

| Open-End Net Fund Flows (\$) | 3/17 | 2/17 | YTD (Mar) |
|------------------------------|---------|--------|-----------|
| Equity | -15.62B | 3.02B | -21.22B |
| Taxable Bond | 28.22B | 21.59B | 67.26B |
| Municipal Bond | 0.85B | 2.10B | 7.07B |
| Hybrid | -2.63B | -0.80B | -6.19B |
| Taxable Money Market | -18.36B | 0.54B | -66.07B |

| Key Interest Rates | 4/28/17 | 12/30/16 | 4/29/16 |
|---------------------------|---------|----------|---------|
| Federal Funds Target Rate | 1.00% | 0.75% | 0.50% |
| LIBOR (3-Month) | 1.17% | 1.00% | 0.64% |
| 2-Year T-Note | 1.26% | 1.19% | 0.78% |
| 10-Year T-Note | 2.28% | 2.45% | 1.83% |
| Bond Buyer 40 | 4.21% | 4.25% | 3.94% |

| Commodities/U.S. Dollar | 4/17 | YTD | 12 Mo. |
|--------------------------------|--------|---------|--------|
| U.S. Dollar Index (DXY) | -1.30% | -3.09% | 6.41% |
| TR/CC CRB Commodity Index | -2.23% | -5.60% | -1.56% |
| Crude Oil (Barrel) | -2.51% | -8.17% | 7.43% |
| Natural Gas (per million BTUs) | 2.82% | -11.83% | 50.46% |
| Gold Bullion (Ounce) | 1.68% | 10.12% | -1.72% |

Total Return Performance

| U.S. Stock Indices | 4/17 | YTD | 12 Mo. |
|--------------------|-------|--------|--------|
| S&P 500 | 1.03% | 7.16% | 17.91% |
| DJIA | 1.45% | 6.71% | 20.90% |
| NASDAQ 100 | 2.76% | 15.18% | 30.22% |
| S&P 400 | 0.84% | 4.81% | 20.45% |
| Russell 2000 | 1.10% | 3.58% | 25.60% |
| Russell 3000 | 1.06% | 6.86% | 18.57% |

| U.S. Styles/Market Caps | 4/17 | YTD | 12 Mo. |
|-------------------------|--------|--------|--------|
| S&P 500 Growth | 1.95% | 10.65% | 19.15% |
| S&P 500 Value | -0.07% | 3.22% | 16.12% |
| S&P MidCap 400 Growth | 1.64% | 6.81% | 20.25% |
| S&P MidCap 400 Value | -0.03% | 2.63% | 20.02% |
| Russell 2000 Growth | 1.84% | 7.28% | 24.03% |
| Russell 2000 Value | 0.39% | 0.26% | 27.16% |

| Foreign Stock Indices (USD) | 4/17 | YTD | 12 Mo. |
|-----------------------------|-------|--------|--------|
| MSCI World NET (Ex-U.S.) | 2.13% | 9.08% | 10.75% |
| MSCI Emerging Markets NET | 2.19% | 13.88% | 19.13% |
| MSCI Europe NET | 3.53% | 11.24% | 10.93% |
| MSCI BRIC NET | 1.86% | 13.65% | 22.92% |
| MSCI EM Latin America NET | 0.00% | 12.06% | 16.31% |
| Nikkei 225 | 1.42% | 5.95% | 14.10% |

| Barclays Bond Indices | 4/17 | YTD | 12 Mo. |
|-----------------------------|-------|-------|--------|
| U.S. Treasury: Intermediate | 0.53% | 1.08% | -0.16% |
| GNMA 30 Year | 0.49% | 0.77% | 0.47% |
| Municipal Bond (22+) | 0.74% | 2.49% | 0.08% |
| U.S. Aggregate | 0.77% | 1.59% | 0.83% |
| Intermediate Corporate | 0.83% | 2.00% | 2.41% |
| U.S. Corporate High Yield | 1.15% | 3.89% | 13.30% |
| Global Aggregate | 1.13% | 2.91% | -2.10% |
| EM Hard Currency Aggregate | 1.41% | 4.69% | 6.94% |

Sources: Bloomberg, Barclays, Investment Company Institute

Past performance is no guarantee of future results. Historical performance figures for the indices are for illustrative purposes only and not indicative of any actual investment. Indices are unmanaged and an investor cannot invest directly in an index.

Climate

Last month, we noted that U.S. CEOs are feeling more optimistic about the climate for doing business and plan to spend more of their capital as well as hire more employees looking out six months. In addition, a recent survey of 2,300 senior corporate executives from EY revealed that 79% of U.S. executives plan to pursue a mergers and acquisitions (M&A) deal in the next 12 months, surpassing the survey's average of 47% since its inception eight years ago, according to Yahoo Finance. Of those polled, 54% believe the Trump administration's policies have the potential to create more M&A opportunities, particularly its proposed changes to the corporate tax code.

Stock Market

The S&P 500 Index closed at 2,384.20 on 4/28/17, 0.49% below its all-time high of 2,395.96, established on 3/1/17, according to Bloomberg. The S&P 500 Index posted a total return of 1.03% in April. Eight of the 11 major sectors that comprise the S&P 500 Index were up on a total return basis. The top-performer was Information Technology, up 2.52%, while the worst showing came from Telecommunication Services, down 3.31%. YTD thru April, the S&P 500 Index posted a total return of 7.16%. Nine of the 11 major sectors were up. The top-performer was Information Technology, up 15.41%, while the worst showing came from Energy, down 9.38%. From 11/8/16 (date Donald Trump was elected 45th President of the United States) through 4/28/17, the S&P 500 Index posted a total return of 12.49%, according to Bloomberg. Ten of the 11 major sectors were up. The top-performer was Financials, up 18.69%, while the worst showing came from Energy, down 1.24%. While the S&P 500 Index closed April just below its all-time high, many stocks stood well below their respective 52-week highs. The following breaks down where the average stock in each sector stood relative to its 52-week high as of 4/28/17 (Bloomberg): Information Technology (-4.86%); Utilities (-5.53%); Financials (-7.26%); Industrials (-7.63%); Materials (-8.44%); Health Care (-8.63%); Consumer Staples (-9.61%); Consumer Discretionary (-12.06%); Real Estate (-13.08%); Telecommunication Services (-13.34%); and Energy (-19.62%).

Bond Market

The yield on the benchmark 10-year Treasury note (T-note) stood at 2.28% on 4/28/17, down 11 basis points (bps.) from 2.39% on 3/31/17, according to Bloomberg. It was 45 bps. higher than a year ago (1.83% on 4/29/16), but 46 bps. lower than the 10-year average of 2.74%. The dip in interest rates in April was well-received by investors as all of the major bond categories posted healthy gains for the month (see Barclays Bond Indices table). Investors continue to pour large amounts of capital into bond mutual funds. Bond funds reported net inflows totaling \$74.33 billion in Q1'17, up from net inflows totaling \$17.36 billion in Q1'16, according to the Investment Company Institute. In 2016, net inflows totaled \$106.65 billion.

Takeaway

Part of the fallout from the 2008-2009 financial crisis for some investors was the issue of trust, or faith, in the markets. After all, the crisis was in essence a systemic meltdown. In our opinion, perhaps one of the best ways in which to assess the viability of the securities markets these many years later is to see if the risk-reward relationship is intact. In other words, the greater the risk assumed by the investor, the greater the return expected/required by said investor. On this front, we have good news to report. With respect to equities, from 3/9/09-4/28/17 (current bull market), small-capitalization (cap) stocks outperformed mid-cap stocks and they in turn outperformed large-cap stocks. The cumulative total returns were as follows: S&P SmallCap 600 Index (+419.26%); S&P MidCap 400 Index (+384.45%); and the S&P 500 Index (+318.69%), according to Bloomberg. With respect to bonds, from 3/9/09-4/28/17, high yield corporate bonds outperformed investment grade corporate bonds and they in turn outperformed U.S. Treasury bonds. The cumulative total returns were as follows (BofA Merrill Lynch Bond Indices): U.S. High Yield Constrained (+185.72%); 7-10 Year U.S. Corporate Index (+98.84%); and the 7-10 Year U.S. Treasury Index (+36.90%), according to Bloomberg.

Data as of 4/28/17

| Index | 10-Yr. High Value | Date | 10-Yr. Low Value | Date | Month-End Value | % Off High Value | YTD Return (USD) | Month-End Yield |
|-------------------------------------|-------------------|------------|------------------|------------|-----------------|------------------|------------------|-----------------|
| S&P 500 | 2395.96 | 3/1/2017 | 676.53 | 3/9/2009 | 2384.20 | -0.49% | 7.16% | 1.96% |
| S&P 500 Growth | 1346.40 | 4/28/2017 | 363.99 | 3/9/2009 | 1346.40 | 0.00% | 10.65% | 1.62% |
| S&P 500 Value | 1057.51 | 3/1/2017 | 307.16 | 3/9/2009 | 1025.64 | -3.01% | 3.22% | 2.37% |
| S&P MidCap 400 | 1758.27 | 3/1/2017 | 404.62 | 3/9/2009 | 1732.76 | -1.45% | 4.81% | 1.70% |
| S&P MidCap 400 Growth | 793.77 | 4/27/2017 | 174.44 | 11/20/2008 | 787.58 | -0.78% | 6.81% | 1.28% |
| S&P MidCap 400 Value | 609.68 | 3/1/2017 | 144.98 | 3/9/2009 | 593.08 | -2.72% | 2.63% | 2.17% |
| S&P 100 | 1061.21 | 3/1/2017 | 322.13 | 3/9/2009 | 1054.86 | -0.60% | 7.14% | 2.13% |
| DJIA | 21115.55 | 3/1/2017 | 6547.05 | 3/9/2009 | 20940.51 | -0.83% | 6.71% | 2.33% |
| NASDAQ 100 | 5583.53 | 4/28/2017 | 1036.51 | 11/20/2008 | 5583.53 | 0.00% | 15.18% | 1.08% |
| Russell 2000 | 1419.43 | 4/26/2017 | 343.26 | 3/9/2009 | 1400.43 | -1.34% | 3.58% | 1.44% |
| Russell 2000 Growth | 843.67 | 4/27/2017 | 190.73 | 3/9/2009 | 835.67 | -0.95% | 7.28% | 0.93% |
| Russell 2000 Value | 1825.27 | 3/1/2017 | 469.32 | 3/9/2009 | 1775.13 | -2.75% | 0.26% | 1.93% |
| Russell 3000 | 1422.33 | 3/1/2017 | 389.61 | 3/9/2009 | 1414.84 | -0.53% | 6.86% | 1.89% |
| MSCI World Net (ex U.S.) (USD) | 5496.51 | 7/3/2014 | 2131.84 | 3/9/2009 | 5361.88 | -2.45% | 9.08% | 3.02% |
| MSCI Emerging Markets Net (USD) | 473.36 | 10/29/2007 | 164.51 | 10/27/2008 | 432.58 | -8.62% | 13.88% | 2.44% |
| Ibovespa/Brazil (USD) | 44638.24 | 5/19/2008 | 9077.09 | 1/21/2016 | 20450.66 | -54.19% | 10.65% | 3.05% |
| RTS/Russia (USD) | 2487.92 | 5/19/2008 | 498.20 | 1/23/2009 | 1114.43 | -55.21% | -3.19% | 4.39% |
| S&P BSE 500/India (USD) | 226.04 | 1/7/2008 | 57.52 | 3/9/2009 | 201.93 | -10.67% | 24.82% | 1.27% |
| Shanghai Composite/China (USD) | 832.07 | 6/12/2015 | 249.66 | 11/4/2008 | 457.63 | -45.00% | 2.39% | 1.73% |
| KOSPI/South Korea (USD) | 2.29 | 10/31/2007 | 0.63 | 11/20/2008 | 1.94 | -15.14% | 15.62% | 1.67% |
| Hang Seng (USD) | 4082.25 | 10/30/2007 | 1420.72 | 10/27/2008 | 3164.59 | -22.48% | 12.13% | 3.33% |
| MSCI Euro (USD) | 1985.51 | 10/31/2007 | 682.47 | 3/9/2009 | 1296.64 | -34.69% | 13.21% | 3.08% |
| S&P 500 Consumer Discretionary | 719.81 | 4/27/2017 | 125.72 | 3/9/2009 | 716.73 | -0.43% | 11.09% | 1.40% |
| S&P 500 Consumer Staples | 572.03 | 4/25/2017 | 199.80 | 3/9/2009 | 566.54 | -0.96% | 7.45% | 2.60% |
| S&P 500 Energy | 737.09 | 6/23/2014 | 304.81 | 3/5/2009 | 498.95 | -32.31% | -9.38% | 2.78% |
| S&P 500 Utilities | 269.14 | 7/6/2016 | 113.81 | 3/9/2009 | 262.16 | -2.59% | 7.23% | 3.41% |
| S&P 500 Financials | 508.86 | 6/1/2007 | 81.74 | 3/6/2009 | 390.76 | -23.21% | 1.66% | 1.72% |
| S&P 500 Banks | 408.00 | 5/18/2007 | 49.02 | 3/5/2009 | 285.12 | -30.12% | 0.99% | 1.95% |
| FTSE NAREIT All Equity REITs | 725.61 | 8/1/2016 | 163.57 | 3/6/2009 | 665.68 | -8.26% | 2.98% | 3.97% |
| S&P 500 Health Care | 892.26 | 7/20/2015 | 252.84 | 3/5/2009 | 872.26 | -2.24% | 10.04% | 1.65% |
| S&P 500 Pharmaceuticals | 647.69 | 8/1/2016 | 214.50 | 3/3/2009 | 610.93 | -5.68% | 6.46% | 2.55% |
| NYSE Arca Biotechnology | 4431.87 | 7/17/2015 | 541.77 | 3/9/2009 | 3636.28 | -17.95% | 18.32% | 0.39% |
| S&P 500 Information Technology | 928.33 | 4/28/2017 | 198.51 | 11/20/2008 | 928.33 | 0.00% | 15.41% | 1.33% |
| Philadelphia Semiconductor | 1023.29 | 4/27/2017 | 171.32 | 11/20/2008 | 1005.53 | -1.74% | 11.43% | 1.60% |
| S&P 500 Telecom Services | 183.85 | 7/1/2016 | 88.10 | 3/9/2009 | 160.33 | -12.80% | -7.15% | 4.86% |
| S&P 500 Industrials | 573.26 | 3/1/2017 | 132.83 | 3/9/2009 | 569.18 | -0.71% | 6.40% | 2.12% |
| S&P 500 Materials | 336.51 | 4/25/2017 | 108.33 | 3/2/2009 | 333.17 | -0.99% | 7.33% | 2.02% |
| Philadelphia Gold & Silver | 228.95 | 4/8/2011 | 38.84 | 1/19/2016 | 83.10 | -63.70% | 5.66% | 0.56% |
| TR/CC CRB Commodity | 473.52 | 7/2/2008 | 155.01 | 2/11/2016 | 181.73 | -61.62% | -5.60% | N/A |
| BofA ML Perpetual Preferred | 247.41 | 4/27/2017 | 51.79 | 3/9/2009 | 247.27 | -0.06% | 6.45% | 5.29% |
| BofA ML U.S. High Yield Constrained | 403.47 | 4/28/2017 | 130.37 | 12/12/2008 | 403.47 | 0.00% | 3.83% | 6.01% |

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