

# MDEV

## First Trust Indxx Medical Devices ETF

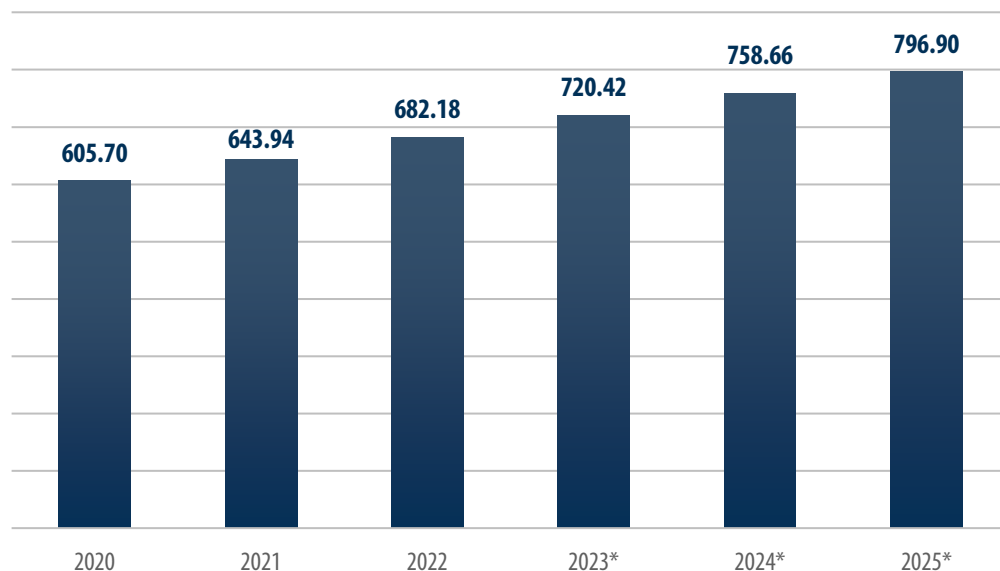
**First Trust Indxx Medical Devices ETF** seeks investment results that correspond generally to the price and yield, before fees and expenses, of an index called the Indxx Medical Devices Index.

### WHY CONSIDER MDEV?

The health care industry is undergoing fundamental transformations as a shift toward an aging population, prevalence of chronic diseases and advances in innovative technologies continue to increase health care demand and expenditures, particularly in the wake of the COVID-19 pandemic. There may be continued demand for diagnostic instruments, interventional devices, general laboratory equipment and medical supplies such as gloves, syringes, and masks as the health care industry continues to grow and evolve. MDEV provides exposure to companies that comprise the medical devices industry, which are those that focus on developing equipment, instruments, and machines to diagnose, monitor, and treat diseases.

### PROJECTED GLOBAL MARKET SIZE FOR MEDICAL DEVICE TECHNOLOGIES

(in billions \$)



Source: BCC Research  
\*Projected

<sup>1</sup>Source: Grand View Research; <sup>2</sup>Source: Research and Markets; <sup>3</sup>Source: Statista; <sup>4</sup>Source: Data Bridge Market Research  
There is no guarantee that past trends will continue or projections will be realized.

### FUND DETAILS

Fund Ticker	MDEV
Investment Advisor	First Trust Advisors L.P.
CUSIP	33738R639
Intraday NAV	MDEVIV
Fund Inception Date	6/22/21
Primary Listing	Cboe BZX
Rebalance Frequency	Semi-Annual

### MEDICAL DEVICES INDUSTRY POISED FOR GROWTH

- The U.S. medical device manufacturers market size was valued at \$176.7 billion in 2020 and is anticipated to increase by a compound annual growth rate (CAGR) of 5.0% from 2021-2028.<sup>1</sup>
- The global market for surgical robots is expected to experience a CAGR of 11.52% from 2020-2027.<sup>2</sup>
- The global medical technology revenue is projected to reach \$594.5 billion in 2024.<sup>3</sup>
- The smart medical devices market is expected to grow with a CAGR of 20.1% between 2021-2028.<sup>4</sup>



**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](http://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.**

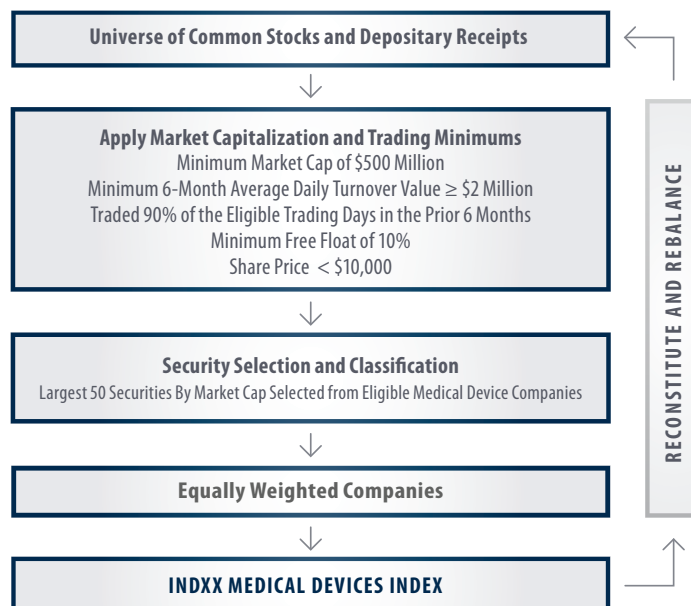
## INDEX CONSTRUCTION PROCESS ACCORDING TO THE INDEX PROVIDER

**Universe** | Begin with a universe of common stocks and depositary receipts of companies listed in a developed market or emerging market, as defined by the index provider.

**Eligibility Criteria** | Each security must have a minimum market capitalization of \$500 million; six-month average daily turnover value of at least \$2 million; traded on at least 90% of the eligible trading days in the last 6 months or in the past 3 months for a security recently issued in an initial public offering; a minimum free float of 10% of shares outstanding; and a share price of less than \$10,000 for new index constituents.

**Security Selection & Classification** | Eligible securities from medical device companies that derive a minimum of 50% of their total revenue from business activities associated with medical equipment are ranked based upon their market capitalization. The top 50 companies are selected.

**Weighting & Rebalancing** | Securities selected for inclusion in the index are weighted equally. The index is rebalanced semi-annually and reconstituted annually.



## 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.

Changes in currency exchange rates and the relative value of non-US currencies may affect the value of a fund's investments and the value of a fund's shares.

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.

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

Investments in emerging market securities are generally considered speculative and involve additional risks relating to political, economic and regulatory conditions.

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.

Political or economic disruptions in European countries, even in countries in which a fund is not invested, may adversely affect security values and thus the fund's holdings. A significant number of countries in Europe are member states in the European Union, and the member states no longer control their own monetary policies. In these member states, the authority to direct monetary policies, including money supply and official interest rates for the Euro, is exercised by the European Central Bank. The implications of the United Kingdom's withdrawal from the European Union are difficult to gauge and cannot yet be fully known.

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.

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.

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

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

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

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

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.

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

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

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

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.

Indxx and Indxx Medical Devices Index ("Index") are trademarks of Indxx, Inc. ("Indxx") and have been licensed for use for certain purposes by First Trust. The Fund is not sponsored, endorsed, sold or promoted by Indxx and Indxx makes no representation regarding the advisability of trading in such product. The Index is determined, composed and calculated by Indxx without regard to First Trust or the Fund.

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