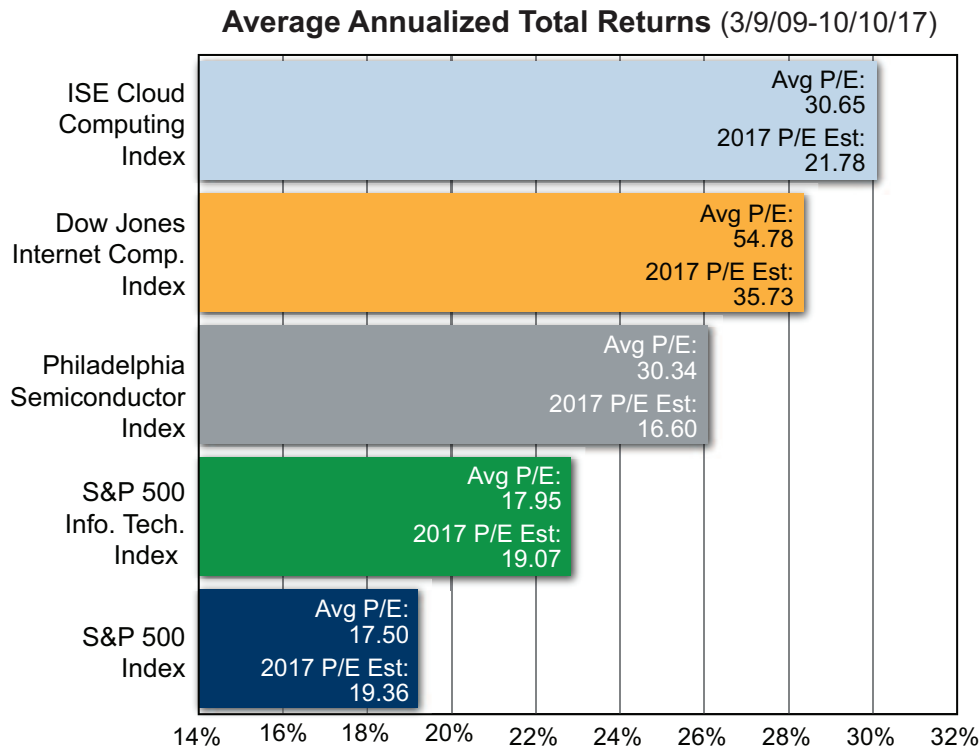


Technology Stocks Have Delivered Strong Returns In The Current Bull Market



Source: Bloomberg. Average Price-to-Earnings (P/E) Ratios from 3/9/09-10/10/17. 2017 P/E estimates as of 10/11/17. Past performance is no guarantee of future results.

View from the Observation Deck

1. From 3/9/09-10/10/17 (current bull), all four of the technology-related indices featured in the chart outperformed the S&P 500 Index.
2. The average annualized total returns for the period were as follows: ISE Cloud Computing Index (+30.09%); Dow Jones Internet Composite Index (+28.36%); Philadelphia Semiconductor Index (+26.09%); S&P 500 Information Technology Index (+22.83%); and S&P 500 Index (+19.19%), according to Bloomberg.
3. The so-called "new tech" (cloud computing) subsector posted the best showing since the bull began, followed by the Internet subsector, which happened to be the last major "new tech" wave back in the mid-1990s.
4. As of 9/29/17, Information Technology accounted for 23.2% of the S&P 500 Index, up from 17.84% on 3/9/09, according to S&P Dow Jones Indices and Bespoke Investment Group. It is the most heavily weighted sector in the index, followed by Financials at 14.6%.
5. Year-to-date through 10/10/17, the S&P 500 Information Technology Index posted a total return of 29.70%, compared to 15.73% for the S&P 500 Index, according to Bloomberg. It was the top-performing sector index, followed by the S&P 500 Health Care Index, up 21.48%.
6. Earnings reporting season for Q3'17 is underway. History shows that Information Technology tends to post the largest gains on third-quarter earnings reports, according to CNBC.

The chart and performance data referenced are for illustrative purposes only and not indicative of any actual investment. The index performance data excludes the effects of taxes and brokerage commissions or other expenses incurred when investing. Investors cannot invest directly in an index. There can be no assurance that any of the projections cited will occur. The S&P 500 Index is a capitalization-weighted index comprised of 500 stocks used to measure large-cap U.S. stock market performance. The ISE Cloud Computing Index is a modified equal-dollar weighted index designed to track the performance of companies actively involved in the cloud computing industry. The Dow Jones Internet Composite Index is a modified capitalization-weighted index designed to track companies involved in Internet-related activities. The Philadelphia Semiconductor Index is a modified capitalization-weighted index comprised of companies that are involved in the design, distribution, manufacturing, and sale of semiconductors. The S&P 500 Information Technology Index is capitalization-weighted and comprised of S&P 500 constituents representing the technology sector. 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 and the Internal Revenue Code. First Trust has no knowledge of and has not been provided any information regarding any investor. Financial advisors must determine whether particular investments are appropriate for their clients. First Trust believes the financial advisor is a fiduciary, is capable of evaluating investment risks independently and is responsible for exercising independent judgment with respect to its retirement plan clients.