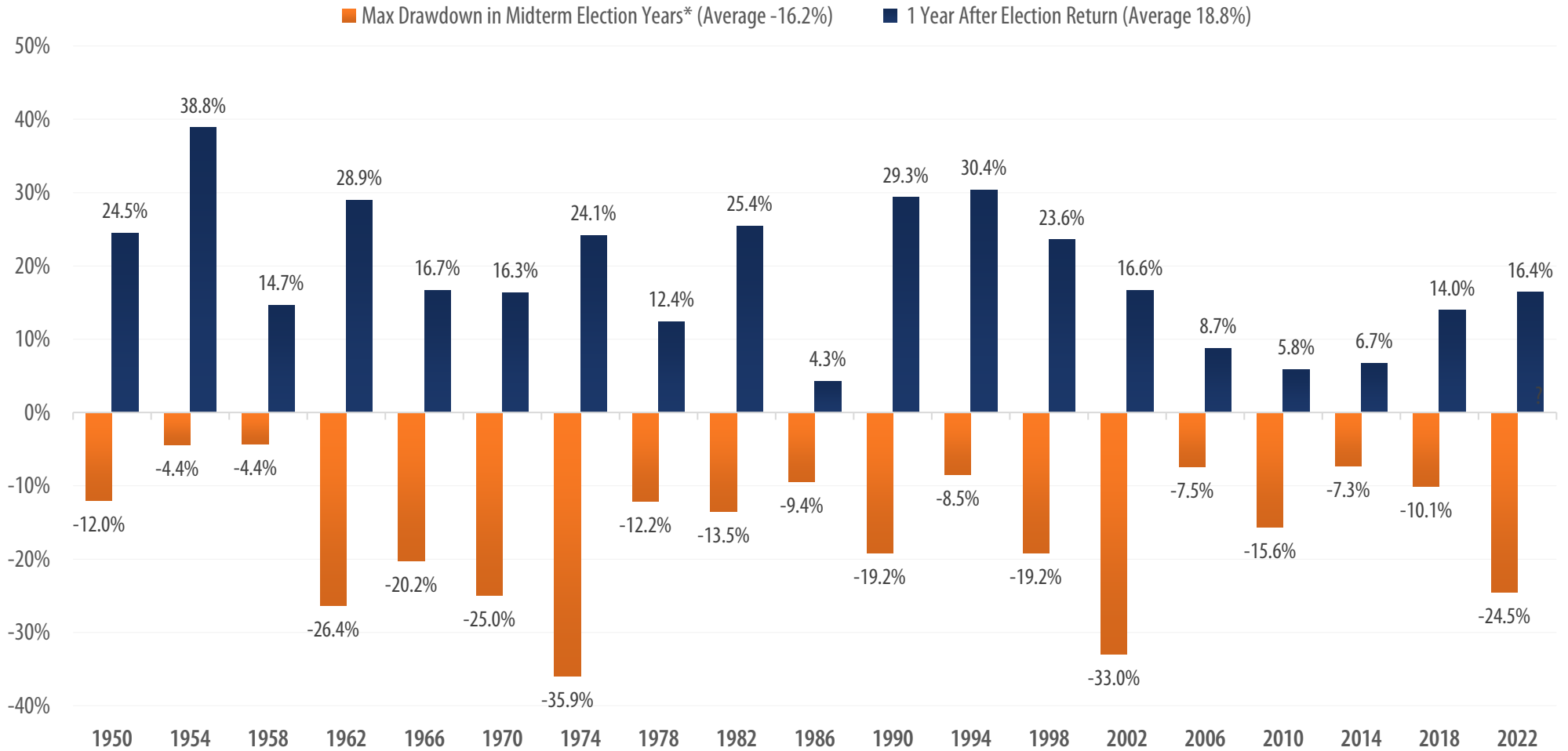


The background features a complex financial data visualization. It includes a prominent white line graph trending upwards from the bottom left towards the top right. Overlaid on this are several candlestick charts with bars in shades of blue, purple, and pink. The background is a dark blue with scattered white and light blue geometric shapes like squares and circles, and faint numbers such as 8, 9, and 0. The overall aesthetic is modern and data-driven.

 First Trust  
CLIENT RESOURCE KIT  
**MIDTERM ELECTION**

## S&P 500 INDEX MAX DRAWDOWN FROM START OF MIDTERM ELECTION YEAR TO ELECTION DAY VS. S&P 500 INDEX RETURN 1 YEAR AFTER MIDTERM ELECTION

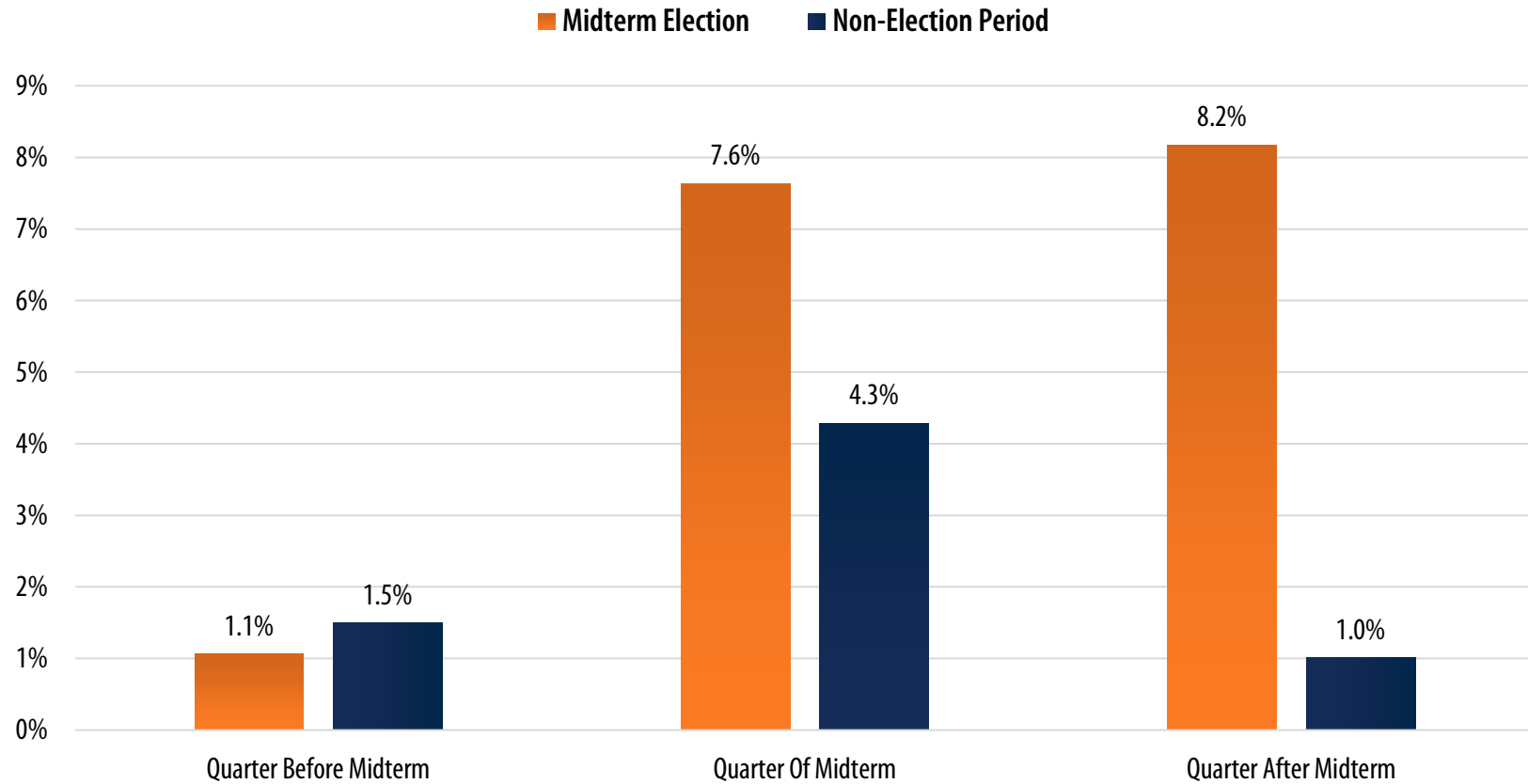


\*Max drawdown covers period from beginning of the year of the midterm election to election date.

Source: Bloomberg, First Trust Advisors L.P. Data from 1950-2023. **Past performance is no guarantee of future results.** This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions or other expenses incurred when investing. These returns are total returns and were the result of certain market factors and events which may not be repeated in the future. The S&P 500 Index is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. The index cannot be purchased directly by investors.

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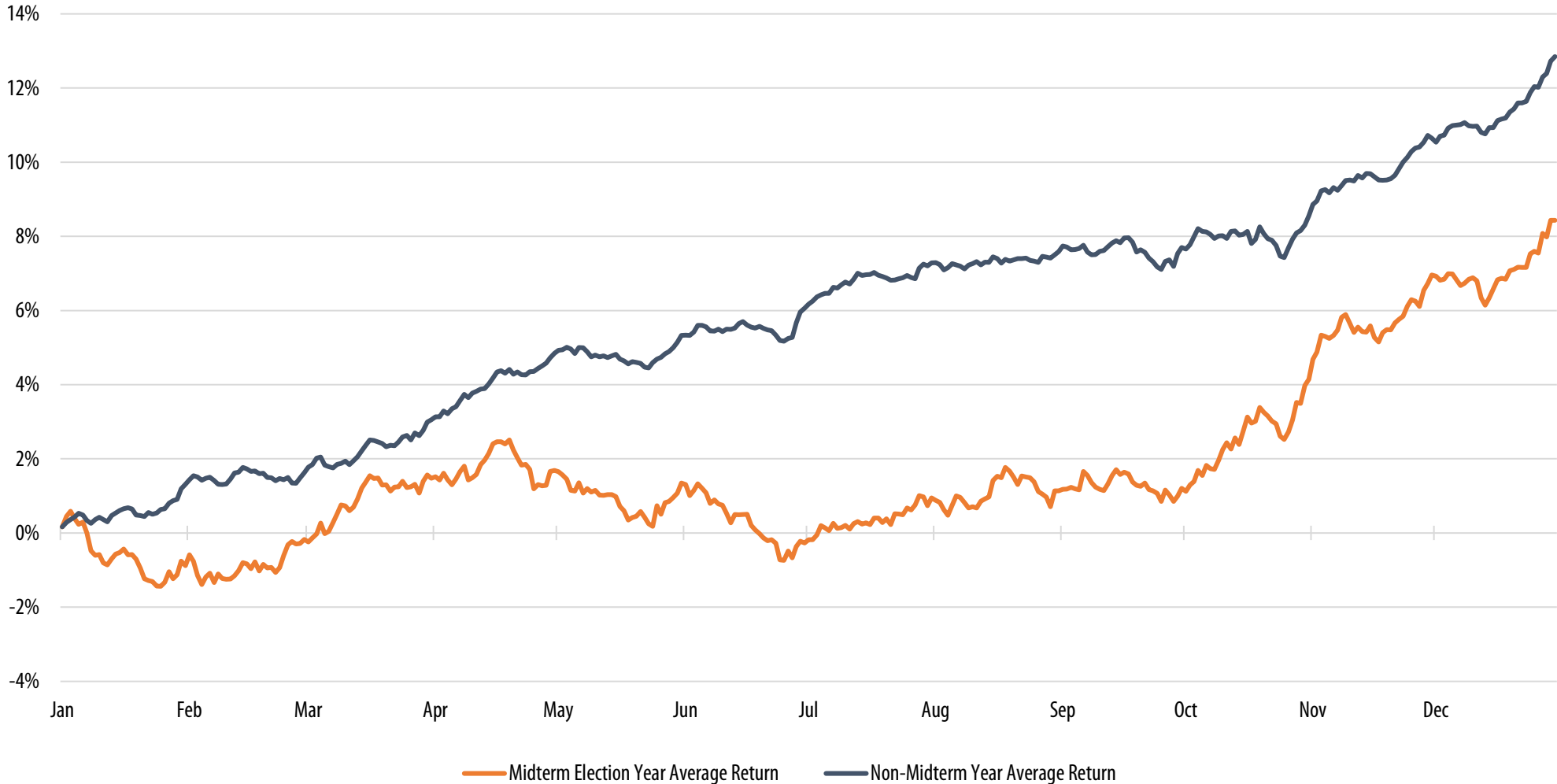
## S&P 500 INDEX AVERAGE QUARTERLY RETURNS BEFORE, DURING AND AFTER MIDTERM ELECTIONS VS. NON-MIDTERM ELECTION PERIODS



Source: Bloomberg. Data from 1950-2023. **Past performance is no guarantee of future results.** This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions or other expenses incurred when investing. These returns are total returns and were the result of certain market factors and events which may not be repeated in the future. The S&P 500 Index is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. The index cannot be purchased directly by investors.

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## MIDTERM VS. NON-MIDTERM ELECTION YEAR AVERAGE RETURNS: S&P 500 INDEX



Source: Bloomberg. Data from 1950-2023. **Past performance is no guarantee of future results.** This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions or other expenses incurred when investing. These returns are total returns and were the result of certain market factors and events which may not be repeated in the future. The S&P 500 Index is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. The index cannot be purchased directly by investors.

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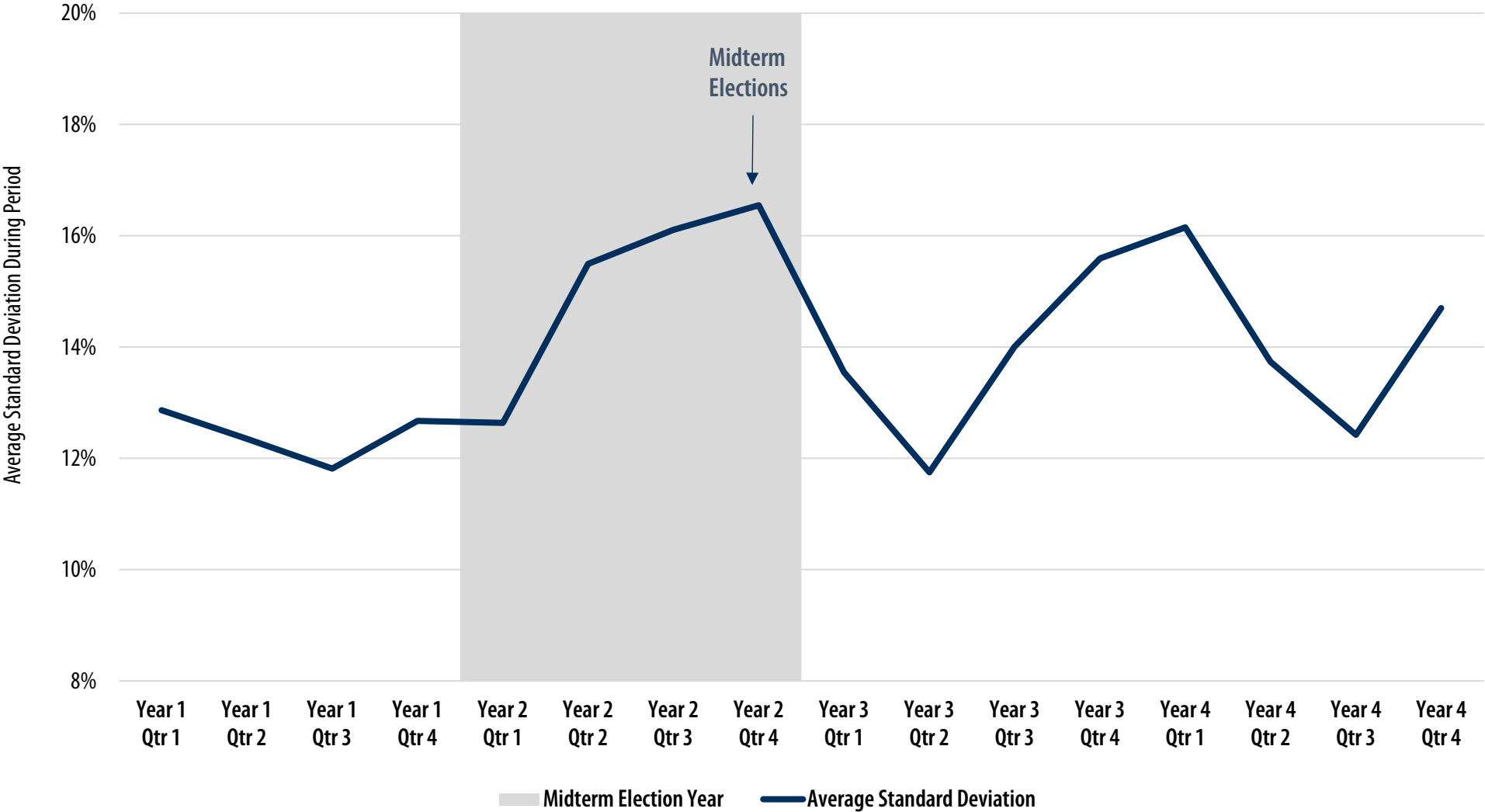
As seen in the table below, Midterm years tend to see moderate to large pullbacks, but returns a year later have historically been significant.

## S&P 500 INDEX INTRA-YEAR PULLBACKS VS. S&P 500 INDEX RETURN 1 YEAR LATER

| Midterm Election Year | Low Date       | Intra-Year Pullback | Return 1 Year After Low Date |
|-----------------------|----------------|---------------------|------------------------------|
| 1950                  | 7/17/1950      | -12.0%              | 41.7%                        |
| 1954                  | 8/31/1954      | -4.4%               | 51.1%                        |
| 1958                  | 2/25/1958      | -4.4%               | 41.0%                        |
| 1962                  | 6/26/1962      | -26.4%              | 37.5%                        |
| 1966                  | 10/7/1966      | -20.2%              | 37.3%                        |
| 1970                  | 5/26/1970      | -25.0%              | 48.9%                        |
| 1974                  | 10/3/1974      | -35.9%              | 44.4%                        |
| 1978                  | 11/14/1978     | -12.8%              | 18.1%                        |
| 1982                  | 8/12/1982      | -13.5%              | 66.1%                        |
| 1986                  | 9/29/1986      | -9.4%               | 44.3%                        |
| 1990                  | 10/11/1990     | -19.2%              | 33.5%                        |
| 1994                  | 4/4/1994       | -8.5%               | 18.5%                        |
| 1998                  | 8/31/1998      | -19.2%              | 39.8%                        |
| 2002                  | 10/9/2002      | -33.0%              | 36.1%                        |
| 2006                  | 6/13/2006      | -7.5%               | 26.2%                        |
| 2010                  | 7/2/2010       | -15.6%              | 33.6%                        |
| 2014                  | 10/15/2014     | -7.3%               | 10.9%                        |
| 2018                  | 12/24/2018     | -19.4%              | 39.9%                        |
| 2022                  | 10/12/2022     | -24.5%              | 23.6%                        |
|                       | <b>Average</b> | <b>-16.7%</b>       | <b>36.5%</b>                 |
|                       | <b>Median</b>  | <b>-15.6%</b>       | <b>37.5%</b>                 |

Source: Bloomberg. As of 3/28/2024. **Past performance is no guarantee of future results.** This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions or other expenses incurred when investing. These returns are total returns and were the result of certain market factors and events which may not be repeated in the future. The S&P 500 Index is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. The index cannot be purchased directly by investors. *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.*

### S&P 500 INDEX VOLATILITY ACROSS THE 4-YEAR ELECTION CYCLE



Source: Bloomberg. Data from 1950-2023. **Past performance is no guarantee of future results.** This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions or other expenses incurred when investing. These returns are total returns and were the result of certain market factors and events which may not be repeated in the future. The S&P 500 Index is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. The index cannot be purchased directly by investors. Standard Deviation is a measure of price variability (risk).

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## S&P 500 INDEX RETURNS IN THE MONTHS BEFORE, DURING AND AFTER MIDTERM ELECTIONS VS. NON-MIDTERM ELECTION PERIODS

| Midterm Election Year           | Trailing 12-Month Return<br>Up To Election Month (November) | Midterm Election<br>Month (November) Return | 11-Month Return<br>Following Election Month (November) |
|---------------------------------|---|---|--|
| 1950                            | 35.1%   | -0.1%                                       | 26.0%  |
| 1954                            | 36.0%   | 8.1%  | 28.9%  |
| 1958                            | 30.0%   | 2.2%  | 13.2%  |
| 1962                            | -14.9%  | 10.2%                                       | 22.8%  |
| 1966                            | -10.3%  | 0.3%  | 20.6%  |
| 1970                            | -10.8%  | 5.1%  | 11.2%  |
| 1974                            | -28.8%  | -4.9%                                       | 32.5%  |
| 1978                            | 6.3%  | 2.1%  | 13.0%  |
| 1982                            | 16.3%   | 4.0%  | 23.0%  |
| 1986                            | 33.2%   | 2.4%  | 3.9%   |
| 1990                            | -7.5%   | 6.5%  | 25.3%  |
| 1994                            | 3.9%  | -3.6%                                       | 31.2%  |
| 1998                            | 22.0%   | 6.1%  | 18.5%  |
| 2002                            | -15.1%  | 5.9%  | 14.1%  |
| 2006                            | 16.3%   | 1.9%  | 12.4%  |
| 2010                            | 16.5%   | 0.0%  | 8.1%   |
| 2014                            | 17.3%   | 2.7%  | 2.4%   |
| 2018                            | 7.3%  | 2.0%  | 12.0%  |
| 2022                            | -14.6%  | 5.6%  | 4.3%   |
| <b>Midterm Election Average</b> | <b>7.3%</b>   | <b>3.0%</b>                                 | <b>17.0%</b>   |
| <b>Non-Midterm Average*</b>     | <b>14.6%</b>  | <b>1.6%</b>                                 | <b>7.6%</b>  |

Source: Bloomberg. Data from 10/31/1949-3/28/2024. \*Non-Midterm Average includes the years not shown in the chart above. **Past performance is no guarantee of future results.** This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions or other expenses incurred when investing. These returns are total returns and were the result of certain market factors and events which may not be repeated in the future. The S&P 500 Index is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. The index cannot be purchased directly by investors.

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