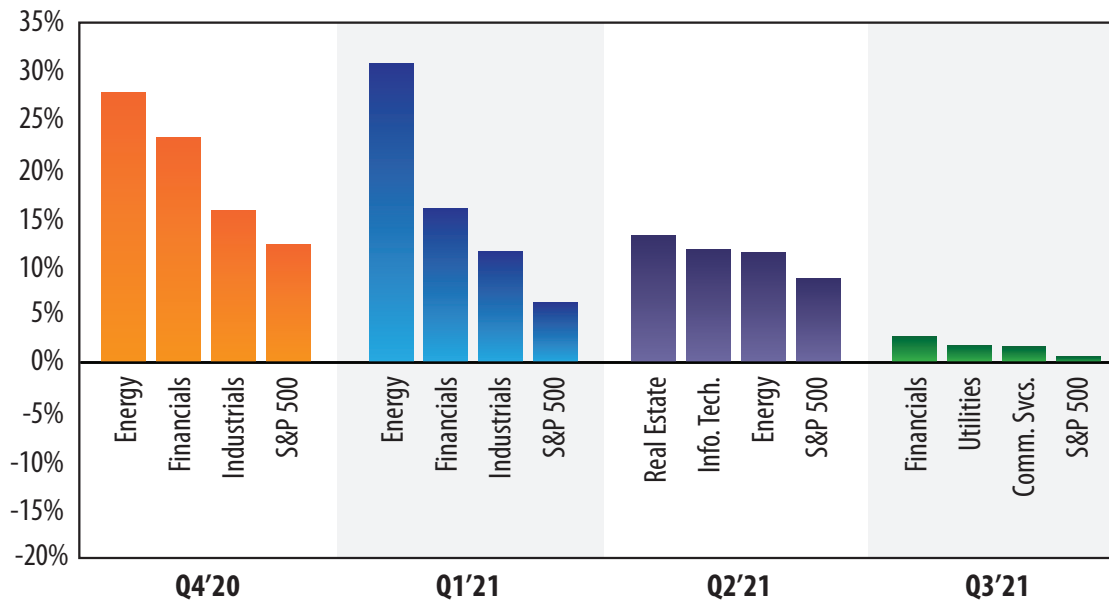


The Only Constant Is Change

Top Three S&P 500 Index Sectors In Each Of The Past Four Quarters



Source: Bloomberg. Returns are total returns. **Past performance is no guarantee of future results.**

View from the Observation Deck

1. One of the most common questions we field on an ongoing basis is the following: What are your favorite sectors?
2. Sometimes the answer is more evident than at other times, in our opinion.
3. You didn't need much of a crystal ball to tout Information Technology in 1998 and 1999 (top-performing S&P 500 sector both years by a wide margin), as was the case with Energy in 2004 & 2005, according to performance data from Bloomberg.
4. For the first time since 2005, a sector in the S&P 500 Index was able to repeat as the top-performer on a calendar year basis. Information Technology posted the highest total return in 2019 (+50.29%) and 2020 (43.89%), according to Bloomberg.
5. The top-performing sectors in Q3'21 were as follows (total returns): 2.74% (Financials), 1.78% (Utilities) and 1.60% (Communication Services). Despite being the only sector in positive territory in September, Energy dropped out of the top three in Q3'21 after making the list the three prior quarters. The other eight sectors generated total returns ranging from 1.43% (Health Care) to -4.22% (Industrials). The total return on the S&P 500 Index was 0.58%.
6. A total of 412 stocks in the S&P 500 Index were in positive territory year-to-date through September. There have only been five occasions since 2001 where the total has exceeded 400 positive stocks at this point in the year, and the market went on to appreciate in the fourth quarter in all five of those instances.
7. [Click here](#) to access the post featuring the top-performing sectors in Q4'19, Q1'20, Q2'20 and Q3'20.

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. 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. The respective 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.