

SKYY Fund Description

The First Trust Cloud Computing ETF tracks a tiered equal-weighted index of companies involved in the cloud computing industry.

SKYY Factset Analytics Insight

SKYY is the only ETF on the market that focuses on cloud computing, but its complex methodology highlights the difficulty of capturing this particular space. It holds a mix of pure-play, non-pure-play and technology-conglomerate cloud computing companies, and weights each type of company equally within its category. SKYY allocates 10% of its portfolio to technology conglomerates that simply make use of cloud computing, and weights non-pure-play companies by their capitalization as a share of the overall market capitalization. The remainder of its portfolio covers pure-play companies. This takes SKYY far afield from our broader technology segment benchmark, tilting to midcaps with significant sector biases. SKYY can be traded safely with a bit of care, though occasionally significant spreads make limit orders advisable. Excellent primary liquidity should keep creations costs low. While SKYY isn't cheap, its fee is about average for a niche fund with a unique methodology and approach, and tracking is generally good.

SKYY Index Data

Index Tracked	ISE Cloud Computing Index
Index Weighting Methodology	Tiered
Index Selection Methodology	Market Cap
Segment Benchmark	Thomson Reuters Global Technology

Overall Rating



SKYY Summary Data

Issuer	First Trust
Inception Date	07/05/11
Legal Structure	Open-Ended Fund
Expense Ratio	0.6%
Assets Under Management	\$1.22B
Average Daily \$ Volume	\$7.13M

SKYY Portfolio Data

Price / Earnings Ratio	31.1
Price / Book Ratio	3.91
Distribution Yield	0.3%
Next Ex-Dividend Date	12/21/17

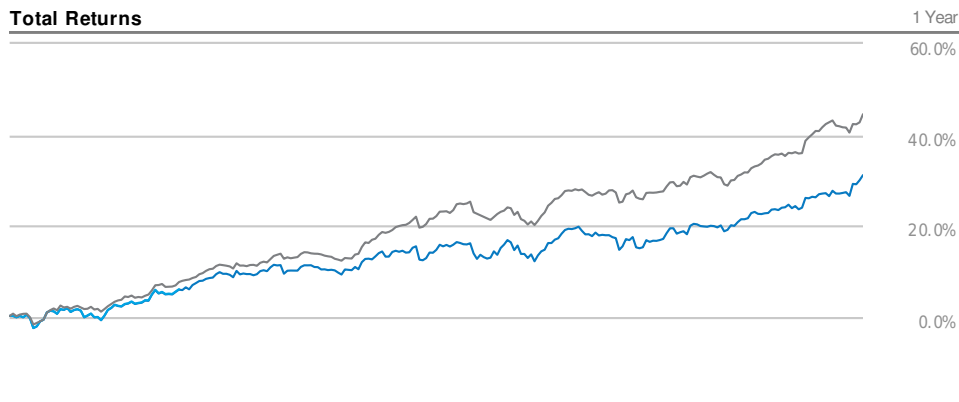
Related ETFs to SKYY

Top Competing ETFs: **HACK, PRNT, FINQ, IXN, SOCL**

EFFICIENCY



Total Returns



	Jan 2017	Mar	May	Jul	Sep	Nov		
performance		1 Month	3 Month	YTD	1 Year	3 Years	5 Years	10 Years
SKYY		5.27%	13.9%	32.38%	31.01%	17.98%	19.93%	--
SKYY		5.24%	13.82%	32.33%	31.07%	17.93%	19.92%	--
ISE Cloud Computing Index		--	--	--	--	--	--	--
Thomson Reuters Global Technology		4.94%	13.39%	41.37%	43.37%	18.07%	19.72%	--

All returns over 1 year are annualized. All returns are total returns unless otherwise stated.

SKYY Portfolio Management

Expense Ratio	0.6%
Median Tracking Difference (12 Mo)	-0.78%
Max. Upside Deviation (12 Mo)	0.34%
Max. Downside Deviation (12 Mo)	-1.04%

SKYY Tax Exposures

Max LT/ST Capital Gains Rate	20% / 39.6%
Capital Gains Distributions (3 Year)	--
Tax on Distributions	Qualified dividends
Distributes K1	No

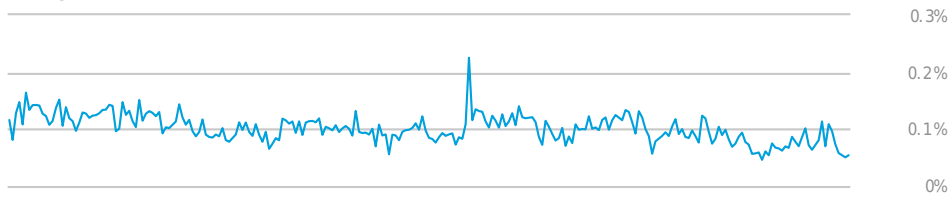
SKYY Fund Structure

Legal Structure	Open-Ended Fund
OTC Derivative Use	No
Securities Lending Active	Yes
Securities Lending Split (Fund/Issuer)	100% / 0%
ETN Counterparty	N/A
ETN Counterparty Risk	N/A
Fund Closure Risk	Low
Portfolio Disclosure	Daily

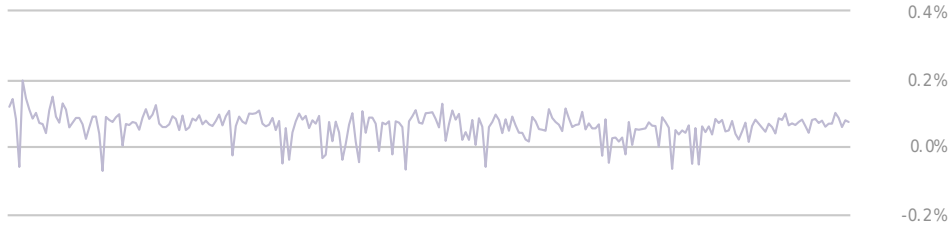
TRADABILITY

97

DAILY SPREAD



PREMIUM/DISCOUNT



VOLUME



SKYY Factset Analytics Block Liquidity



This measurement shows how easy it is to trade a \$1 million USD block of SKYY. SKYY is rated a 5 out of 5.

SKYY Tradability

Avg. Daily Share Volume	167,208
Average Daily \$ Volume	\$7.13M
Median Daily Share Volume	99,349
Median Daily Volume (\$)	\$4.28M
Average Spread (%)	0.07%
Average Spread (\$)	\$0.03
Median Premium / Discount (12 Mo)	0.07%
Max. Premium / Discount (12 Mo)	0.2% / -0.07%
Impediment to Creations	None
Market Hours Overlap	100%
Creation Unit Size (Shares)	50,000
Creation Unit/Day (45 Day Average)	1.99
Creation Unit Cost (%)	0.02%
Underlying Volume / Unit	0.1%
Open Interest on ETF Options	548
Net Asset Value (Yesterday)	\$45.49
ETF.com Implied Liquidity	5

FIT

59

SKYY Sector/Industry Breakdown

Sector	SKYY	Benchmark
Software & IT Services	72.59%	53.70%
Computers, Phones & Household Electronics	9.42%	18.28%
Communications & Networking	8.64%	5.12%
Residential & Commercial REITs	4.27%	--
Diversified Retail	4.09%	0.00%
Telecommunications Services	0.99%	--

SKYY Geographic Exposure

Countries	SKYY	Benchmark
United States	90.23%	69.01%
Germany	4.36%	2.17%
Canada	4.23%	0.70%
India	1.18%	1.06%
Argentina	--	0.11%
Australia	--	0.26%
Austria	--	0.02%
Belgium	--	0.06%
Brazil	--	0.03%

SKYY Top 10 Holdings

Red Hat, Inc.	5.58%
NetApp, Inc.	5.46%
Teradata Corporation	5.27%
VMware, Inc. Class A	5.02%
Netflix, Inc.	4.75%
Facebook, Inc. Class A	4.71%
salesforce.com, inc.	4.70%
Akamai Technologies, Inc.	4.66%
Amazon.com, Inc.	4.59%
Cisco Systems, Inc.	4.56%
Total Top 10 Weighting	49.32%

Regions	SKYY	Benchmark
North America	94.46%	69.72%
Europe	4.36%	7.02%
Asia-Pacific	1.18%	22.01%
Middle East & Africa	--	1.10%
Latin America	--	0.15%
Developed / Emerging Split	98.82% / 1.18%	97.51% / 2.49%

SKYY BENCHMARK COMPARISON

SKYY	Benchmark	
30 Holdings	1219 Constituents	
Shared Holdings	25.02% (Weight)	
27 (Count)	SKYY	Benchmark
Weighted Average Market Cap	138.17 B	251.24 B
Size Split		
Large (>12.9B)	61.76%	80.55%
Mid (>2.7B)	38.24%	12.97%
Small (>600M)	0.00%	5.08%
Micro (<600M)	0.00%	1.40%
Price / Earnings Ratio	31.10	25.67
Price / Book Ratio	3.91	3.95
Dividend Yield	0.85%	1.32%
Number Of Holdings	30	1219
Concentration	High	Medium

SKYY Performance Statistics

Goodness of Fit (R2)	0.76
Beta	1.07
Up Beta	1.11
Down Beta	1.24
Downside Standard Deviation	0.35%
Segment Benchmark	Thomson Reuters Global Technology

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Data provider: 