



EDGA & EDGX STOCK EXCHANGES			
Regulatory Information Circular			
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Date:	February 15, 2012	Telephone:	(201) 942-8295

**Subject:**        **First Trust Germany AlphaDEX<sup>®</sup> Fund**  
                      **First Trust Canada AlphaDEX<sup>®</sup> Fund**  
                      **First Trust Australia AlphaDEX<sup>®</sup> Fund**  
                      **First Trust United Kingdom AlphaDEX<sup>®</sup> Fund**  
                      **First Trust Taiwan AlphaDEX<sup>®</sup> Fund**  
                      **First Trust Hong Kong AlphaDEX<sup>®</sup> Fund**  
                      **First Trust Switzerland AlphaDEX<sup>®</sup> Fund**

### **Background Information on the Funds**

First Trust Exchange-traded AlphaDEX<sup>®</sup> Fund II (the "Trust") is a management investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"). The Trust consists of separate exchange-traded funds (each, a "Fund", and collectively, the "Funds"). This circular refers only to the Funds listed above. The shares of the Fund are referred to herein as "Shares."

As more fully explained in the [Registration Statement](#) (File Nos. 333-171759 and 811-22519), the Funds are registered under the Investment Company Act of 1940 (the "1940 Act") as open-end management investment companies and are exchange-traded "index funds" ("ETFs").

### **Description of the Funds**

#### ***First Trust Germany AlphaDEX<sup>®</sup> Fund***

The First Trust Germany AlphaDEX<sup>®</sup> Fund (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 Defined Germany Index (the "Index"). The Index is in the "Defined Index Series," a family of custom enhanced indices developed, maintained and sponsored by Standard & Poor's Financial Services LLC ("S&P" or the "Index Provider"). The Index is a modified equal-dollar weighted index designed by S&P to objectively identify and select securities from the S&P Germany BMI Index (the "Base Index") that may generate positive alpha relative to traditional passive-style indices through the use of the AlphaDEX<sup>®</sup> selection methodology. The Base Index is a comprehensive, rules-based index designed to measure stock market performance in Germany. The companies for the Base Index are selected based on these rules: (1) all publicly listed equities with float adjusted market values of \$100 million or more; and (2) annual dollar value traded of at least \$50 million. S&P creates and maintains the Base Index. Additional information regarding the Base Index is set forth under "Index Information." Alpha is an indication of how much an investment outperforms or underperforms on a risk-adjusted basis relative to its benchmark. As of January 25, 2012, the Index was comprised of 40 securities.

#### ***Principal Risks***

Interested persons are referred to the Prospectus for a description of risks associated with an investment in the Shares. These risks include market risk, non-correlation risk, replication management risk, non-diversification risk, non-U.S. securities risk, currency risk, Germany risk, depositary receipts risk, and smaller company risk. In addition, as noted in the Prospectus, the Shares may trade at market prices that may differ from their NAV. The NAV of the Shares will fluctuate with changes in the market value of the applicable Fund's holdings. The market prices of the Shares will fluctuate in accordance with changes in NAV as well as the supply and demand for the Shares.

### ***First Trust Canada AlphaDEX® Fund***

The First Trust Canada AlphaDEX® Fund (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 Defined Canada Index (the "Index"). The Index is in the "Defined Index Series," a family of custom enhanced indices developed, maintained and sponsored by Standard & Poor's Financial Services LLC ("S&P" or the "Index Provider"). The Index is a modified equal-dollar weighted index designed by S&P to objectively identify and select securities from the S&P Canada BMI Index (the "Base Index") that may generate positive alpha relative to traditional passive-style indices through the use of the AlphaDEX® selection methodology. The Base Index is a comprehensive, rules-based index designed to measure stock market performance in Canada. The companies for the Base Index are selected based on these rules: (1) all publicly listed equities with float adjusted market values of \$100 million or more; and (2) annual dollar value traded of at least \$50 million. S&P creates and maintains the Base Index. Additional information regarding the Base Index is set forth under "Index Information." Alpha is an indication of how much an investment outperforms or underperforms on a risk-adjusted basis relative to its benchmark. As of January 25, 2012, the Index was comprised of 40 securities.

### ***Principal Risks***

Interested persons are referred to the Prospectus for a description of risks associated with an investment in the Shares. These risks include market risk, non-correlation risk, replication management risk, non-diversification risk, non-U.S. securities risk, currency risk, energy sector risk, Canada risk, depositary receipts risk, and smaller company risk. In addition, as noted in the Prospectus, the Shares may trade at market prices that may differ from their NAV. The NAV of the Shares will fluctuate with changes in the market value of the applicable Fund's holdings. The market prices of the Shares will fluctuate in accordance with changes in NAV as well as the supply and demand for the Shares.

### ***First Trust Australia AlphaDEX® Fund***

The First Trust Australia AlphaDEX® Fund (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 Defined Australia Index (the "Index"). The Index is in the "Defined Index Series," a family of custom enhanced indices developed, maintained and sponsored by Standard & Poor's Financial Services LLC ("S&P" or the "Index Provider"). The Index is a modified equal-dollar weighted index designed by S&P to objectively identify and select securities from the S&P Australia BMI Index (the "Base Index") that may generate positive alpha relative to traditional passive-style indices through the use of the AlphaDEX® selection methodology. The Base Index is a comprehensive, rules-based index designed to measure stock market performance in Australia. The companies for the Base Index are selected based on these rules: (1) all publicly listed equities with float adjusted market values of \$100 million or more; and (2) annual dollar value traded of at least \$50 million. S&P creates and maintains the Base Index. Additional information regarding the Base Index is set forth under "Index Information." Alpha is an indication of

how much an investment outperforms or underperforms on a risk-adjusted basis relative to its benchmark. As of January 25, 2012 the Index was comprised of 40 securities.

#### *Principal Risks*

Interested persons are referred to the Prospectus for a description of risks associated with an investment in the Shares. These risks include market risk, non-correlation risk, replication management risk, non-diversification risk, non-U.S. securities risk, currency risk, financial sector risk, materials risk, Australia risk, depositary receipts risk, and smaller company risk. In addition, as noted in the Prospectus, the Shares may trade at market prices that may differ from their NAV. The NAV of the Shares will fluctuate with changes in the market value of the applicable Fund's holdings. The market prices of the Shares will fluctuate in accordance with changes in NAV as well as the supply and demand for the Shares.

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

The First Trust United Kingdom AlphaDEX<sup>®</sup> Fund (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 Defined United Kingdom Index (the "Index"). The Index is in the "Defined Index Series," a family of custom enhanced indices developed, maintained and sponsored by Standard & Poor's Financial Services LLC ("S&P" or the "Index Provider"). The Index is a modified equal-dollar weighted index designed by S&P to objectively identify and select securities from the S&P United Kingdom BMI Index (the "Base Index") that may generate positive alpha relative to traditional passive-style indices through the use of the AlphaDEX<sup>®</sup> selection methodology. The Base Index is a comprehensive, rules-based index designed to measure stock market performance in the United Kingdom. The companies for the Base Index are selected based on these rules: (1) all publicly listed equities with float adjusted market values of \$100 million or more; and (2) annual dollar value traded of at least \$50 million. S&P creates and maintains the Base Index. Additional information regarding the Base Index is set forth under "Index Information." Alpha is an indication of how much an investment outperforms or underperforms on a risk-adjusted basis relative to its benchmark. As of January 25, 2012, the Index was comprised of 75 securities.

#### *Principal Risks*

Interested persons are referred to the Prospectus for a description of risks associated with an investment in the Shares. These risks include market risk, non-correlation risk, replication management risk, non-diversification risk, non-U.S. securities risk, currency risk, United Kingdom risk, depositary receipts risk, and smaller company risk. In addition, as noted in the Prospectus, the Shares may trade at market prices that may differ from their NAV. The NAV of the Shares will fluctuate with changes in the market value of the applicable Fund's holdings. The market prices of the Shares will fluctuate in accordance with changes in NAV as well as the supply and demand for the Shares.

#### ***First Trust Taiwan AlphaDEX<sup>®</sup> Fund***

The First Trust Taiwan AlphaDEX<sup>®</sup> Fund (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 Defined Taiwan Index (the "Index"). The Index is in the "Defined Index Series," a family of custom enhanced indices developed, maintained and sponsored by Standard & Poor's Financial Services LLC ("S&P" or the "Index Provider"). The Index is a modified equal-dollar weighted index designed by S&P to objectively identify and select securities from the S&P Taiwan BMI Index (the "Base Index") that may generate positive alpha relative to traditional passive-style indices through the use of the AlphaDEX<sup>®</sup> selection methodology. The Base Index is a comprehensive, rules-based index designed to measure stock market

performance in Taiwan. The companies for the Base Index are selected based on these rules: (1) all publicly listed equities with float adjusted market values of \$100 million or more; and (2) annual dollar value traded of at least \$50 million. S&P creates and maintains the Base Index. Additional information regarding the Base Index is set forth under "Index Information." Alpha is an indication of how much an investment outperforms or underperforms on a risk-adjusted basis relative to its benchmark. As of January 25, 2012, the Index was comprised of 40 securities.

#### *Principal Risks*

Interested persons are referred to the Prospectus for a description of risks associated with an investment in the Shares. These risks include market risk, non-correlation risk, replication management risk, non-diversification risk, non-U.S. securities risk, emerging market risk, currency risk, technology companies risk, Taiwan risk, depositary receipts risk, smaller company risk, and risk of cash transactions. In addition, as noted in the Prospectus, the Shares may trade at market prices that may differ from their NAV. The NAV of the Shares will fluctuate with changes in the market value of the applicable Fund's holdings. The market prices of the Shares will fluctuate in accordance with changes in NAV as well as the supply and demand for the Shares.

#### ***First Trust Hong Kong AlphaDEX<sup>®</sup> Fund***

The First Trust Hong Kong AlphaDEX<sup>®</sup> Fund (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 Defined Hong Kong Index (the "Index"). The Index is in the "Defined Index Series," a family of custom enhanced indices developed, maintained and sponsored by Standard & Poor's Financial Services LLC ("S&P" or the "Index Provider"). The Index is a modified equal-dollar weighted index designed by S&P to objectively identify and select securities from the S&P Hong Kong BMI Index (the "Base Index") that may generate positive alpha relative to traditional passive-style indices through the use of the AlphaDEX<sup>®</sup> selection methodology. The Base Index is a comprehensive, rules-based index designed to measure stock market performance in Hong Kong. The companies for the Base Index are selected based on these rules: (1) all publicly listed equities with float adjusted market values of \$100 million or more; and (2) annual dollar value traded of at least \$50 million. S&P creates and maintains the Base Index. Additional information regarding the Base Index is set forth under "Index Information." Alpha is an indication of how much an investment outperforms or underperforms on a risk-adjusted basis relative to its benchmark. As of January 25, 2012, the Index was comprised of 40 securities.

#### *Principal Risks*

Interested persons are referred to the Prospectus for a description of risks associated with an investment in the Shares. These risks include market risk, non-correlation risk, replication management risk, non-diversification risk, non-U.S. securities risk, currency risk, financial sector risk, Hong Kong risk, depositary receipts risk, and smaller company risk. In addition, as noted in the Prospectus, the Shares may trade at market prices that may differ from their NAV. The NAV of the Shares will fluctuate with changes in the market value of the applicable Fund's holdings. The market prices of the Shares will fluctuate in accordance with changes in NAV as well as the supply and demand for the Shares.

#### ***First Trust Switzerland AlphaDEX<sup>®</sup> Fund***

The First Trust Switzerland AlphaDEX<sup>®</sup> Fund (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 Defined Switzerland Index (the "Index"). The Index is in the "Defined Index Series," a family of custom enhanced indices developed, maintained and sponsored by Standard & Poor's Financial Services LLC

("S&P" or the "Index Provider"). The Index is a modified equal-dollar weighted index designed by S&P to objectively identify and select securities from the S&P Switzerland BMI Index (the "Base Index") that may generate positive alpha relative to traditional passive-style indices through the use of the AlphaDEX<sup>®</sup> selection methodology. The Base Index is a comprehensive, rules-based index designed to measure stock market performance in Switzerland. The companies for the Base Index are selected based on these rules: (1) all publicly listed equities with float adjusted market values of \$100 million or more; and (2) annual dollar value traded of at least \$50 million. S&P creates and maintains the Base Index. Additional information regarding the Base Index is set forth under "Index Information." Alpha is an indication of how much an investment outperforms or underperforms on a risk-adjusted basis relative to its benchmark. As of January 25, 2012, the Index was comprised of 40 securities.

### *Principal Risks*

Interested persons are referred to the Prospectus for a description of risks associated with an investment in the Shares. These risks include market risk, non-correlation risk, replication management risk, non-diversification risk, non-U.S. securities risk, currency risk, financial sector risk, Switzerland risk, depositary receipts risk, and smaller company risk. In addition, as noted in the Prospectus, the Shares may trade at market prices that may differ from their NAV. The NAV of the Shares will fluctuate with changes in the market value of the applicable Fund's holdings. The market prices of the Shares will fluctuate in accordance with changes in NAV as well as the supply and demand for the Shares.

The Funds intend to invest entirely in the Indexes; however there may also be instances in which the Funds may be overweighted in certain stocks in the Indexes, purchase securities not in the Indexes that are appropriate to substitute for certain securities in the Indexes or utilize various combinations of the above techniques in seeking to track the Indexes.

First Trust Advisors L.P. serves as the investment advisor for the Funds. First Trust Portfolios L.P. is the distributor for the Funds ("Distributor"). Brown Brothers Harriman & Co. is the administrator, custodian and fund accounting and transfer agent for the Funds.

As described more fully in the Funds' prospectus ("Prospectus") and Statement of Additional Information ("SAI"), market prices may differ to some degree from the net asset value ("NAV") of the Shares. Unlike mutual funds, each Fund issues and redeems Shares on a continuous basis, at its NAV, only in large specified blocks each consisting of 50,000 Shares (each block of Shares issued and redeemed, called a "Creation Unit" and collectively, the "Creation Units"). Each Fund's Creation Units are issued and redeemed principally in-kind for securities included in the applicable Fund.

Dividends from net investment income, if any, are declared and paid semi-annually by each Fund. Each Fund distributes its net realized capital gains, if any, to shareholders at least annually.

The Depository Trust Company ("DTC") will serve as securities depository for the Shares, which may be held only in book-entry form; stock certificates will not be issued. DTC, or its nominee, is the record or registered owner of all outstanding Shares.

The NAV per Share of the Fund will be determined as of the close of trading (normally, 4:00 p.m. Eastern Time ("ET")) on each day that the Exchanges are open for business. NAVs will be available from the Distributor and is also available to National Securities Clearing Corporation ("NSCC") participants through data made available from NSCC.

The Trust's registration statement describes the various fees and expenses for the Funds' Shares. For a more complete description of the Funds and the Underlying Indexes, visit [www.ftportfolios.com](http://www.ftportfolios.com).

## **Exchange Rules Applicable to Trading in the Shares**

The Shares are considered equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities.

## **Trading Hours**

Trading in the Shares on EDGA and EDGX Exchanges (the "Exchanges") is on a UTP basis and is subject to the Exchanges equity trading rules. The Shares will trade from 8:00 a.m. until 8:00 p.m. Eastern Time. Members trading the Shares during the Extended Market Sessions (Pre-opening and Post-closing sessions) are exposed to the risk of the lack of the calculation or dissemination of underlying index value or intraday indicative value ("IIV"). For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in the Extended Market hours. Since the underlying index value and IIV are not calculated or widely disseminated during Extended Market hours, an investor who is unable to calculate implied values for certain derivative securities products during Extended Market hours may be at a disadvantage to market professionals.

## **Trading Halts**

The Exchanges will halt trading in the Shares of a Trust in accordance with Exchange Rules 14.1(c)(4). The grounds for a halt under this Rule include a halt by the primary market because it stops trading the Shares and/or a halt because dissemination of the IIV or applicable currency spot price has ceased, or a halt for other regulatory reasons. In addition, the Exchanges will stop trading the Shares of a Trust if the primary market de-lists the Shares.

## **Suitability**

Trading in the Shares on the Exchanges will be subject to the provisions of EDGA and EDGX Exchange Rules 3.7. Members recommending transactions in the Shares to customers should make a determination that the recommendation is suitable for the customer. In addition, members must possess sufficient information to satisfy the "know your customer" obligation that is embedded in Exchange Rules 3.7.

Members also should review FINRA Notice to Members 03-71 for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

## **Delivery of a Prospectus**

Pursuant to federal securities laws, investors purchasing Shares must receive a prospectus prior to or concurrently with the confirmation of a transaction. Investors purchasing Shares directly from the Fund (by delivery of the Deposit Amount) must also receive a prospectus.

Prospectuses may be obtained through the Distributor or on the Fund's website. The Prospectus does not contain all of the information set forth in the registration statement (including the exhibits to the

registration statement), parts of which have been omitted in accordance with the rules and regulations of the SEC. For further information about the Fund, please refer to the Trust's registration statement.

### **Exemptive, Interpretive and No-Action Relief Under Federal Securities Regulations**

The SEC Division of Trading and Markets (formerly, the Division of Market Regulation) has issued letters dated October 24, 2006 and November 21, 2005 granting exemptive, interpretive and no-action relief from certain provisions of and rules under the Securities Exchange Act of 1934 for exchange-traded funds listed and traded on a registered national securities exchange that meet certain criteria. Members are referred to such letters, available at [www.sec.gov](http://www.sec.gov), regarding applicable relief.

### **Regulation M Exemptions**

Generally, Rules 101 and 102 of Regulation M prohibit any "distribution participant" and its "affiliated purchasers" from bidding for, purchasing, or attempting to induce any person to bid for or purchase any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities. The SEC has granted an exemption from Rule 101 under Regulation M to permit persons participating in a distribution of shares of the above-mentioned Funds to engage in secondary market transactions in such shares during their participation in such a distribution. In addition, the SEC has granted relief under Regulation M to permit persons who may be deemed to be participating in the distribution of Shares of the above-mentioned Funds (i) to purchase securities for the purpose of purchasing Creation Unit Aggregations of Fund Shares and (ii) to tender securities for redemption in Creation Unit Aggregations. Further, the SEC has clarified that the tender of Fund Shares to the Fund for redemption does not constitute a bid for or purchase of any of the Fund's securities during the restricted period of Rule 101. The SEC has also granted an exemption pursuant to paragraph (e) of Rule 102 under Regulation M to allow the redemption of Fund Shares in Creation Unit Aggregations during the continuous offering of Shares.

### **Section 11(d)(1); SEC Rules 11d1-1 and 11d1-2**

Section 11(d)(1) of the Act generally prohibits a person who is both a broker and a dealer from effecting any transaction in which the broker-dealer extends credit to a customer on any security which was part of a new issue in the distribution of which he participated as a member of a selling syndicate or group within thirty days prior to such transaction. The SEC has clarified that Section 11(d)(1) does not apply to broker-dealers that are not Authorized Participants (and, therefore, do not create Creation Unit Aggregations) that engage in both proprietary and customer transactions in Shares of a Fund in the secondary market, and for broker-dealer Authorized Participants that engage in creations of Creation Unit Aggregations. This relief is subject to specific conditions, including the condition that such broker-dealer (whether or not an Authorized Participant) does not, directly or indirectly, receive from the Fund complex any payment, compensation or other economic incentive to promote or sell the Shares of a Fund to persons outside the fund complex, other than non-cash compensation permitted under NASD Rule 2830(1)(5)(A), (B) or (C). (See [letter](#) from Catherine McGuire, Chief Counsel, SEC Division of Market Regulation, to Securities Industry Association, Derivative Products Committee, dated November 21, 2005.) The SEC also has taken a no-action position under Section 11(d)(1) of the Act that broker-dealers may treat Shares of a Fund, for purposes of Rule 11d1-2, as "securities issued by a registered open-end investment company as defined in the Investment Company Act" and thereby extend credit or maintain or arrange for the extension or maintenance of credit on Shares that have been owned by the persons to whom credit is provided for more than 30 days, in reliance on the exemption contained in the rule.

### **SEC Rule 15c1-5 and 15c1-6**

The SEC has taken a no-action position with respect to Rule 15c1-5 and Rule 15c1-6 as to the required disclosure of control by a broker or dealer with respect to creations and redemptions of Fund Shares and secondary market transactions therein. (See [letter](#) from Catherine McGuire, Chief Counsel, SEC Division of Market Regulation, to Securities Industry Association, Derivative Products Committee, dated November 21, 2005.)

**This Regulatory Information Circular is not a statutory Prospectus. Members should consult the Trust's [Registration Statement](#), SAI, Prospectus and the Fund's [website](#) for relevant information.**



## Appendix A

<b>Ticker</b>	<b>Fund Name</b>	<b>CUSIP</b>
FGM	First Trust Germany AlphaDEX <sup>®</sup> Fund	33737J190
FCAN	First Trust Canada AlphaDEX <sup>®</sup> Fund	33737J208
FAUS	First Trust Australia AlphaDEX <sup>®</sup> Fund	33737J216
FKU	First Trust United Kingdom AlphaDEX <sup>®</sup> Fund	33737J224
FTW	First Trust Taiwan AlphaDEX <sup>®</sup> Fund	33737J257
FHK	First Trust Hong Kong AlphaDEX <sup>®</sup> Fund	33737J240
FSZ	First Trust Switzerland AlphaDEX <sup>®</sup> Fund	33737J232