

CIBR

First Trust NASDAQ Cybersecurity ETF

Analyst Report

The First Trust NASDAQ CEA Cybersecurity ETF (CIBR) tracks an index of companies engaged in the cybersecurity segment of the tech and industrial sectors. To make the cut, a company must be classified as a cybersecurity company by the Consumer Technology Association and have a minimum market cap of \$250 million. To ensure liquidity in the underlying stocks, which is a concern for ETFs that invest in small-cap names, companies must have a minimum free-float of 20%. The index then weights stocks based on their underlying liquidity, and imposes caps on how large any one security can become. The portfolio includes familiar names like Cisco Systems, Akamai and NortonLifeLock.

Though priced the same as its main rival, the ETFMG Prime Cyber Security ETF (HACK), CIBR was long overshadowed because HACK had the advantage of being the first cybersecurity ETF on the market. However, CIBR has since overtaken HACK in assets and inflows, due in part to controversies that have damaged the reputation of ETF Managers Group, the firm that runs HACK's day-to-day operations.

CIBR is a bit on the expensive side for an index-tracking fund, but that's par for the course with niche funds. CIBR is a good choice for investors who want targeted exposure to cybersecurity, but there are cheaper alternatives available for buy-and-hold investors looking for broad exposure to tech.

ESG Themes and Scores

6.64/10

ESG Rate

57.36%

Global Percentile

60.57%

Peer Percentile

Performance Data

| | CIBR | ETF Database Category Average | Factset Segment Average |
|---------------|--------|-------------------------------|-------------------------|
| 1 Month | -4.69% | -9.03% | -3.57% |
| 3 Month | -4.54% | -17.19% | -4.24% |
| YTD Return | -2.65% | -15.09% | -2.86% |
| 1 Year Return | 17.03% | 1.82% | 11.37% |
| 3 Year Return | 6.18% | 2.85% | 2.84% |
| 5 Year Return | 17.58% | 5.77% | 9.59% |

Top 5 Holdings

| Symbol | Holding | % Assets |
|--------|------------------------------------|----------|
| CRWD | CrowdStrike Holdings, Inc. Class A | 8.22% |
| PANW | Palo Alto Networks, Inc. | 7.50% |
| CSCO | Cisco Systems, Inc. | 7.41% |
| AVGO | Broadcom Inc. | 7.31% |
| INFY | Infosys Limited Sponsored ADR | 6.84% |

Vitals

| | |
|---------------|--------------------------------|
| Issuer | First Trust |
| Brand | First Trust |
| Structure | ETF |
| Expense Ratio | 0.59% |
| Inception | Jul 06, 2015 |
| Index Tracked | Nasdaq CTA Cybersecurity Index |

ETF Database Themes

| | |
|-------------------|---------------------|
| Category | Technology Equities |
| Asset Class | Equity |
| Asset Class Size | Multi-Cap |
| Asset Class Style | Growth |
| Region (General) | North America |
| Region (Specific) | U.S. |

FactSet Classifications

| | |
|-----------|------------------------------|
| Segment | Equity: Global Cybersecurity |
| Category | Sector |
| Focus | Theme |
| Niche | Cybersecurity |
| Strategy | Vanilla |
| Weighting | Tiered |

