CLIENT RESOURCE KIT

MARKETS IN PERSPECTIVE

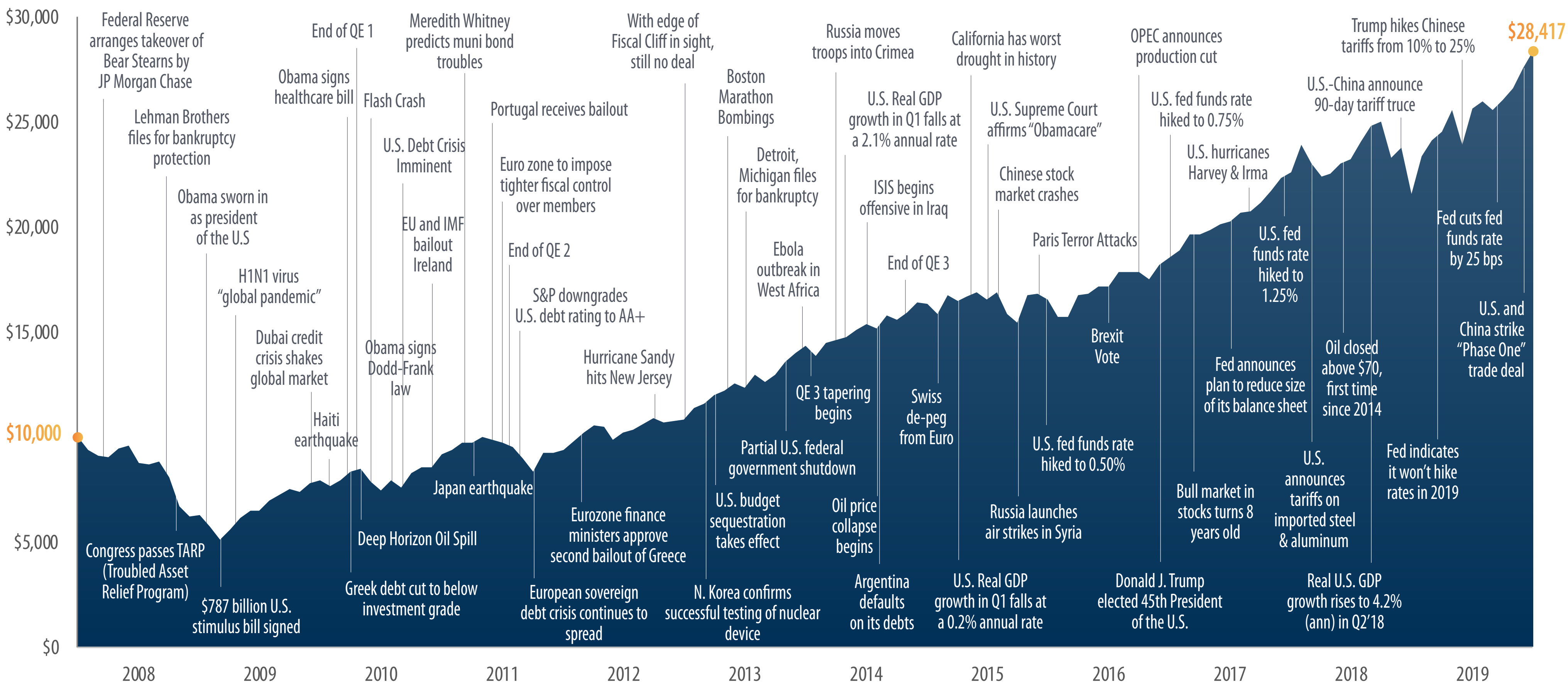
First Trust

S&P 500 Index

2008 – 2019

This chart shows the growth of $10,000 based on S&P 500 Index performance over the last several years. Although past performance is no guarantee of future results, we believe looking at the market's overall resiliency through several major crises and events helps to gain a fresh perspective on the benefits of investing for the long-term.

THE AVERAGE ANNUAL TOTAL RETURN OF THE S&P 500 INDEX FOR THE PERIOD SHOWN BELOW WAS 9.09%.



Source: First Trust Advisors L.P., 1/1/08 - 12/31/19. This chart is for illustrative purposes only and not indicative of any actual investment. The S&P 500 Index is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance. Investors cannot invest directly in an index. Index returns do not reflect any fees, expenses, or sales charges. Stocks are not guaranteed and have been more volatile than the other asset classes. These returns were the result of certain market factors and events which may not be repeated in the future. Past performance is no guarantee of future results.

Staying the Course

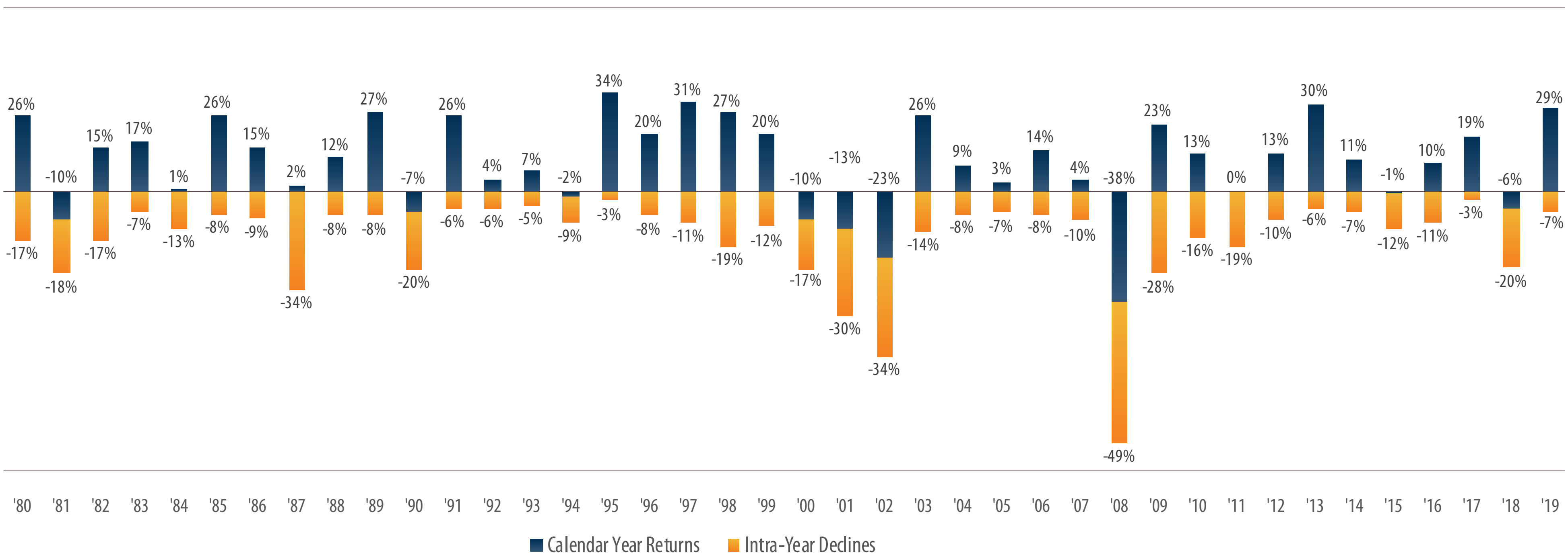
Investors tend to see short-term volatility as the enemy. Volatility may lead many investors to move money out of the market and "sit on the sidelines" until things "calm down." Although this approach may appear to solve one problem, it creates several others:

1. When do you get back in? You must make two correct decisions back-to-back; when to get out and when to get back in.
2. By going to the sidelines you may be missing a potential rebound. This is not historically unprecedented; see chart below.
3. By going to the sidelines you could be not only missing a potential rebound, but all the potential growth on that money going forward.

We believe the wiser course of action is to review your plan with your advisor and from there, decide if any action is indeed necessary. This placates the natural desire to "do something", but helps keep emotions in check.

INTRA-YEAR DECLINES VS. CALENDAR YEAR RETURNS

Volatility is not a recent phenomenon. Each year, one can expect the market to experience a significant correction, which for the S&P 500 has averaged approximately 14% since 1980. Although past performance is no guarantee of future results, history has shown that those who chose to stay the course were rewarded for their patience more often than not.



Source: First Trust Advisors L.P., Bloomberg, as of 12/31/19. The benchmark used for the above chart is the S&P 500 Index. The S&P 500 Index is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance. Investors cannot invest directly in an index. Index returns do not reflect any fees, expenses, or sales charges. Returns are based on price only and do not include dividends. This chart is for illustrative purposes only and not indicative of any actual investment. These returns were the result of certain market factors and events which may not be repeated in the future. Past performance is no guarantee of future results.

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Stocks Won!

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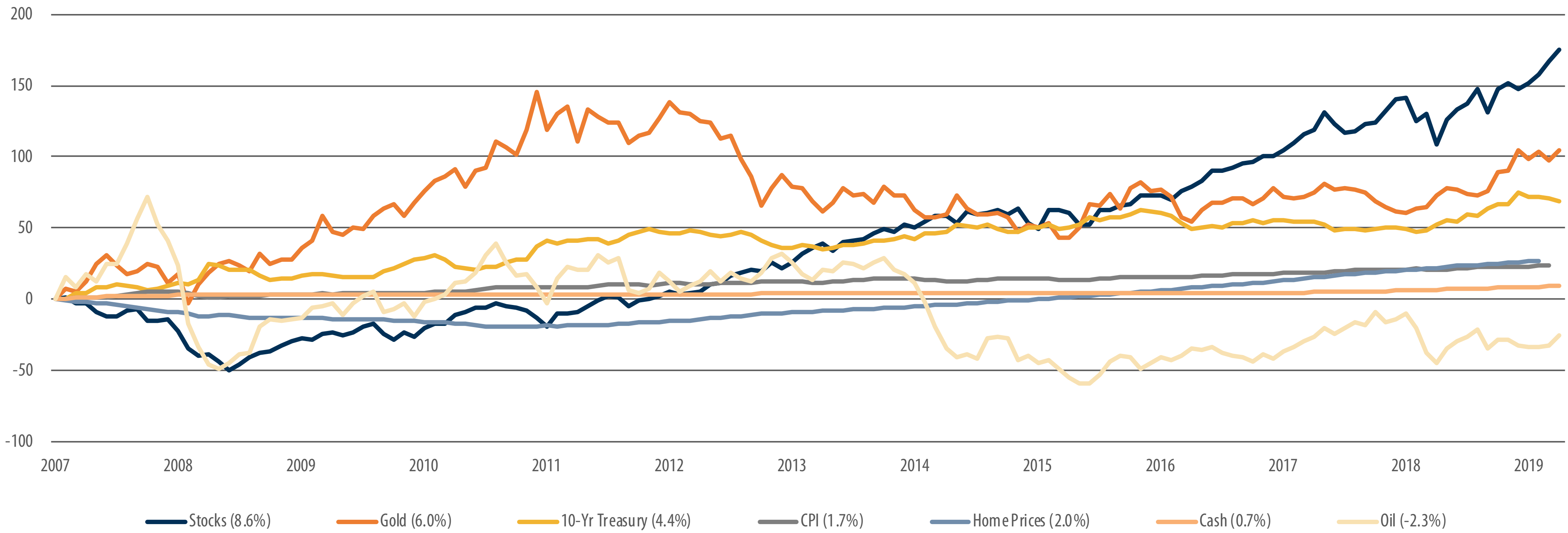
This chart shows the cumulative return of different asset classes following the S&P 500 Index market peak before the Financial Panic of 2008. Although past performance is no guarantee of future results, we believe a comparison of asset class performance through the financial panic and subsequent recovery helps to show the benefits of investing for the long-term.

CUMULATIVE RETURN (%)

Sep '07 = 0 (annualized returns in parenthesis)



Source: Standard & Poor's, Bloomberg, Federal Housing and Finance Agency (FHFA), Bureau of Labor Statistic (BLS), U.S. Treasury, New York Mercantile Exchange (NYM). Monthly data September 2007 – December 2019. Housing data through October 2019 and CPI data through November 2019 (latest data available). Stocks represented by the S&P 500 Total Return Index. Gold represented by gold spot price per Troy ounce. 10-Year Treasury represented by the 10-year Treasury note constant maturity total return index. CPI represented by the BLS Consumer Price Index. Home prices represented by the FHFA Home Price Index. Cash represented by the 3-month Treasury bill constant maturity total return index. Oil prices represented by the NYM Generic 1st Crude Futures Index. This chart is for illustrative purposes only and not indicative of any actual investment. Past performance is no guarantee of future results.

The asset classes shown here offer different characteristics in terms of income, tax treatment, capital appreciation and risk. Common stocks are subject to risks, such as an economic recession and the possible deterioration of either the financial condition of the issuers of the equity securities or the general condition of the stock market. An investment in commodities involves specific risks including but not limited to: global supply and demand, depletion of natural resources, excess capacity, production costs, economic recession, domestic and international politics, currency exchange rates, government regulations, volatile interest rates, consumer spending trends and overall capital spending levels. Fixed income securities are generally subject to credit risk, income risk, and interest rate risk. Credit risk is the risk that an issuer may default on its obligation to make principal and/or interest payments when due. Income risk is the risk that income could decline during periods of falling interest rates. Interest rate risk is the risk that the value of fixed income securities will decline because of rising interest rates. Homebuilding companies can be significantly affected by the national, regional and local real estate markets.

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History of U.S. Bear & Bull Markets

1926 – 2019

This chart shows historical performance of the S&P 500 Index throughout the U.S. Bull and Bear Markets from 1926 through 2019. Although past performance is no guarantee of future results, we believe looking at the history of the market's expansions and recessions helps to gain a fresh perspective on the benefits of investing for the long-term.

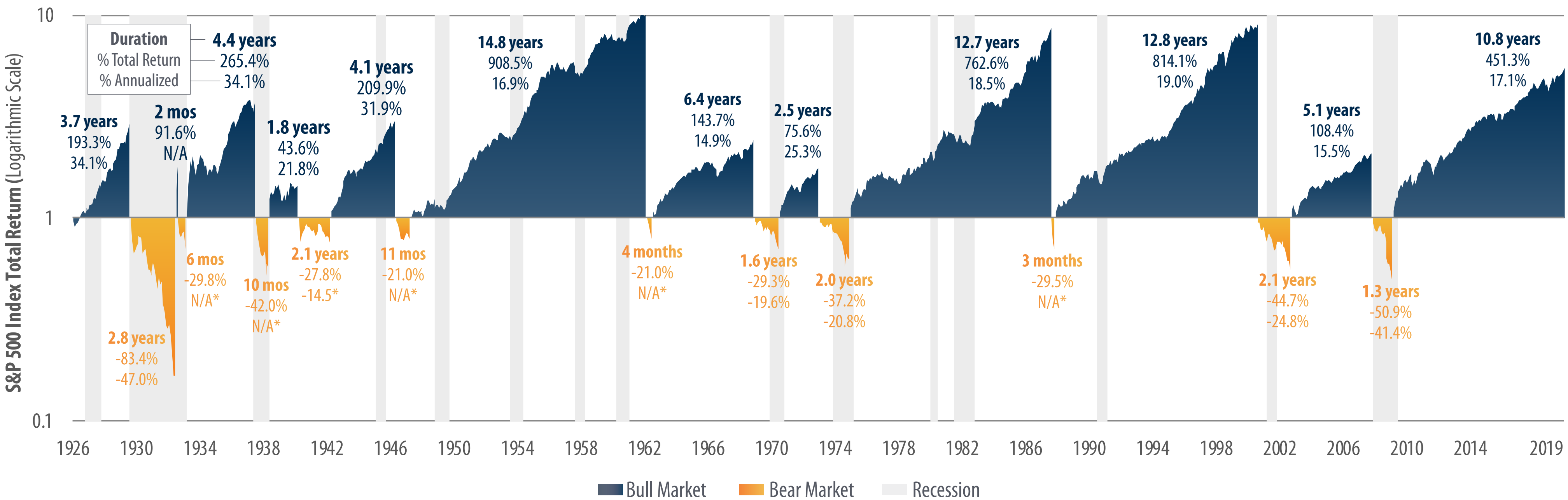
- The average **Bull Market** period lasted 6.6 years with an average cumulative total return of 339%.
- The average **Bear Market** period lasted 1.3 years with an average cumulative loss of -38%.

BULL

From the lowest close reached after the market has fallen 20% or more, to the next market high.

BEAR

From when the index closes at least 20% down from its previous high close, through the lowest close reached after it has fallen 20% or more.



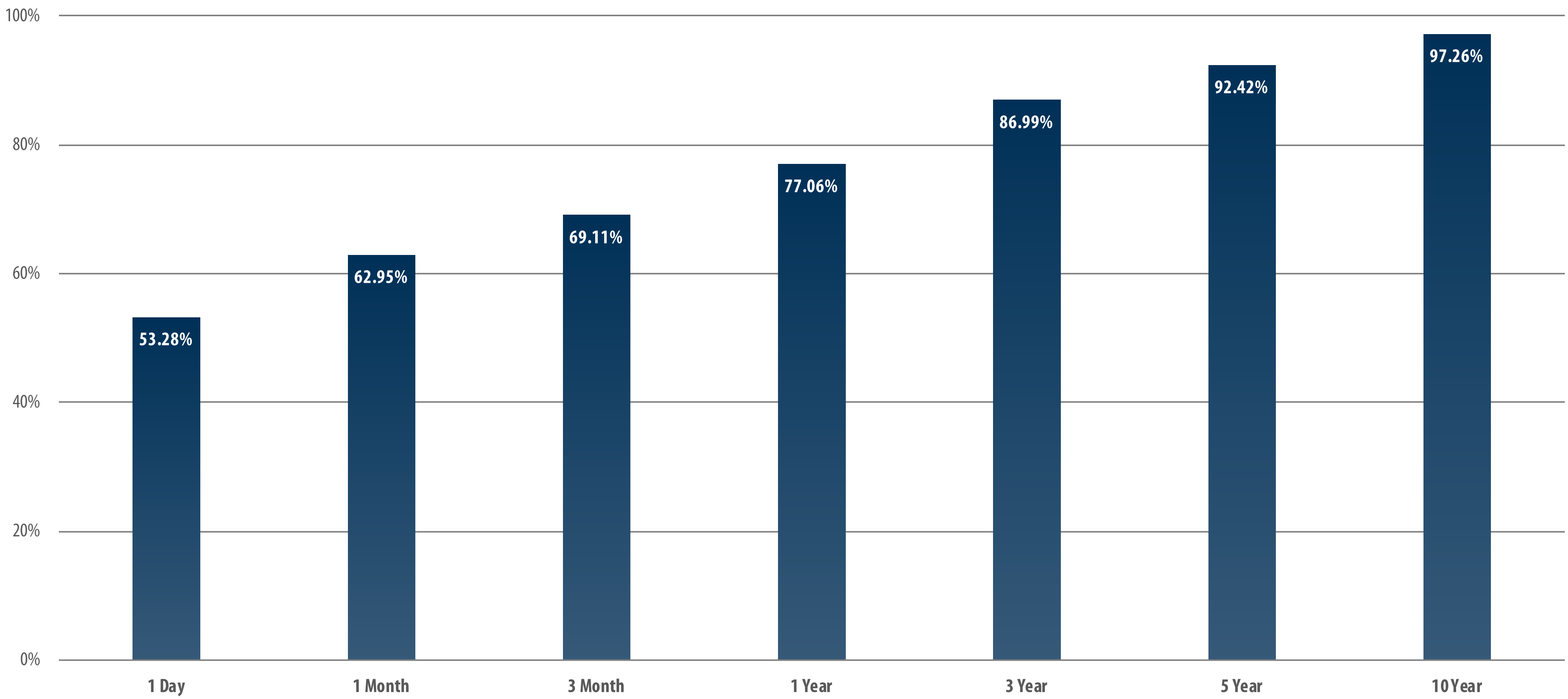
Source: First Trust Advisors L.P., Bloomberg. Returns from 1926 - 2019. *Not applicable since duration is less than one year.

These results are based on monthly returns–returns using different periods would produce different results. The S&P 500 Index is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance. Investors cannot invest directly in an index. Index returns do not reflect any fees, expenses, or sales charges. This chart is for illustrative purposes only and not indicative of any actual investment. These returns were the result of certain market factors and events which may not be repeated in the future. Past performance is no guarantee of future results.

Probability of Positive Returns

S&P 500 Index: 1937 – 2019

Investing in the stock market can be volatile. For this reason, we believe it is important to keep proper perspective when stocks rise or fall over short periods of time. History has shown that the odds of achieving a positive return are dramatically increased the longer the investment horizon.



Source: Bloomberg, 12/31/1936 through 12/31/2019.

Past performance is no guarantee of future results. 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. These returns were the result of certain market factors and events which may not be repeated in the future. This chart is based on the total returns of the S&P 500 Index. The S&P 500 Index is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance. The index cannot be purchased directly by investors.

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S&P 500 Daily Volatility

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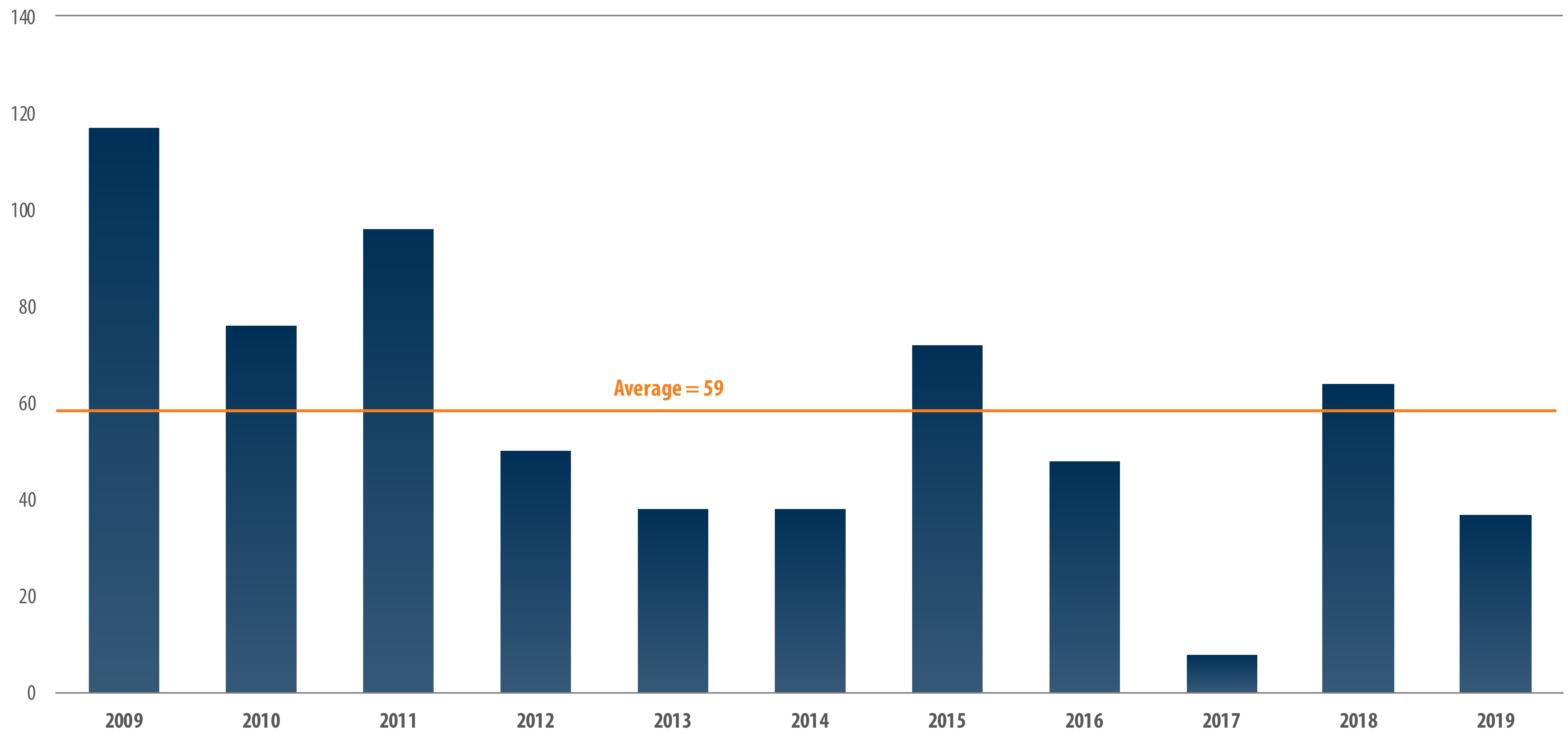
# of Days With >1% Moves



Source: Bloomberg, First Trust Advisors L.P. This chart is based on the price returns of the S&P 500 Index for the period 12/31/2008 through 12/31/2019.

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S&P 500 Index

Performance After Its Worst Days

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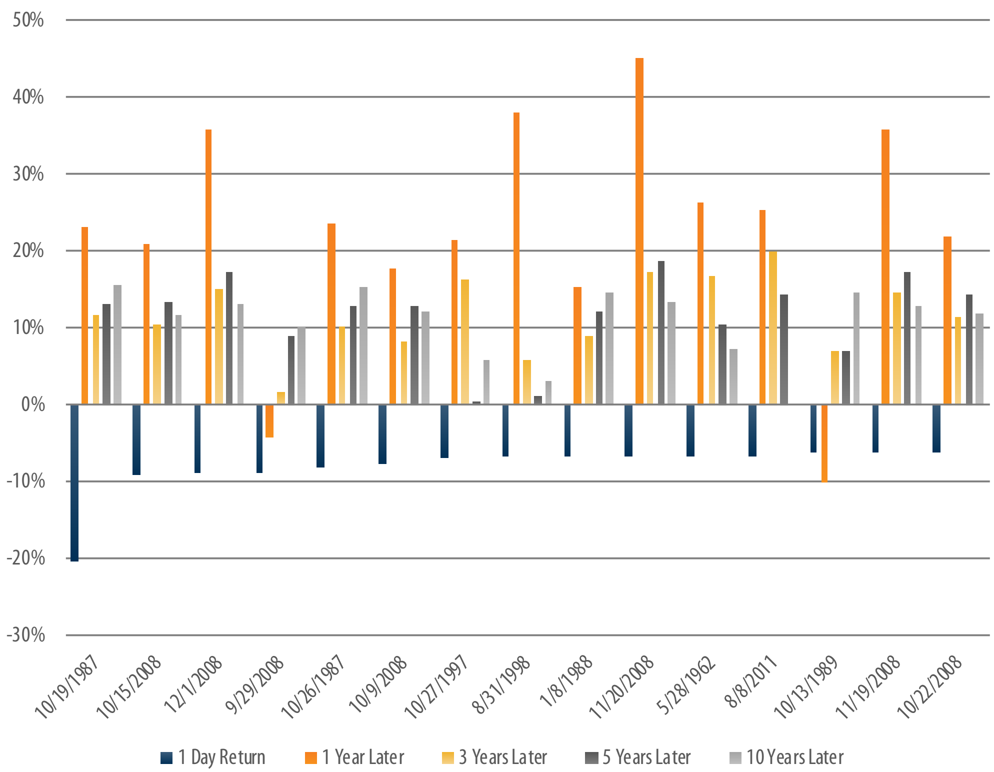
The chart and table below list the 15 largest single day percentage losses in the S&P 500 Index since 1960 and the subsequent price performance of the index for the 1-, 3-, 5-, and 10-year periods that followed. Looking back, the S&P 500 Index produced positive price appreciation, on average, in each of the periods. While stocks have sometimes experienced extreme volatility over short periods of time, we believe investors who remain committed to their long-term investment plan will continue to be rewarded over longer periods. Of course, past performance is no guarantee of future results.

S&P 500 INDEX PERFORMANCE DURING AND AFTER EXTREME DOWN DAYS



Date	1 Day Return	1 Year Later	3 Years Later	5 Years Later	10 Years Later
10/19/1987	-20.47%	+23.19%	+11.60%	+13.04%	+15.43%
10/15/2008	-9.03%	+20.79%	+10.49%	+13.34%	+11.72%
12/01/2008	-8.93%	+35.85%	+15.10%	+17.21%	+12.96%
09/29/2008	-8.79%	-4.14%	+1.60%	+8.86%	+10.17%
10/26/1987	-8.28%	+23.59%	+10.20%	+12.93%	+15.25%
10/09/2008	-7.62%	+17.76%	+8.29%	+12.73%	+12.21%
10/27/1997	-6.87%	+21.48%	+16.30%	+0.47%	+5.76%
08/31/1998	-6.80%	+37.93%	+5.80%	+1.04%	+2.97%
01/08/1988	-6.77%	+15.31%	+8.96%	+12.01%	+14.66%
11/20/2008	-6.71%	+45.05%	+17.34%	+18.81%	+13.38%
05/28/1962	-6.68%	+26.14%	+16.79%	+10.39%	+7.14%
08/08/2011	-6.66%	+25.26%	+19.94%	+14.27%	N/A
10/13/1989	-6.13%	-10.07%	+7.05%	+6.99%	+14.44%
11/19/2008	-6.12%	+35.75%	+14.65%	+17.26%	+12.80%
10/22/2008	-6.10%	+21.87%	+11.35%	+14.37%	+11.88%
Average	**-8.13%**	**+22.38%**	**+11.70%**	**+11.58%**	**+10.72%**

Source: Bloomberg. Performance is price return only (no dividends). The charts are for illustrative purposes only and not indicative of any actual investment. Returns are average annualized returns, except those for periods of less than one year, which are cumulative. Index returns do not reflect any fees, expenses, or sales charges. Stocks are not guaranteed and have been more volatile than the other asset classes. These returns were the result of certain market factors and events which may not be repeated in the future. Past performance is no guarantee of future results. The S&P 500 Index is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance. Investors cannot invest directly in an index.

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A History of Market Corrections

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Investors like to avoid stock market declines at all costs, but declines are an inevitable part of investing. A little historical background can help put stock market declines in perspective.

S&P 500 INDEX 1928–2019

Type of Decline	Average Frequency*	Average Length**	Last Occurrence
-5% or more	About 5 times a year	24 days	April 2019
-10% or more	About every 7 months	64 days	December 2018
-15% or more	About every 1.5 years	110 days	December 2018
-20% or more	About every 2.5 years	183 days	March 2009

DOW JONES INDUSTRIAL AVERAGE 1900–2019

Type of Decline	Average Frequency*	Average Length**	Last Occurrence
-5% or more	About 4 times a year	26 days	April 2019
-10% or more	About every 7 months	66 days	December 2018
-15% or more	About every 1.5 years	137 days	December 2018
-20% or more	About every 2.5 years	204 days	March 2009

Source: Bloomberg. As of 12/31/19. Past performance is no guarantee of future results. For illustrative purposes only and not indicative of any actual investment.

*Assumes a 50% recovery rate of lost value.

**Measures from the date of the market high to the date of the market low.

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S&P 500 Index Returns In U.S. Presidential Election Years

Since 1928

First Trust

There are many factors that impact stock market returns, but one common concern of investors is how the stock market will be impacted by a change in America's President. In past election years, the S&P 500 Index has seen more positive performance than negative. Below we take a look at S&P 500 Index performance during presidential election years, which have historically provided positive gains for stocks.

S&P 500 Index Total Returns During Presidential Election Years (1928-2016)

U.S. Presidential Election Results	Average Return
A Republican was elected	15.3%
A Democrat was elected	7.6%
All election years	11.28%

Observations

There have been 23 elections since the S&P 500 Index began. In these election years:

- 19 of the 23 years (83%) provided positive performance
- When a Republican was in office and a Republican was elected (or reelected), the total return for the year averaged 11.9%
- When a Republican was in office and a Democrat was elected, the total return for the year averaged -2.6%

Historical U.S. Presidential Election Results

Election Year	President Elected	S&P 500 Index Total Return
2020	?	?
2016	Trump	12.0%
2012	Obama	16.0%
2008	Obama	-37.0%
2004	Bush W.	10.9%
2000	Bush W.	-9.1%
1996	Clinton	23.1%
1992	Clinton	7.7%
1988	Bush H.W.	16.8%
1984	Reagan	6.3%
1980	Reagan	32.4%
1976	Carter	23.8%
1972	Nixon	19.0%
1968	Nixon	11.1%
1964	Johnson	16.5%
1960	Kennedy	0.5%
1956	Eisenhower	6.6%
1952	Eisenhower	18.4%
1948	Truman	5.5%
1944	Roosevelt	19.8%
1940	Roosevelt	-9.8%
1936	Roosevelt	33.9%
1932	Roosevelt	-8.2%
1928	Hoover	43.6%

Source: Morningstar/Ibbotson Associates. **Past performance is no guarantee of future results.** For illustrative purposes only and not indicative of any actual investment. The S&P 500 Index is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance. Investors cannot invest directly in an index. Index returns do not reflect any fees, expenses, or sales charges. These returns were the result of certain market factors and events which may not be repeated in the future.

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