

# RND

## First Trust Bloomberg R&D Leaders ETF

### Fund Description

RND tracks a market cap-weighted index of 30-50 US stocks with substantial expenditures dedicated to research and development.

### FactSet Analyst Report

RND tracks an index of stocks with increased research and development for new products and services that are expected to generate future economic benefits. From a starting universe of 1,000 US large- and mid-cap companies, the fund considers stocks that have increased R&D expenditures for the past three years. The fund then screens securities for the top 90th percentile in terms of R&D expenditures to sales ratio. Finally, the top 30-50 securities by market capitalization are selected. If less than 30 stocks meet the requirements, the fund could relax the R&D expenditures to sales screen and rank securities just by their R&D expenditures. The portfolio is market cap-weighted, subject to diversification and sector limits. The index is rebalanced quarterly and reconstituted semi-annually.