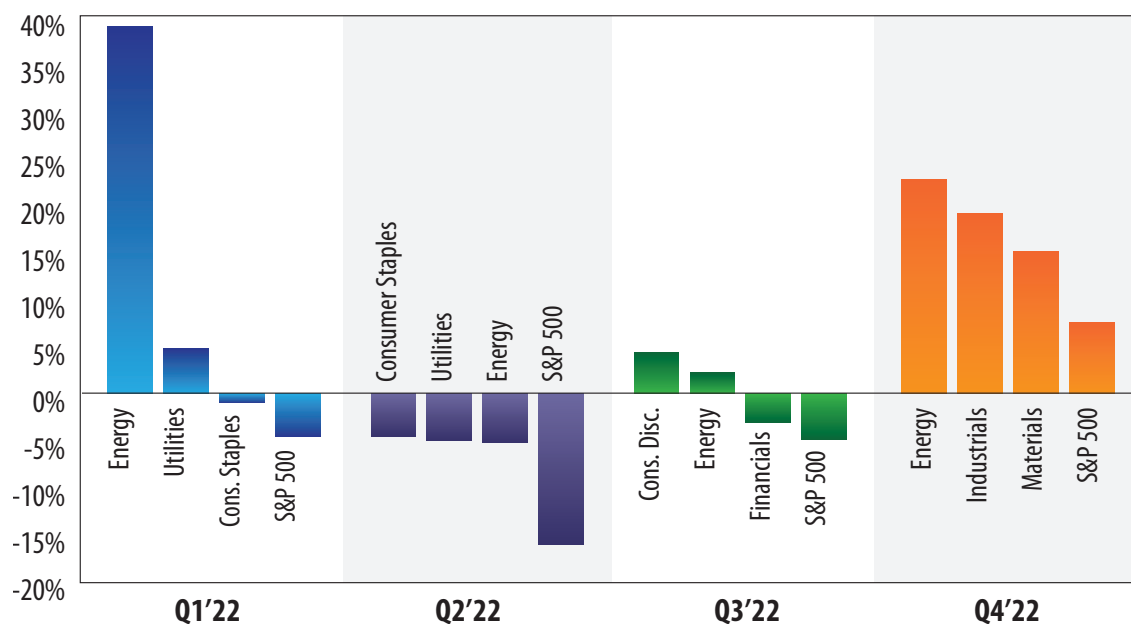


# The Only Constant Is Change

## 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, such as Energy's outperformance in the current climate, in our opinion
3. Since 2005, only two sectors in the S&P 500 Index have been the top-performer in back-to-back calendar years. Information Technology was the first, posting the highest total return in 2019 (+50.29%) and 2020 (43.89%). Energy was the second, posting the highest total return in 2021 (54.39%) and 2022 (65.43%), according to Bloomberg.
4. The top-performing sectors in Q4'22 were as follows (total returns): 22.74% (Energy), 19.18% (Industrials) and 15.05% (Materials). The total return on the S&P 500 Index was 7.55%. The other eight sectors generated total returns ranging from 13.56% (Financials) to -10.18% (Consumer Discretionary).
5. The S&P 500 posted a total return of -18.13% for the 2022 calendar year. Of the 11 major sectors that comprise the index, only Energy and Utilities registered positive total returns.
6. For comparative purposes, the top-performing sectors in 2022 were as follows (total returns): 65.43% (Energy), 1.56% (Utilities) and -0.62% (Consumer Staples). The worst-performing sectors for the period (total return) were: -39.89% (Communication Services), -37.03% (Consumer Discretionary) and -28.19% (Information Technology).
7. [Click here](#) to access the post featuring the top-performing sectors in Q1'21, Q2'21, Q3'21 and Q4'21.

*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.*