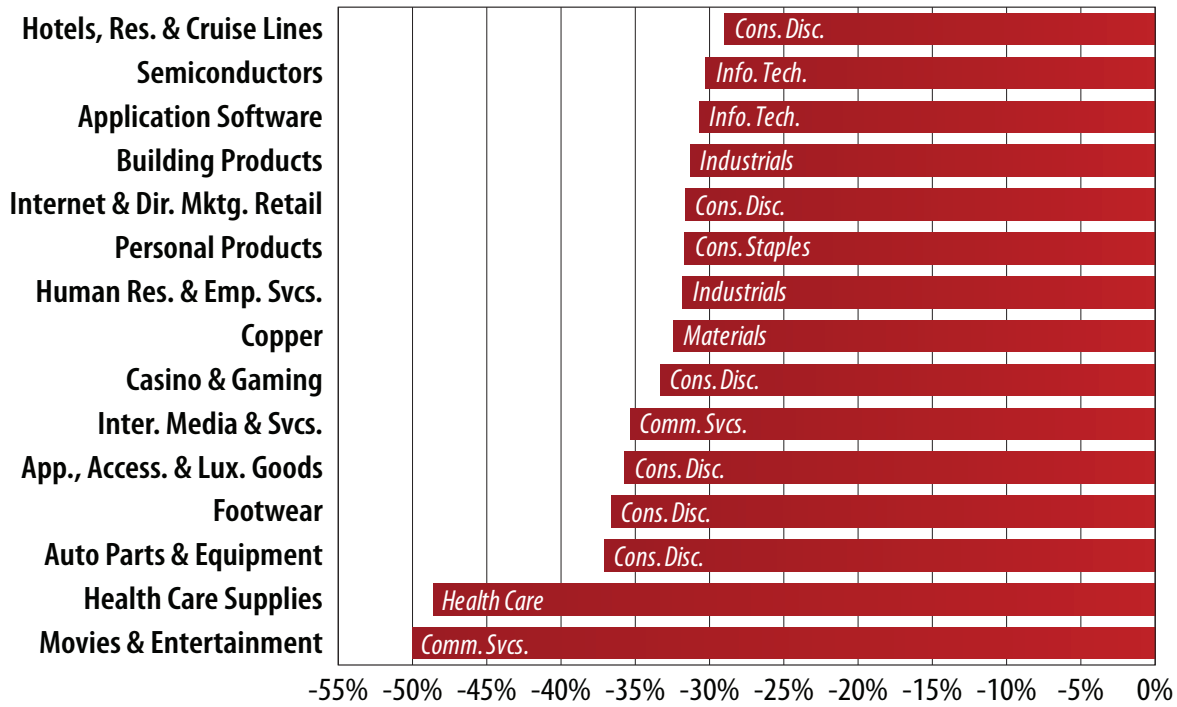


Worst-Performing S&P 500 Index Subsectors YTD (Thru 7/26)

Bottom 15 S&P 500 Index Subsector Total Returns (12/31/21-7/26/22)



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 not performing well in the stock market.
2. Equities are off to a rough start in 2022. Nearly all of the subsectors featured in the chart are down more than 30% so far this year.
3. The S&P 500 Index is currently comprised of 11 sectors and 122 subsectors, according to S&P Dow Jones Indices.
4. As indicated in the chart above, Consumer Discretionary had six subsectors on the list.
5. As of 7/26/22, the most heavily weighted sector in the S&P 500 Index was Information Technology at 27.76%, according to S&P Dow Jones Indices. Consumer Discretionary had the third-largest weighting at 11.09%.
6. The 15 worst-performing subsectors in the chart posted total returns ranging from -28.97% (Hotels, Resorts & Cruise Lines) to -50.03% (Movies & Entertainment).
7. With respect to the 11 sectors, only two of them posted positive total returns for the period captured in the chart. Energy and Utilities were up 34.53% and 0.35%, respectively, on a total return basis, according to Bloomberg. The third- and fourth-best performers were Consumer Staples and Health Care, with total returns of -4.06% and -6.12%, respectively. The S&P 500 Index posted a total return of -17.04% for the period.
8. There are a growing number of packaged products, such as exchange-traded funds, that feature S&P 500 Index subsectors.
9. While there are no guarantees, there could be some potential deep value opportunities in this group.

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 companies 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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