

A Snapshot of Market Breadth via Performance

S&P 500 Index Breadth

Period	Top 10 Avg. % Change	Top 25 Avg. % Change	Top 50 Avg. % Change	S&P 500 % Change
YTD (6/29/18)	-1.75%	-0.04%	4.02%	1.67%
2017	32.11%	32.11%	24.81%	19.42%
2016	15.00%	11.61%	9.73%	9.54%
2015	16.52%	10.53%	8.40%	-0.73%
2014	11.37%	10.66%	12.23%	11.39%
2013	28.63%	24.67%	34.75%	29.60%
2012	8.90%	17.34%	18.95%	13.41%
2011	11.05%	7.63%	5.33%	0.00%
2010	11.21%	10.39%	15.34%	12.78%
1999	58.69%	53.61%	105.12%	19.53%
1998	68.15%	55.62%	46.97%	26.67%

Source: S&P Dow Jones Indices. Returns are price-only. Past performance is no guarantee of future results.

View from the Observation Deck

1. We continue to receive questions about the degree to which the top 10, 25 and 50 companies in the S&P 500 Index, by market capitalization (cap), are influencing the performance of the index in the current bull market.
2. The price-only returns featured in the table are shaded in either gray or blue. The gray shaded years indicate that a broad number of stocks in the S&P 500 Index were participating in the bull market, while the blue shaded years indicate that the top 10, 25 and 50 stocks garnered more favor from investors.
3. After three consecutive years (2015-2017) in which the top 10, 25 and 50 companies with the largest market caps significantly outperformed the broader S&P 500 Index, the index has outperformed the top 10 and 25 constituents year-to-date through June 2018.
4. We included 1998 and 1999 to remind investors of what top-heavy performance can look like at the extreme. If you recall, the climate in the equity bull market back in the latter half of the 1990s was characterized by former Federal Reserve Chairman Alan Greenspan as "irrational exuberance."
5. The bull market, as measured by the S&P 500 Index, commenced in March 2009. From 3/9/09-12/31/09 (not shown in table), the S&P 500 Index posted a total return of 67.80%, compared to 97.20% for the S&P 500 Equal Weighted Index, according to Bloomberg.
6. From 3/9/09-6/29/18 (current bull market), the S&P 500 Index posted a cumulative total return of 388.64% (18.57% on an average annualized basis), compared to 498.33% (21.18% on an average annualized basis) for the S&P 500 Equal Weighted Index, according to Bloomberg.
7. Those returns suggest that this bull market has been inclusive, rather than one dominated by the biggest companies, in our opinion.

This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions and other expenses incurred when investing. Investors cannot invest directly in an index. 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 S&P 500 Equal Weighted Index is comprised of the same companies as the capitalization weighted S&P 500 Index, but each company is allocated a fixed weight, or 0.2% of the index total at each quarterly rebalance.

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