

 First Trust

# GRID

## First Trust Nasdaq Clean Edge Smart Grid Infrastructure UCITS ETF

Investor guide

**For professional investors only, not intended for retail investors.**

This is a marketing communication. Please refer to the prospectus of the Fund and to the KIID before making any final investment decisions. Please refer to Page 6 for more details on risks associated with an investment in the Fund.

## The power of the Smart Grid

With the emergence of the always-on, internet-driven era, combined with the recent rise in demand for cleaner energy sources; the Grid is poised to experience its own technological renaissance.

The electrification of everything is a concept that most of the energy we use will come from an electric socket. The current electric grid was developed over 100 years ago when energy needs were limited, and communication flow was one-dimensional. Smart Grids are crucial to powering our future electricity-dependent world.

First Trust Nasdaq Clean Edge Smart Grid Infrastructure UCITS ETF ("**GRID**") offers thematic investors an efficient solution based on a well-researched, disciplined and transparent index methodology, offering pure play access to the smart grid and electric infrastructure sector.

## Forecasting the Grid



**\$14 trn**

Cumulative expected investment in Grid infrastructure between 2020 and 2050<sup>1</sup>.



**66%**

Wind and solar generation to make up for GB energy supply by 2030<sup>2</sup>



**52%**

New passenger vehicles sold in the US to be electric vehicles by 2030<sup>3</sup>



**91%**

Global GDP covered by nations with net zero goals<sup>4</sup>

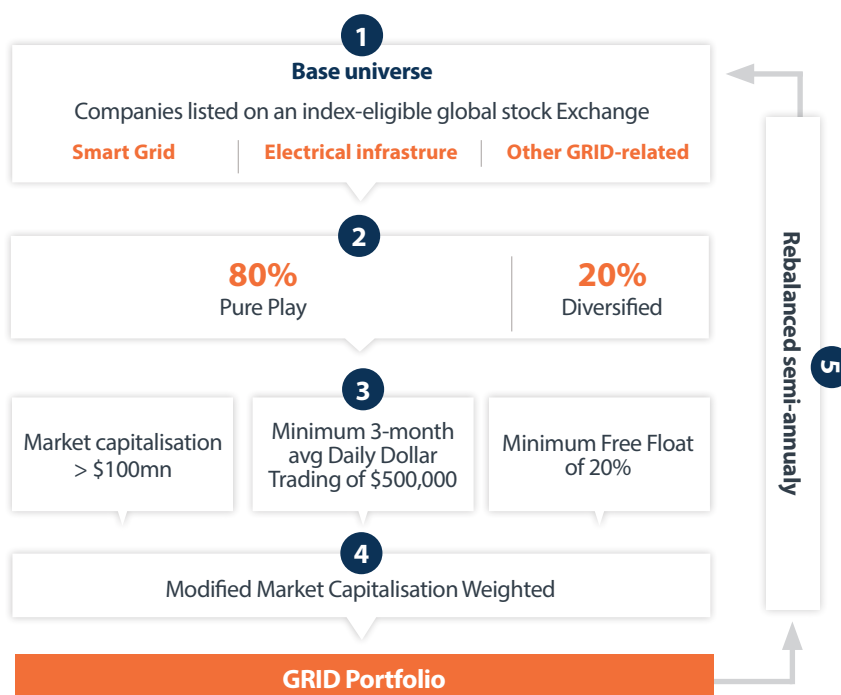
(1) BloombergNEF, "Power Grid Long-Term Outlooks 2021" (2) Nationalgrideso (3) Bloomberg (4) Zerotracker.net





## First Trust's Smart Grid Infrastructure methodology applies the following steps:

<b>Base universe</b>	Begin with the companies listed on an index-eligible global stock exchange which are classified as a smart grid, electric infrastructure and/or other grid-related activities company, as determined by Clean Edge, Inc.
<b>Company selection</b>	Clean Edge identifies each eligible company as either "pure play" or "diversified." <ul style="list-style-type: none"> <li>• Pure play companies derive at least 50% of their revenue from smart grid, electric infrastructure and/or other grid-related activities.</li> <li>• Diversified companies derive between 10%-50%, or at least \$1 billion, of their revenue from smart grid, electric infrastructure and/or other grid-related activities.</li> </ul>
<b>Eligibility criteria</b>	Each security must have a minimum market capitalisation of \$100 million, minimum 3-month average daily dollar trading of \$500,000 and a minimum free float of 20%.
<b>Portfolio weightings</b>	Pure play securities are given a collective weight of 80% and diversified securities are given a collective weight of 20%. Securities are initially weighted by market capitalisation. Weights are then adjusted to ensure that no pure play security has a weight exceeding 8% and that no diversified security has a weight greater than 2%.
<b>Index rebalancing</b>	The index is rebalanced quarterly and reconstituted semi-annually.



## Who is Clean Edge?

- Clean Edge, Inc. is a developer and publisher of thematic stock indexes tracking clean energy, transportation, water, and the grid.<sup>5</sup>
- The firm's first index, the Nasdaq Clean Edge Green Energy Index (CELS) (tracking U.S.-listed clean-energy companies), was launched with Nasdaq in 2006 – one of the earliest.<sup>5</sup>
- Financial products tracking the firm's indexes and universes exceed \$4 billion in assets under management (as of March 2022).<sup>5</sup>

(5) Cleanedge.com

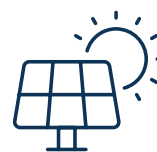
## Key points



The smart grid is a renovation of the electricity supply chain, which is designed to modernize how we produce, transport, use and store energy.



The growth in renewables and the need to charge electric vehicles require a more flexible, “smarter” grid. We believe that those companies that provide smart grid infrastructure are poised to benefit.



GRID provides exposure to both cutting-edge technologies and companies in the energy space, leaving traditional fossil fuels producers behind.

## Fund facts

**Tracking index** The Nasdaq® OMX Clean Edge® Smart Grid Infrastructure Index<sup>SM</sup>

**Inception date** 21 April 2022

**TER** 0.63%

**ISIN** IE000J80JTL1

**Rebalancing** Quarterly

Trading information	Exchange	Currency	Ticker	SEDOL
	London Stock Exchange	USD	GRDU LN	BN4QFH6
	London Stock Exchange	GBP	FGRD LN	BN4QFJ8
	Borsa Italiana	EUR	GRID IM	BNHSST2
	Deutsche Börse Xetra	EUR	GRID GY	BNHSSW5

**Income treatment** Accumulating

**Replication** Physical - Full Replication

**Base currency** USD

## Risks

- The Fund may not achieve its investment objective and the value of shares in the Fund may fall.
- Neither First Trust Global Portfolios Management Limited (“FTGPM”) nor any of its affiliates, guarantees the performance or the future returns of the Fund.
- The Fund may be subject to information technology companies risk. Information technology companies are generally subject to the following risks: rapidly changing technologies; short product life cycles; fierce competition; aggressive pricing and reduced profit margins; the loss of patent, copyright and trademark protections; cyclical market patterns; evolving industry standards; and frequent new product introductions. Information technology companies may be smaller and less experienced companies, with limited product lines, markets or financial resources and fewer experienced management or marketing personnel. Information technology company stocks, particularly those involved with the Internet, have experienced extreme price and volume fluctuations that are often unrelated to their operating performance.
- There is no assurance that the Index will continue to be calculated and published on the basis described in the Prospectus. In addition, the Fund’s return may not match the return of the Index.
- The Fund may be subject to Chinese investment risks, including risk related to variable interest entities (“VIEs”). In China, direct ownership of companies in certain sectors by foreign individuals and entities is prohibited, and VIE structures are put in place to allow indirect foreign investment, including an investment by the Fund. Although VIEs are a longstanding industry practice and well known to officials and regulators in China, VIEs are not formally recognized under Chinese law. Intervention by the Chinese government with respect to VIEs could cause the market value of the Fund’s associated holdings to suffer significant, and possibly permanent, effects which could negatively impact the Fund’s Net Asset Value and could result in substantial losses. Further, it is uncertain whether any new laws, rules or regulations relating to VIE structures will be adopted or, if adopted, what impact they would have on the value of a Fund’s shares.
- See also the description of the risks applicable to the Fund in “Risk Factors” in the Prospectus.

## Important information

This marketing communication is issued by First Trust Global Portfolios Management Limited (“FTGPM”) whose place of business is Fitzwilliam Hall, Fitzwilliam Place, Dublin 2, D02 T292. FTGPM is authorised and regulated by the Central Bank of Ireland (“CBI”) (C185737). The Fund is also regulated by the CBI.

Nothing contained herein constitutes investment, legal, tax or other advice and it is not to be solely relied on in making an investment or other decision, nor does the marketing communication implicitly or explicitly recommend or suggest an investment strategy, reach conclusions in relation to an investment strategy for the reader, or provide any opinions as to the present or future value or price of any fund. It is not an invitation, offer, or solicitation to engage in any investment activity, including making an investment in the Fund, nor does the information, recommendations or opinions expressed herein constitute an offer for sale of the Fund.

The Fund is an open-ended sub-fund of the First Trust Global Funds PLC (the “Company”), an umbrella UCITS fund with segregated liability between sub-funds, incorporated with limited liability as an investment company with variable capital under the laws of Ireland with UCITS registered number 514357.

The material in this marketing communication is solely for marketing purposes and is not sufficient to make an investment decision. This marketing communication is not contractually binding, nor required by any applicable laws and must therefore be read in conjunction with the Fund’s prospectus and KIID, which contains material information not contained herein, including the terms of investment and information regarding investment risks and restrictions, fees and expenses and conflicts of interests. Potential investors should pay particular attention to the risk disclosures in the “Risk Factors” section of the Fund’s prospectus. No assurance can be given that the Fund’s investment objective will be achieved or that the Fund will generate a positive return. Please contact FTGPM or visit [www.ftglobalportfolios.com](http://www.ftglobalportfolios.com) to obtain a prospectus and/or KIIDs (available for each share class of each of the sub-funds of the Company and in one of the official languages of each of the EU Member States into which each sub-fund has been notified for marketing under the Directive 2009/65/EC (the UCITS Directive)). Investors and potential investors can obtain a summary in English of investor rights and information on access to collective redress mechanisms in the event of litigation at the following website: [https://www.ftglobalportfolios.com/Content/SUMMARY\\_OF\\_INVESTOR\\_RIGHTS](https://www.ftglobalportfolios.com/Content/SUMMARY_OF_INVESTOR_RIGHTS).

The Fund is currently notified for marketing into a number of EU Member States under the UCITS Directive. The Company may however decide to terminate the arrangements made for the marketing of any share class of the Fund at any time using the process contained in the UCITS Directive.

Any UCITS ETF’s units / shares purchased on the secondary market cannot usually be sold directly back to UCITS ETF. Investors must buy and sell units / shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current net asset value when buying units / shares and may receive less than the current net asset value when selling them.

The Company’s portfolio holdings policy is designed to be transparent, whilst being in the best interest of the Fund and protecting the confidentiality of each Fund’s portfolio holdings. The full portfolio holdings for the Fund shall generally be available daily, with a one-day lag, on [www.ftglobalportfolios.com](http://www.ftglobalportfolios.com). Any portfolio holdings information which may otherwise be provided on request shall be provided on a confidential basis.

The First Trust Cloud Computing UCITS ETF is not sponsored, endorsed, sold or promoted by Nasdaq, Inc., or its affiliates (Nasdaq, with its affiliates, are referred to as the “Corporations”). The Corporations’ only relationship to First Trust is in the licensing of Nasdaq, Inc. and certain trade names of the Corporations and the use of the ISE Index which is determined, composed and calculated by Nasdaq, Inc. without regard to First Trust or the Fund.

**Investors in the UK:** This document is only for, or directed at persons who are professional clients or eligible counterparties for the purposes of the FCA’s Conduct of Business Sourcebook. This document is exempt from the scheme promotion restriction (in Section 238 of the Financial Services and Markets Act 2000 (“FSMA”) on the communication of invitations or inducements to engage in investment activity) on the grounds that it is a recognised collective investment scheme (a “recognised scheme”) for the purposes of section 264 of the FSMA of the United Kingdom. Most of the protections provided by the UK regulatory system do not apply to the operation of the Funds and compensation will not be available under the UK Financial Services Compensation Scheme on its default. **For Investors in Austria:** The Fund is registered for public offer in Austria. The Prospectus, Key Investor Information Document (“KIID”) and other documents, as well as the annual and semi-annual reports have been published in Austria and are available free of charge from Erste Bank der österreichischen Sparkassen AG, Graben 21, A-1010 Wien, the Austrian paying and information agent. **For Investors in Belgium:** The offering of Shares has not been and will not be notified to the Belgian Financial Services and Markets Authority (Autoriteit voor Financiële Diensten en Markten/Autorité des Services et Marchés Financiers) nor has this document been, nor will it be, approved by the Financial Services and Markets Authority. Shares may be offered in Belgium only to professional investors, in reliance of article 5, §1 of the Law of August 3, 2012 on collective investment undertakings that satisfy the conditions of Directive 2009/65/EC and undertakings for investments in receivables (the “Law of August 3, 2012”), such investors acting for their own account and subject to them complying with the resale condition as set forth in that article 5, §1 of the Law of August 3, 2012. **For Investors in Denmark:** This document is only for the attention of “Professional” investors as defined in Directive 2004/39/EC dated 21 April 2004 on Markets in Financial Instruments (MIFID), to investment services providers and any other professional of the financial industry. The products and services to which this communication relates are only available to such persons and persons of any other description should not rely on this communication. The Fund has been registered with the Financial Supervisory Authority of Denmark (Finanstilsynet) in order to market its shares for sale to professional investors only in Denmark in accordance with the Danish Investment Associations Act and Executive Order on the Marketing of Foreign UCITS in Denmark, each as amended from time to time. **For Investors in Finland:** This document is only for the attention of “Professional” investors as defined in Finnish law implementing Directive 2004/39/EC dated 21 April 2004 on Markets in Financial Instruments (MIFID), to investment services providers and any other professional of the financial industry. The products and services to which this communication relates are only available to such persons and persons of any other description should not rely on this communication. The Fund has been registered with the Financial Supervisory Authority of Finland (Finanssivalvonta) in order to market its shares for sale to professional investors only in Finland in accordance with the Finnish Act on Common Funds (48/1999) as amended from time to time. **For Investors in France:** This document is only for the attention of professional investors (as defined under the European Directive 2004/39/EC dated 21 April 2004 on Markets in Financial Instruments (“MIFID”)), investing for their own account or on behalf of their discretionary clients and management companies (fund of funds). It is not to be distributed to the public. The

marketing of the Fund by First Trust Global Portfolios Management Limited has been notified to the Autorité des marchés financiers in accordance with the European Directive 2014/91/EU dated 23 July 2014 (“UCITS V”). Prospective investors may obtain the KIIDs (in French or English language) and the current prospectus, the articles of incorporation, as well as the latest annual and semi-annual reports (in English language), free of charge from the French Centralizing correspondent RBC Investors Services Bank France SA and it is located at 195, rue Réaumur, 75002 Paris. **For Investors in Germany:** This document is only for the attention of “Professional” investors as defined in Directive 2004/39/EC dated 21 April 2004 on Markets in Financial Instruments (“MiFID”), to investment services providers and any other professional of the financial industry. The offering of the UCITS ETFs by the Company has been notified to the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) in accordance with Section 310 of the German Investment Code (KAGB). Prospective investors may obtain the KIID in German and the current Prospectus, the articles of incorporation, as well as the latest annual and semi-annual report, in English, free of charge from FinCo Financial Communications GmbH, Großer Burstah 42, 20457 Hamburg. **For Investors in Iceland:** This document has been issued to you for your use only and exclusively for the purpose of the described investment opportunities. Accordingly, this document and relevant information may not be used for any other purpose or passed on to any other person in Iceland. The investment described in this document has been registered for public distribution in Iceland with the Financial Supervisory Authority pursuant to the Icelandic Act on Undertakings for Collective Investment in Transferable Securities (UCITS) and Investment Funds and Institutional Investment Funds No. 128/2011 and supplementary regulations. The Investment may not be offered or sold by means of this document or in any way later resold otherwise than in accordance with the ACT No. 128/2011. **For Investors in Ireland:** The distribution of this document in Ireland and the offering or purchase of Shares of the Fund is restricted to the individual to whom it is addressed. Accordingly, it may not be reproduced in whole or in part, nor may its contents be distributed in writing or orally to any third party and it may be read solely by the person to whom it is addressed and his/her professional advisers. Shares in the Fund will not be offered or sold by any person: a) otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007, as amended; or b) in any way which would require the publication of a prospectus under the Companies Act 2014, as amended or any regulations made thereunder; or c) in Ireland except in all circumstances that will result in compliance with all applicable laws and regulations in Ireland. **For Investors in Italy:** This information document is addressed to professional investors only, as defined in Directive 2004/39/EC of 21 April 2004 (MiFID). The present document does not constitute in any way an offer or recommendation to make investments in the Fund or to execute other transactions in relation to the latter. The investors shall consult with their investment consultants in order to analyse the legal, fiscal and accounting aspects of the investment or other transactions concerning the investment in the Fund and evaluate whether such investment or transaction is suitable to their own risk profile, financial status and investment objectives. The Fund has been registered with the Commissione Nazionale per le Società e la Borsa (CONSOB) for the offer in Italy towards professional investors only. Before taking any investment decisions, the prospecting investors should read carefully the KIID (available in Italian) and the Prospectus on the following website [www.ftglobalportfolios.com](http://www.ftglobalportfolios.com). **For Investors in Luxembourg:** The Fund is registered for public offer in Luxembourg. The Prospectus, Key Investor Information Document (“KIID”) and other documents as well as the annual and semi-annual reports are available in English free of charge from CACEIS Bank Luxembourg, 5, allée Scheffer, L-2520 Luxembourg. **For Investors in Monaco:** The Fund may not be offered or sold, directly or indirectly, to the public in Monaco other than by a Monaco Bank or a duly authorized Monegasque intermediary acting as a professional institutional investor which has such knowledge and experience in financial and business matters as to be capable of evaluating the risks and merits of an investment in the Fund. Consequently, this document may only be communicated to (i) banks, and (ii) portfolio management companies duly licensed by the “Commission de Contrôle des Activités Financières” by virtue of Law n° 1.338, of September 7, 2007, and authorized under Law n° 1.144 of July 26, 1991. Such regulated intermediaries may in turn communicate this document to potential investors under their own liability. **For Investors in the Netherlands:** This document is only for the attention of “Professional” investors as defined in Directive 2004/39/EC dated 21 April 2004 on Markets in Financial Instruments (“MiFID”), to investment services providers and any other professional of the financial industry. The products and services to which this communication relates are only available to such persons and persons of any other description should not rely on this communication. The Company has completed its notification to the Authority Financial Markets

(Stichting Autoriteit Financiële Markten) in the Netherlands in order to market its shares for sale to the public in the Netherlands according to Section 2:72 of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht) as amended from time to time. **For Investors in Norway:** This document is only for the attention of “Professional” investors as defined in Directive 2004/39/EC dated 21 April 2004 on Markets in Financial Instruments (MiFID). The products and services to which this communication relates are only available to such persons and persons of any other description should not rely on this communication. The Fund has been registered with the Financial Supervisory Authority of Norway (Finanstilsynet) in accordance with the Norwegian Securities Funds Act section 9-3, in order to market its shares for sale to professional investors only in Norway. **For Investors in Portugal:** This information document is addressed to professional investors only, as defined in Directive 2004/39/EC of 21 April 2004 (MiFID). The present document does not constitute in any way an offer or recommendation to make investments in the Fund or to execute other transactions in relation to the latter. The investors shall consult with their investment consultants in order to analyse the legal, fiscal and accounting aspects of the investment or other transactions concerning the investment in the Fund and evaluate whether such investment or transaction is suitable to their own risk profile, financial status and investment objectives. The offering of the First Trust UCITS ETFs in Portugal has been notified to the Portuguese Securities Market Commission (Comissão do Mercado dos Valores Mobiliários) for the purposes of Article 196 of the Portuguese General Framework on Collective Investment Schemes (Regime Geral dos Organismos de Investimento Colectivo). Prospective investors may obtain the KIID in Portuguese and the current Prospectus, the articles of incorporation, as well as the latest annual and semi-annual report, in English, free of charge from [www.ftglobalportfolios.com](http://www.ftglobalportfolios.com). **For Investors in Spain:** This document is only for, or direct at persons who, are “professional clients” for the purposes of Article 205 of the Royal Legislative Decree 4/2015, of 23 October, which approves the recast text of the Securities Market Law. The products and services to which this communication relates are only available to such persons and persons of any other description should not rely on this communication. The Fund has been registered with the Comisión Nacional del Mercado de Valores (CNMV) in Spain with registration number 1545. Any investment decision must be based solely on the basis of a careful consideration and understanding of all information contained in the latest Fund’s prospectus and key investor information document (KIID). All mandatory official documentation (including the prospectus and the KIID) shall be available through the relevant distributors in Spain, in hard copy or by electronic means, and also available free of charge upon request by writing to [EuroSales@ftgportfolios.com](mailto:EuroSales@ftgportfolios.com) or consulting [www.ftgportfolios.com](http://www.ftgportfolios.com), where you may also obtain updated information on the net asset value of the relevant shares. It is advisable to obtain further information and request professional advice before taking an investment decision. **For Investors in Sweden:** This document is only for the attention of “Professional” investors as defined in the Swedish Securities Markets Act (Sw. lag (2007:528) om värdepappersmarknaden), implementing Directive 2004/39/EC dated 21 April 2004 on Markets in Financial Instruments (MiFID) into Swedish law, to investment services providers and any other professional of the financial industry. The products and services to which this communication relates are only available to such persons and persons of any other description should not rely on this communication. The Fund has been registered with the Swedish Financial Supervisory Authority (Sw.Finansinspektionen) in accordance with Chapter 1, Section 7 of the Swedish Securities Funds Act (Sw. lag (2004:46) om värdepappersfonder), as amended from time to time. Prospective investors may obtain the KIID in Swedish and the current Prospectus, the articles of incorporation, as well as the latest annual and semi-annual report, in English, free of charge from [www.ftgportfolios.com](http://www.ftgportfolios.com). **For Investors in Switzerland:** The distribution of shares in Switzerland will be exclusively made to, and directed at, qualified investors (the “Qualified Investors”), as defined in the Swiss Collective Investment Schemes Act of 23 June 2006, as amended (“CISA”) and its implementing ordinance. Accordingly, the Fund has not been and will not be registered with the Swiss Financial Market Supervisory Authority (FINMA). This document and/or any other offering materials relating to the Fund may be made available in Switzerland solely to Qualified Investors. For this, the Fund has appointed as Swiss Representative Waystone Fund Services (Switzerland) SA, Av. Villamont 17, 1005 Lausanne, Switzerland, Tel: +41 21 311 17 77, email: [switzerland@waystone.com](mailto:switzerland@waystone.com). The Fund’s paying agent is Banque Cantonale de Genève. Any Fund Documentation may be obtained free of charge from the Swiss Representative in Lausanne. The information provided here is for general information only and historical performance is not a guide to current or future performance.



## More information

For more information about the services offered by First Trust in relation to Clean Edge Smart Grid, please contact our team today.

[info@ftgportfolios.com](mailto:info@ftgportfolios.com)

## About First Trust

Our mission and approach are simple. We aim to offer investors a better way to invest by providing transparent and innovative solutions - through knowing what we own, investing for the long term, employing discipline and rebalancing our portfolios.