

**FIRST TRUST ALPHADEX™ CANADIAN DIVIDEND ETF  
NOTICE OF SPECIAL MEETING OF UNITHOLDERS**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**August 10, 2017**

**Meeting to be held at 10:00 a.m.  
September 20, 2017  
1 First Canadian Place  
Suite 6300  
100 King Street West  
Toronto, Ontario  
M5X 1B8**

**FT Portfolios Canada Co.  
40 King Street West, Suite 3001  
Scotia Plaza, Box 312  
Toronto, ON  
M5H 3Y2**

August 10, 2017

Dear Unitholders:

FT Portfolios Canada Co. (the “**Manager**”), manager of the First Trust AlphaDEX™ Canadian Dividend ETF (“**FDY**”), invites you to a special meeting (the “**Meeting**”) of holders (“**Unitholders**”) of units (“**FDY Units**”) of FDY to be held on September 20, 2017 at 10:00 a.m. (Toronto time) at 1 First Canadian Place, Suite 6300, 100 King Street West, Toronto, Ontario.

The purpose of the meeting (the “**Meeting**”) of Unitholders is to consider and vote upon a proposal (the “**Proposal**”) to merge FDY into First Trust Canadian Capital Strength ETF (“**FST**”), another exchange-traded fund (“**ETF**”) managed by the Manager (the “**Merger**”), in order to combine FDY and FST into one Canadian equity ETF with FST being the continuing fund (the “**Continuing Fund**”).

As FST is a substantially larger fund and is also managed by the Manager, merging FDY into FST will provide Unitholders with the opportunity to continue their investment in Canadian equities in a single fund that will have a larger market capitalization, and increased primary and secondary liquidity for the units. If the Proposal is approved and implemented, FST will be the continuing fund and Unitholders will become unitholders of FST as a result of the Merger.

The Proposal must be approved by a majority of votes cast at the Meeting by the Unitholders holding Common Units and Advisor Class Units voting together as a class. The Proposal is also subject to all securities regulatory and stock exchange approvals.

If approved by Unitholders the Proposal is expected to be implemented by the Manager on or about October 13, 2017.

Attached is a notice of the Meeting and a management information circular (the “**Circular**”), which contain important information relating to the Proposal. You are urged to read the Circular carefully. If you are in doubt as to how to deal with the matters described in the Circular, you should consult with your advisors. **The board of directors of the Manager has determined that the Proposal is in the best interests of the Unitholders. Accordingly, the board of directors of the Manager recommends that Unitholders vote in favour of the Proposal to be considered at the Meeting.**

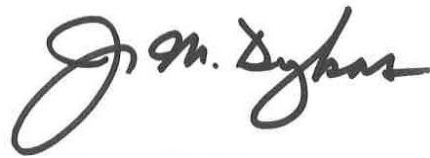
All Unitholders are encouraged to attend the Meeting. Please read the information in the enclosed Circular carefully and follow the instructions if you wish to vote in person or by proxy at the Meeting.

To vote at the Meeting, please submit a voting instruction form(s) in respect of the Proposal, as soon as possible, and in any event no later than 5:00 p.m. (Toronto time) on September 18, 2017.

If you have any questions relating to either the Proposal a representative of the Manager can be contacted toll-free at 1-877-622-5552, or you can write to Investor Relations, FT Portfolios Canada Co.,

40 King Street West, 30th Floor Suite 3001, Toronto, Ontario, M5H 3Y2, email: [info@firsttrust.ca](mailto:info@firsttrust.ca) or visit the Manager's website at [www.firsttrust.ca](http://www.firsttrust.ca).

Sincerely,

A handwritten signature in black ink, reading "J. M. Dykas". The signature is written in a cursive style with a large, looping initial "J" and a distinct "M".

James M. Dykas  
Chief Financial Officer

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**NOTICE OF SPECIAL MEETING OF UNITHOLDERS OF  
FIRST TRUST ALPHADDEX™ CANADIAN DIVIDEND ETF**

**TAKE NOTICE** that a special meeting (the “**Meeting**”) of holders (“**Unitholders**”) of units (“**Units**”) of First Trust AlphaDEX™ Canadian Dividend ETF (“**FDY**”) will be held on September 20, 2017 at 10:00 a.m. (Toronto time) at 1 First Canadian Place, Suite 6300, 100 King Street West, Toronto, Ontario to consider and vote upon a proposal (the “**Proposal**”) to:

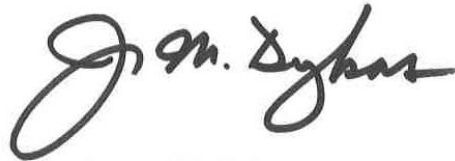
- merge FDY into First Trust Canadian Capital Strength ETF (“**FST**”) in order to combine FDY and FST into one Canadian equity ETF with FST being the continuing fund; and
- transact such other business as may properly come before the Meeting.

The full text of the resolutions relating to the Proposal is set out in Schedule B to the accompanying management information circular dated August 10, 2017.

The board of directors of FT Portfolios Canada Co. (the “**Manager**”), as manager of FDY, has determined that the Proposal is in the best interests of Unitholders. Accordingly, the board of directors of the Manager recommends that Unitholders vote in favour of the Proposal to be considered at the Meeting.

**DATED** at Toronto, Ontario as of the 10<sup>th</sup> day of August, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read "J. M. Dykas". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James M. Dykas, Chief Financial Officer

Note: Reference should be made to the accompanying management information circular for details of the above matters. If you are unable to be present in person at the Meeting, you are requested to complete and sign the enclosed form of proxy or voting instruction form and to return it in the enclosed prepaid envelope provided for that purpose. Voting instruction forms may be completed by telephone or through the internet at [www.proxyvote.com](http://www.proxyvote.com).

## MANAGEMENT INFORMATION CIRCULAR

### FIRST TRUST ALPHADDEX™ CANADIAN DIVIDEND ETF

The information contained in this management information circular (the “**Circular**”) is provided by FT Portfolios Canada Co. (the “**Manager**” or “**FT Canada**”), the manager of First Trust AlphaDEX™ Canadian Dividend ETF (“**FDY**”), in connection with the solicitation of proxies on behalf of the Manager to be used at the special meeting of the unitholders of FDY (the “**Unitholders**”) for the purposes described below.

The Meeting (as defined below) is to be held on September 20, 2017 at 10:00 a.m. (Toronto time) at Suite 6300, 1 First Canadian Place, 100 King Street West, Toronto, Ontario, M5X 1B8 (including any adjournment or postponement thereof, as the case may be).

Except as otherwise stated, the information contained in this Circular is given as of July 31, 2017 and all dollar amounts herein are expressed in Canadian dollars.

### THE FUND

FDY is an exchange-traded funds or “ETF” established under the laws of the Province of Ontario pursuant to a declaration of trust dated May 1, 2013, as amended from time to time (the “**Declaration of Trust**”). FT Canada acts as the manager and trustee of FDY. Further information relating to the management of FDY and FST (as defined below) is set forth in Schedule A hereto.

The principal office of FDY, FST and FT Canada is located at 40 King Street West, Suite 3001, Scotia Plaza, Box 312, Toronto, ON M5H 3Y2.

### PURPOSE OF THE MEETING

The purpose of the meeting of holders (“**Unitholders**”) of units of FDY (“**FDY Units**” or “**Units**”) is to consider and vote upon a proposal (the “**Proposal**”) to merge FDY into First Trust Canadian Capital Strength ETF (“**FST**”), another exchange-traded fund managed by the Manager (the “**Merger**”), in order to combine FDY and FST into one Canadian equity ETF, with FST being the continuing fund (the “**Continuing Fund**”).

The Proposal must be approved by a majority of votes cast at the Meeting by the Unitholders holding Common Units and Advisor Class Units voting together as a class. The full text of the resolutions relating to the Proposal is set out in Schedule B.

### DETAILS OF THE PROPOSAL

#### Proposal

Holders of FDY Units are being asked to pass an ordinary resolution in the form attached hereto as Schedule B to approve the Merger in order to combine FDY and FST (as the “**Continuing Fund**”) into one Canadian equity ETF. This will result in existing FDY Unitholders owning FST Units.

The result of the Merger is that FDY Unitholders will be invested in an ETF with a larger market capitalization and increased primary and secondary liquidity for the units. In addition, as FST has existing capital losses and non-capital tax losses, FST should be able to use such losses for the benefit all

Unitholders of the Continuing Fund. The Merger is expected to become effective on or about October 13, 2017.

Under the proposed Merger, FDY will sell all of its portfolio securities to FST (as the Continuing Fund) and FST (as the Continuing Fund) will issue units in the Continuing Fund (the “**CF Units**”) to FDY in consideration therefor. FDY will then redeem its FDY Units and pay the redemption proceeds to its unitholders in FST Units.

If the Merger is approved, the following steps will take place to implement the Merger:

- FDY will transfer all or substantially all of its net assets to FST in consideration for the issuance by FST to FDY of a number of FST Common Units and FST Advisor Class Units determined based on an exchange ratio established as of the close of trading on the business day immediately preceding the effective date of the Merger.
- The Exchange Ratio (as defined below) will be calculated based on the relative net asset values of the FST Units and the FDY Units.
- Immediately following the transfer of assets of FDY to FST and the issuance of FST Units to FDY, all the FDY Units will be automatically redeemed. Each FDY Unitholder will receive such number of FST Units as is equal to the number of FDY Units of a class held multiplied by the Exchange Ratio of such units.

FDY Units will be redeemed by FDY in exchange for FST Units at an exchange ratio (the “**Exchange Ratio**”) calculated based on the relative net asset value of each of the FDY Units and the FST Units at the close of trading on the Toronto Stock Exchange (the “**TSX**”) on the business day prior to the effective date of the Merger. The net asset value of the FDY Units and the FST Units will be calculated in accordance with the provisions of the Declaration of Trust. By way of an example, if, on the day prior to the effective date of the Merger, the net asset value per FDY Common Unit was \$20.00 and the net asset value per FST Common Unit was \$10.00, then on the date of the Merger, each FDY Common Unit would entitle the holder thereof to receive two FST Common Units. At current net asset values, it is estimated that approximately 0.61857 FST Common Units and 0.73359 FST Advisor Class Units would be issued under the Merger. No fractional units of FST or cash in lieu thereof will be issued or paid under the Merger. The Merger transaction will not be implemented as a qualifying exchange (i.e. not on a tax deferred basis) to FDY Unitholders so that the capital losses and non-capital tax losses in FST will continue to be available to the Continuing Fund. For further information regarding the tax implications of the FDY Proposal please see “Canadian Federal Income Tax Considerations”, below.

If the Merger is approved and implemented, holders of FDY Common Units will become holders of FST Common Units and holders of FDY Advisor Class Units will become holders of FST Advisor Class Units.

### **Comparison of FDY and FST**

FDY and FST have similar fundamental investment objectives and both seek to provide exposure to the performance of a portfolio of Canadian equities. FDY specifically seeks to invest in higher yielding dividend equities, whereas FST seeks to provide long term capital appreciation by investing in a broader portfolio of Canadian equities traded on a Canadian exchange or market.

The funds achieve their investment objectives through different investment strategies. FDY currently seeks to achieve its investment objective through applying the AlphaDEX® stock selection

methodology, where the Portfolio Advisor (as defined below) selects securities from a universe of Canadian companies whose dividend yield is greater than or equal to the median dividend yield of all members of the S&P/TSX Composite Index. The Merger of FDY into FST would result in a change of the current investment strategy of FDY to the quantitative selection process of FST combined with fundamental analysis as further described below:

#### *Investment Strategy of FST as the Continuing Fund*

To achieve its investment objectives, FST invests primarily in securities of issuers that are based in Canada or have significant business operations in the Canadian market. Securities invested in by FST include common shares of public companies that are traded on a Canadian exchange or market.

FST uses a multi-step, bottom-up quantitative selection process to identify its investible universe of securities, and fundamental analysis to make final portfolio selections. The selection process, described below, is designed to identify issuers that have certain objectives and easily determinable attributes that, in the opinion of First Trust Advisors L.P. (the “**Portfolio Advisor**”), makes them capital strength issuers.

The first step in the Portfolio Advisor’s selection process is to identify the universe of securities from which the Portfolio Advisor will select the portfolio. The Portfolio Advisor begins by selecting securities of issuers that, primarily, are traded on a Canadian exchange or market.

Next, the Portfolio Advisor evaluates issuers based on multiple quantitative metrics, including, but not limited to, cash on hand, return on equity and long term debt to market value of equity. These factors are designed to identify those issuers which exhibit strong fundamental characteristics at the time of purchase and to eliminate those that do not meet the investment criteria.

After establishing the investment universe, the Portfolio Advisor examines other factors, including valuation and future growth prospects, to determine securities it may purchase for the FST. The Portfolio Advisor then uses fundamental analysis to select securities that meet FST’s investment objectives, trade at attractive valuations and in the opinion of the Portfolio Advisor, are likely to exceed market expectations of future cash flows.

At the Portfolio Advisor’s discretion, FST may hold positions in securities that no longer meet the selection criteria of FST described above. This may occur due to special situations or after other considerations, including portfolio turnover or ensuring compliance with applicable Canadian securities legislation.

#### *Other Changes to Fund Attributes*

FDY currently has the same fee structure, valuation procedures, redemption rights, unit attributes and unitholder rights, as FST, which will not change pursuant to the Merger and are set out in detail in the current long-form prospectus of FDY and FST dated April 28, 2017 (the “**Prospectus**”). FST currently pays distributions on a quarterly basis and FDY pays dividends on a monthly basis, as described further in the Prospectus. Please see the Prospectus for the risk factors associated with an investment in Units of FST.

#### *Comparison of Performance*

The annual historical performance of FST’s investment strategy has outperformed the current investment strategy of FDY consistently over a 3-year period. On a three-year average annual basis over the period ending July 31, 2017, FST had annual returns of 4.30% net of fees and expenses versus FDY,



which produced annual returns of -0.78% net of fees and expenses. Past performance is not an indication of how FST will perform in the future. Please see below a more detailed historical performance comparison chart.

<b>Fund Performance – Annual Total Return</b>						
	<b>YTD</b> (as at July 31, 2017)	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>10 Year</b>	<b>Since Inception</b>
<b>FDY (Common Units) – Net Asset Value</b>	0.41%	5.29%	-0.78%	N/A	N/A	2.44%
<b>FST (Common Units) – Net Asset Value</b>	6.15%	15.57%	4.30%	11.60%	2.59%	6.88%

*The indicated rate(s) of return are the historical annual compounded total returns net of fees and expenses for the Common Units including changes in unit value and reinvestment of all dividends and do not take into account sales or distributions charges or income taxes payable by any security holder that would have reduced returns. Returns are average annualized total returns, except those for periods of less than one year, which are cumulative.*

### **RECOMMENDATION OF THE BOARD OF DIRECTORS**

The board of directors of the Manager has determined that the Proposal is in the best interests of Unitholders and unanimously recommends that Unitholders vote in favour of the Proposal. In making its recommendation, the board of directors of the Manager considered a number of factors.

In particular, the Manager believes that the Merger should provide Unitholders with several benefits, including the following:

- Broader market exposure - The investment objectives and investment strategy of FDY and FST are similar in that both funds are designed to provide exposure to Canadian equities, however, FST provides unitholders with exposure to a broader investment universe as opposed to just dividend paying equities. The Manager believes that the Canadian equity market continues to represent an attractive investment opportunity for Unitholders.
- Greater liquidity – FST has a larger asset base than FDY. The Merger of FDY and FST will provide Unitholders with a much larger market capitalization and the primary and secondary market for FST Units is expected to be more liquid.
- Tax losses – FST has existing capital and non-capital tax losses that will carry forward and continue to be available to the Continuing Fund, which may benefit all Unitholders of the Continuing Fund.

### **RECOMMENDATION OF THE INDEPENDENT REVIEW COMMITTEE**

As required by National Instrument 81-107 – *Independent Review Committee for Investment Funds* (“NI 81-107”), the Manager has presented the Proposal to the Independent Review Committee for a recommendation. The Independent Review Committee has reviewed the Proposal and has recommended that the Proposal be put to Unitholders for their consideration on the basis that the Proposal would achieve a fair and reasonable result for FDY.

### **CONDITIONS TO IMPLEMENTING THE PROPOSAL**

The Proposal is subject to Unitholder and TSX approvals. In addition, the Proposal is also subject to securities regulatory approval.

In accordance with the Declaration of Trust, the Proposal must be approved by a majority of votes cast at the Meeting by Unitholders holding Common Units and Advisor Class Units voting together as a class.

There can be no assurance that the conditions precedent to implementing the Proposal will be satisfied on a timely basis, if at all. If the requisite Unitholder approval for the Proposal is not obtained, or if any other required approval is not obtained, then the Proposal may not be implemented.

If the Proposal is approved, Unitholders will continue to be able to trade their FDY Units over the Toronto Stock Exchange and have the same right to redeem their units for cash as described in the Prospectus. As a result, Unitholders may sell or redeem their FDY Units prior to the implementation of the Proposal.

### **EXPENSES OF THE PROPOSAL**

Whether or not the Proposal is approved, all costs associated with the Merger will be borne by the Manager.

### **TERMINATION OF THE PROPOSAL**

The Proposal may, at any time before or after the holding of the Meeting, be terminated by the Board of Directors of the Manager, without further notice to, or action on the part of, Unitholders if the Board of Directors of the Manager determines in its sole judgement that it would be inadvisable for FDY to proceed with the Proposal.

### **INTERESTS OF MANAGEMENT AND OTHERS IN THE PROPOSAL**

FT Canada is the manager of FDY and FST. The Manager receives and will receive a management fee from FDY and FST as described in “Schedule A – Additional Information Regarding Management of the Fund”.

### **CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to FDY, the following is a summary of the principal Canadian federal income tax considerations relating to the resolutions that are generally applicable to Unitholders who, at all relevant times, for purposes of the *Income Tax Act* (Canada) and the regulations thereunder (the “**Tax Act**”), are resident or are deemed to be resident in Canada, hold their units as capital property, have not with respect to their units entered into a derivative forward agreement as defined in the Tax Act and deal at arm’s length with and are not affiliated with FDY. Certain holders whose securities might not otherwise qualify as capital property may be entitled to make the irrevocable election in the circumstances permitted by subsection 39(4) of the Tax Act to deem such securities (and all other Canadian securities owned by the holder) to be capital property. Holders considering making such an election should consult their own tax advisors.

This summary is based on the current provisions of the Tax Act, all specific proposal to amend the Tax Act and regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and counsel’s understanding of the current administrative policies and assessing practices of Canada Revenue Agency (“**CRA**”) published in writing prior to the date hereof. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except as mentioned above, does not anticipate any changes in the relevant laws, whether by judicial, governmental or legislative action or decision, nor any changes in the administrative policies or assessing practices of CRA, nor does it take into account provincial, territorial or foreign tax considerations, which may differ

significantly from those discussed herein. This summary also relies on advice from FDY relating to certain factual matters.

**This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any Unitholder, and no representations with respect to the income tax consequences to any particular Unitholder are made. Accordingly, Unitholders should consult their own tax advisors for advice with respect to the tax consequences to them of the Proposal.**

### **Tax Consequences to FDY**

On the disposition by FDY of substantially all of its net assets to FST, FDY will, in respect of such assets held as capital property, realize a capital gain (or capital loss) in the amount by which the proceeds of disposition of such assets exceed (or are less than) the aggregate of the adjusted cost base to FDY of such assets and any reasonable costs of disposition. The proceeds of disposition of such assets to FDY will equal the then fair market value of the FST Units received as consideration therefor. The Manager believes that FDY should have sufficient tax losses to offset any such capital gains, and that this situation is unlikely to change before the Merger is implemented and completed.

FST will acquire the assets of FDY at a cost equal to the then net asset value of the FST Units issued to FDY as consideration therefor (which the Manager expects to be representative of the fair market value of such Units at the time of issuance).

### **Tax Consequences to Unitholders**

FDY will distribute income and net realized capital gains (including, in the case of FDY, any gains arising on the transfer of its assets to FST) for the taxation year in which the Merger is implemented. Amounts considered to be paid or payable to a Unitholder out of the income or net taxable capital gains of FDY will be included in computing the income of such Unitholder.

A Unitholder will be considered to dispose of FDY Units upon the automatic redemption of such units for proceeds consisting of FST Units, and will be considered to realize a capital gain (or capital loss) in the amount by which the then fair market value of the FST Units received by such Unitholder exceeds (or is less than) the aggregate of such Unitholder's adjusted cost base of their FDY Units, taking into account distributions of income and net taxable capital gains, and any reasonable costs of disposition.

The aggregate cost for tax purposes to a Unitholder receiving FST Units as proceeds on the automatic redemption of FST Units will be the fair market value of such FST Units at the time the Merger is implemented.

Where a Unitholder has received a return of capital distribution from FDY in respect of a FDY Unit, the adjusted cost base of such FDY Unit will have been reduced by the amount of such distribution. To the extent that the adjusted cost base of such FDY Unit would otherwise be less than zero, a capital gain equal to the negative amount will have been deemed to have been realized by such Unitholder, and the adjusted cost base of such FDY Unit will have been increased by the amount of such deemed capital gain.

Unitholders must include one-half of any capital gain (a "taxable capital gain") in income and may deduct one-half of any capital loss realized against taxable capital gains subject to and in accordance with detailed rules in the Tax Act.

## VOTING SECURITIES AND PRINCIPAL UNITHOLDERS

As of July 31, 2017, the number of outstanding FDY Units were as follows:

Class of Units	Number Outstanding
Common Units	200,002
Advisor Class Units	49,998

To the knowledge of the directors and officers of the Manager, no person beneficially owned more than 10% of the outstanding FDY Units of any class at such time. CDS Clearing and Depository Services Inc. is the registered holder of all of the outstanding FDY Units.

### GENERAL PROXY INFORMATION

#### Management Information Circular

This Circular is furnished in connection with the solicitation of proxies by management of FDY to be used at the Meeting for the purposes set out in the notice accompanying this Circular or at any adjournment thereof. The Meeting will be held on September 20, 2017 at 10:00 a.m. (Toronto time) at 1 First Canadian Place, Suite 6300, 100 King Street West, Toronto, Ontario. Solicitation of proxies will be by mail, and may be supplemented by telephone or other personal contact by representatives or agents of FDY.

#### Proxy Information, Record Date, Voting Rights and Quorum

To be used at the Meeting, a proxy must be deposited with the registrar and transfer agent, which for the FDY Units is TSX Trust Company, at the address on the envelope provided at any time up to 5:00 p.m. (Toronto time) on September 18, 2017 or with the Chair of the Meeting prior to the commencement of the Meeting on the day of the Meeting or the day of any adjournment of the Meeting.

Only Unitholders of record at the close of business on August 15, 2017 will be entitled to receive notice of the Meeting and to vote in respect of the matters to be voted at the Meeting or any adjournment thereof, including the respective resolutions with respect to the Proposal.

With respect to each matter properly before the Meeting, a Unitholder shall be entitled to one vote for each FDY Unit registered in the name of such Unitholder. In order to become effective, the Proposal must be approved by a simple majority of holders of Common Units and Advisor Class Units of FDY voting together as a class and represented in person or by proxy at the Meeting.

Pursuant to the constating documents of FDY, a quorum at the Meeting will consist of two (2) Unitholders permitted to vote at the Meeting present in person or represented by proxy holding not less than five percent of the FDY Units then outstanding. If the quorum requirement is not satisfied within one-half hour of the scheduled time for the Meeting, then the Meeting will be adjourned by the Chair of the Meeting. If adjourned, the Meeting will be rescheduled to 10:00 a.m. (Toronto time) on October 2, 2017. At the adjourned Meeting, the business of the Meeting will be transacted by those Unitholders present in person or represented by proxy.

## **Appointment of Proxy Holders**

Unitholders who are unable to be present at the Meeting may still vote through the use of proxies. If you are a Unitholder, you should complete, execute and return the enclosed proxy form. By completing and returning the enclosed proxy form, you can participate in the Meeting through the person or persons named on the form. Please indicate the way you wish to vote and your vote will be cast accordingly. **If you do not indicate a preference, the FDY Units represented by the enclosed proxy form, if the same is executed in favour of the management appointees named in the proxy form and deposited as provided in the notice to this Circular (the “Notice”), will be voted in favour of all matters identified in the Notice.**

## **Discretionary Authority of Proxies**

The proxy forms confer discretionary authority upon the management appointees named therein with respect to such matters, including, without limitation, amendment or variation to the Proposal, as, though not specifically set forth in the Notice, may properly come before the Meeting. Management does not know of any such matter which may be presented for consideration at the Meeting. However, if such a matter is presented, the proxies will be voted on the matter in accordance with the best judgment of the management appointees named in the proxy forms.

On any ballot that may be called for at the Meeting, all FDY Units in respect of which the management appointees named in the accompanying proxy form have been appointed to act will be voted in accordance with the specification of the unitholder signing the proxy form. If no such specification is made, the FDY Units will be voted in favour of all matters identified in the Notice.

## **Alternate Proxy**

**A Unitholder has the right to appoint a person to represent them at the Meeting other than the management appointees designated on the accompanying proxy form by crossing out the printed names and inserting the name of the person he or she wishes to act as proxy in the blank space provided or by completing another proxy form. Proxy forms that appoint persons other than the management appointees whose names are printed on the form should be submitted to FDY and the person so appointed should be notified. A person acting as proxy need not be a Unitholder.**

On any ballot that may be called for the Meeting, all FDY Units in respect of which the management appointees named in the accompanying proxy form have been appointed to act will be voted in accordance with the specification of the Unitholder signing the proxy form. If the Unitholder specifies a choice with respect to any matter to be acted upon, the Units will be voted accordingly. If no such specification is made, the FDY Units may be voted in accordance with the best judgment of the person named in the proxy form. Furthermore, the person named in the proxy form will have discretionary authority with respect to any amendments to the matters set forth in the Notice and with respect to any other matters that may properly come before the Meeting, and will vote on such amendments and other matters in accordance with the best judgment of the person named in the proxy form.

## **Revocation of Proxies**

If the accompanying form of proxy is executed and returned, the proxy may nevertheless be revoked by an instrument in writing executed by the Unitholder or his or her attorney authorized in writing, as well as in any other manner permitted by law. Any such instrument revoking a proxy must either be deposited (a) with FDY’s transfer agent no later than 5:00 p.m. (Toronto time) on the day before the day of the Meeting or (b) with the Chair of the Meeting on the day of the Meeting or any adjournment

thereof. If the instrument of revocation is deposited with the Chair on the day of the Meeting or any adjournment thereof, the instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to that proxy.

### **Solicitation of Proxies**

In addition to solicitation by mail, officers and directors of the Manager, as the case may be, may, without additional compensation, solicit proxies personally or by telephone.

### **Advice to Beneficial Holders of Securities**

The information set forth in this section is of significant importance to beneficial holders of FDY Units (“**Beneficial Holders**”). Beneficial Holders should note that only proxies deposited by Unitholders whose names appear on the records of FDY as the registered holders of FDY Units can be recognized and acted upon at the Meeting. FDY Units held by brokers, dealers or their nominees can only be voted upon the instructions of the Beneficial Holder. Without specific instructions, brokers, dealers and their nominees are prohibited from voting FDY Units for their clients. FDY does not know for whose benefit the FDY Units registered in the name of such intermediaries are held. Therefore, Beneficial Holders cannot be recognized at the Meeting for purposes of voting their FDY Units in person or by way of proxy unless they comply with the procedures described below.

Applicable regulatory policy requires brokers, dealers and other intermediaries to seek voting instructions from Beneficial Holders in advance of the Meeting. Every intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Holders in order to ensure that their FDY Units are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Holder by its intermediary is identical to that provided to registered unitholders. However, its purpose is limited to instructing the registered unitholders how to vote on behalf of the Beneficial Holders. The majority of intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communication Solutions (“Broadridge”). Broadridge typically prepares a voting instruction form that it mails to the Beneficial Holders and asks Beneficial Holders to complete and return directly to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of FDY Units to be represented at the Meeting. **A Beneficial Holder receiving a voting instruction form cannot use that form to vote FDY Units directly at the Meeting. Rather, the voting instruction form must be returned to Broadridge well in advance of the Meeting to have the FDY Units voted.**

**If you are a Beneficial Holder and wish to vote in person at the Meeting, please contact your broker, dealer or other intermediary well in advance of the Meeting to determine how you can do so.**

### **FORWARD-LOOKING STATEMENTS**

**Certain statements in this Circular are forward-looking statements, including those identified by the expressions “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend” and similar expressions to the extent they relate to FDY or the Manager. Forward-looking statements are not historical facts but reflect the current expectations of FDY or the Manager regarding future results or events. Such forward-looking statements reflect FDY’s or the Manager’s current beliefs and are based on information currently available to them. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results or events to differ materially from current expectations. Some of these risks, uncertainties and other factors are described under the heading “Risk Factors” in the Prospectus. Although the forward-looking**

statements contained in this Circular are based upon assumptions that FDY or the Manager believe to be reasonable, neither FDY nor the Manager can assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements contained herein were prepared for the purpose of providing Unitholders with information about FDY and may not be appropriate for other purposes. Neither FDY nor the Manager assumes any obligation to update or revise them to reflect new events or circumstances, except as required by law.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

Additional information relating to the FDY Units, the FST Units, FDY and FST and the risks associated with an investment therein are described in the Prospectus, which is specifically incorporated by reference into, and forms an integral part of, this Circular. Any statement contained herein or in a document incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Circular to the extent that a statement contained herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Circular. Information on any website maintained by FDY, FST or the Manager does not constitute a part of this Circular. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

A copy of the documents incorporated by reference are available on SEDAR at [www.sedar.com](http://www.sedar.com). Copies of these documents will be provided by the Manager free of charge upon request. See “Additional Information”.

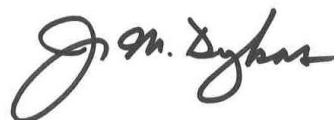
#### **ADDITIONAL INFORMATION**

Financial information about FDY is available in FDY’s comparative financial statements and management report of fund performance for its most recently completed financial year. These documents and other information about FDY are available on SEDAR at [www.sedar.com](http://www.sedar.com). Copies of these documents will be provided by the Manager free of charge upon request. To make such a request, call toll-free at 1-877-622-5552, write to Investor Relations, FT Portfolios Canada Co., 40 King Street West, 30th Floor Suite 3001, Toronto, Ontario, M5H 3Y2, email: [info@firsttrust.ca](mailto:info@firsttrust.ca) or visit the Funds’ website at [www.firsttrust.ca](http://www.firsttrust.ca).

#### **Approval by the Board of Directors**

The Board of Directors of the Manager has approved the contents and the sending of this Circular to Unitholders.

**DATED** as of the 10<sup>th</sup> day of August, 2017.



James M. Dykas  
Chief Financial Officer

## SCHEDULE A

### ADDITIONAL INFORMATION REGARDING MANAGEMENT OF THE FUND

Capitalized terms used but not defined in this Appendix shall have the meanings attributed to them in the management information circular of First Trust AlphaDEX™ Canadian Dividend ETF dated August 10, 2017. The below information is applicable to FDY and FST (together, the “Funds”).

#### **The Trustee, Manager and Promoter**

FT Portfolio Canada Co. is the trustee, manager and promoter of the Funds and is responsible for the administration of the Funds. It is a privately owned company and an affiliate of First Trust Portfolios L.P., a U.S. registered broker-dealer, and First Trust Advisors L.P., a U.S. registered investment advisor. The First Trust companies are a global enterprise with a history in the U.S. market since 1991 and in Canada since 1996.

FT Portfolios Canada Co. is registered with the Ontario Securities Commission as a mutual fund dealer and investment fund manager. Its head office and principal place of business is at 40 King Street West, 30th Floor Suite 3001, Toronto, Ontario, M5H 3Y2.

FT Portfolios Canada Co. may resign as trustee and/or manager of any of the Funds upon 60 days’ notice to the Unitholders. If the Manager resigns it may appoint its successor but, unless its successor is an affiliate of the Manager, its successor must be approved by the Unitholders. If the Manager is in material default of its obligations under the Declaration of Trust and such default has not been cured within 30 days after notice of the same has been given to the Manager, the Unitholders may remove the Manager and appoint a successor trustee and/or manager.

FT Portfolios Canada Co. is entitled to fees for its services as manager under the Declaration of Trust as described below. In addition, FT Portfolios Canada Co. and its affiliates and each of their directors, officers, employees and agents will be indemnified by each of the Funds for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced or other claim that is made against any of them in the exercise of FT Portfolios Canada Co.’s duties under the Declaration of Trust, if they do not result from FT Portfolios Canada Co.’s wilful misconduct, bad faith, gross negligence or material breach of its obligations thereunder.

The management and trustee services of FT Portfolios Canada Co. are not exclusive and nothing in the Declaration of Trust or any agreement prevents FT Portfolios Canada Co. from providing similar services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Funds) or from engaging in other business activities.

FT Portfolios Canada Co. has taken the initiative in founding and organizing the Funds and is, accordingly, the promoter of the Funds within the meaning of securities legislation of certain provinces and territories of Canada.

#### ***Management Fees***

Each Fund will pay the Manager a management fee and, in respect of the Advisor Class Units, an additional amount, as set forth in the table below based on the average daily net asset value (“NAV”) of the applicable Fund. The management fee, plus applicable taxes including HST, will be accrued daily and



paid monthly in arrears. The Manager may, from time to time in its discretion, waive all or a portion of the management fee charged at any given time.

<b>Fund</b>	<b>Maximum Annual Management Fee (%)</b>	<b>Additional amount applicable to Advisor Class Units</b>
First Trust AlphaDEX™ Canadian Dividend ETF	0.60% of NAV of the Fund	1.00% of NAV of Advisor Class Units (total: 1.60%)
First Trust Canadian Capital Strength ETF	0.60% of NAV of the Fund	1.00% of NAV of Advisor Class Units (total: 1.60%)

In the event that a Fund invests portfolio assets in another investment fund to obtain exposure to constituent securities the Fund will pay the other fund's management fee on the portion of the Fund's portfolio assets invested in the other fund, regardless of whether the other fund is managed by the Manager or an affiliate of the Manager. The management fee payable to the Manager will not be payable in respect of the portion of the Fund portfolio assets invested in the other fund to the extent that such fee would be duplicative.

***Advisor Class Unit Service Fee***

The Manager pays registered dealers a service fee equal to 1.00% per annum of the NAV of the Advisor Class Units in respect of each Fund for the Advisor Class Units held by clients of the registered dealer, plus any applicable taxes. The service fee will be calculated and accrued daily and paid quarterly at the end of each calendar quarter.

***Officers and Directors of the Trustee, Manager and Promoter***

The name and municipality of residence of each of the directors and executive officers of FT Portfolios Canada Co., the trustee, manager, and promoter of the Funds, and their principal occupations are as follows:

<b>Name and Municipality of Residence</b>	<b>Position with Manager</b>	<b>Principal Occupation</b>
ANDREW ROGGENSACK Western Springs, Illinois	Chair and Director	President, First Portfolios L.P., First Trust Advisors L.P. and First Trust Global Enterprises L.P.
DAVID G. MCGAREL Western Springs, Illinois	Director	Managing Director, Chief Investment Officer and Chief Operating Officer of First Trust Portfolios L.P., and First Trust Advisors L.P., and Chief Operating Officer of First Trust Global Enterprises L.P.
ERIC ANDERSON West Chicago, Illinois	Director	Senior Vice President, First Trust Portfolios L.P. and First Trust Advisors L.P.

<b>Name and Municipality of Residence</b>	<b>Position with Manager</b>	<b>Principal Occupation</b>
JAMES M. DYKAS Orland Park, Illinois	Chief Financial Officer	Chief Financial Officer of First Trust Portfolios L.P., First Trust Advisors L.P., and First Trust Global Enterprises L.P.
KARL CHEONG Toronto, Ontario	Director	Head of ETFs, Canada of FT Portfolios Canada Co.
STEVEN KIM Toronto, Ontario	Senior Vice President and Chief Compliance Officer	Senior Vice President of FT Portfolios Canada Co.

Each of the foregoing individuals has held his or her current office or a senior position with the Manager or an affiliate thereof during the past five years other than Andrew Roggensack who was appointed Chair and became a director on July 18, 2017, Eric Anderson who became a director on July 18, 2017 and Karl Cheong who became a director on July 18, 2017.

As the table illustrates, Mr. Roggensack is President of First Trust Portfolios L.P., First Trust Advisors L.P. and First Trust Global Enterprises L.P. Mr. McGarel is Managing Director, Chief Investment Officer and the Chief Operating Officer of First Trust Portfolios L.P., First Trust Advisors L.P. and Chief Operating Officer of First Trust Global Enterprises L.P. Mr. Anderson is a Senior Vice President of First Trust Portfolio L.P. and First Trust Advisors L.P. Mr. Dykas is the Chief Financial Officer of First Trust Portfolios L.P., First Trust Advisors L.P. and First Trust Global Enterprises L.P. First Trust Global Enterprises L.P., is a holding company that indirectly holds all of the shares of the Manager through FDPM Trust and First Trust Portfolios L.P. is a privately owned investment manager, affiliated with the Manager and located in Wheaton, Illinois.

### **The Portfolio Advisor**

First Trust Advisors L.P. is the portfolio advisor (the “**Portfolio Advisor**”) of the Funds and is responsible for providing investment advisory services to the Funds. First Trust Advisors L.P. is registered with the Ontario Securities Commission as a portfolio manager. The Portfolio Advisor is a well-respected global enterprise with a history in the US market since 1991 and together with its affiliate, First Trust Portfolios L.P., has approximately 700 employees in North America. The Portfolio Advisor has approximately US\$45.6 billion in exchange-traded fund assets under management and more than US\$107.6 billion total assets under supervision or management as of June 30, 2017. The principal office of First Trust Advisors L.P. is located at 120 E Liberty Drive, #400, Wheaton, Illinois, 60187, United States.

#### ***Duties and Services to be Provided by the Portfolio Advisor***

The portfolio advisor agreement (the “**Portfolio Advisor Agreement**”) between the Portfolio Advisor and the Manager sets out the duties of the Portfolio Advisor. Under the Portfolio Advisor Agreement, the Portfolio Advisor is responsible for the implementation of the overall investment strategy of the Funds which includes the acquisition of the securities in the portfolio.

Under the Portfolio Advisor Agreement, the Portfolio Advisor is required to act at all times on a basis which is fair and reasonable to the Funds, to act honestly and in good faith with a view to the best interests of the Unitholders of the applicable Fund, and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent portfolio advisor would exercise in comparable circumstances. The Portfolio Advisor Agreement provides that the Portfolio Advisor shall not be liable to the Manager, the Funds, a Unitholder thereof or any other person for any loss in respect of an investment

decision if such decision shall have been made with due care and in good faith, provided the Portfolio Advisor has satisfied the duties and standard of care, diligence and skill set forth above and further provided the Portfolio Advisor has not acted with wilful misconduct, bad faith, reckless disregard or gross negligence in the performance of its obligations and duties under the Portfolio Advisor Agreement or materially breached the terms of such agreement. The Funds shall indemnify the Portfolio Advisor and its directors, officers, employees and agents and save them harmless in respect of all losses, liabilities, damages, expenses and costs incurred in connection with any action, suit or proceeding or other claim that is made against the Portfolio Advisor or any of its directors, officers, employees or agents in the exercise of their duties under the Portfolio Advisor Agreement, except those resulting from the Portfolio Advisor's wilful misconduct, bad faith, reckless disregard, gross negligence or material breach of its obligations and duties under such agreement.

The Portfolio Advisor Agreement, unless terminated in accordance with its terms, will continue in effect until the termination of the Manager as manager of the Funds. The Manager can terminate the Portfolio Advisor Agreement at any time on 30 days' notice for breach thereof by the Portfolio Advisor. The Portfolio Advisor's appointment under the Portfolio Advisor Agreement may be immediately terminated by the Manager if (i) the Portfolio Advisor shall cease to carry on business, become bankrupt or insolvent, resolve to wind up, dissolve or liquidate, if a receiver of any of the assets of the Portfolio Advisor is appointed or if the Portfolio Advisor makes a general assignment for the benefit of its creditors, (ii) the Manager establishes that the Portfolio Advisor has committed any fraud or material wrongdoing in conducting its business, generally or under the Portfolio Advisor Agreement or (iii) the Portfolio Advisor has lost any registration, license or other authorization required of it to perform its services under the Portfolio Advisor Agreement. The Portfolio Advisor Agreement may be terminated by either party on 60 days' notice to the other party. The Portfolio Advisor Agreement may be assigned by the Portfolio Advisor to an affiliate thereof. In addition, pursuant to the terms of the Portfolio Advisor Agreement, the Portfolio Advisor may retain a sub-advisor to provide investment advisory and portfolio management services.

The Portfolio Advisor is entitled to fees for providing investment management services. All such fees will be paid to the Portfolio Advisor by the Manager.

The services of the Portfolio Advisor and its officers and directors are not exclusive to the Manager. The Portfolio Advisor or any of its affiliates and associates may, at any time, engage in the promotion, management or investment management of any other entity which invests primarily in the same securities as those held by the Funds and provide similar services to other investment funds and other clients and engage in other activities. Investment decisions for the Funds will be made independently of those made for other clients and independently of investments of the Portfolio Advisor. On occasion, however, the Portfolio Advisor may identify the same investment for the Funds and for one or more of its other clients. If the Funds and one or more of the other clients of the Portfolio Advisor are engaged in the purchase or sale of the same security, the transactions will be effected on an equitable basis.

There is no one individual primarily responsible for investment management decisions made by the Portfolio Advisor for the Funds. Rather, investment decisions are made under the direction of an investment committee. The investment committee consists of Roger F. Testin, Jon C. Erickson, David G. McGarel, Daniel J. Lindquist and John H. Sherren. The below table sets forth information about these individuals:

<b>Name</b>	<b>Title with the Portfolio Advisor</b>	<b>Length of Service</b>
ROGER. F. TESTIN	Senior Vice President	Since 2001
JON C. ERICKSON	Senior Vice President	Since 1994
DAVID G. MCGAREL	Managing Director and Chief Investment Officer	Since 1997
DANIEL J. LINDQUIST	Managing Director	Since 2004
JOHN H. SHERREN	Vice President	Since 1998

Each of the foregoing individuals has held his or her current office or a senior position with the Portfolio Advisor or an affiliate thereof during the past five years, except as stated above and further explained below.

Roger F. Testin is a senior vice president of the Portfolio Advisor and chairman of the investment committee in respect of Canadian funds advised by the Portfolio Advisor and presides over its meetings. As the head of the portfolio management group for the Portfolio Advisor, Mr. Testin is responsible for executing instructions from the Portfolio Advisor's strategy research group and equity research group.

Jon C. Erickson is a senior vice president of the Portfolio Advisor. As head of the Portfolio Advisor's equity research group, Mr. Erickson is responsible for determining the securities to be purchased and sold by funds that do not utilize quantitative investment strategies.

David G. McGarel is a managing director and chief investment officer of the Portfolio Advisor. As chief investment officer, Mr. McGarel consults with the investment committee on market conditions and the Portfolio Advisor's general investment philosophy.

Daniel J. Lindquist is a managing director of the Portfolio Advisor. He acts as the chairman of the investment committee and presides over investment committee meetings. Mr. Lindquist is also responsible for overseeing the implementation of investment strategies for investment funds being advised by the Portfolio Advisor.

John H. Sherren is a vice president of the Portfolio Advisor. In June 2012 Mr. Sherren became a member of the investment committee in respect of Canadian funds advised by the Portfolio Advisor. As vice president of the Portfolio Advisor's research department, Mr. Sherren is responsible for assisting in the selection, supervision, and management of securities for the equity portion of the Portfolio Advisor's product line. Mr. Sherren has acted in this capacity since 2007. From 1998 to 2007, Mr. Sherren held the position of equity analyst in the research department.

**SCHEDULE B**

**ORDINARY RESOLUTION  
FIRST TRUST ALPHADDEX™ CANADIAN DIVIDEND ETF  
(the “Fund”)**

**BE IT RESOLVED THAT AS AN ORDINARY RESOLUTION THAT:**

1. The merger of the Fund with First Trust Canadian Capital Strength ETF described in the Fund’s management information circular dated August 10, 2017, is hereby authorized and approved.
2. The directors and officers of FT Portfolios Canada Co. (“**FT Canada**”), the manager of the Fund, are hereby authorized and directed to take such action and to execute and deliver such documentation as may be necessary or desirable for the implementation of this resolution.
3. Notwithstanding the provisions hereof, the directors of FT Canada may revoke this resolution at any time without further approval of the unitholders of the Fund.