

First Trust

FSPC

First Trust Bloomberg Space Economy ETF

The **First Trust Bloomberg Space Economy ETF (FSPC)** is an exchange-traded fund (“ETF”) that seeks investment results that correspond generally to the price and yield, before the fund’s fees and expenses, of an equity index called the Bloomberg Space Economy Index (the “index”).

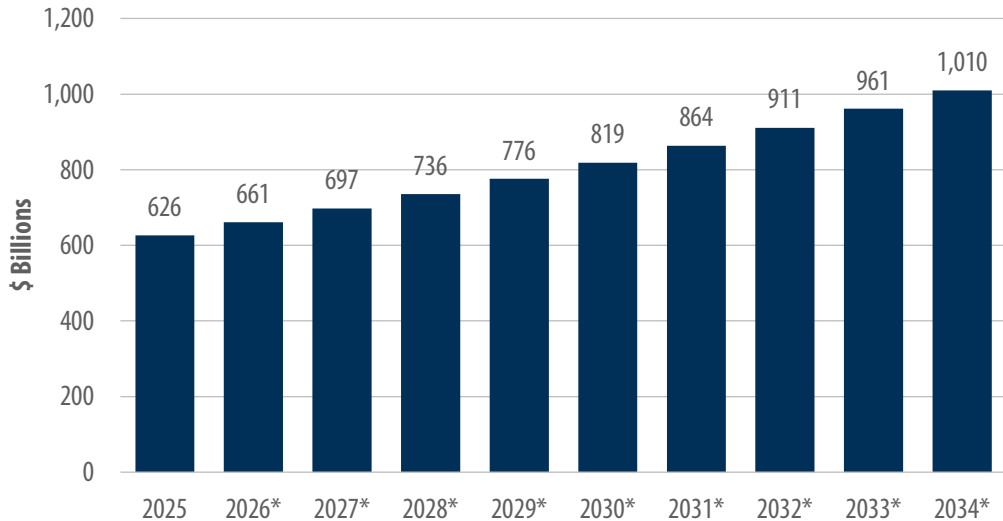
Beyond the Horizon: The Space Economy

The space economy represents a rapidly expanding global platform built on satellites, launch systems, defense infrastructure, and artificial intelligence (“AI”) data services. What was once the domain of a small number of national space programs has grown into a commercial and government ecosystem serving industries and populations around the world. **FSPC** offers investors targeted exposure to this opportunity through companies screened and selected by Bloomberg Intelligence (“BI”), which evaluates each holding against defined revenue and theme thresholds to ensure meaningful space exposure. The fund holds up to 50 companies across four distinct space economy categories:

- **Space Domain Awareness** | Companies providing detection, tracking and characterization of threats in space.
- **Launch & Space Transportation** | Companies manufacturing rockets, launch infrastructure and rocket components.
- **Satellites & Communications** | Companies deploying, operating, and maintaining satellite constellations.
- **Space Data & Artificial Intelligence** | Companies leveraging satellite constellations, advanced sensors and AI-driven analytics to generate information from space-based data.

Global Space Economy Market Size (2025-2034)

The global space economy is projected to reach over \$1 trillion within the next decade, with a compound annual growth rate (CAGR) of 5.5%.



Source: Novaspaces, *Space Economy Report*, January 2026. *Projection. There is no guarantee that past trends will continue, or projections will be realized.

Fund Details

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|---------------------|---------------------------|
| Fund Ticker | FSPC |
| CUSIP | 33734X697 |
| Fund Inception Date | 7/8/2026 |
| Investment Advisor | First Trust Advisors L.P. |
| Primary Listing | NYSE Arca |
| Rebalance Frequency | Quarterly |

Why Invest in Space?

- Global government space spending reached \$137.4 billion in 2025, with defense now accounting for more than half of all public space investment.¹
- In 2025, commercial satellite activity generated \$303 billion, accounting for 71% of global space economy revenue.²
- A record 4,434 satellites were deployed in 2025, as commercial launch revenues climbed to \$12.4 billion, a 33% increase over the prior year.³
- Remote sensing satellites on orbit grew 47% between 2016 and 2025, highlighting the expanding role of space-based intelligence across a range of industries.⁴

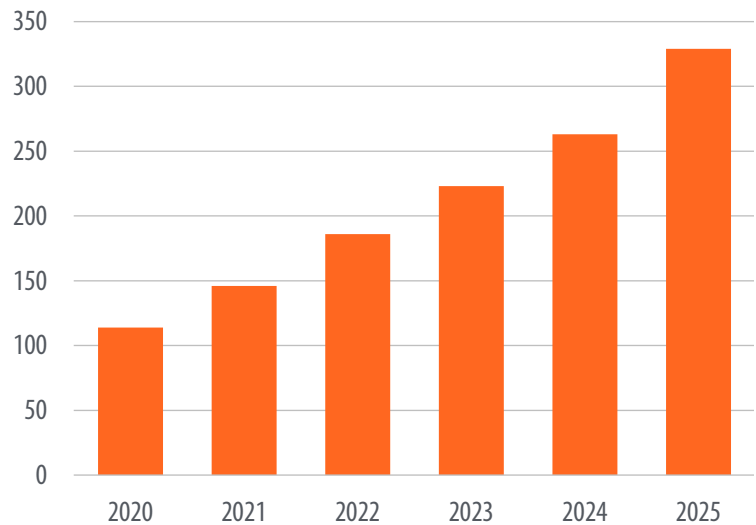
¹Novaspaces, *Government Space Programs 25th Edition*, January 2026.
^{2,3,4}Satellite Industry Association, *29th Annual State of the Satellite Industry Report*, May 2026.

Cleared for Launch: The Space Economy in Motion

Space has quietly become one of the most consequential infrastructure layers of the modern world. The satellites orbiting Earth today form the invisible backbone of global navigation, weather forecasting, financial transactions, military communications, and broadband connectivity for populations far beyond the reach of traditional networks. What makes this moment particularly significant is not just how much space infrastructure exists, but how rapidly it is being built. Technological advances across the space value chain have meaningfully changed the economics of reaching orbit, enabling a broader range of commercial and government participants to access space than at any prior point in history. The result is a self-reinforcing cycle: improved economics drive more launches, more launches expand the satellite network, and a larger network creates more commercial opportunity. The two charts below illustrate this dynamic in action, capturing both the accelerating pace of launches and the expanding scale of the satellite manufacturing industry that makes it possible.

Orbital Launch Attempts (2020-2025)

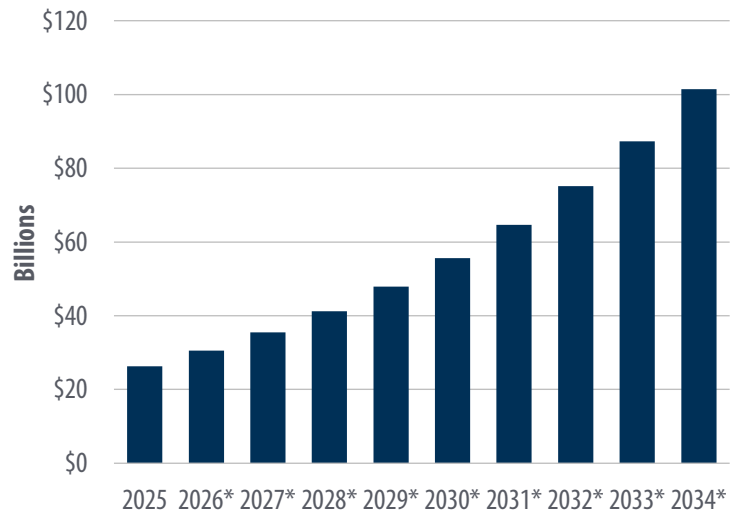
A rocket launch was once a rare and celebrated event. Today, it is routine. The rapid growth of commercial space has driven an unprecedented surge in launch activity, as companies and governments race to deploy satellites for communications, Earth observation, navigation, and national security. In 2025 alone, there were 329 orbital launch attempts from Earth, of which 321 successfully achieved orbit. Each successful launch represents new infrastructure in space, expanding the foundation on which the broader space economy is built. The chart illustrates how dramatically launch frequency has increased over the past five years.



Source: planet4589.org, maintained by Jonathan McDowell, a renowned astrophysicist at the Harvard-Smithsonian Center for Astrophysics who curates one of the most comprehensive databases of spaceflight activity.

Projected Satellite Manufacturing Market Size (2025-2034)

Satellites are the backbone of the modern space economy, enabling everything from GPS navigation and weather forecasting to high-speed broadband and battlefield intelligence. As demand for these capabilities grows across both commercial and government sectors, so too does the need for the satellites that deliver them. Manufacturing capacity is scaling rapidly to meet this demand, driven by advances in miniaturization, mass production techniques, and reusable launch vehicles that have made deploying satellites faster and more cost-effective than ever before. As shown in the chart, the global satellite manufacturing market size was approximately \$26.26 billion in 2025 and is anticipated to increase to \$101.42 billion by 2034, expanding at a compound annual growth rate (CAGR) of 16.20%.



Source: Precedence Research. *Projection. There is no guarantee that past trends will continue, or projections will be realized.

Definitions

CAGR converts a multi-year projection into a single annualized figure, making long-term growth easier to contextualize and compare.

Free-float refers to the number of outstanding shares that are available to the public for trade.

The **Bloomberg World Aggregate Universe** is a comprehensive suite of benchmark indices tracking the top 99% of the available “free float market capitalization” in 47 developed and emerging market countries.

Index Construction Process

Universe | Begin with a universe of all the securities comprising the Bloomberg World Aggregate Universe, which tracks the top 99% of available free-float market capitalization across 47 developed and emerging market countries.

Eligibility Criteria | According to the index provider, to be eligible for inclusion, a company must belong to at least one or more of the following space economy exposure categories, as determined by BI: **Space Domain Awareness, Launch & Space Transportation, Satellites & Communications, and Space Data & Artificial Intelligence.** A security must also meet the size, liquidity and exchange requirements of the index. Only one security per issuer may be included.

Eligibility Screening | BI analysts assess each company across two independent measures:

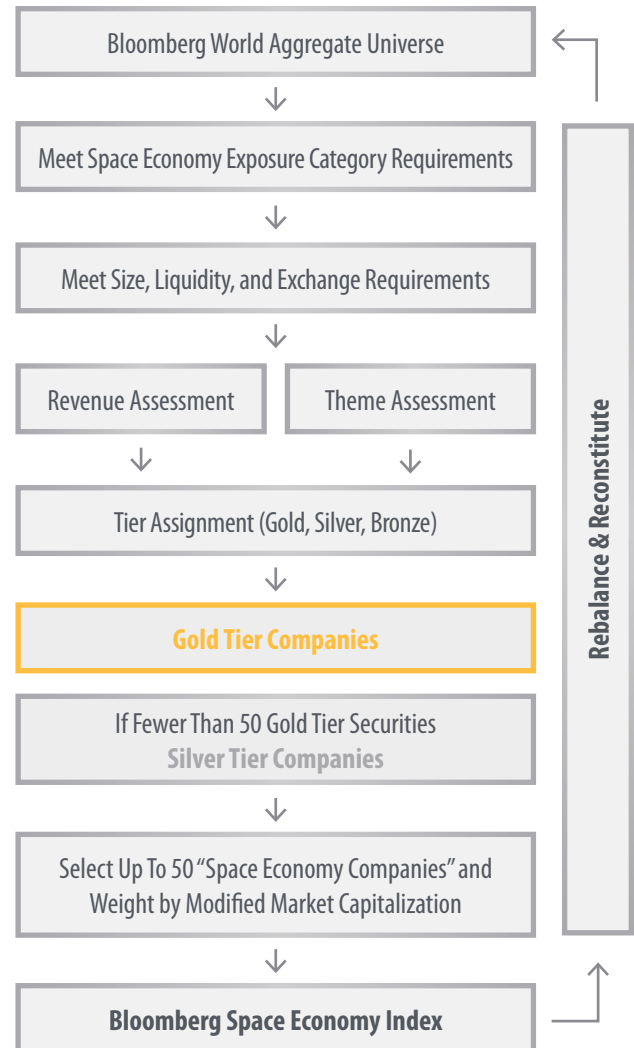
- The **Revenue Assessment** scores each company's current and potential near-term (3-5 year) revenue exposure to space on a scale of 1 to 3, where a score of 1 reflects more than 50% of a company's total revenue tied to space, a score of 2 reflects 20-50%, and a score of 3 reflects less than 20%.
- The **Theme Assessment** scores each company's competitive positioning and ability to execute within the space economy on a scale of 1 to 3, where a score of 1 reflects the highest exposure to the space economy and a score of 3 reflects the lowest exposure. This assessment draws on BI analyst expertise, and includes data points such as production capacity, capital allocation trends, customer relationships and access to capital.

Tier Assignment | Companies with a combined Revenue Assessment and Theme Assessment score between 2 and 5 are assigned to either the Gold or Silver Tier and are eligible for index inclusion. Companies with higher combined scores are assigned to the Bronze Tier and are not eligible for inclusion.

Security Selection | From the list of eligible Gold Tier companies, securities are selected first by Revenue Assessment and then by descending free-float market capitalization. Gold Tier companies with a Revenue Assessment of 1 are selected first, followed by Gold Tier companies with Revenue Assessments of 2 and 3. If fewer than 50 securities are selected, eligible Silver Tier companies are added using the same approach. The index selects up to 50 securities defined as "Space Economy Companies."

Weighting | The index uses a modified market capitalization weighting approach, which adjusts each company's market capitalization based on its Revenue Assessment score and issuer free-float market capitalization. Gold Tier securities are capped at 4.5%; Silver Tier at 3.0%; no security may have a weight below 0.10%.

Rebalancing | The index is rebalanced and reconstituted quarterly.



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

You could lose money by investing in a fund. An investment in a fund is not a deposit of a bank and is not insured or guaranteed. There can be no assurance that a fund's objective(s) will be achieved. Investors buying or selling shares on the secondary market may incur customary brokerage commissions. Please refer to each fund's prospectus and Statement of Additional Information for additional details on a fund's risks. The order of the below risk factors does not indicate the significance of any particular risk factor.

The companies involved in the aerospace and defense industries are subject to fierce competition, consolidation, adverse political and government developments, substantial research and development costs, limited numbers of potential customers and excess capacity and spending trends. Their products and services may be subject to rapid obsolescence.

Artificial intelligence companies tend to be more volatile and they may have limited product lines, markets, financial resources or personnel and are subject to the risks of changes in business cycles, world economic growth, technological progress, costs of research and development, and government regulation. These companies are also heavily dependent on intellectual property rights, and challenges to or misappropriation of such rights could have a material adverse effect on such companies. Additionally, artificial intelligence technology could face increased regulatory scrutiny in the future, which may limit the development of this technology and impede the growth of companies that develop and/or utilize artificial intelligence.

Unlike mutual funds, shares of the fund 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 premium or discount to a fund's net asset value and possibly face delisting and the bid/ask spread may widen.

Communication services companies are subject to certain risks, which may include 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, often unpredictable changes in consumer tastes and frequent new product introductions. Such companies are particularly vulnerable to domestic and international government regulation, rely heavily on intellectual property rights, and may be adversely affected by the loss or impairment of those rights.

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.

Current market conditions risk is the risk that a particular investment, or shares of the fund in general, may fall in value due to current market conditions. For example, changes in governmental fiscal and regulatory policies, disruptions to banking and real estate markets, actual and threatened international armed conflicts and hostilities, and public health crises, among other significant events, could have a material impact on the value of the fund's investments.

A fund is susceptible to operational risks through breaches in cyber security. Such events could cause a fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss.

Depository receipts may be less liquid than the underlying shares in their primary trading market and distributions may be subject to a fee. Holders may have limited voting rights, and investment restrictions in certain countries may adversely impact their value.

Investments in emerging market securities are generally considered speculative and involve additional risks relating to political, economic and regulatory conditions.

Equity securities may decline significantly in price over short or extended periods of time, and such declines may occur in the equity market as a whole, or they may occur in only a particular country, company, industry or sector of the market.

An index fund will be concentrated in an industry or a group of industries to the extent that the index is so concentrated. A fund with significant exposure to a single asset class, or the securities of issuers within the same country, state, region, industry, or sector may have its value more affected by an adverse economic, business or political development than a broadly diversified fund.

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.

There is no assurance that the index provider or its agents will compile or maintain the index accurately. Losses or costs associated with any index provider errors generally will be borne by a fund and its shareholders.

Industrials and producer durables companies are subject to certain risks, including the general state of the economy, intense competition, consolidation, domestic and international politics, excess capacity and consumer demand and spending trends. They may also be significantly affected by overall capital spending levels, economic cycles, technical obsolescence, delays in modernization, labor relations, and government regulations.

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 regulation and frequent new product introductions.

A fund that holds securities that traded on non-U.S. exchanges that are closed when the fund's primary exchange is open, will likely experience deviations between the current price of a security and the last quoted foreign price from the closed foreign market. This can result in wider premiums or discounts to a fund's net asset value. Additionally, investors may be unable to trade fund shares on days when events in foreign markets could materially affect a fund's value.

Large capitalization companies may grow at a slower rate than the overall market.

Certain fund investments may be subject to restrictions on resale, trade over-the-counter or in limited volume, or lack an active trading market. Illiquid securities may trade at a discount and may be subject to wide fluctuations in market value.

Market risk is the risk that a particular security, or shares of a fund in general may fall in value. Securities are subject to market fluctuations caused by such factors as general economic conditions, political events, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Shares of a fund could decline in value or underperform other investments as a result. In addition, local, regional or global events such as war, acts of terrorism, spread of infectious disease or other public health issues, recessions, natural disasters or other events could have significant negative impact on a fund.

A fund faces numerous market trading risks, including the potential lack of an active market for fund shares due to a limited number of market makers. Decisions by market makers or authorized participants to reduce their role or step away in times of market stress could inhibit the effectiveness of the arbitrage process in maintaining the relationship between the underlying values of a fund's portfolio securities and a fund's market price.

Mid capitalization companies may experience greater price volatility than larger, more established companies.

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

An index fund's return may not match the return of the index for a number of reasons including operating expenses, costs of buying and selling securities to reflect changes in the index, and the fact that a fund's portfolio holdings may not exactly replicate the index.

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, lack of liquidity, lack of adequate financial information, and exchange control restrictions impacting non-U.S. issuers.

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. The fund also relies on third parties for a range of services, including custody, and any delay or failure related to those services may affect the fund's ability to meet its objective.

A fund that invests in securities included in or representative of an index will hold those securities regardless of investment merit and the fund generally will not take defensive positions in declining markets.

The market price of a fund's shares will generally fluctuate in accordance

with changes in the fund's net asset value ("NAV") as well as the relative supply of and demand for shares on the exchange, and a fund's investment advisor cannot predict whether shares will trade below, at or above their NAV.

Companies involved in the creation and utilization of space-related technologies face risks related to emerging technologies, evolving market demand, increased competition, and reliance on continued technological advancement. In addition, these companies may be affected by supply chain disruptions, cybersecurity incidents, regulatory changes, government spending and contracting policies, geopolitical events, labor shortages, and equipment obsolescence. As a result, investments in a fund focused on space economy companies may be more volatile and subject to greater risk than investments in more established industries.

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

A fund may hold securities or other assets that may be valued on the basis of factors other than market quotations. This may occur because the asset or security does not trade on a centralized exchange, or in times of market turmoil or reduced liquidity. Portfolio holdings that are valued using techniques other than market quotations, including "fair valued" assets or securities, may be subject to greater fluctuation in their valuations from one day to the next than if market quotations were used. There is no assurance that a fund could sell or close out a portfolio position for the value established for it at any time.

First Trust Advisors L.P. (FTA) is the adviser to the First Trust fund(s). FTA is an affiliate of First Trust Portfolios L.P., the distributor of the fund(s).

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.

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