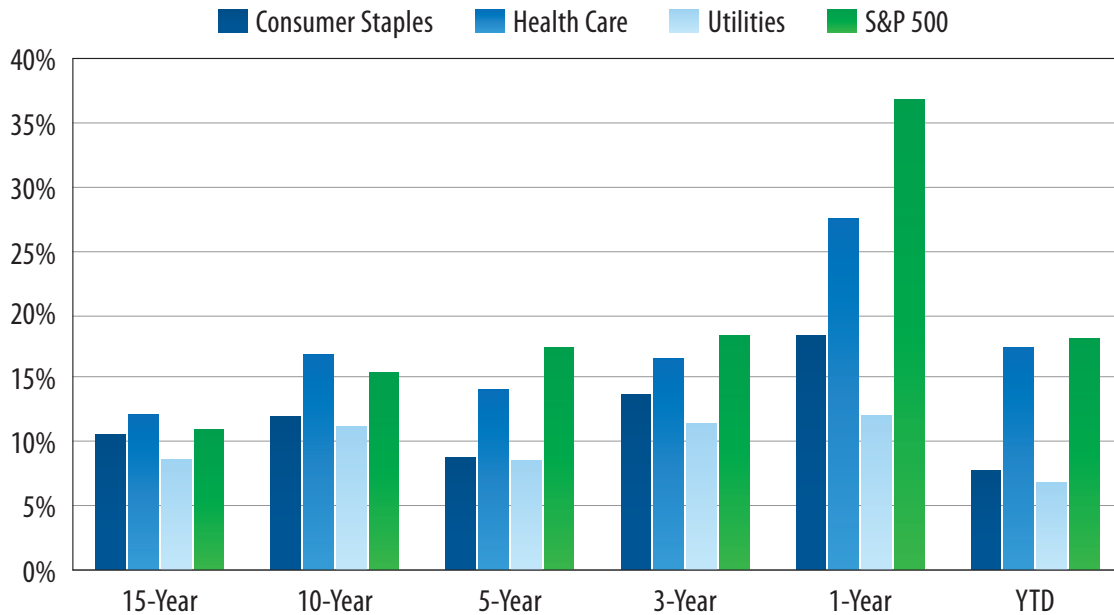


# How The S&P 500's Defensive-Oriented Sectors Have Fared

## S&P 500 Defensive Sector Indices vs. S&P 500 Index

(YTD, 1-Year and Average Annualized Total Returns thru 7/30/21)



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

## View from the Observation Deck

1. While some lists may vary, the three sectors generally cited as being defensive-oriented with respect to the economy and/or stock market are consumer staples, health care and utilities.
2. These types of companies tend to distribute consistent dividends and act more stable during various phases of the business cycle because there tends to be reliable demand for their goods and services.
3. With respect to just the three sectors, Health Care outperformed Consumer Staples and Utilities in all six of the time periods featured in the chart above.
4. The total returns through 7/30/21 were as follows (Consumer Staples vs. Health Care vs. Utilities vs. S&P 500): 15-year avg. annual (10.48% vs. 12.07% vs. 8.56% vs. 10.85%); 10-year avg. annual (11.92% vs. 16.66% vs. 11.12% vs. 15.33%); 5-year avg. annual (8.73% vs. 14.04% vs. 8.46% vs. 17.33%); 3-year avg. annual (13.58% vs. 16.40% vs. 11.38% vs. 18.16%); 1-year (18.20% vs. 27.33% vs. 12.03% vs. 36.45%); and year-to-date (7.70% vs. 17.33% vs. 6.82% vs. 17.99%).
5. As of 8/4/21, their respective weightings in the S&P 500 Index were as follows: 13.56% (Health Care); 5.78% (Consumer Staples); and 2.51% (Utilities), according to Bloomberg. Combined, they account for a little more than one-fifth (21.85%) of the index.
6. As of 6/30/21, total mutual fund and exchange-traded fund net assets under management in these areas were as follows: \$250 billion (Health); \$39 billion (Utilities); and \$23 billion (Consumer Defense), according to Morningstar.

*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.*

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