CRPT

First Trust SkyBridge Crypto Industry and Digital Economy ETF

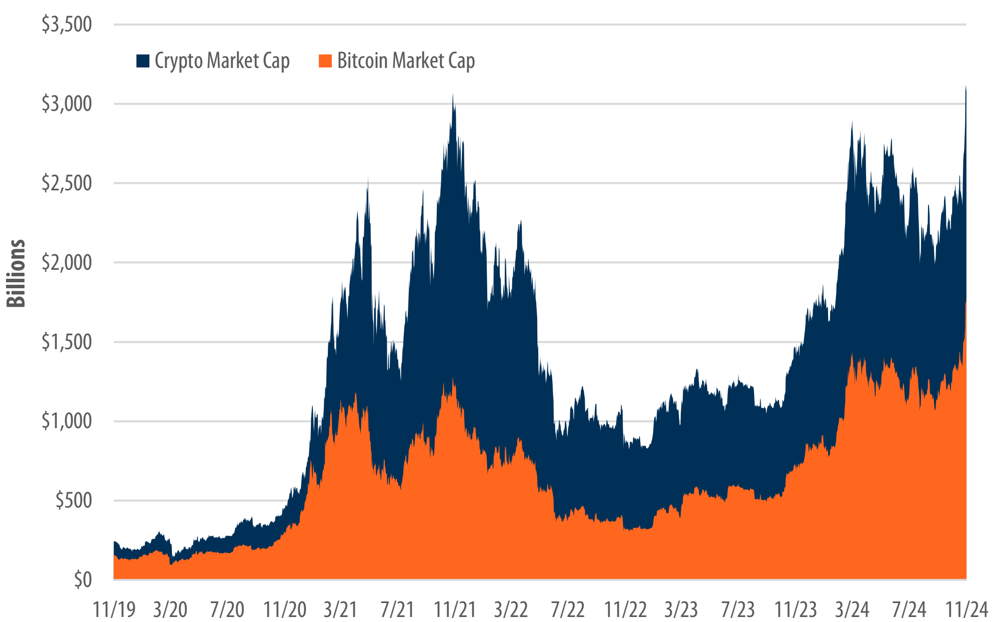
The **First Trust SkyBridge Crypto Industry and Digital Economy ETF** (the "fund") is an actively managed exchange-traded fund (ETF) that seeks to provide capital appreciation. Under normal market conditions, the fund will invest at least 80% of its net assets (plus any investment borrowings) in the common stocks and American Depositary Receipts ("ADRs") of crypto industry companies, including Bitcoin Exchange-Traded Products 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, and other crypto assets) and will not directly participate in initial coin offerings.

Total Crypto and Bitcoin Market Cap



Source: CoinGecko. Data from 11/14/19 - 11/14/24. There is no guarantee past trends will continue in the future of that the fund will benefit.

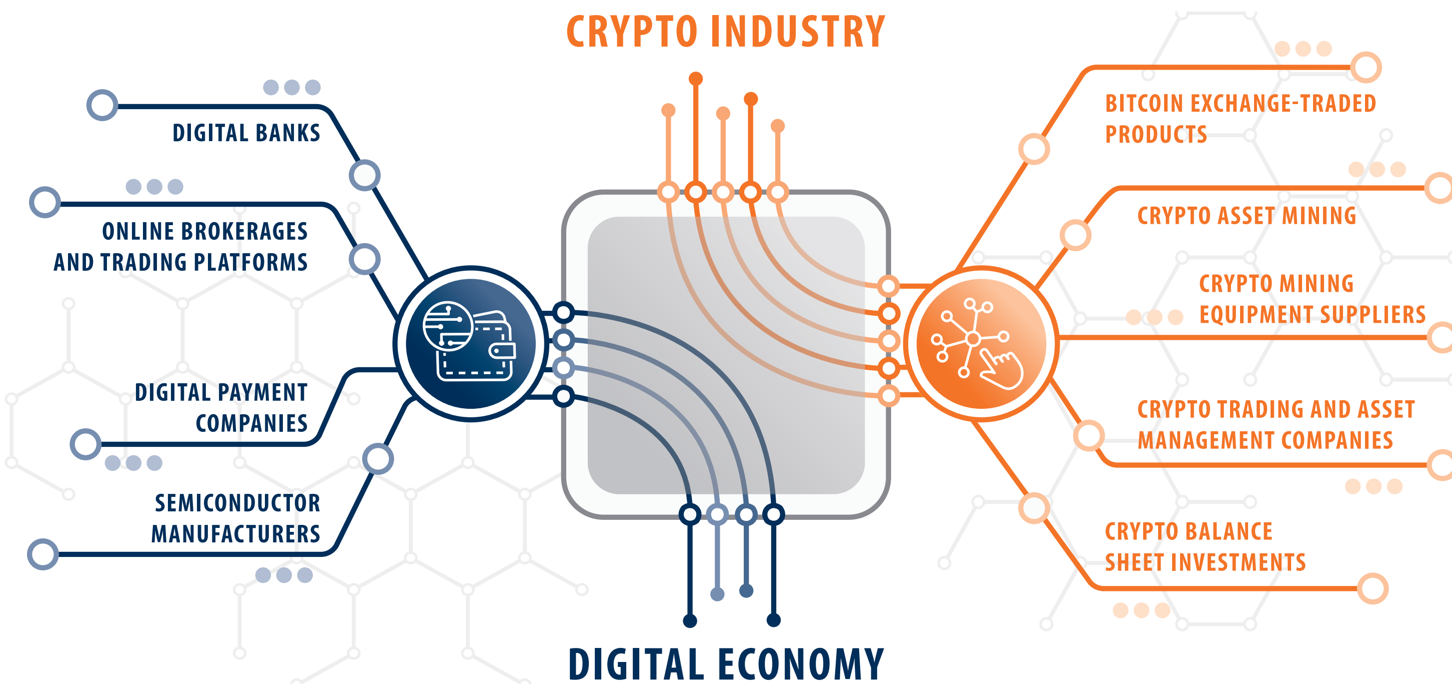
Fund Details

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



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.

Bitcoin Exchange-Traded Products

Exchange-traded products, identified by SkyBridge, that are listed on a regulated U.S. exchange and invest directly in bitcoin or indirectly in bitcoin through the use of derivatives.[1]

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.

[1]Bitcoin Exchange-Traded Products include: (i) exchange-traded pooled investment vehicles that invest directly in bitcoin (which are not registered as investment companies under the 1940 Act and thus do not provide the protection of that Act); and (ii) exchange-traded pooled investment vehicles that only invest indirectly in bitcoin and seek to track the price movement of bitcoin or a bitcoin index which may be registered as investment companies under the 1940 Act. These products are long-only and passively managed with a mandate to track the price movement of bitcoin or a bitcoin index.

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.

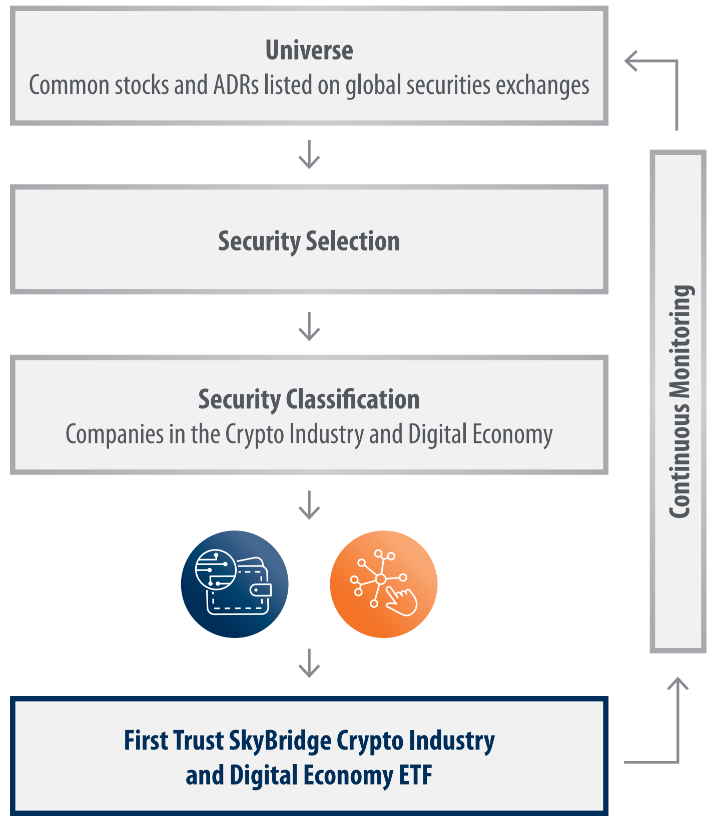
Universe | Begin with a universe of common stocks and ADRs listed on global securities exchanges, including U.S. dollar denominated and non-U.S. dollar denominated securities issued by U.S. and non-U.S. companies, including companies operating in emerging market countries. A significant portion of the 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, including Bitcoin Exchange-Traded Products, and/or have at least 50% of their net assets accounted for by direct holdings of bitcoin, ether or another crypto asset. The fund generally intends to invest up to 25% of its net assets in Bitcoin Exchange-Traded Products.
- **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.



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 September 30, 2024, SkyBridge had over $2.0 billion under management.

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

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.

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.

A fund's investment in shares of bitcoin exchange-traded products ("ETPs") subjects it to the risks of owning investments underlying the bitcoin ETPs, as well as the structural risks. As a shareholder in bitcoin ETPs, a fund bears its proportionate share of the bitcoin ETP expenses, subjecting fund shareholders to duplicative expenses.

An investment in a fund is subject to bitcoin risks which include, but are not limited to, the historically and potentially future extreme volatility of bitcoin, the risk of loss due to fraud, theft, manipulation or security failures and other various factors that impact the largely unregulated trading venues on which bitcoin trades. A significant portion of bitcoin is held by a small number of holders and transactions by these holders may influence and/or manipulate the price of bitcoin. If a malicious actor or group of actors were to gain control of more than 50% the mining power in a network (a "51% Attack"), even temporarily, they would have the ability to block new transactions from being confirmed and could, over time, reverse or reorder prior transactions which would significantly impact the value of bitcoin, and thereby the value of the bitcoin exchange-traded products held by a fund. The software that powers a blockchain is known as its protocol and the software may be subject to updates or changes. If one group adopts a proposed upgrade and another does not, a "fork" of the blockchain may result, wherein two distinct sets of users run two different versions of a protocol. A large scale fork could introduce risk, uncertainty, or confusion into the bitcoin blockchain or could fraction the value of the main blockchain and its native crypto asset, which could significantly impact the value of bitcoin, and thereby the value of the bitcoin exchange-traded products held by the fund. Finally, the bitcoin blockchain and its native crypto asset face numerous challenges to gaining widespread adoption as an alternative payments system and it is not clear whether the bitcoin blockchain can overcome this impediment. Alternative public blockchains have been developed and may compete with the bitcoin blockchain and it is possible they may be more successful in gaining adoption. Traditional payment systems may improve their own technical capabilities and offer faster settlement times with lower fees. This could make it difficult for bitcoin blockchain to gain traction as an alternative payments system and thereby negatively impact the price of bitcoin.

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.

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.

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. As a means to fight inflation, the Federal Reserve and certain foreign central banks have raised interest rates; however, the Federal Reserve has recently lowered interest rates and may continue to do so. Recent and potential future bank failures could result in disruption to the broader banking industry or markets generally and reduce confidence in financial institutions and the economy as a whole, which may also heighten market volatility and reduce liquidity. Ongoing armed conflicts between Russia and Ukraine in Europe and among Israel, Hamas and other militant groups in the Middle East, have caused and could continue to cause significant market disruptions and volatility within the markets in Russia, Europe, the Middle East and the United States. The hostilities and sanctions resulting from those hostilities have and could continue to have a significant impact on certain fund investments as well as fund performance and liquidity. The COVID-19 global pandemic, or any future public health crisis, and the ensuing policies enacted by governments and central banks have caused and may continue to cause significant volatility and uncertainty in global financial markets, negatively impacting global growth prospects.

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.

Depositary 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.

The use of derivatives instruments involves different and possibly greater risks than investing directly in securities including counterparty risk, valuation risk, volatility risk, and liquidity risk. Further, losses because of adverse movements in the price or value of the underlying asset, index or rate may be magnified by certain features of the derivatives.

The digital asset industry is a new, speculative, and still-developing industry that faces many risks. In this emerging environment, events that are not directly related to the security or utility of the bitcoin blockchain can nonetheless precipitate a significant decline in the price of bitcoin. Additional instability, failures, bankruptcies or other negative events in the digital asset industry, including events that are not necessarily related to the security or utility of the bitcoin blockchain, could negatively impact the price of bitcoin, and thereby the bitcoin exchange-traded products held by a fund.

There is regulatory uncertainty in digital asset markets in the U.S. and adverse legislation or regulatory developments could significantly harm the value of the bitcoin exchange-traded products or a fund's shares. It is possible that some of a fund's digital assets may be determined to be a security or offered or sold as a security under federal or state laws which could impair a fund's ability to meet its investment objective pursuant to its investment strategy.

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.

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.

Financial services companies are subject to the adverse effects of economic recession, currency exchange rates, government regulation, decreases in the availability of capital, volatile interest rates, portfolio concentration in geographic markets, industries or products, 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 regulation and frequent new product introductions.

The portfolio managers of an actively managed portfolio will apply investment techniques and risk analyses that may not have the desired result.

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.

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.

High portfolio turnover may result in higher levels of transaction costs and may generate greater tax liabilities for shareholders.

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.

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

Subsidiary investment risk applies to a fund that invests in certain securities through a wholly-owned subsidiary of the fund that is organized under the laws of the Cayman Islands ("Subsidiary"). Changes in the laws of the U.S. and/or Cayman Islands could result in the inability of a fund to operate as intended. The Subsidiary is not registered under the 1940 Act and is not subject to all the investor protections of the 1940 Act. Thus, a fund that is as an investor in the Subsidiary will not have all the protections offered to investors in registered investment companies.

If, in any year, a fund which intends to qualify as a Registered Investment Company (RIC) under the applicable tax laws fails to do so, it would be taxed as an ordinary corporation. The federal income tax treatment of the securities in which a fund may invest, including a fund's option strategy, may not be clear or may be subject to recharacterization by the Internal Revenue Service. It could be more difficult to comply with the tax requirements applicable to RICs if the tax characterization of investments or the tax treatment of the income from such investments were successfully challenged by the Internal Revenue Service.

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

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.

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.