

» Fund Objective

This exchange-traded fund seeks investment results that correspond generally to the price and yield (before the fund's fees and expenses) of an equity index called the ISE CTA Cloud Computing™ Index.

» Fund Facts

Fund Ticker	SKYY
CUSIP	33734X192
Intraday NAV	SKYYIV
Fund Inception Date	7/5/11
Expense Ratio	0.60%
Rebalance Frequency	Quarterly
Primary Listing	Nasdaq

» Index Facts

Index Ticker	CPQ
Index Inception Date	5/27/11

» Index Description

- » The index is a modified equal weighted index designed to track the performance of companies involved in the cloud computing industry. To be included in the index, a security must be classified as a Cloud Computing company by the Consumer Technology Association (CTA) and meet the following criteria:
 - Minimum market capitalization of \$500 million;
 - Minimum free float of 20%;
 - Minimum three-month average daily dollar trading volume (ADDTV) of \$5 million.
- » Each security is then classified according to the following three business categories:
 - Infrastructure-as-a-Service (IaaS): Companies that deliver cloud computing infrastructure – servers, storage, and networks – as an on-demand service.
 - Platform-as-a-Service (PaaS): Companies that deliver a platform for the creation of software in the form of virtualization, middleware, and/or operating systems, which is then delivered over the Internet.
 - Software-as-a-Service (SaaS): Companies that deliver software applications over the Internet enabling other companies to conduct their operations using the application.
- » The index employs a modified equal weighted methodology called the Cloud Score Weighting.
 - At every index evaluation, each security has its Cloud Score calculated by receiving a score for each category (IaaS, PaaS, and SaaS), 1 if it is operating in that category and 0 if it is not. The maximum score that can be achieved is a 6 (3 for IaaS, 2 for PaaS, 1 for SaaS).
 - Each company's total score is divided by the total sum of the scores in the universe to determine the weight of each security. Individual security weights are capped at 4.5%.
- » The number of securities in the index is limited to 80 securities.
- » The index is reconstituted and rebalanced quarterly.

» Performance Summary (%)

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund Performance*							
Net Asset Value (NAV)	7.11	25.78	25.78	21.24	16.85	—	14.17
After Tax Held	7.08	25.49	25.49	20.95	16.60	—	14.01
After Tax Sold	4.21	15.26	15.26	16.71	13.52	—	11.74
Market Price	7.10	25.16	25.16	21.25	16.82	—	14.16
Index Performance**							
ISE CTA Cloud Computing™ Index	7.27	26.14	26.14	22.07	17.44	—	14.79
S&P Composite 1500 Information Technology Index	14.21	49.75	49.75	26.84	19.85	—	18.48
S&P 500 Index	9.07	31.49	31.49	15.27	11.70	—	13.29

» Calendar Year Total Returns (%)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
SKYY	—	—	—	15.53	33.35	7.42	5.89	15.42	33.39	6.23	25.78
S&P Composite 1500 Information Technology Index	—	—	—	14.75	28.99	18.95	5.60	14.78	37.29	-0.75	49.75
S&P 500 Index	—	—	—	16.00	32.39	13.69	1.38	11.96	21.83	-4.38	31.49

» 3-Year Statistics

	Standard Deviation (%)	Alpha	Beta	Sharpe Ratio	Correlation
SKYY	13.68	6.09	0.94	1.36	0.83
S&P Composite 1500 Information Technology Index	15.81	8.25	1.15	1.49	0.88
S&P 500 Index	12.10	—	1.00	1.10	1.00

Performance data quoted represents past performance. Past performance is not a guarantee of future results and current performance may be higher or lower than performance quoted. Investment returns and principal value will fluctuate and shares when sold or redeemed, may be worth more or less than their original cost. You can obtain performance information which is current through the most recent month-end by visiting www.ftportfolios.com.

*NAV returns are based on the fund's net asset value which represents the fund's net assets (assets less liabilities) divided by the fund's outstanding shares. **After Tax Held** returns represent return after taxes on distributions. Assumes shares have not been sold. **After Tax Sold** returns represent the return after taxes on distributions and the sale of fund shares. Returns do not represent the returns you would receive if you traded shares at other times. **Market Price** returns are based on the midpoint of the bid/ask spread on the stock exchange on which shares of the fund are listed for trading as of the time that the fund's NAV is calculated. Returns are average annualized total returns, except those for periods of less than one year, which are cumulative. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

**Performance information for the ISE CTA Cloud Computing™ Index is for illustrative purposes only and does not represent actual fund performance. Indexes do not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown. Indexes are unmanaged and an investor cannot invest directly in an index.

» Portfolio Information

Number Of Holdings	62
Maximum Market Cap.	\$1,203.06 Billion
Median Market Cap.	\$7.45 Billion
Minimum Market Cap.	\$718 Million
Price/Book	5.92
Price/Sales	4.03

» Top Holdings (%)

Microsoft Corporation	4.50
Alphabet, Inc.	4.44
Amazon.com, Inc.	4.44
VMware, Inc.	4.22
Oracle Corporation	4.08
Alibaba Group Holding Limited	3.82
CenturyLink, Inc.	3.28
MongoDB, Inc.	3.19
Cisco Systems, Inc.	3.05
Akamai Technologies, Inc.	2.86

» Top Industry Exposure (%)

Software	57.75
IT Services	12.84
Internet & Direct Marketing Retail	8.27
Technology Hardware, Storage & Peripherals	6.70
Interactive Media & Services	5.13
Communications Equipment	4.56
Diversified Telecommunication Services	3.28
Health Care Technology	1.47

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.

ETF Characteristics

The fund lists and principally trades its shares on The Nasdaq Stock Market LLC.

The fund's return may not match the return of the ISE CTA Cloud Computing™ Index. Securities held by the fund will generally not be bought or sold in response to market fluctuations.

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 the fund by authorized participants, in very large creation/redemption units. If the 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 the fund's net asset value and possibly face delisting.

Risk Considerations

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

The fund may invest in small capitalization and mid capitalization companies. Such companies may experience greater price volatility than larger, more established companies.

An investment in a fund containing securities of non-U.S. issuers is subject to additional risks, including currency fluctuations, political risks, withholding, the lack of adequate financial information, and exchange control restrictions impacting non-U.S. issuers.

The fund may invest in depositary receipts which may be less liquid than the underlying shares in their primary trading market.

The fund invests in information technology companies, which are subject to certain risks, including rapidly changing technologies, short product life cycles, fierce competition, aggressive pricing and reduced profit margins, loss of patent, copyright and trademark protections, cyclical market patterns, evolving industry standards and frequent new product

introductions. Certain companies may be smaller and less experienced companies, with limited product lines, markets or financial resources. Information technology company stocks, especially those which are Internet related, have experienced extreme price and volume fluctuations that are often unrelated to their operating performance.

The risks related to investing in cloud computing companies include interruptions or delays in service, security breaches involving sensitive, proprietary and confidential information, privacy concerns and laws, and other regulations that may limit or otherwise affect the operations of such companies.

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.

As the use of Internet technology has become more prevalent in the course of business, the fund has become more susceptible to potential operational risks through breaches in cybersecurity.

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.

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Definitions

Standard Deviation is a measure of price variability (risk). **Alpha** is an indication of how much an investment outperforms or underperforms on a risk-adjusted basis relative to its benchmark. **Beta** is a measure of price variability relative to the market. **Sharpe Ratio** is a measure of excess reward per unit of volatility. **Correlation** is a measure of the similarity of performance. The **S&P Composite 1500 Information Technology Index** is a capitalization-weighted index of companies classified by GICS as information technology within the S&P Composite 1500 Index. The **S&P 500 Index** is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance.

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