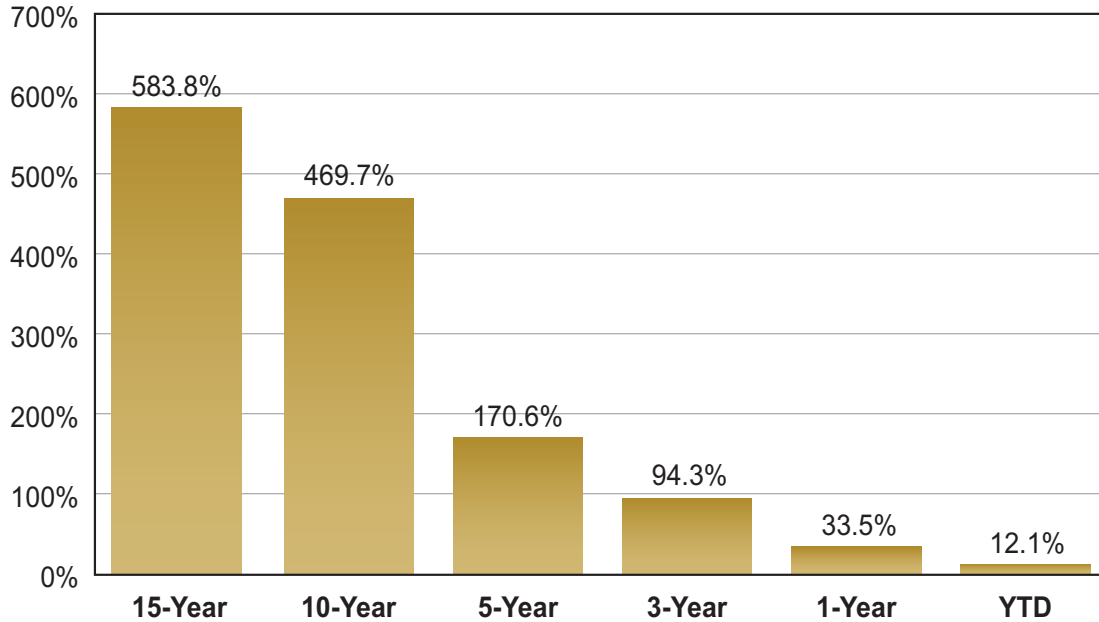


The Tech Sector Has Been The “Gold Standard” For 15 Years

Top-Performing S&P 500 Sector Index: Information Technology (YTD, 1-Year and Cumulative Total Returns thru 6/19/20)



Source: Bloomberg. Past performance is no guarantee of future results.

View from the Observation Deck

1. The S&P 500 Index is comprised of 11 major sectors. When it comes to performance, we believe that one of them stands above the rest: Information Technology.
2. Information Technology was the top-performing sector in all six of the periods featured in the chart. A clean sweep.
3. On an average annualized basis, the cumulative total returns in the chart look as follows: 13.66% (15-Year); 18.99% (10-Year); 22.00% (5-Year); and 24.76% (3-Year).
4. The outperformance is even more impressive when you consider that Information Technology was only the top-performer in three (2009, 2017 & 2019) of the last 15 calendar years (2005-2019), according to Bloomberg.
5. Information Technology carries the biggest sector weighting in the S&P 500 Index. It stood at 27.16% as of 6/22/20, according to Bloomberg. Health Care was a distant second at 14.53%.
6. Brian Wesbury, Chief Economist at First Trust Advisors L.P., has been unwavering in his belief that economic growth stems from entrepreneurship and invention, not quantitative easing or government spending. Technology fits that bill better than any other sector, 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 an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance, while the 11 major S&P 500 Sector Indices are capitalization-weighted and comprised of S&P 500 constituents representing a specific 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, 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.