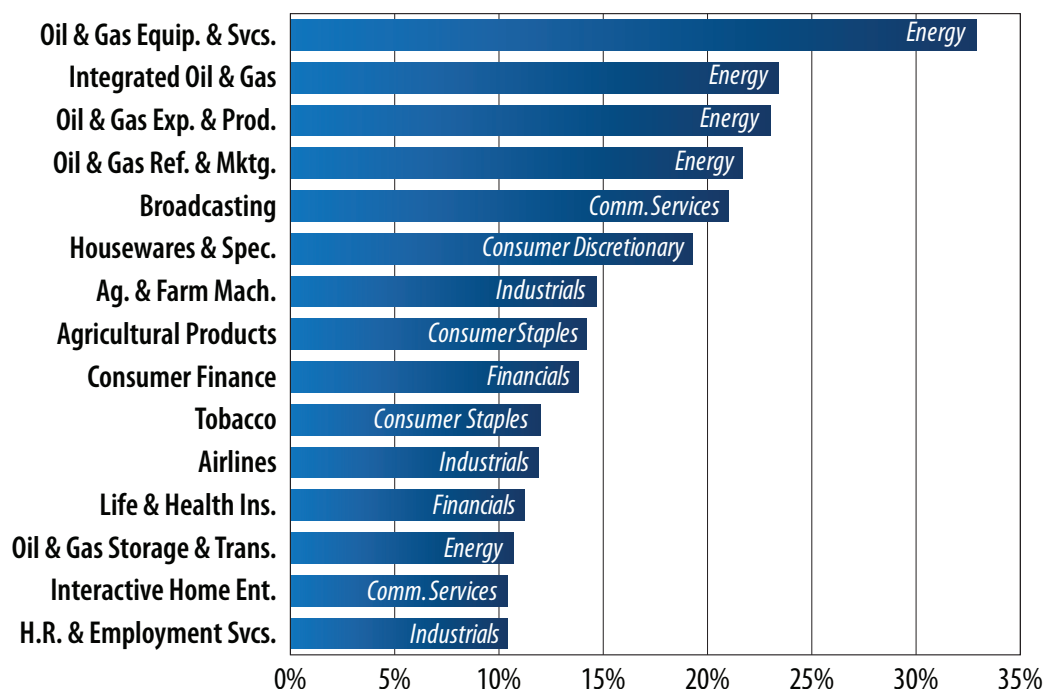


Top-Performing S&P 500 Index Subsectors YTD (Thru 2/15)

Top 15 S&P 500 Index Subsector Total Returns (12/31/21-2/15/22)



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

View from the Observation Deck

1. Today's blog post is for those investors who want to drill down below the sector level to see what is performing well in the stock market.
2. Equities and bonds are off to a rough start in 2022. The subsectors in the chart above offer proof that equity investors can prosper even when the major broader market indices are down.
3. The S&P 500 Index is currently comprised of 11 sectors and 123 subsectors, according to S&P Dow Jones Indices.
4. As indicated in the chart above, Energy and Industrial had five and three subsectors, respectively, on the list. All five subsectors that comprise the energy sector made the list. The cyclical subsectors in the chart are potentially benefitting from rising inflation and bond yields, in our opinion.
5. As of 2/16/21, the most heavily weighted sector in the S&P 500 Index was Information Technology at 28.19%, according to Bloomberg. Energy and Industrials came in at 3.55% and 7.95%, respectively.
6. The 15 top-performing subsectors in the chart posted total returns ranging from 10.37% (Human Resource & Employment Services) to 32.93% (Oil & Gas Equipment & Services).
7. With respect to the 11 sectors, only two of them posted positive total returns for the period captured in the chart. Energy and Financials were up 22.83% and 2.99%, respectively, on a total return basis, according to Bloomberg.
8. The S&P 500 Index posted a total return of -6.04% for the period.
9. There are a growing number of packaged products, such as exchange-traded funds, that feature S&P 500 Index subsectors.

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 S&P sector and subsector indices are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector or industry.

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