

» 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 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 | Semi-Annual |
| Primary Listing | Nasdaq |

» Index Facts

| | |
|----------------------|---------|
| Index Ticker | CPJ |
| Index Inception Date | 5/27/11 |

» Index Description

- » The index is a modified market capitalization weighted index designed to track the performance of companies actively involved in the cloud computing industry. To be included in the index, a security must be engaged in a business activity supporting or utilizing the cloud computing space, listed on an index-eligible global stock exchange and have a market capitalization of at least \$100 million.
- » All securities are then classified according to the following three business segments:
 - Pure Play Cloud Computing Companies: Companies that are direct service providers for “the cloud” (network hardware/software, storage, cloud computing services) or companies that deliver goods and services that utilize cloud computing technology.
 - Non Pure Play Cloud Computing Companies: Companies that focus outside the cloud computing space but provide goods and services in support of the cloud computing space.
 - Technology Conglomerate Cloud Computing Companies: Large broad-based companies that indirectly utilize or support the use of cloud computing technology.
- » The overall weight for each of the three business segments is calculated as follows:
 - 10% of the index weight is allocated to technology conglomerate companies.
 - The index weight that is allocated to non pure play companies is calculated by dividing the non pure play companies' market capitalization by the sum of the pure play and non pure play market capitalizations.
 - The remainder of the index weight is allocated to pure play companies.
- » Stocks are equally weighted within each of the three classifications.
- » The index is reconstituted and rebalanced semi-annually.

» Performance Summary (%)

| | Quarter | YTD | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception |
|---|---------|-------|--------|---------|---------|----------|-----------------|
| Fund Performance* | | | | | | | |
| Net Asset Value (NAV) | 6.78 | 24.03 | 35.80 | 26.89 | 18.54 | — | 15.62 |
| After Tax Held | 6.74 | 23.90 | 35.64 | 26.68 | 18.39 | — | 15.51 |
| After Tax Sold | 4.01 | 14.22 | 21.19 | 21.40 | 15.02 | — | 12.89 |
| Market Price | 6.73 | 23.99 | 35.94 | 26.94 | 18.55 | — | 15.63 |
| Index Performance** | | | | | | | |
| ISE Cloud Computing™ Index | 6.97 | 24.66 | 36.71 | 27.37 | 19.10 | — | 16.21 |
| S&P Composite 1500 Information Technology Index | 8.61 | 20.06 | 30.40 | 27.25 | 21.80 | — | 18.46 |
| S&P 500 Index | 7.71 | 10.56 | 17.91 | 17.31 | 13.95 | — | 13.73 |

» Calendar Year Total Returns (%)

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | YTD |
|---|------|------|------|------|-------|-------|-------|------|-------|-------|-------|
| SKYY | — | — | — | — | 15.53 | 33.35 | 7.42 | 5.89 | 15.42 | 33.39 | 24.03 |
| S&P Composite 1500 Information Technology Index | — | — | — | — | 14.75 | 28.99 | 18.95 | 5.60 | 14.78 | 37.29 | 20.06 |
| S&P 500 Index | — | — | — | — | 16.00 | 32.39 | 13.69 | 1.38 | 11.96 | 21.83 | 10.56 |

» 3-Year Statistics

| | Standard Deviation (%) | Alpha | Beta | Sharpe Ratio | Correlation |
|---|------------------------|-------|------|--------------|-------------|
| SKYY | 12.29 | 8.12 | 1.01 | 1.95 | 0.76 |
| S&P Composite 1500 Information Technology Index | 13.66 | 6.36 | 1.15 | 1.79 | 0.78 |
| S&P 500 Index | 9.18 | — | 1.00 | 1.71 | 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 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 | 30 |
| Maximum Market Cap. | \$1,090.31 Billion |
| Median Market Cap. | \$58.82 Billion |
| Minimum Market Cap. | \$2.03 Billion |
| Price/Earnings | 45.32 |
| Price/Book | 4.82 |
| Price/Cash Flow | 30.41 |
| Price/Sales | 4.17 |

>> Top Holdings (%)

| | |
|------------------------|------|
| NetApp, Inc. | 5.04 |
| Amazon.com, Inc. | 4.91 |
| Salesforce.com, Inc. | 4.69 |
| Open Text Corporation | 4.47 |
| Alphabet, Inc. | 4.45 |
| Cisco Systems, Inc. | 4.44 |
| VMware, Inc. | 4.43 |
| Equinix, Inc. | 4.36 |
| F5 Networks, Inc. | 4.34 |
| Juniper Networks, Inc. | 4.24 |

>> Top Industry Exposure (%)

| | |
|--|-------|
| Software | 35.45 |
| Communications Equipment | 14.57 |
| IT Services | 12.06 |
| Technology Hardware, Storage & Peripherals | 10.56 |
| Internet & Direct Marketing Retail | 9.40 |
| Interactive Media & Services | 8.39 |
| Entertainment | 5.05 |
| Equity Real Estate Investment Trusts (REITs) | 4.52 |

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 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.

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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