

Open-End Net Fund Flows (\$)	2/21	12/20	YTD (Feb)
Equity	-34.87B	-72.26B	-107.12B
Taxable Bond	52.77B	61.86B	114.63B
Municipal Bond	7.45B	12.39B	19.84B
Hybrid	-0.16B	-3.86B	-4.02B
Taxable Money Market	44.05B	-5.50B	38.55B

Key Interest Rates	3/31/21	12/31/20	3/31/20
Federal Funds Target Rate	0.25%	0.25%	0.25%
ICE LIBOR (3-Month)	0.19%	0.24%	1.45%
2-Year T-Note	0.16%	0.12%	0.25%
10-Year T-Note	1.74%	0.92%	0.67%
Bond Buyer 40	3.53%	3.46%	3.66%

Commodities/U.S. Dollar	3/21	YTD	12 Mo.
U.S. Dollar Index (DXY)	2.59%	3.66%	-5.88%
Refinitiv/CC CRB Excess Ret.	-2.87%	10.23%	51.87%
Crude Oil/WTI (per Barrel)	-3.80%	21.93%	188.87%
Natural Gas (per million BTUs)	-5.78%	2.76%	59.15%
Gold Bullion (Ounce)	-0.87%	-9.57%	8.24%

Total Return Performance

U.S. Stock Indices	3/21	YTD	12 Mo.
S&P 500	4.38%	6.17%	56.33%
DJIA	6.78%	8.29%	53.78%
NASDAQ 100	1.47%	1.76%	68.88%
S&P MidCap 400	4.67%	13.47%	83.44%
Russell 2000	1.00%	12.69%	94.82%
Russell 3000	3.58%	6.34%	62.51%

U.S. Styles/Market Caps	3/21	YTD	12 Mo.
S&P 500 Growth	2.64%	2.11%	59.41%
S&P 500 Value	6.26%	10.76%	50.35%
S&P MidCap 400 Growth	2.39%	8.56%	77.04%
S&P MidCap 400 Value	6.88%	18.43%	89.23%
Russell 2000 Growth	-3.15%	4.87%	90.19%
Russell 2000 Value	5.22%	21.16%	97.01%

Foreign Stock Indices (USD)	3/21	YTD	12 Mo.
MSCI World NET (Ex-U.S.)	2.55%	4.04%	45.86%
MSCI Emerging Markets NET	-1.51%	2.29%	58.39%
MSCI Europe NET	3.09%	4.08%	44.95%
MSCI BRIC NET	-3.48%	-0.10%	48.64%
MSCI EM Latin America NET	4.63%	-5.32%	50.07%
Nikkei 225	-2.36%	-0.18%	52.61%

Bloomberg Barclays Bond Ind.	3/21	YTD	12 Mo.
U.S. Treasury: Intermediate	-0.69%	-1.76%	-1.27%
GNMA 30 Year	-0.24%	-0.99%	-0.38%
Municipal Bond (22+)	1.00%	-0.47%	7.02%
U.S. Aggregate	-1.25%	-3.37%	0.71%
Intermediate Corporate	-1.01%	-2.19%	8.54%
U.S. Corporate High Yield	0.15%	0.85%	23.72%
Global Aggregate	-1.92%	-4.46%	4.67%
EM Hard Currency Aggregate	-1.55%	-3.67%	14.05%

Sources: Bloomberg, 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

For anyone looking for some confirmation that the U.S. economy is back on solid footing look no further than the latest releases on the ISM Manufacturing Index, nonfarm payrolls and household net worth. The ISM Manufacturing Index jumped from a reading of 60.8 in February to 64.7 in March, the highest mark since 1983, according to the Institute for Supply Management. A reading above 50 indicates that manufacturing is expanding and vice versa. On the labor front, the U.S. added 916,000 new jobs in March, according to the Bureau of Labor Statistics. That was more than the two previous months combined (701,000). The Federal Reserve reported that U.S. household net worth (total assets minus total liabilities) stood at an all-time high of \$130.2 trillion at the end of 2020, according to *The Wall Street Journal*. That total was up 5.6% from the end of September 2020 and up 10.0% from the end of 2019. Household net worth was largely boosted by gains from the stock and real estate markets. There is much to be optimistic about, in our opinion.

Stock Market

The S&P 500 Index ("index") closed at 3,972.89 on 3/31/21, 0.04% below its all-time closing high of 3,974.54 on 3/26/21, according to Bloomberg. The index posted a total return of 4.38% in March. All 11 major sectors that comprise the index were up on a total return basis. The top-performer was Utilities, up 10.51%, while the worst showing came from Information Technology, up 1.69%. The S&P 500 Index posted a total return of 6.17% year-to-date through 3/31/21. All 11 major sectors were up on a total return basis. The top-performer was Energy, up 30.84%, while the worst showing came from Consumer Staples, up 1.15%. Stock buybacks and dividends are rebounding but remain below pre-COVID-19 levels. S&P 500 Index stock buybacks totaled \$130.52 billion (preliminary) in Q4'20, up 28.22% from the \$101.79 billion executed in Q3'20, but down 28.12% from the \$181.58 billion registered in Q4'19, according to S&P Dow Jones Indices. In Q4'20, Information Technology, Communication Services, Health Care and Financials were the most active sectors accounting for 42.95%, 12.70%, 11.50% and 10.41%, respectively, of all buyback expenditures. S&P 500 Index companies distributed \$118.84 billion in dividend payments in the quarter, up 2.86% from the \$115.54 billion paid out in Q3'20, but down 5.94% from the \$126.35 billion paid out in Q4'19. One of the bigger stories playing out is the rotation from growth stocks into value stocks. From 9/30/20-3/31/21, the S&P 500 Pure Value Index posted a total return of 52.35%, compared to 16.18% for the S&P 500 Pure Growth Index, according to Bloomberg. Over the prior 12 months (9/30/19-9/30/20), the S&P 500 Pure Growth Index had returned 20.94%, compared to -22.01% for the S&P 500 Pure Value Index. Demand for new stock shares is strong. Data from Renaissance Capital shows that a total of 101 equity IPOs (market caps above \$50 million) have been priced in the U.S. this year (thru 4/1), up 288.5% from the same period in 2020, according to its own release. The 101 companies raised a combined \$39.2 billion, up 463.9% from the same period a year ago.

Bond Market

The yield on the benchmark 10-year Treasury note (T-note) closed trading on 3/31/21 at 1.74%, up 33 basis points (bps) from its 1.41% close on 2/26/21, according to Bloomberg. The yield stood 37 bps below its 2.11% average for the 10-year period ended 3/31/21. While still low on an historical basis, Treasury bond yields are rising at a fast clip. The yield on the 10-year T-note increased by 82 bps in Q1'21 and total returns suffered (see Bloomberg Barclays Bond Ind. table). If it is any consolation to fixed-income investors, Federal Reserve Chairman Jerome Powell commented on 3/24/21 that he is not concerned about the rise in bond yields because he believes it reflects growing optimism about the economy's prospects, according to *The Wall Street Journal*.

Takeaway

Some investors are shunning stocks despite their strong showing over the past year. A recent survey from Bankrate.com revealed that 39% of the U.S. adults it polled said they had no capital invested in the stock market either prior to the COVID-19 pandemic or currently, according to its own release. Nearly one out of every two respondents (48%) believe the stock market is rigged against individual investors. In that group, nearly one out of every five respondents (18%) felt strongly about the market being rigged. That is an unfortunate and costly perspective to maintain, in our opinion, when you consider that the S&P 500 Index was up 56.33% for the 12-month period ended 3/31/21.

Data as of 3/31/21

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	3974.54	3/26/2021	1099.23	10/3/2011	3972.89	-0.04%	6.17%	1.46%
S&P 500 Growth	2713.21	2/12/2021	598.65	10/3/2011	2626.55	-3.19%	2.11%	0.78%
S&P 500 Value	1407.40	3/26/2021	494.97	10/3/2011	1395.62	-0.84%	10.76%	2.17%
S&P MidCap 400	2682.61	3/15/2021	744.98	10/3/2011	2609.24	-2.74%	13.47%	1.28%
S&P MidCap 400 Growth	1302.12	3/15/2021	345.40	10/3/2011	1271.93	-2.32%	8.56%	0.74%
S&P MidCap 400 Value	842.63	3/15/2021	252.35	10/3/2011	816.53	-3.10%	18.43%	1.76%
S&P 100	1803.14	2/17/2021	500.09	10/3/2011	1801.88	-0.07%	5.12%	1.48%
DJIA	33171.37	3/29/2021	10655.30	10/3/2011	32981.55	-0.57%	8.29%	1.85%
NASDAQ 100	13807.70	2/12/2021	2038.22	8/19/2011	13091.44	-5.19%	1.76%	0.75%
Russell 2000	2360.17	3/15/2021	609.49	10/3/2011	2220.52	-5.92%	12.69%	1.00%
Russell 2000 Growth	1709.62	2/9/2021	350.15	10/3/2011	1524.85	-10.81%	4.87%	0.44%
Russell 2000 Value	2532.82	3/12/2021	804.33	10/3/2011	2380.95	-6.00%	21.16%	1.53%
Russell 3000	2400.90	3/15/2021	644.45	10/3/2011	2382.74	-0.76%	6.34%	1.38%
MSCI World Net (ex U.S.) (USD)	7299.25	3/18/2021	3369.63	10/4/2011	7191.76	-1.47%	4.04%	2.35%
MSCI Emerging Markets Net (USD)	699.23	2/17/2021	296.25	1/21/2016	638.40	-8.70%	2.29%	1.90%
Ibovespa/Brazil (USD)	43619.40	4/8/2011	9077.09	1/21/2016	20472.83	-53.06%	-10.61%	2.78%
RTS/Russia (USD)	2123.56	4/8/2011	628.41	1/20/2016	1477.11	-30.44%	6.61%	4.59%
S&P BSE 500/India (USD)	278.30	3/3/2021	95.89	9/3/2013	267.93	-3.73%	7.24%	0.91%
Shanghai Composite/China (USD)	832.07	6/12/2015	314.68	12/3/2012	525.25	-36.87%	-1.28%	2.05%
KOSPI/South Korea (USD)	2.91	1/25/2021	1.16	3/19/2020	2.71	-6.67%	2.90%	1.85%
Hang Seng (USD)	4241.01	1/26/2018	2087.46	10/4/2011	3650.23	-13.93%	4.27%	2.41%
MSCI Euro (USD)	1550.58	3/18/2021	814.62	6/1/2012	1542.56	-0.52%	5.84%	2.04%
S&P 500 Consumer Discretionary	1391.36	2/8/2021	267.58	10/3/2011	1340.92	-3.63%	3.11%	0.60%
S&P 500 Consumer Staples	710.88	3/29/2021	293.02	8/10/2011	699.46	-1.61%	1.15%	2.82%
S&P 500 Energy	737.09	6/23/2014	179.94	3/18/2020	369.89	-49.82%	30.84%	4.42%
S&P 500 Utilities	359.13	2/18/2020	152.93	8/8/2011	325.26	-9.43%	2.84%	3.36%
S&P 500 Financials	576.35	3/12/2021	151.85	10/3/2011	565.72	-1.84%	15.90%	1.83%
S&P 500 Banks	398.22	3/18/2021	105.73	8/22/2011	387.72	-2.64%	23.44%	2.38%
FTSE NAREIT All Equity REITs	835.20	2/14/2020	371.48	10/3/2011	767.73	-8.08%	8.32%	3.22%
S&P 500 Health Care	1381.65	1/20/2021	346.38	8/10/2011	1360.34	-1.54%	3.18%	1.61%
S&P 500 Pharmaceuticals	824.82	1/26/2021	282.86	8/10/2011	786.38	-4.66%	1.51%	2.65%
NYSE Arca Biotechnology	6319.77	2/8/2021	1001.60	11/25/2011	5479.34	-13.30%	-4.46%	0.31%
S&P 500 Information Technology	2434.51	2/12/2021	357.71	8/19/2011	2331.06	-4.25%	1.97%	0.92%
Philadelphia Semiconductor	3238.92	2/16/2021	326.32	8/19/2011	3124.95	-3.52%	12.12%	1.15%
S&P 500 Telecom Services	243.57	3/17/2021	115.22	8/8/2011	239.28	-1.76%	8.08%	0.89%
S&P 500 Industrials	834.72	3/30/2021	245.04	10/3/2011	831.98	-0.33%	11.41%	1.42%
S&P 500 Materials	500.55	3/26/2021	179.78	10/3/2011	494.71	-1.17%	9.08%	1.72%
Philadelphia Gold & Silver	228.95	4/8/2011	38.84	1/19/2016	134.39	-41.30%	-6.31%	1.23%
Refinitiv/CC CRB Excess Return	370.56	4/29/2011	106.29	4/21/2020	184.96	-50.09%	10.23%	N/A
ICE BofA Perpetual Preferred	308.97	12/31/2020	146.25	8/8/2011	306.63	-0.76%	-0.76%	4.15%
ICE BofA U.S. High Yield Constrained	502.41	2/15/2021	250.64	10/4/2011	499.89	-0.50%	0.91%	4.93%

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