

First Trust

EKG

First Trust Nasdaq Lux Digital Health Solutions ETF

The **First Trust Nasdaq Lux Digital Health Solutions ETF** 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 Nasdaq Lux Health Tech Index™ (the "index").

AHEAD OF THE PULSE

Transformative shifts within health care are creating opportunities for companies that embrace innovation in technological and medical advances. Personalized, real-time analytics delivered from a wearable device, the use of artificial intelligence, virtual reality and augmented reality during surgical procedures, developments in genomic sequencing—these are just a few of the breakthroughs brought about by innovations in digital health, a rapidly growing segment of the health technology industry. In 2021, \$37.9 billion was invested in U.S. digital health startups, a significant increase from \$21.7 billion in 2020, according to the Wall Street Journal.¹ This multidisciplinary digital health space harnesses the power of today's digital technologies and tools with an eye to fundamentally change the future of diagnosis, treatment and the quality and longevity of human life. The fund provides exposure to companies that are primarily engaged in and involved at the intersection of healthcare and technology ("Digital Health Companies"), including those focused on healthcare technology in medical and surgical devices, clinical diagnostics, healthcare-related business/productivity software and other healthcare technology.



ABOUT THE INDEX | The Nasdaq Lux Health Tech Index™ is comprised of Digital Health Companies that Lux Capital, an emerging science and technology-focused venture capital firm, defines as being engaged in at least one of the following:

- + Development or commercialization of a medical device or life science/diagnostic tool or instrument
- + Development of a proteomics, next-generation sequencing ("NGS"), genome sequencing, and/or genetic testing platform
- + Development of a clinically actionable genomic information platform
- + Development of software that is used to collect healthcare data to provide users with analytics
- + Development or commercialization of a connected hardware, handheld/advanced imaging or wearable device intended for remote monitoring, diagnosis or treatment
- + Development of a digital interface or application that improves access to and quality of healthcare
- + Participation in at least one of the following markets: therapeutic devices; at-home connected fitness and wellness tech; fitness wearables; tech-enabled at-home or remote care; tech-enabled health networks; tech-enabled clinical trial and research; online healthcare platforms; femtech; laboratory services that commonly use techniques involving medical devices such as NGS and laboratory informatics software to provide results and interpretation to patients; and healthcare technology systems

FUND DETAILS

Fund Ticker	EKG
Investment Advisor	First Trust Advisors L.P.
CUSIP	33719L106
Intraday NAV	EKGIV
Fund Inception Date	3/22/22
Primary Listing	Nasdaq
Rebalance Frequency	Semi-Annual

CONSIDER THESE FACTORS:

- **\$639 billion** | The forecast size of the global digital health market in 2026.²
- **20.1%** | The expected compound annual growth rate (CAGR) of the smart medical devices market between 2021-2028.³
- **\$254 billion** | The expected global Internet of Medical Things (IoMT) market is in 2026.⁴
- In **2003**, it cost \$10-\$50 million to generate a human genome sequence (excluding the cost of analysis) and took 122 days. In **2020**, it cost \$942 (excluding the cost of analysis) and took one day.⁵

¹Source: Wall Street Journal, January 2022

²Source: Statista, June 2020

³Source: Data Bridge Market Research, April 2021

⁴Source: AllTheResearch, March 2020

⁵Source: Statista, November 2020.

There is no guarantee that past trends will continue or projections will be realized.

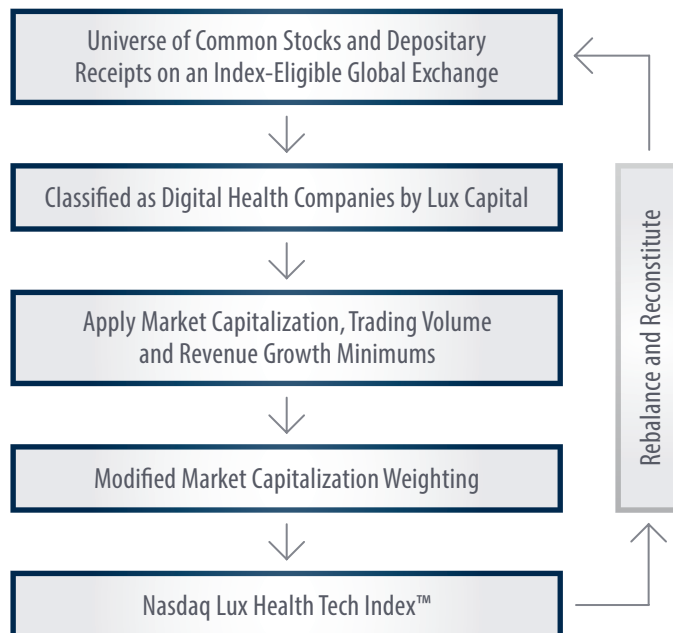
INDEX CONSTRUCTION PROCESS

UNIVERSE | Begin with a universe of common stocks and depositary receipts of companies listed on an index-eligible global stock exchange by issuers classified by Lux Capital as Digital Health Companies.

ELIGIBILITY CRITERIA | Each security must have a minimum free float market capitalization of \$500 million and a 3-month average daily trading volume of at least \$3 million. In order to remain in the index, companies must have at least 7% revenue growth in one of the two preceding years or a market capitalization of at least \$50 billion. Companies added to the index during reconstitutions must have annual revenue growth of at least 10% in each of the two preceding full fiscal years.

SECURITY SELECTION & WEIGHTING | Securities selected for the index are weighted according to a modified market capitalization methodology. Under this methodology, the weighting of each security is determined by dividing its free float market capitalization by the aggregate free float market capitalization of all the securities in the index subject to a maximum weighting of 8%. These weights are maintained for the five securities with the largest free float market capitalization, and all other securities in the index are subject to a maximum weighting of 4%. Thus, no security may be weighted above 8% and only five securities may exceed 4%.

REBALANCE | The index is rebalanced 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 SAI 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.

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.

Companies in health care technology may be susceptible to risks which include, but are not limited to, small or limited markets for such securities, changes in business cycles, world economic growth, technological progress, rapid obsolescence, and government regulation. Health care technology companies may have limited product lines, markets, financial resources or personnel. These companies are also heavily dependent on intellectual property rights, and challenges to or misappropriation of such rights could have a material adverse effect on such companies.

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.

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, or other events could have significant negative impact on a fund. In February 2022, Russia invaded Ukraine which has caused and could continue to cause significant market disruptions and volatility within the markets in Russia, Europe, and the United States. The hostilities and sanctions resulting from those hostilities could have a significant impact on certain fund investments as well as fund performance. The COVID-19 global pandemic has caused and may continue to cause significant volatility and declines in global financial markets. While the U.S. has resumed "reasonably" normal business activity, many countries continue to impose lockdown measures. Additionally, there is no guarantee that vaccines will be effective against emerging variants of the disease.

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.

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.

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

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.