



FOR IMMEDIATE RELEASE

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### **First Trust Expands its ETF Lineup with Active Factor ETFs**

*ETFs that deploy a systematic, active strategy targeting four main factor exposures*

**WHEATON, IL** – (BUSINESS WIRE) – December 4, 2019 – [First Trust Advisors L.P.](#) (“First Trust”) a leading exchange-traded fund (“ETF”) provider and asset manager, announced today that it has launched three actively managed ETFs: the First Trust Active Factor Large Cap ETF (NYSE Arca: AFLG), the First Trust Active Factor Mid Cap ETF (NYSE Arca: AFMC) and the First Trust Active Factor Small Cap ETF (NYSE Arca: AFSM) (collectively, “the funds”). The funds seek to provide capital appreciation by investing at least 80% of their net assets (including investment borrowings) in equity securities. The funds will principally invest in the common stocks of U.S. companies that are listed and traded on a U.S. national securities exchange.

The portfolios combine both a multi-factor quantitative methodology to identify attractive stocks and an active risk overlay to manage factor and risk exposures to construct a portfolio of securities exhibiting exposure to one or more investing factors including value, momentum, quality and low volatility. “Factor-based investing has gained popularity among investment advisors over the past several years, and First Trust has been a leading provider of factor ETFs for well over a decade. One of the challenges that advisors face in utilizing factor ETFs is determining how to combine these factors, especially as valuations and other attributes evolve over time,” said Ryan Issakainen, CFA, Senior Vice President, ETF Strategist at First Trust. The funds’ active risk management allows the investment advisor to maintain exposure to desired factors while controlling exposure to industries/sectors, single stock risk and other risks. The active strategy gives it the flexibility to alter the investing factors used in the construction of the funds’ portfolios in response to changes in market conditions, emergent academic research or other considerations. “These actively-managed ETFs harness First Trust’s expertise to target exposure to rewarded factor premiums, while also attempting to mitigate unintended biases and manage overall portfolio risk,” said Issakainen.

The funds are managed by First Trust Advisors L.P., with selection and portfolio decisions made by an Investment Committee. The Investment Committee manages the selection of the securities by leveraging the knowledge of First Trust’s research and portfolio management teams who understand the factors that drive risk-adjusted returns.

For more information about First Trust, please contact Ryan Issakainen at (630) 765-8689 or [RIssakainen@FTAdvisors.com](mailto:RIssakainen@FTAdvisors.com).

#### **About First Trust**

First Trust is a federally registered investment advisor and serves as the funds’ investment advisor. First Trust and its affiliate First Trust Portfolios L.P. (“FTP”), a FINRA registered broker-dealer, are privately held companies that provide a variety of investment services. First Trust has collective assets under management or supervision of approximately \$137 billion as of October 31, 2019 through unit investment trusts, exchange-traded funds, closed-end funds, mutual funds



and separate managed accounts. First Trust is the supervisor of the First Trust unit investment trusts, while FTP is the sponsor. FTP is also a distributor of mutual fund shares and exchange-traded fund creation units. First Trust and FTP are based in Wheaton, Illinois. For more information, visit <https://www.ftportfolios.com>.

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***You should consider the funds' 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 funds. The prospectus or summary prospectus should be read carefully before investing.***

### **ETF Characteristics**

The funds list and principally trade their shares on the NYSE Arca, Inc.

Investors buying or selling fund shares on the secondary market may incur customary brokerage commissions. Market prices may differ to some degree from the net asset value of the shares. Investors who sell fund shares may receive less than the share's net asset value. Shares may be sold throughout the day on the exchange through any brokerage account. However, unlike mutual funds, shares 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 discount to a fund's net asset value and possibly face delisting.

### **Risk Considerations**

The funds' shares will change in value, and you could lose money by investing in the funds. One of the principal risks of investing in the funds is market risk. Market risk is the risk that a particular security owned by the funds, funds shares or securities in general may fall in value. There can be no assurance that the funds' investment objective will be achieved.

The funds may invest in securities issued by companies concentrated in a particular industry or sector, which involves additional risks including limited diversification. The funds may invest in small capitalization and mid capitalization companies. Such companies may experience greater price volatility than larger, more established companies.

As the use of Internet technology has become more prevalent in the course of business, the funds have become more susceptible to potential operational risks through breaches in cyber security.

The funds currently have fewer assets than larger, more established funds, and like other relatively new funds, large inflows and outflows may impact the funds' market exposure for limited periods of time.

There can be no assurance that the securities held by the funds will stay within each fund's intended market capitalization range.

The funds are classified as "non-diversified" and may invest a relatively high percentage of their assets in a limited number of issuers. As a result, the funds 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.

Actively managed funds are subject to management risk because the advisor or sub-advisor will apply investment techniques and risk analyses that may not have the desired result.

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 advisors are responsible for evaluating investment risks independently and for exercising independent judgment in determining whether investments are appropriate for their clients.

# First Trust

First Trust Advisors L.P. is the adviser to the funds. First Trust Advisors L.P. is an affiliate of First Trust Portfolios L.P., the funds' distributor.

Source: First Trust Advisors L.P.