

First Trust

CRPT

First Trust SkyBridge Crypto Industry and Digital Economy ETF

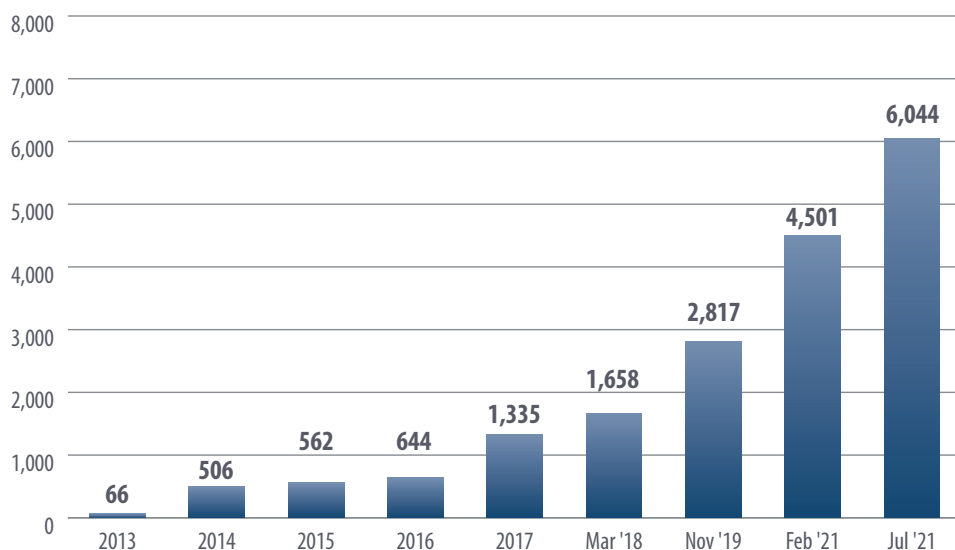
The **First Trust SkyBridge Crypto Industry and Digital Economy ETF** (the "fund") is an actively managed exchange-traded fund (ETF) that seeks to provide capital appreciation. Under normal market conditions, the fund will invest at least 80% of its net assets (plus any investment borrowings) in the common stocks and American Depositary Receipts ("ADRs") of crypto industry companies and digital economy companies. Further, under normal market conditions, the fund will invest at least 50% of its net assets (plus any investment borrowings) in crypto industry companies. The remainder of the fund's net assets used to satisfy the 80% test set forth above will be invested in digital economy companies. The portfolio is sub-advised and managed by SkyBridge Capital II, LLC ("SkyBridge").

CASHING IN ON THE EVOLUTION OF MONEY

The world has grown increasingly connected through the use of digital networks. As work, exercise, and retail become increasingly digitized, the utility and adoption of digital money and cryptocurrency likewise are expected to increase. Cryptocurrency is a type of currency that only exists in digital form and is designed to act as a medium of exchange that is issued and/or transferred using technological innovations like blockchain technology. An ecosystem of new and existing companies have sought to participate in this growing market, providing anything from financial services to the hardware needed to process digital transactions. CRPT seeks to capitalize on this rapid growth by providing exposure to companies in the crypto industry and digital economy that SkyBridge believes provide the best opportunity for capital appreciation.

The fund will not directly invest in digital assets (including bitcoin, other cryptocurrencies or initial coin offerings), or indirectly through the use of derivatives or through investments in funds or trusts that hold digital assets. As the fund does not directly or indirectly invest in cryptocurrencies or other digital assets, the fund does not expect to track the price movement of any cryptocurrencies or other digital assets.

NUMBER OF CRYPTOCURRENCIES WORLDWIDE (2013 – 2021)



Source: CoinMarketCap, Statista 2021. There is no guarantee past trends will continue in the future or that the fund will benefit.

FUND DETAILS

Fund Ticker	CRPT
Investment Advisor	First Trust Advisors L.P.
Investment Sub-Advisor	SkyBridge Capital II, LLC
CUSIP	33740F540
Intraday NAV	CRPTIV
Fund Inception Date	9/20/2021
Primary Listing	NYSE Arca

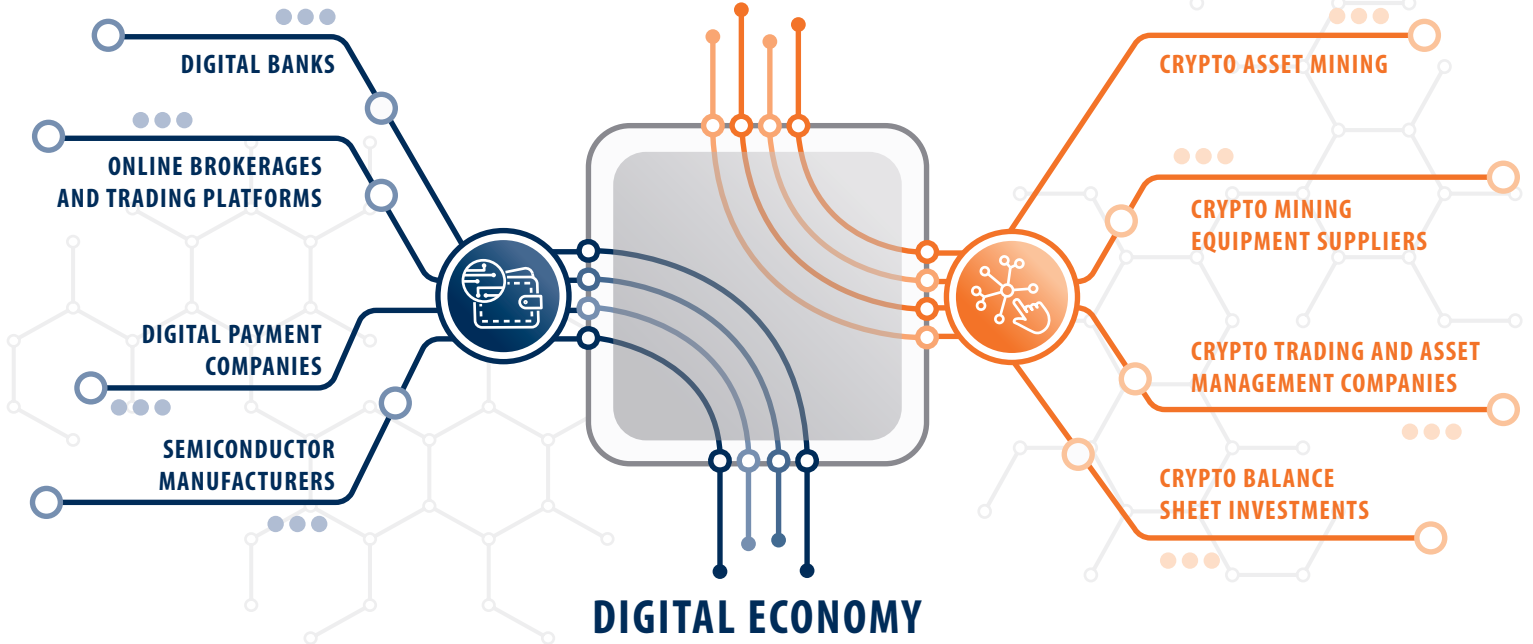
POTENTIAL BENEFITS OF CRPT

- Capital appreciation potential
- Actively managed by SkyBridge, using their knowledge and expertise of cryptocurrencies and the digital economy to manage security selection and monitor changing market conditions
- Provides access to the crypto industry and digital economy ecosystems in a simple, efficient investment vehicle
- Offers a unique way to gain exposure to cryptocurrency through the assets that support its infrastructure and growth
- Key features provided by an ETF, such as transparency, liquidity and flexibility



THE CRYPTO INDUSTRY AND DIGITAL ECONOMY ECOSYSTEMS

CRYPTO INDUSTRY



DIGITAL BANKS

A digital bank is a company that derives the majority of its revenue and profits from traditional banking activities taking place online rather than in physical bank branches. Some digital banks may operate entirely online.

ONLINE BROKERAGES AND TRADING PLATFORMS

An online broker is a trading provider that allows its clients to open and close positions using a digital platform. It is a brokerage firm that customers visit online, rather than in a physical office. These companies may also engage in digital market making, which entails providing liquidity for cryptocurrency markets.

DIGITAL PAYMENT COMPANIES

Companies operating digital payment gateways (ie. a merchant service that authorizes direct payments processing for businesses, in some cases, in cryptocurrencies in addition to traditional currencies.)

SEMICONDUCTOR MANUFACTURERS

Semiconductor manufacturers fabricate computer chips and service computer chip designs. Investments in these firms will not be limited to those that are solely focused on the crypto industry ecosystem.

CRYPTO ASSET MINING

Companies engaged in crypto asset mining. Transactions within a crypto asset blockchain are aggregated together into "blocks." In order to be confirmed by the blockchain, miners compete to solve a mathematical equation and are rewarded with crypto assets for confirming a block and verifying the transaction. Large scale crypto asset mining requires significant capital investment as well as ongoing energy investment in order to process transactions or "mine" crypto asset transactions on different blockchains.

CRYPTO MINING EQUIPMENT SUPPLIERS

Companies that provide specialized hardware for crypto mining. The competitiveness in crypto mining has increased such that traditional central processing units (CPUs) are no longer competitive. Miners must invest in specialized equipment, for example, graphics processing units (GPUs) and/or application-specific integrated circuits (ASICs) in order to compete.

CRYPTO TRADING AND ASSET MANAGEMENT COMPANIES

Companies offering crypto asset trading and custody to retail and institutional investors in the crypto industry. This also includes companies offering cryptocurrency exchange and lending/borrowing services.

CRYPTO BALANCE SHEET INVESTMENTS

Companies that have at least 50% of their net assets accounted for by direct holdings of crypto assets.

SKYBRIDGE INVESTMENT PROCESS AND PHILOSOPHY

The fund, managed by SkyBridge Capital II, LLC, has a thematic mandate and its portfolio is designed to provide exposure to companies that SkyBridge views as “Crypto Industry and Digital Economy Leaders,” meaning firms that are driving cryptocurrency and crypto assets-related innovation. SkyBridge identifies securities for the fund primarily via “bottom up” research focused on finding companies that they believe are leading firms in the crypto industry ecosystem.

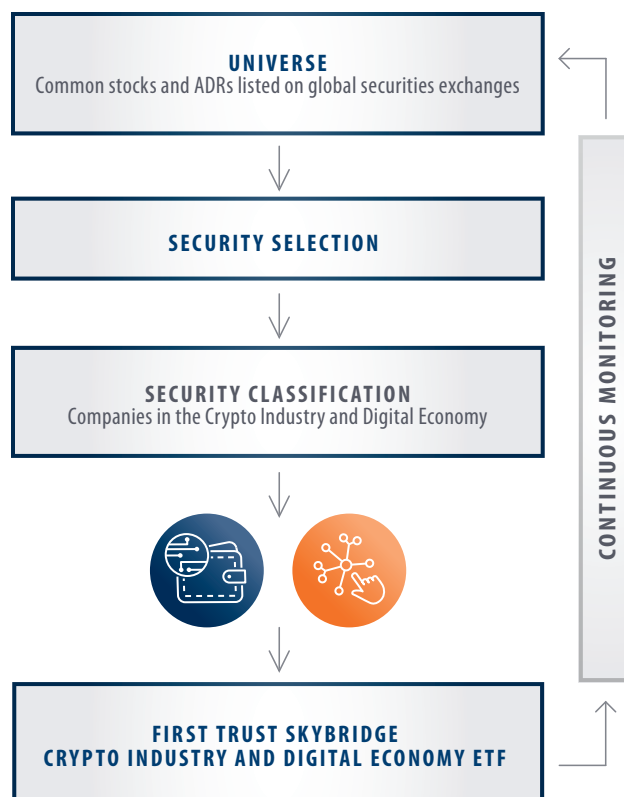
UNIVERSE | Begin with a universe of common stocks and ADRs listed on global securities exchanges, including U.S. dollar denominated and non-U.S. dollar denominated securities issued by U.S. and non-U.S. companies, including companies operating in emerging market countries. A significant portion of the fund’s investments may be in issuers with small market capitalizations.

SECURITY SELECTION AND CLASSIFICATION | From the selection universe, identify all eligible crypto industry and digital economy companies:

- **Crypto industry companies** - companies that derive at least 50% of their revenue or profits directly from goods produced or sold, investments made, or services performed in the crypto industry ecosystem and/or have at least 50% of their net assets accounted for by direct holdings of bitcoin, ether or another crypto asset.
- **Digital economy companies** - companies that derive at least 50% of their revenue or profits directly from goods produced or sold, investments made, or services performed in the digital economy ecosystem.

PORTFOLIO CONSTRUCTION | Initial and continuing constituent eligibility is based upon publicly available information, including a company’s financial reports. From these companies, the portfolio managers invest in those crypto industry companies and digital economy companies that they believe are well positioned to succeed in their respective industries and provide the best opportunity for capital appreciation.

PORTFOLIO MONITORING | The portfolio is monitored on an ongoing basis to take advantage of opportunities in the marketplace.



THE POTENTIAL BENEFITS OF AN ACTIVELY MANAGED ETF

ETFs have been a disruptive innovation in wealth management, reshaping the way investors allocate their money while also broadening their accessible investments. The ETF structure provides an efficient and simple way to invest in the crypto industry and digital economy ecosystems and provides many potential benefits:

- Intraday liquidity
- Transparency of holdings
- Low investment minimums
- Tax efficiency
- Diversification
- Potential to outperform indexes
- Professional portfolio selection and ongoing portfolio management
- Flexibility to strategically adjust portfolio holdings to take advantage of changing market conditions

SKYBRIDGE CAPITAL II, LLC

SkyBridge Capital II, LLC (“SkyBridge”) is a global investment manager that invests in hedge funds, digital assets, private equity, and real estate. As of June 30, 2021, SkyBridge had \$6.4 billion under management or advisement.

Portfolio Managers

Anthony Scaramucci

Founder and Managing Partner of SkyBridge

Brett S. Messing

President and Co-Chief Investment Officer of SkyBridge

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

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 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 discount to a fund's net asset value and possibly face delisting.

A fund's shares will change in value, and you could lose money by investing in a fund. One of the principal risks of investing in a fund is market risk. Market risk is the risk that a particular stock owned by a fund, fund shares or stocks in general may fall in value. There can be no assurance that a fund's investment objective will be achieved. The outbreak of the respiratory disease designated as COVID-19 in December 2019 has caused significant volatility and declines in global financial markets, which have caused losses for investors. While the development of vaccines has slowed the spread of the virus and allowed for the resumption of "reasonably" normal business activity in the United States, many countries continue to impose lockdown measures in an attempt to slow the spread. Additionally, there is no guarantee that vaccines will be effective against emerging variants of the disease.

In managing a fund's investment portfolio, the portfolio managers will apply investment techniques and risk analyses that may not have the desired result.

The technology relating to the crypto industry ecosystem is new and developing and its risks may not fully emerge until it is widely used. Crypto industry transactions may be subject to theft, loss, or destruction, which could adversely affect a company's business or operations. There may be risks posed by the lack of, inconsistent, or widespread regulation for crypto assets, depending on the company's location, and any future regulatory developments could affect the viability and expansion of the use of crypto technologies. The values of the companies included in a fund may not be a reflection of their connection to the crypto industry ecosystem, but may be based on other business operations. Because many crypto assets do not have a standardized exchange, like a stock market, there is less liquidity for such assets and greater possibility of volatility, fraud or manipulation.

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, funds have become more susceptible to potential operational risks through breaches in cyber security.

Depository receipts may be less liquid than the underlying shares in their primary trading market.

Digital economy companies may be adversely impacted by government regulations, economic conditions and deterioration in credit markets. These companies typically face intense competition and could be negatively affected by new entrants into the market. Digital economy companies are subject to cybersecurity attacks, theft, and disruptions or delays in service, which could have a negative impact, and these companies tend to be more volatile than companies that do not rely heavily on technology.

Financial services companies are subject to the adverse effects of economic recession, government regulation, decreases in the availability of capital, volatile interest rates, and competition from new entrants in their fields of business.

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.

Information technology companies 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.

Large inflows and outflows may impact a new fund's market exposure for limited periods of time.

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.

Securities of non-U.S. issuers are 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. These risks may be heightened for securities of companies located in, or with significant operations in, emerging market countries.

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.

A fund with significant exposure to a single asset class, country, region, industry, or sector may be more affected by an adverse economic or political development than a broadly diversified fund.

Securities of small- and mid-capitalization companies may experience greater price volatility and be less liquid than larger, more established companies.

Trading on the exchange may be halted due to market conditions or other reasons. There can be no assurance that the requirements to maintain the listing of a fund on the exchange will continue to be met or be unchanged.

A fund may invest in securities that exhibit more volatility than the market as a whole.

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.

DEFINITIONS

A **blockchain** is a decentralized and growing list of records that are linked together using cryptography and is spread across a network of participants. Each crypto asset generally has its own blockchain. In a public blockchain, anyone can read and write on the ledger. In a private blockchain, only members of a single organization may read and write on the ledger.