upon their market capitalisation and selects the 100 securities with the largest market capitalisations for inclusion. If fewer than 100 companies qualify for inclusion in the Index, then all constituents will be included. Securities comprising the 5G Infrastructure & Hardware sub-theme are cumulatively allocated 80% of the Index weight and securities comprising Telecommunications Service Providers sub-theme are cumulatively allocated 20% of the Index weight. Securities within each sub-theme are initially equally weighted. Index components with market capitalisations of less than \$2 billion have their Index weight halved, with the remaining weight equally allocated among other components of the sub-theme with market capitalisations of greater than \$2 billion. To ensure that the Index continues to provide exposure to the companies actively devoting material resources to the research, development and application of 5G and/or next generation technology, the selection process will be periodically reviewed by the Index Provider. Any modifications to the Index methodology will become effective at the next Index reconstitution.

REITs typically own and operate income-producing real estate, such as residential or commercial buildings, or real-estate related assets, including mortgages. As a result, investments in REITs are subject to the risks associated with investing in real estate, which may include, but are not limited to: fluctuations in the value of underlying properties; defaults by borrowers or tenants; market saturation; changes in general and local operating expenses; and other economic, political or regulatory occurrences affecting companies in the real estate sector. REITs are also subject to the risk that the real estate market may experience an economic downturn generally, which may have a material effect on the real estate in which the REITs invest and their underlying portfolio securities. REITs may have also a relatively small market capitalisation which may result in their shares experiencing less market liquidity and greater price volatility than larger companies. 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. Because the market price of REIT stocks may change based upon investors' collective perceptions of future earnings, the value of the Fund will generally decline when investors anticipate or experience rising interest rates.

The Fund invests in certain companies because of their exposure to emerging technologies. All of the risks associated with such technology may not fully emerge until the technology is more widely used. The regulatory environment surrounding new technologies is often unclear. There is often uncertainty regarding the application of existing regulation and there can be no guarantee that new regulations will not be enacted that inhibit a technology's widespread adoption or prevent a company from realising all of its potential benefits. Companies that initially develop or adopt a novel technology may not be able to capitalise on it and there is no assurance that a company will derive any significant revenue from it in the future. An emerging technology may constitute a small portion of a company's overall business and the success of a technology may not significantly affect the value of the equity securities issued by the company. In addition, a company's stock price may be overvalued by market participants that value the company's securities based upon expectations of a technology that are never realised.

The Index is rebalanced and reconstituted semi-annually and the Fund will make corresponding changes to its portfolio shortly after the Index changes are made public. The costs of the rebalancing which are not expected to be significant will be borne by the Fund. The Fund will be concentrated in an industry or a group of industries to the extent that the Index is so concentrated.

## **First Trust Value Line® Dividend Index UCITS ETF – Value Line® Dividend Index**

### **Index Description**

The Index is developed by Value Line Publishing, LLC (the “Index Provider”) and calculated by NYSE Arca.

The Value Line® Dividend Index (the “Index”) seeks to measure the performance of the securities ranked #1 or #2 according to the Index Provider’s proprietary Value Line® Safety Ranking System (the “Safety Ranking System”) that are also still expected to provide above-average dividend yield.

As of 31 March 2019, the Index was composed of 187 securities.

The inception date of the Index was 1 May 2006. Index constituents are selected based on quantitative initial screens.

For details of the composition of the Index, please refer to the following website [https://www.valuelinepro.com/sites/default/files/ValueLineDividendIndex\\_2019\\_11\\_29.pdf](https://www.valuelinepro.com/sites/default/files/ValueLineDividendIndex_2019_11_29.pdf)

The Safety Ranking System seeks to measure the total risk of a security relative to the total risk of the approximately 1,700 securities comprising the Index’s initial universe.

On a weekly basis, the Safety Ranking System assigns a rank of #1 (safest) to #5 (riskiest) to each of the securities in the initial universe based on each security’s expected total risk relative to the other securities in the universe. According to information published by Value Line, the Safety Rank is derived from two equally weighted measurements, a security’s “price stability rank” and “financial strength rating.” A security’s “price stability rank” is based on the standard deviation of weekly percent changes in the price of the security over the last five years. A company’s “financial strength rating” is the Index Provider’s measure of a company’s financial condition. The Index excludes all securities that are not assigned a Safety Rank of #1 or #2. The Index also excludes all securities issued by companies with a market capitalisation of less than \$1 billion and those companies with a lower than average dividend yield, as compared to the indicated dividend yield of the S&P 500 Index. The remaining securities are selected for inclusion in the Index and are equally weighted. Because the Safety Ranking System assigns ranks weekly and the Index reconstitutes monthly, the Index may, for the remainder of any given monthly period, contain securities that are no longer assigned a Safety Rank of #1 or #2. The Index may contain the securities of small, mid and large capitalisation companies.

The Index is rebalanced and reconstituted monthly and the Fund will make corresponding changes to its portfolio shortly after the Index changes are made public. The Index’s monthly rebalance and reconstitution schedule may cause the Fund to experience a higher rate of portfolio turnover. The Fund will be concentrated in an industry or a group of industries to the extent that the Index is so concentrated. As of 31 March 2019, the Index was composed of 187 securities and the Fund had significant investments in financial companies and utilities companies, although this may change from time to time. To the extent the Fund invests a significant portion of its assets in a given jurisdiction or investment sector, the Fund may be exposed to the risks associated with that jurisdiction or investment sector.

The Fund’s investment in dividend-paying securities could cause the Fund to underperform similar funds that invest without consideration of an issuer’s track record of paying dividends. Companies that issue dividend-paying securities are not required to continue to pay dividends on such securities. Therefore, there is the possibility that such companies could reduce or eliminate the payment of dividends in the future.

The costs of the rebalancing which are not expected to be significant will be borne by the Fund. The Fund is subject to tracking error risk, which is the risk that its returns may not track exactly those of the Index.

## **First Trust NYSE Arca Biotechnology Index Fund - NYSE Arca Biotechnology Index<sup>SM</sup>**

### **Index Description**

The Index is an equal-dollar weighted index designed to measure the performance of a cross section of small, mid and large capitalisation companies in the biotechnology industry that are primarily involved in the use of biological processes to develop products or provide services.

As of 31 March 2019, the Index was composed of 30 securities.

The inception date of the Index was 1 April 1992. Index constituents are selected based on quantitative initial screens.

For details of the composition of the Index, please refer to the following website <https://www.theice.com/market-data/indices/equity-indices/ucits>

The biotechnology industry include, but are not limited to, recombinant DNA technology, molecular biology, genetic engineering, monoclonal antibody based technology, lipid/liposome technology and genomics. In order to be eligible for inclusion in the Index, a security must be listed on a qualifying U.S. securities exchange, be issued by a company with a market capitalisation of at least \$1 billion, have an average daily trading value of at least \$1 million over the prior three months and have a current last-traded price of greater than \$3. The securities selected for inclusion in the Index are equally weighted. Once included in the Index, it is required that a security maintain a market capitalisation of at least \$900 million, an average daily trading value of at least \$900,000 over the prior three months and a current last-traded price of greater than \$1.

The costs of the rebalancing which are not expected to be significant will be borne by the Fund. The Fund is subject to tracking error risk, which is the risk that its returns may not track exactly those of the Index.

## First Trust Nasdaq Cybersecurity UCITS ETF - *Nasdaq CTA Cybersecurity Index*<sup>SM</sup>

### Index Description

The Nasdaq CTA Cybersecurity Index<sup>SM</sup> (the “Index”) is a modified liquidity weighted index. The value of the Index equals the aggregate value of the Index share weights, also known as the Index Shares, of each of the Index Securities multiplied by each such security’s Last Sale Price<sup>2</sup>1, and divided by the divisor of the Index. The divisor serves the purpose of scaling such aggregate value to a lower order of magnitude which is more desirable for reporting purposes. The Index began on 23 June 2015 at a base value of 1,000.00.

The Index is designed to track the performance of companies engaged in the cybersecurity segment of the technology and industrial sectors. The Index includes companies primarily involved in the building, implementation and management of security protocols applied to private and public networks, computers and mobile devices in order to provide protection of the integrity of data and network operations.

The Index is owned by Nasdaq, Inc. (the “Index Provider”). The Index Provider and the Consumer Technology Association (“CTA”) have jointly developed the eligibility and selection criteria and rules for the Index. The Index will include securities of companies classified as “cybersecurity” companies by the CTA. The CTA will only give the cybersecurity classification to those companies that meet one of three elements: (1) companies focused on developing technologies that are designed and implemented to protect computer and communication networks from attacks and outside unauthorized use; (2) companies involved in the deployment of technologies for cybersecurity industry use including government, private and public corporations, financial institutions and various other industries; and (3) companies focused on the protection of priority data from being accessed and exploited by unauthorized external parties.

The composition of the modified Index will be published on the NASDAQ website at [www.nasdaq.com/solutions/nasdaq-global-index-policies](http://www.nasdaq.com/solutions/nasdaq-global-index-policies). The composition of the underlying Index is published on the NASDAQ website at <https://indexes.nasdaqomx.com/Index/Overview/NQCYBR>.

The Index is constructed by NASDAQ in the following manner:

To be included in the Index, a security must meet certain additional criteria, including that it must have a minimum worldwide market capitalisation of \$250 million, a minimum three-month average daily dollar trading volume of \$1 million and a minimum free float of 20%.

The formula for index value is as follows: Aggregate Adjusted Market Value/Divisor

The formula for the divisor is as follows: (Market Value after Adjustments/Market Value before Adjustments) X Divisor before Adjustments.

The Fund will be managed in reference to a total return version index. The net total return index (NASDAQ: NQCYBRN) reinvests cash dividends on the ex- date and adjusts for an index security’s country of incorporation withholding rate.

The Index reflects extraordinary cash distributions.

The Index is calculated during the trading day and are disseminated once per second. The Index is calculated five (5) days a week, Monday through Friday, starting by the earliest time zone Asia/Tokyo and close by the latest time zone America/New York in USD.

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<sup>2</sup> For purposes of this document, Last Sale Price refers to the last regular way trade reported on such security’s Index Market. The Index Market is the listing market for which prices are received and used by Nasdaq in the Index calculation and generally will represent the most liquid trading market of the Index Security. If a security does not trade on its Index Market on a given day or the Index Market has not opened for trading, the most recent last sale price from the Index Market (adjusted for corporate actions, if any) is used. For securities where Nasdaq is Index Market, the Last Sale Price may be the Nasdaq Official Closing Price (NOCP) when Nasdaq is closed.

## **Eligibility**

Index eligibility is limited to specific security types only. The security types eligible for the Index include common stocks, ordinary shares, depositary receipts (both American and Global), depositary shares, shares of beneficial interest or limited partnership interests and tracking stocks.

## **Eligibility Criteria**

To be included in the Index, a security must meet the following criteria:

- be classified as a cybersecurity company as determined by the CTA;
- be listed on an Index-Eligible Global Stock Exchange;
- one security per issuer is permitted<sup>3</sup>;
- have a minimum worldwide market capitalization of \$250 million;
- have a minimum three-month average daily dollar trading volume of \$1 million;
- have a minimum free float of 20%;
- may not have entered into a definitive agreement or other arrangement which would likely result in the security no longer being Index eligible; and
- may not be issued by an issuer currently in bankruptcy proceedings.

## **Index-Eligible Global Stock Exchanges**

Global stock exchanges are reviewed periodically for eligibility. In general, a global exchange will be deemed ineligible if securities cannot be readily obtained either due to foreign investment restrictions or otherwise.

## **Index Evaluation**

The index securities are evaluated semi-annually in March and September. The above eligibility criteria are applied using market data through the end of January and July respectively. Securities meeting the criteria are included in the Index. Security additions and deletions are made effective after the close of trading on the third Friday in March and September respectively.

Additionally, if at any time during the year other than the evaluation, an index security no longer meets the eligibility criteria, or is otherwise determined to have become ineligible for inclusion in the Index, the security is removed from the Index and is not replaced. In all cases, a security is removed from the Index at its last sale price. If, however, at the time of its removal the index security is halted from trading on its primary listing market and an official closing price cannot readily be determined, the index security may, in NASDAQ's discretion, be removed at a zero price. The zero price will be applied to the Index security after the close of the market but prior to the time the official closing value of the Index is disseminated, which is ordinarily 17:16:00 ET.

## **Index Maintenance**

Index share changes are not made between index evaluations; however, changes arising from stock dividends and stock splits are made to the Index on the evening prior to the effective date of such corporate action. In the case of certain spin-offs or rights issuances, the price of the index security is adjusted and a corresponding adjustment is made to the index shares such that the weight of the index security does not change as a result of the action.

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<sup>3</sup> If an issuer has multiple securities, the security with the highest dollar trading volume will be selected for possible inclusion into the Index.

A special cash dividend announced by the listing exchange, will result in an adjustment to the last sale price of an index security prior to market open on the ex-date for the special amount distributed. A corresponding adjustment will be made to the index shares of the security such that the weight of the index security will not change as a result of the action. A special dividend may also be referred to as extra, extraordinary, non-recurring, one-time, unusual, etc.

Ordinarily, whenever there is a change in index shares, a change in an index security or a change to the price of an index security due to spin-offs, rights issuances or special cash dividends as mentioned above, the divisor is adjusted to ensure that there is no discontinuity in the value of the Index which might otherwise be caused by any such change.

### **Index Rebalancing**

The Index employs a modified liquidity weighted methodology. At each quarter, the Index is rebalanced such that maximum weight of any index security does not exceed 6% and no more than five (5) securities are at the cap. The excess weight of any capped security is distributed proportionally across the remaining index securities. If after redistribution, any of the five (5) highest ranked index securities are weighted below 6%, these securities are not capped. Next, any remaining index securities in excess of 3% are capped at 3% and the excess weight is redistributed proportionally across the remaining index securities. The process is repeated, if necessary, to derive the final weights.

The modified liquidity weighting methodology is applied to the three month average daily dollar trading volume of each index security as of the close of trading on the last trading day in February, May, August and November. Index shares are then calculated by multiplying the weight of the security derived above by the aggregate average daily dollar trading volume and dividing that value for each index security by its corresponding last sale price of the security at the close of the last trading day in February, May, August and November. The changes are effective after trading on the third Friday in March, June, September and December.

NASDAQ may, from time to time, exercise reasonable discretion as it deems appropriate in order to ensure Index integrity.

The Index is rebalanced and reconstituted quarterly as of the last business day of March, June, September and December and the costs of the rebalancing which are not expected to be significant will be borne by the Fund. As of 6 February 2020 the Index was comprised of 42 securities from companies located in the United States, Britain, Israel, Japan, France and South Korea.

The Fund intends to invest in each security in the Index. The Fund also intends to invest entirely in securities included in the Index. However, there may also be instances in which the Fund may be underweighted or overweighted in certain securities in the Index, not invested in certain securities included in the Index, may purchase securities not in the Index that are appropriate to substitute for certain securities in the Index or utilize various combinations of the above techniques in seeking to track the Index.



## SCHEDULE V

### Investment Techniques and Instruments

#### Permitted financial derivative instruments (“FDI”)

1. The Company shall only invest assets of a Fund in FDI if:
  - 1.1 the relevant reference items or indices consist of one or more of the following: instruments referred to in Regulation 68(1)(a) – (f) and (h) of the UCITS Regulations, including financial instruments having one or several characteristics of those assets, financial indices, interest rates, foreign exchange rates or currencies;
  - 1.2 the FDI do not expose the Fund to risks which it could not otherwise assume (e.g., gain exposure to an instrument/issuer/currency to which the Fund cannot have a direct exposure);
  - 1.3 the FDI do not cause the Fund to diverge from its investment objectives;
  - 1.4 the reference in 1.1 above to financial indices shall be understood as a reference to indices which fulfil the following criteria:
    - (a) they are sufficiently diversified, in that the following criteria are fulfilled:
      - (i) the index is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
      - (ii) where the index is composed of assets referred to in Regulation 68(1) of the UCITS Regulations, its composition is at least diversified in accordance with Regulation 71 of the UCITS Regulations;
      - (iii) where the index is composed of assets other than those referred to in Regulation 68(1) of the UCITS Regulations, it is diversified in a way which is equivalent to that provided for in Regulation 71(1) of the UCITS Regulations;
    - (b) they represent an adequate benchmark for the market to which they refer, in that the following criteria are fulfilled:
      - (i) the index measures the performance of a representative group of underlyings in a relevant and appropriate way;
      - (ii) the index is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers following criteria which are publicly available;
      - (iii) the underlyings are sufficiently liquid, which allows users to replicate the index, if necessary;
    - (c) they are published in an appropriate manner, in that the following criteria are fulfilled:
      - (i) their publication process relies on sound procedures to collect prices and to calculate and to subsequently publish the index value, including pricing procedures for components where a market price is not available;

- (ii) material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

Where the composition of assets which are used as underlyings by FDI does not fulfil the criteria set out in (a), (b) or (c) above, those FDI shall, where they comply with the criteria set out in Regulation 68(1)(g) of the UCITS Regulations, be regarded as FDI on a combination of the assets referred to in Regulation 68(1)(g)(i) of the UCITS Regulations, excluding financial indices; and

- 1.5 where the Company enters, on behalf of a Fund, into a total return swap or invests in other FDI with similar characteristics, the assets held by the Fund must comply with Regulations 70, 71, 72, 73 and 74 of the UCITS Regulations.

## 2. Credit derivatives

Credit derivatives are permitted where:

- 2.1 they allow the transfer of the credit risk of an asset as referred to in paragraph 1.1 above, independently from the other risks associated with that asset;
  - 2.2 they do not result in the delivery or in the transfer, including in the form of cash, of assets other than those referred to in Regulations 68(1) and (2) of the UCITS Regulations;
  - 2.3 they comply with the criteria for OTC FDI set out in paragraph 4 below; and
  - 2.4 their risks are adequately captured by the risk management process of the Fund, and by its internal control mechanisms in the case of risks of asymmetry of information between the Fund and the counterparty to the credit derivative resulting from potential access of the counterparty to non-public information on firms the assets of which are used as underlyings by credit derivatives. The Fund must undertake the risk assessment with the highest care when the counterparty to the FDI is a related party of the Fund or the credit risk issuer.
- 3. FDI must be dealt in on a market which is regulated, operates regularly, is recognised and is open to the public in a Member State or a non-Member State. Restrictions in respect of individual stock exchanges and markets may be imposed by the Central Bank on a case by case basis.
  - 4. Notwithstanding paragraph 3, a Fund may invest in OTC FDI if:
    - 4.1 the counterparty is: (a) a credit institution that is within any of the categories set out in Regulation 7 of the Central Bank Regulations; (b) an investment firm authorised in accordance with the Markets in Financial Instruments Directive; (c) a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve; or (d) such other categories of counterparties as are permitted by the Central Bank;
    - 4.2 where a counterparty within sub-paragraphs (b) or (c) of paragraph 4.1: (a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Company in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) of this paragraph 4.2 this shall result in a new credit assessment being conducted of the counterparty by the Company without delay;
    - 4.3 where an OTC FDI referred to in paragraph 4.1 above is subject to a novation, the counterparty after the novation must be:

- (a) an entity that is within one of the categories set out in paragraph 4.1 above; or
  - (b) a CCP authorised, or recognised by ESMA under EMIR or, pending recognition by ESMA under Article 25 of EMIR, an entity classified as a derivatives clearing organisation by the Commodity Futures Trading Commission or a clearing agency by the SEC (both CCP);
- 4.4 risk exposure to the counterparty does not exceed the limits set out in Regulation 70(1)(c) of the UCITS Regulations. In this regard, the Fund shall calculate the counterparty exposure using the positive mark-to-market value of the OTC FDI contract with that counterparty. The Fund may net FDI positions with the same counterparty, provided that the Fund is able to legally enforce netting arrangements with the counterparty. Netting is only permissible with respect to OTC FDI with the same counterparty and not in relation to any other exposures the Fund may have with the same counterparty. The Company may take account of collateral received by the Fund in order to reduce the exposure to the counterparty, provided that the collateral meets with the requirements specified in paragraphs (3), (4), (5), (6), (7), (8), (9) and (10) of Regulation 24 of the Central Bank Regulations; and
- 4.5 the OTC FDI are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative.
5. Collateral received must at all times meet with the requirements set out in paragraphs 25 to 32 below.
6. Collateral passed to an OTC FDI counterparty by or on behalf of a Fund must be taken into account in calculating exposure of the Fund to counterparty risk as referred to in Regulation 70(1)(c) of the UCITS Regulations. Collateral passed may be taken into account on a net basis only if the Fund is able to legally enforce netting arrangements with this counterparty.

**Calculation of issuer concentration risk and counterparty exposure risk**

7. A Fund using the commitment approach must ensure that its global exposure does not exceed its total Net Asset Value. The Fund may not therefore be leveraged in excess of 100% of its Net Asset Value. A Fund using the VaR approach must employ back testing and stress testing and comply with other regulatory requirements regarding the use of VaR. The VaR method is detailed in the relevant Fund's risk management procedures for FDI, which are described below under "Risk management process and reporting".

Each Fund must calculate issuer concentration limits as referred to in Regulation 70 of the UCITS Regulations on the basis of the underlying exposure created through the use of FDI pursuant to the commitment approach.

8. The risk exposures to a counterparty arising from OTC FDI transactions and efficient portfolio management techniques must be combined when calculating the OTC counterparty limit as referred to in Regulation 70(1)(c) of the UCITS Regulations.
9. Where the initial margin posted to and variation margin receivable from a broker relating to an exchange-traded FDI or an OTC FDI is not protected by client money rules or other similar arrangements to protect the Fund in the event of the insolvency of the broker, the Company shall calculate exposure of the Fund within the OTC counterparty limit referred to in Regulation 70(1)(c) of the UCITS Regulations.

10. The calculation of issuer concentration limits as referred to in Regulation 70 of the UCITS Regulations must take account of any net exposure to a counterparty generated through a stocklending or repurchase agreement. Net exposure refers to the amount receivable by a Fund less any collateral provided by the Fund. Exposures created through the reinvestment of collateral must also be taken into account in the issuer concentration calculations.
11. When calculating exposures for the purposes of Regulation 70 of the UCITS Regulations, the Company must establish whether the exposure of the Fund is to an OTC counterparty, a broker, a central counterparty or a clearing house.
12. Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments or collective investment schemes when combined, where relevant, with positions resulting from direct investments, may not exceed the investment limits set out in Regulations 70 and 73 of the UCITS Regulations. When calculating issuer-concentration risk, the FDI (including embedded FDI) must be looked through in determining the resultant position exposure. This position exposure must be taken into account in the issuer concentration calculations. Issuer concentration of a Fund must be calculated using the commitment approach when appropriate or the maximum potential loss as a result of default by the issuer if more conservative. It must also be calculated by all Funds, regardless of whether they use VaR for global exposure purposes. This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in Regulation 71(1) of the UCITS Regulations.
13. A transferable security or money market instrument embedding a FDI shall be understood as a reference to financial instruments which fulfil the criteria for transferable securities or money market instruments set out in the UCITS Regulations and which contain a component which fulfils the following criteria:
  - (a) by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or money market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, and therefore vary in a way similar to a stand-alone FDI;
  - (b) its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract;
  - (c) it has a significant impact on the risk profile and pricing of the transferable security or money market instrument.
14. A transferable security or a money market instrument shall not be regarded as embedding a FDI where it contains a component which is contractually transferable independently of the transferable security or the money market instrument. Such a component shall be deemed to be a separate financial instrument.

#### **Cover requirements**

15. The Company shall ensure that, at all times, a Fund is capable of meeting all its payment and delivery obligations incurred by transactions involving FDI.
16. The Company shall ensure that, at all times, the risk management process of a Fund includes the monitoring of FDI transactions to ensure that every such transaction is covered adequately;
17. The Company shall ensure that, at all times, a transaction in FDI which gives rise to, or could potentially give rise to, a future commitment on behalf of a Fund is covered in accordance with the following:

- (i) in the case of FDI that is, automatically or at the discretion of the Fund, cash-settled, the Fund must, at all times, hold liquid assets that are sufficient to cover the exposure; and
- (ii) in the case of FDI which require physical delivery of the underlying asset, the asset must be held at all times by a Fund. Alternatively a Fund may cover the exposure with sufficient liquid assets where:
  - (A) the underlying assets consist of highly liquid fixed income securities; and/or
  - (B) the exposure can be covered without the need to hold the underlying assets, the specific FDI are addressed in the risk management process and details are provided in the Prospectus.

### **Risk management process and reporting**

18. A Fund must provide the Central Bank with details of its proposed risk management process vis-à-vis its FDI activity pursuant to Chapter 3 of the Central Bank Regulations. The initial filing is required to include information in relation to:
- permitted types of FDI, including embedded FDI in transferable securities and money market instruments;
  - details of the underlying risks;
  - relevant quantitative limits and how these will be monitored and enforced; and
  - methods for estimating risks.

Material amendments to the initial filing must be notified to the Central Bank in advance. The Central Bank may object to the amendments notified to it and amendments and/or associated activities objected to by the Central Bank may not be made.

19. The Company must submit a report to the Central Bank on its FDI positions on an annual basis. The report, which must include information which reflects a true and fair view of the types of FDI used by the Funds, the underlying risks, the quantitative limits and the methods used to estimate those risks, must be submitted with the annual report of the Company. The Company must, at the request of the Central Bank, provide this report at any time.

### **Techniques and instruments, including repurchase/reverse repurchase agreements and securities lending, for the purposes of efficient portfolio management**

20. A Fund may employ techniques and instruments relating to transferable securities and money market instruments subject to the UCITS Regulations and to conditions imposed by the Central Bank. The use of these techniques and instruments should be in line with the best interests of the Fund.
21. Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio management shall be understood as a reference to techniques and instruments which fulfil the following criteria:
- 21.1 they are economically appropriate in that they are realised in a cost-effective way;
  - 21.2 they are entered into for one or more of the following specific aims:
    - (a) reduction of risk;

- (b) reduction of cost;
- (c) generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in Regulation 71 of the UCITS Regulations; and

21.3 their risks are adequately captured by the risk management process of the Fund.

### **Repurchase/reverse repurchase agreements and securities lending**

22. Repurchase/reverse repurchase agreements and securities lending (“efficient portfolio management techniques”) may only be effected in accordance with normal market practice.
23. All assets received by a Fund in the context of efficient portfolio management techniques should be considered as collateral and should comply with the criteria set down in paragraph 25 below.
24. Collateral must, at all times, meet with the following criteria:
- (a) **liquidity:** Collateral received, other than cash, should be highly liquid and traded on a Regulated Market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the UCITS Regulations.
  - (b) **valuation:** Collateral that is received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
  - (c) **issuer credit quality:** Collateral received should be of high quality. The Company shall ensure that:
    - (i) where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Company in the credit assessment process; and
    - (ii) where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in sub-paragraph (i) this shall result in a new credit assessment being conducted of the issuer by the Company without delay;
  - (d) **correlation:** Collateral received should be issued by an entity that is independent from the counterparty. There should be a reasonable ground for the Company to expect that it would not display a high correlation with the performance of the counterparty;
  - (e) **diversification (asset concentration):**
    - (i) Subject to sub-paragraph (ii) below, collateral received should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Fund’s Net Asset Value. When a Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.
    - (ii) It is intended that a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. The Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Fund’s Net Asset Value. The Member States,

local authorities, third countries, or public international bodies or issuing or guaranteeing securities which a Fund is able to accept as collateral for more than 20% of its Net Asset Value shall be drawn from the following list:

OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, IMF, Euratom, The Asian Development Bank, ECB, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, the EU, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority and Straight-A Funding LLC; and

- (f) **immediately available:** Collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.
25. The Company shall ensure that the risk management process identifies, manages and mitigates risks linked to the management of collateral, including operational risks and legal risks.
26. Where a Fund receives collateral on a title transfer basis, the Company shall ensure that the collateral is to be held by the Depository. Where a Fund receives collateral on any basis other than a title transfer basis, that collateral may be held by a third party depository, provided that the depository is subject to prudential supervision and is unrelated and unconnected to the provider of the collateral.
27. The Company shall not sell, pledge or re-invest the non-cash collateral received by a Fund.
28. Where the Company invests cash collateral received by a Fund, such investments shall only be made in one or more of the following:
- (a) deposits with a credit institution referred to in Regulation 7 of the Central Bank Regulations (which are set out in paragraph 4.1 above);
  - (b) high-quality government bonds which, at the time of purchase, have a rating from a recognised rating agency not below than AA (Standard & Poor's and Fitch) or Aa3 (Moody's) or equivalent ratings from other rating agencies;
  - (c) reverse repurchase agreements provided the transactions are with a credit institution referred to in Regulation 7 of the Central Bank Regulations (which are set out in paragraph 4.1 above) and the Fund is able to recall at any time the full amount of cash on an accrued basis; or
  - (d) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).
29. Where the Company invests cash collateral received by a Fund: (a) that investment shall comply with the diversification requirements applicable to non-cash collateral; and (b) invested cash collateral shall not be placed on deposit with the counterparty or with any entity that is related or connected to the counterparty.

30. The Company shall ensure that, where a Fund receives collateral for at least 30% of its assets, there is in place an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:
  - (a) design of stress test scenario analysis including calibration, certification and sensitivity analysis;
  - (b) empirical approach to impact assessment, including back-testing of liquidity risk estimates;
  - (c) reporting frequency and limit/loss tolerance threshold/s; and
  - (d) mitigation actions to reduce loss including haircut policy and gap risk protection.
31. The Company shall establish and ensure adherence to a haircut policy for a Fund, adapted for each class of assets received as collateral. When devising the haircut policy, the Company shall take into account the characteristics of the assets, such as the credit standing or the price volatility, as well as the outcome of the stress tests performed in accordance with Regulation 21 of the Central Bank Regulations. The Company shall document the haircut policy and the Company shall justify and document each decision to apply a specific haircut or to refrain from applying any haircut, to any specific class of assets.
32. Where a counterparty to a repurchase or a securities lending agreement which has been entered into by the Company on behalf of a Fund: (a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Company in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in sub-paragraph (a) this shall result in a new credit assessment being conducted of the counterparty by the Company without delay.
33. The Company shall ensure that it is at all times able to recall any security that has been lent out or to terminate any securities lending agreement to which it is party.
34. Where the Company enters into a reverse repurchase agreement on behalf of a Fund it shall ensure that it is able at all times to recall the full amount of cash or to terminate the relevant agreement on either an accrued basis or a mark-to-market basis. In circumstances in which cash is, by virtue of the obligation under Regulation 25(1) of the Central Bank Regulations, recallable at any time on a mark-to-market basis, the Company shall use the mark-to-market value of the reverse repurchase agreement for the calculation of the Net Asset Value of the Fund.
35. Where the Company enters into a repurchase agreement on behalf of a Fund it shall ensure that it is at all times able to recall any securities that are subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.
36. Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the UCITS Regulations, respectively.
37. The Company shall ensure that all the revenues arising from efficient portfolio management techniques and instruments, net of direct and indirect operational costs, are returned to the Fund.



## SCHEDULE VI

List of sub-delegates appointed by The Bank of New York Mellon SA/NV or The Bank of New York Mellon in respect of all the sub-funds of the Company

<b>GSP Account</b>	<b>Fund Name</b>	<b>Country</b>	<b>LOC</b>	<b>Sub-custodian / Correspondent</b>
793374	First Trust Asia Pacific ex-Japan AlphaDEX UCITS ETF	AUSTRALIA	NAB	National Australia Bank, Melbourne
793374	First Trust Asia Pacific ex-Japan AlphaDEX UCITS ETF	EUROMARKETS	ECL	Euroclear Bank, Brussels
793374	First Trust Asia Pacific ex-Japan AlphaDEX UCITS ETF	HONG KONG	HKK	Hongkong and Shanghai Banking Corporation Limited, Hong Kong
793374	First Trust Asia Pacific ex-Japan AlphaDEX UCITS ETF	IRELAND	CRI	The Bank of New York, London
793374	First Trust Asia Pacific ex-Japan AlphaDEX UCITS ETF	NEW ZEALAND	NNK	National Australia Bank New Zealand - National Nominees Ltd
793374	First Trust Asia Pacific ex-Japan AlphaDEX UCITS ETF	SINGAPORE	DBS	DBS Bank Ltd, Singapore
793374	First Trust Asia Pacific ex-Japan AlphaDEX UCITS ETF	UNITED KINGDOM	CGO	The Bank of New York, London
793374	First Trust Asia Pacific ex-Japan AlphaDEX UCITS ETF	UNITED KINGDOM	CRE	The Bank of New York, London
793374	First Trust Asia Pacific ex-Japan AlphaDEX UCITS ETF	UNITED KINGDOM	UNC	The Bank of New York, London
793374	First Trust Asia Pacific ex-Japan AlphaDEX UCITS ETF	UNITED KINGDOM	VLT	The Bank of New York, London (Vault)
793374	First Trust Asia Pacific ex-Japan AlphaDEX UCITS ETF	UNITED STATES	DTC	The Bank of New York, New York
793374	First Trust Asia Pacific ex-Japan AlphaDEX UCITS ETF	UNITED STATES	FRB	The Bank of New York, New York
793374	First Trust Asia Pacific ex-Japan AlphaDEX UCITS ETF	UNITED STATES	NYV	The Bank of New York, New York (Vault)
793374	First Trust Asia Pacific ex-Japan AlphaDEX UCITS ETF	UNITED STATES	SFR	
793374	First Trust Asia Pacific ex-Japan AlphaDEX UCITS ETF	UNITED STATES	SHL	
793374	First Trust Asia Pacific ex-Japan AlphaDEX UCITS ETF	UNITED STATES	SLG	
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	BRAZIL	BRR	Citibank N.A., Brazilian Branch
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	CHILE	CIS	Banco de Chile
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	CHINA	HBC	HSBC SHANGHAI
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	CHINA	HBH	HSBC SHENZHEN

<b>GSP Account</b>	<b>Fund Name</b>	<b>Country</b>	<b>LOC</b>	<b>Sub-custodian / Correspondent</b>
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	COLOMBIA	CBC	Cititrust S.A., Bogota
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	CZECH REPUBLIC	RCZ	Citbank Europe plc
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	EGYPT	HSE	HSBC Bank Egypt
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	EUROMARKETS	ECL	Euroclear Bank, Brussels
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	GREECE	BPG	BNP Paribas Securities Services, Athens
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	HONG KONG	HKK	Hongkong and Shanghai Banking Corporation Limited, Hong Kong
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	HUNGARY	RHU	Citibank Europe plc, Hungarian Branch Office
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	INDIA	DEU	Deutsche Bank AG Mumbai
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	INDONESIA	RMI	Deutsche Bank AG, Jakarta
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	MALAYSIA	RMA	Deutsche Bank (Malaysia) Berhad
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	MEXICO	BNX	Banco Nacional de Mexico (Banamex), Mexico City
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	MOROCCO	CMM	Citibank Maghreb
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	PERU	CBL	Citibank N.A., Sucursal de Lima
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	PHILLIPINES	RMP	Deutsche Bank AG, Manila Branch
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	POLAND	RPO	Bank Polska Kasa Opieki S.A.
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	QATAR	HBQ	HSBC Bank Middle East Limited, Doha
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	REPUBLIC OF KOREA	DKB	Deutsche Bank AG, Seoul Branch
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	RUSSIA	RRU	Deutsche Bank Ltd, Moscow
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	SINGAPORE	DBS	DBS Bank Ltd, Singapore
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	SOUTH AFRICA	SBB	Standard Bank of South Africa, Johannesburg
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	TAIWAN	HST	HSBC Bank (Taiwan) Limited
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	THAILAND	HSB	Hongkong and Shangai Banking Corporation, Bangkok
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	TURKEY	DBI	Deutsche Bank, Istanbul

<b>GSP Account</b>	<b>Fund Name</b>	<b>Country</b>	<b>LOC</b>	<b>Sub-custodian / Correspondent</b>
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	UNITED ARAB EMIRATES	HBE	HSBC Bank Middle East Limited, Dubai
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	UNITED KINGDOM	CGO	The Bank of New York, London
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	UNITED KINGDOM	CRE	The Bank of New York, London
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	UNITED KINGDOM	UNC	The Bank of New York, London
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	UNITED KINGDOM	VLT	The Bank of New York, London (Vault)
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	UNITED STATES	DTC	The Bank of New York, New York
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	UNITED STATES	FRB	The Bank of New York, New York
793367	First Trust Emerging Markets AlphaDEX® UCITS ETF	UNITED STATES	NYV	The Bank of New York, New York (Vault)
793368	First Trust Eurozone AlphaDEX® UCITS ETF	AUSTRIA	CAV	UniCredit Bank Austria AG
793368	First Trust Eurozone AlphaDEX® UCITS ETF	BELGIUM	BEN	Citibank International Limited
793368	First Trust Eurozone AlphaDEX® UCITS ETF	EUROMARKETS	ECL	Euroclear Bank, Brussels
793368	First Trust Eurozone AlphaDEX® UCITS ETF	FINLAND	SEF	Skandinaviska Enskilda Banken, Helsinki branch
793368	First Trust Eurozone AlphaDEX® UCITS ETF	FRANCE	BPR	BNP Paribas Securities Services, Paris
793368	First Trust Eurozone AlphaDEX® UCITS ETF	GERMANY	CBF	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main
793368	First Trust Eurozone AlphaDEX® UCITS ETF	GREECE	BPG	BNP Paribas Securities Services, Athens
793368	First Trust Eurozone AlphaDEX® UCITS ETF	IRELAND	CRI	The Bank of New York, London
793368	First Trust Eurozone AlphaDEX® UCITS ETF	ITALY	BCI	Intesa Sanpaolo S.p.A.
793368	First Trust Eurozone AlphaDEX® UCITS ETF	NETHERLANDS	ECN	The Bank of New York Mellon SA/NV
793368	First Trust Eurozone AlphaDEX® UCITS ETF	PORTUGAL	CGA	Citibank International Limited
793368	First Trust Eurozone AlphaDEX® UCITS ETF	SPAIN	BBV	Banco Bilbao Vizcaya Argentaria, Madrid
793368	First Trust Eurozone AlphaDEX® UCITS ETF	SWITZERLAND	CSZ	Credit Suisse AG, Zurich
793368	First Trust Eurozone AlphaDEX® UCITS ETF	UNITED KINGDOM	CGO	The Bank of New York, London

<b>GSP Account</b>	<b>Fund Name</b>	<b>Country</b>	<b>LOC</b>	<b>Sub-custodian / Correspondent</b>
793368	First Trust Eurozone AlphaDEX® UCITS ETF	UNITED KINGDOM	CRE	The Bank of New York, London
793368	First Trust Eurozone AlphaDEX® UCITS ETF	UNITED KINGDOM	UNC	The Bank of New York, London
793368	First Trust Eurozone AlphaDEX® UCITS ETF	UNITED KINGDOM	VLT	The Bank of New York, London (Vault)
793368	First Trust Eurozone AlphaDEX® UCITS ETF	UNITED STATES	DTC	The Bank of New York, New York
793368	First Trust Eurozone AlphaDEX® UCITS ETF	UNITED STATES	FRB	The Bank of New York, New York
793368	First Trust Eurozone AlphaDEX® UCITS ETF	UNITED STATES	NYV	The Bank of New York, New York (Vault)
793375	First Trust Germany AlphaDEX UCITS ETF	EUROMARKETS	ECL	Euroclear Bank, Brussels
793375	First Trust Germany AlphaDEX UCITS ETF	GERMANY	CBF	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main
793375	First Trust Germany AlphaDEX UCITS ETF	IRELAND	CRI	The Bank of New York, London
793375	First Trust Germany AlphaDEX UCITS ETF	NETHERLANDS	ECN	The Bank of New York Mellon SA/NV
793375	First Trust Germany AlphaDEX UCITS ETF	UNITED KINGDOM	CGO	The Bank of New York, London
793375	First Trust Germany AlphaDEX UCITS ETF	UNITED KINGDOM	CRE	The Bank of New York, London
793375	First Trust Germany AlphaDEX UCITS ETF	UNITED KINGDOM	UNC	The Bank of New York, London
793375	First Trust Germany AlphaDEX UCITS ETF	UNITED KINGDOM	VLT	The Bank of New York, London (Vault)
793375	First Trust Germany AlphaDEX UCITS ETF	UNITED STATES	DTC	The Bank of New York, New York
793375	First Trust Germany AlphaDEX UCITS ETF	UNITED STATES	FRB	The Bank of New York, New York
793375	First Trust Germany AlphaDEX UCITS ETF	UNITED STATES	NYV	The Bank of New York, New York (Vault)
793375	First Trust Germany AlphaDEX UCITS ETF	UNITED STATES	SFR	
793375	First Trust Germany AlphaDEX UCITS ETF	UNITED STATES	SHL	
793375	First Trust Germany AlphaDEX UCITS ETF	UNITED STATES	SLG	
793376	First Trust Global Equity Income UCITS ETF	AUSTRALIA	NAB	National Australia Bank, Melbourne
793376	First Trust Global Equity Income UCITS ETF	AUSTRIA	CAV	UniCredit Bank Austria AG

<b>GSP Account</b>	<b>Fund Name</b>	<b>Country</b>	<b>LOC</b>	<b>Sub-custodian / Correspondent</b>
793376	First Trust Global Equity Income UCITS ETF	BELGIUM	BEN	Citibank International Limited
793376	First Trust Global Equity Income UCITS ETF	CANADA	CIB	CIBC Mellon Trust Company
793376	First Trust Global Equity Income UCITS ETF	DENMARK	SEC	Skandinaviska Enskilda Banken AB, Copenhagen Branch
793376	First Trust Global Equity Income UCITS ETF	EUROMARKETS	ECL	Euroclear Bank, Brussels
793376	First Trust Global Equity Income UCITS ETF	FINLAND	SEF	Skandinaviska Enskilda Banken, Helsinki branch
793376	First Trust Global Equity Income UCITS ETF	FRANCE	BPR	BNP Paribas Securities Services, Paris
793376	First Trust Global Equity Income UCITS ETF	GERMANY	CBF	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main
793376	First Trust Global Equity Income UCITS ETF	GREECE	BPG	BNP Paribas Securities Services, Athens
793376	First Trust Global Equity Income UCITS ETF	HONG KONG	HKK	Hongkong and Shanghai Banking Corporation Limited, Hong Kong
793376	First Trust Global Equity Income UCITS ETF	IRELAND	CRI	The Bank of New York, London
793376	First Trust Global Equity Income UCITS ETF	ISRAEL	BKP	Bank Hapoalim B.M.
793376	First Trust Global Equity Income UCITS ETF	ITALY	BCI	Intesa Sanpaolo S.p.A.
793376	First Trust Global Equity Income UCITS ETF	JAPAN	BTM	The Bank of Tokyo Mitsubishi UFJ Ltd, Tokyo
793376	First Trust Global Equity Income UCITS ETF	NETHERLANDS	ECN	The Bank of New York Mellon SA/NV
793376	First Trust Global Equity Income UCITS ETF	NEW ZEALAND	NNK	National Australia Bank New Zealand - National Nominees Ltd
793376	First Trust Global Equity Income UCITS ETF	NORWAY	SEN	Skandinaviska Enskilda Banken AB, Oslo Branch
793376	First Trust Global Equity Income UCITS ETF	PORTUGAL	CGA	Citibank International Limited
793376	First Trust Global Equity Income UCITS ETF	REPUBLIC OF KOREA	DKB	Deutsche Bank AG, Seoul Branch
793376	First Trust Global Equity Income UCITS ETF	SINGAPORE	DBS	DBS Bank Ltd, Singapore
793376	First Trust Global Equity Income UCITS ETF	SPAIN	BBV	Banco Bilbao Vizcaya Argentaria, Madrid
793376	First Trust Global Equity Income UCITS ETF	SWEDEN	SEB	Skandinaviska Enskilda Banken, Stockholm
793376	First Trust Global Equity Income UCITS ETF	SWITZERLAND	CSZ	Credit Suisse AG, Zurich
793376	First Trust Global Equity Income UCITS ETF	UNITED KINGDOM	CGO	The Bank of New York, London

<b>GSP Account</b>	<b>Fund Name</b>	<b>Country</b>	<b>LOC</b>	<b>Sub-custodian / Correspondent</b>
793376	First Trust Global Equity Income UCITS ETF	UNITED KINGDOM	CRE	The Bank of New York, London
793376	First Trust Global Equity Income UCITS ETF	UNITED KINGDOM	UNC	The Bank of New York, London
793376	First Trust Global Equity Income UCITS ETF	UNITED KINGDOM	VLT	The Bank of New York, London (Vault)
793376	First Trust Global Equity Income UCITS ETF	UNITED STATES	DTC	The Bank of New York, New York
793376	First Trust Global Equity Income UCITS ETF	UNITED STATES	FRB	The Bank of New York, New York
793376	First Trust Global Equity Income UCITS ETF	UNITED STATES	NYV	The Bank of New York, New York (Vault)
793373	First Trust Japan AlphaDEX® UCITS ETF	EUROMARKETS	ECL	Euroclear Bank, Brussels
793373	First Trust Japan AlphaDEX® UCITS ETF	IRELAND	CRI	The Bank of New York, London
793373	First Trust Japan AlphaDEX® UCITS ETF	JAPAN	BTM	The Bank of Tokyo Mitsubishi UFJ Ltd, Tokyo
793373	First Trust Japan AlphaDEX® UCITS ETF	UNITED KINGDOM	CGO	The Bank of New York, London
793373	First Trust Japan AlphaDEX® UCITS ETF	UNITED KINGDOM	CRE	The Bank of New York, London
793373	First Trust Japan AlphaDEX® UCITS ETF	UNITED KINGDOM	UNC	The Bank of New York, London
793373	First Trust Japan AlphaDEX® UCITS ETF	UNITED KINGDOM	VLT	The Bank of New York, London (Vault)
793373	First Trust Japan AlphaDEX® UCITS ETF	UNITED STATES	DTC	The Bank of New York, New York
793373	First Trust Japan AlphaDEX® UCITS ETF	UNITED STATES	FRB	The Bank of New York, New York
793373	First Trust Japan AlphaDEX® UCITS ETF	UNITED STATES	NYV	The Bank of New York, New York (Vault)
793371	First Trust Switzerland AlphaDEX UCITS ETF	EUROMARKETS	ECL	Euroclear Bank, Brussels
793371	First Trust Switzerland AlphaDEX UCITS ETF	SWITZERLAND	CSZ	Credit Suisse AG, Zurich
793371	First Trust Switzerland AlphaDEX UCITS ETF	UNITED KINGDOM	CGO	The Bank of New York, London
793371	First Trust Switzerland AlphaDEX UCITS ETF	UNITED KINGDOM	CRE	The Bank of New York, London
793371	First Trust Switzerland AlphaDEX UCITS ETF	UNITED KINGDOM	UNC	The Bank of New York, London

<b>GSP Account</b>	<b>Fund Name</b>	<b>Country</b>	<b>LOC</b>	<b>Sub-custodian / Correspondent</b>
793371	First Trust Switzerland AlphaDEX UCITS ETF	UNITED KINGDOM	VLT	The Bank of New York, London (Vault)
455818	First Trust Tactical High Yield UCITS Fund	CANADA	CIB	CIBC Mellon Trust Company
455818	First Trust Tactical High Yield UCITS Fund	EUROMARKETS	ECL	Euroclear Bank, Brussels
455818	First Trust Tactical High Yield UCITS Fund	FRANCE	BPR	BNP Paribas Securities Services, Paris
455818	First Trust Tactical High Yield UCITS Fund	GERMANY	CBF	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main
455818	First Trust Tactical High Yield UCITS Fund	MEXICO	BNX	Banco Nacional de Mexico (Banamex), Mexico City
455818	First Trust Tactical High Yield UCITS Fund	NETHERLANDS	ECN	The Bank of New York Mellon SA/NV
455818	First Trust Tactical High Yield UCITS Fund	SPAIN	BBV	Banco Bilbao Vizcaya Argentaria, Madrid
455818	First Trust Tactical High Yield UCITS Fund	UNITED KINGDOM	CGO	The Bank of New York, London
455818	First Trust Tactical High Yield UCITS Fund	UNITED KINGDOM	CRE	The Bank of New York, London
455818	First Trust Tactical High Yield UCITS Fund	UNITED KINGDOM	UNC	The Bank of New York, London
455818	First Trust Tactical High Yield UCITS Fund	UNITED KINGDOM	VLT	The Bank of New York, London (Vault)
455818	First Trust Tactical High Yield UCITS Fund	UNITED STATES	DTC	The Bank of New York, New York
455818	First Trust Tactical High Yield UCITS Fund	UNITED STATES	FRB	The Bank of New York, New York
455818	First Trust Tactical High Yield UCITS Fund	UNITED STATES	NYV	The Bank of New York, New York (Vault)
793369	First Trust United Kingdom AlphaDEX® UCITS ETF	EUROMARKETS	ECL	Euroclear Bank, Brussels
793369	First Trust United Kingdom AlphaDEX® UCITS ETF	UNITED KINGDOM	CGO	The Bank of New York, London
793369	First Trust United Kingdom AlphaDEX® UCITS ETF	UNITED KINGDOM	CRE	The Bank of New York, London
793369	First Trust United Kingdom AlphaDEX® UCITS ETF	UNITED KINGDOM	UNC	The Bank of New York, London
793369	First Trust United Kingdom AlphaDEX® UCITS ETF	UNITED KINGDOM	VLT	The Bank of New York, London (Vault)
793369	First Trust United Kingdom AlphaDEX® UCITS ETF	UNITED STATES	DTC	The Bank of New York, New York

<b>GSP Account</b>	<b>Fund Name</b>	<b>Country</b>	<b>LOC</b>	<b>Sub-custodian / Correspondent</b>
793369	First Trust United Kingdom AlphaDEX® UCITS ETF	UNITED STATES	FRB	The Bank of New York, New York
793369	First Trust United Kingdom AlphaDEX® UCITS ETF	UNITED STATES	NYV	The Bank of New York, New York (Vault)
793379	First Trust US Equity Income UCITS ETF	UNITED STATES	DTC	The Bank of New York, New York
793379	First Trust US Equity Income UCITS ETF	UNITED STATES	FRB	The Bank of New York, New York
793379	First Trust US Equity Income UCITS ETF	UNITED STATES	NYV	The Bank of New York, New York (Vault)
793377	First Trust US Equity Opportunities UCITS ETF	UNITED STATES	DTC	The Bank of New York, New York
793377	First Trust US Equity Opportunities UCITS ETF	UNITED STATES	FRB	The Bank of New York, New York
793377	First Trust US Equity Opportunities UCITS ETF	UNITED STATES	NYV	The Bank of New York, New York (Vault)
793366	First Trust US Large Cap Core AlphaDEX® UCITS ETF	UNITED STATES	DTC	The Bank of New York, New York
793366	First Trust US Large Cap Core AlphaDEX® UCITS ETF	UNITED STATES	FRB	The Bank of New York, New York
793366	First Trust US Large Cap Core AlphaDEX® UCITS ETF	UNITED STATES	NYV	The Bank of New York, New York (Vault)
847556	First Trust US Small Cap Core AlphaDEX® UCITS ETF	UNITED STATES	DTC	The Bank of New York, New York
847556	First Trust US Small Cap Core AlphaDEX® UCITS ETF	UNITED STATES	FRB	The Bank of New York, New York
847556	First Trust US Small Cap Core AlphaDEX® UCITS ETF	UNITED STATES	NYV	The Bank of New York, New York (Vault)
[-]	First Trust Indxx Innovative Transaction & Process UCITS ETF	UNITED STATES		
[-]	First Trust Dow Jones Internet UCITS ETF	UNITED STATES		
[-]	First Trust IPOX® Europe Equity Opportunities UCITS ETF	UNITED STATES		
[-]	First Trust Cloud Computing UCITS ETF	UNITED STATES		
[-]	First Trust Low Duration Global Government Bond UCITS ETF	UNITED STATES		
[-]	First Trust Capital Strength UCITS ETF	UNITED STATES		
[-]	First Trust Indxx NextG UCITS ETF	UNITED STATES		
[-]	First Trust Value Line® Dividend Index UCITS ETF	UNITED STATES		
[-]	First Trust NYSE Arca Biotechnology UCITS ETF	UNITED STATES		
[-]	First Trust Nasdaq Cybersecurity UCITS ETF	UNITED STATES		



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