

RND

First Trust Bloomberg R&D Leaders ETF

The **First Trust Bloomberg R&D Leaders ETF (RND)** is an exchange-traded fund (ETF) that seeks investment results that correspond generally to the price and yield, before the fund's fees and expenses, of an index called the Bloomberg R&D Leaders Select Index (the "Index").

FUNDING INNOVATION

As advancements in scientific research and artificial intelligence ("A.I.") continue to disrupt older technologies, the integration of technology and process will continue to transform the way business is conducted. To harness these waves of innovation, companies frequently invest resources to enhance existing products or processes in order to generate a future economic benefit. The **First Trust Bloomberg R&D Leaders ETF** provides exposure to companies that seek to return implicit value to shareholders by reinvesting in their own growth. The fund aims to include companies that have consistently increased their research and development ("R&D") expenditures for at least three consecutive years and that have a meaningful portion of their sales devoted to R&D expenditures.

CHART 1: IMPACT OF R&D SPENDING

Over time, the continual growth of R&D expenditures may contribute to greater sales and net income growth for these businesses as compared to the market. As shown in the chart below, the average R&D spending for companies in the Bloomberg R&D Leaders Select Index far outpaces that of the average U.S. companies' R&D spending, as represented by broad U.S. benchmarks.

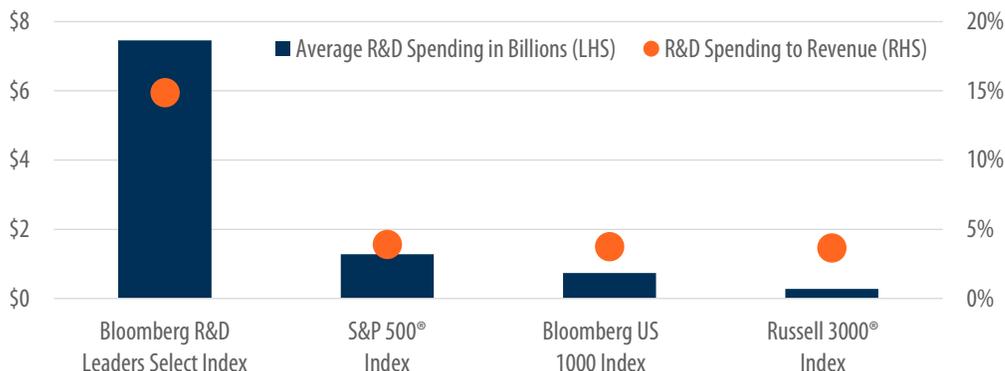


CHART 2: BLOOMBERG R&D LEADERS SELECT INDEX TOP 10 CONSTITUENTS

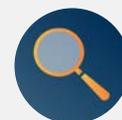
	Weighting	R&D Spending to Revenue		Weighting	R&D Spending to Revenue
NVIDIA Corp	12.66%	14.90%	Meta Platforms Inc	4.76%	29.59%
Amazon.com Inc	8.24%	14.78%	Eli Lilly & Co	4.63%	27.29%
Microsoft Corp	7.76%	28.53%	Oracle Corp	0.95%	16.98%
Alphabet Inc	7.50%	7.75%	QUALCOMM Inc	0.90%	14.24%
Apple Inc	6.18%	12.09%	Intel Corp	0.88%	23.87%

FUND DETAILS

Fund Ticker	RND
CUSIP	33738R621
Intraday NAV	RNDIV
Fund Inception Date	4/30/2024
Investment Advisor	First Trust Advisors L.P.
Primary Listing	NYSE Arca

CONSIDER THESE FACTORS

- Global R&D analytics market demand is anticipated to have a compound annual growth rate of 12.1% from 2022 to 2032.¹
- The U.S. was projected to spend \$679.4 billion in R&D in 2022, making the United States the leader in worldwide R&D expenditures.²
- According to 2022 R&D World forecasts, \$2.476 trillion was invested globally in R&D efforts, a 5.43% increase from 2021.²



¹Source: Future Market Insights, October, 2022.

²Source: R&D World, 2022 Global R&D Funding Forecast, latest data available.

All data as of 3/28/24 unless otherwise noted. Source for Chart 1: Bloomberg, S&P, Russell. Source for Chart 2: Bloomberg Top 10 constituents in the Bloomberg R&D Leaders Select Index based on R&D spending as of 3/28/24. R&D Spending and Revenue is based on the trailing twelve months. R&D Spending to Revenue is the Average R&D Spending divided by the Average R&D Revenue of index constituents. The charts are for illustrative purposes only and not indicative of the fund. There is no guarantee that past trends will continue in the future. References to specific securities should not be construed as a recommendation to buy or sell and should not be assumed profitable. LHS = Left-hand side. RHS = Right-hand side.

INDEX CONSTRUCTION PROCESS

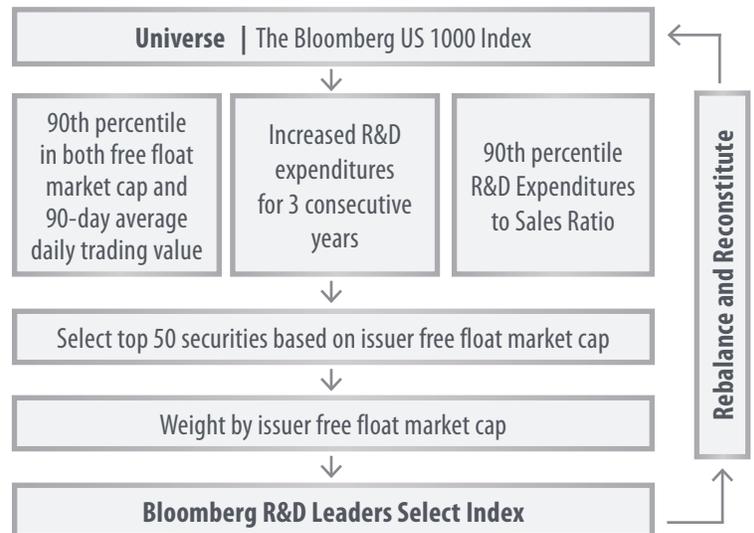
Universe | Begin with a universe of all the securities comprising the Bloomberg US 1000 Index (the “Parent Index”).

Eligibility Criteria | According to the Index provider, a security must meet the following requirements to be eligible for inclusion:

- Be within the top 90th percentile of the Parent Index in both free float market capitalization and 90-day average daily trading value
- Have increased R&D expenditures for three consecutive years
- Be in the top 90th percentile in the Parent Index in R&D Expenditures to Sales Ratio

Security Selection & Weighting | The top 50 securities are selected by issuer free float market capitalization and weighted accordingly.

Rebalancing | The index is rebalanced quarterly and reconstituted semi-annually.



You should consider the fund’s investment objectives, risks, and charges and expenses carefully before investing. Contact First Trust Portfolios L.P. at 1-800-621-1675 or visit www.ftportfolios.com to obtain a prospectus or summary prospectus which contains this and other information about the fund. The prospectus or summary prospectus should be read carefully before investing.

RISK CONSIDERATIONS

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

Unlike mutual funds, shares of the fund may only be redeemed directly from a fund by authorized participants in very large creation/redemption units. If a fund’s authorized participants are unable to proceed with creation/redemption orders and no other authorized participant is able to step forward to create or redeem, fund shares may trade at a premium or discount to a fund’s net asset value and possibly face delisting and the bid/ask spread may widen.

Current market conditions risk is the risk that a particular investment, or shares of the fund in general, may fall in value due to current market conditions. As a means to fight inflation, the Federal Reserve and certain foreign central banks have raised interest rates and expect to continue to do so, and the Federal Reserve has announced that it intends to reverse previously implemented quantitative easing. Recent and potential future bank failures could result in disruption to the broader banking industry or markets generally and reduce confidence in financial institutions and the economy as a whole, which may also heighten market volatility and reduce liquidity. Ongoing armed conflicts between Russia and Ukraine in Europe and among Israel, Hamas and other militant groups in the Middle East, have caused and could continue to cause significant market disruptions and volatility within the markets in Russia, Europe, the Middle East and the United States. The hostilities and sanctions resulting from those hostilities have and could continue to have a significant impact on certain fund investments as well as fund performance and liquidity. The COVID-19 global pandemic, or any future public health crisis, and the ensuing policies enacted by governments and central banks have caused and may continue to cause significant volatility and uncertainty in global financial markets, negatively impacting global growth prospects.

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

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

Health care companies may be affected by government regulations and government health care programs, increases or decreases in the cost of medical products and services and product liability claims, among other factors. Many health care companies are heavily dependent on patent protection, and

the expiration of a company’s patent may adversely affect that company’s profitability. Health care companies are also subject to competitive forces that may result in price discounting, may be thinly capitalized and susceptible to product obsolescence.

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

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

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

Information technology companies are subject to certain risks, including 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 regulation and frequent new product introductions.

Large capitalization companies may grow at a slower rate than the overall market.

Market risk is the risk that a particular security, or shares of a fund in general may fall in value. Securities are subject to market fluctuations caused by such factors as general economic conditions, political events, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Shares of a fund could decline in value or underperform other investments as a result. In addition, local, regional or global events such as war, acts of terrorism, spread of infectious disease or other public health issues, recessions, natural disasters or other events could have significant negative impact on a fund.

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

Mid capitalization companies may experience greater price volatility than larger, more established companies.

Large inflows and outflows may impact a new fund’s market exposure for limited periods of time.

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

A fund classified as “non-diversified” may invest a relatively high percentage of its assets in a limited number of issuers. As a result, a fund may be more

susceptible to a single adverse economic or regulatory occurrence affecting one or more of these issuers, experience increased volatility and be highly concentrated in certain issuers.

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

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

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

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

First Trust Advisors L.P. (FTA) is the adviser to the First Trust fund. FTA is an affiliate of First Trust Portfolios L.P., the distributor of the fund.

The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person. By providing this information, First Trust is not undertaking to give advice in any fiduciary capacity within the meaning of ERISA, the Internal Revenue Code or any other regulatory framework. Financial professionals are responsible for evaluating investment risks independently and for exercising independent judgment in determining whether investments are appropriate for their clients.

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Free float refers to the number of outstanding shares that are available to the public for trade.

The **S&P 500® Index** is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance.

The **Bloomberg US 1000 Index** is a float market-cap-weighted benchmark of the 1000 most highly capitalized US companies.

The **Russell 3000® Index** is comprised of 3,000 large U.S. companies, as determined by market capitalization. It captures approximately 98% of the investable U.S. equity market.