

The background of the slide features a complex financial data visualization. It includes a candlestick chart with bars in shades of blue, purple, and pink, overlaid on a line graph with a green and yellow trend line. The background is dark blue with various glowing geometric shapes like squares and circles, and some faint numbers like '8' and '9' are visible. The overall aesthetic is modern and data-driven.

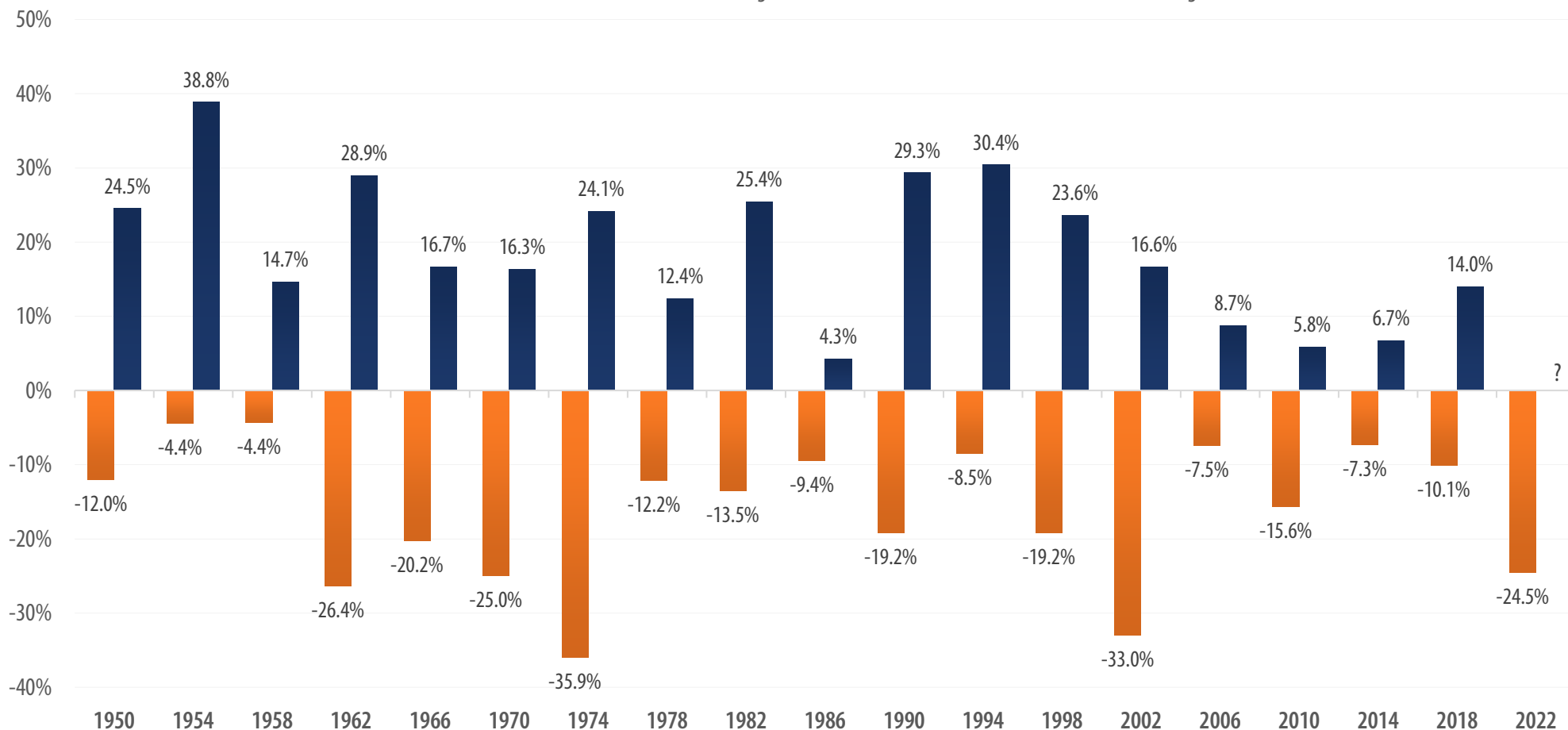
# CLIENT RESOURCE KIT

## MIDTERM ELECTION

 First Trust

## S&P 500 INDEX MAX DRAWDOWN FROM START OF MIDTERM ELECTION YEAR TO ELECTION DAY VS. S&P 500 INDEX RETURN 1 YEAR AFTER MIDTERM ELECTION

■ Max Drawdown in Midterm Election Years\* (Average -16.2%)
 ■ 1 Year After Election Return (Average 19.0%)



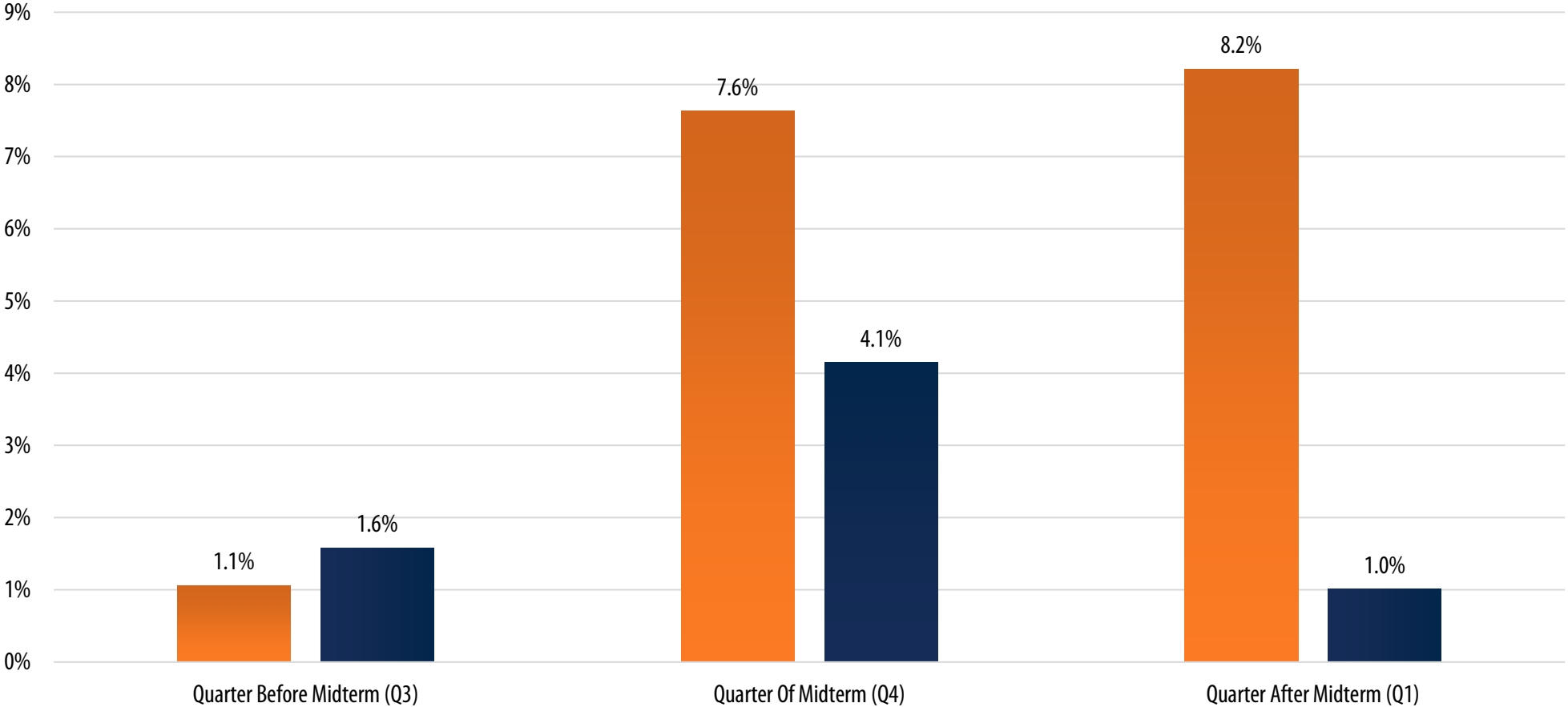
\*Max drawdown covers period from beginning of the year of the midterm election to election date.

Source: Bloomberg, First Trust Advisors L.P. Data from 1950-2022. **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 are total returns and were the result of certain market factors and events which may not be repeated in the future. The S&P 500 Index is an unmanaged index of 500 companies 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 INDEX AVERAGE QUARTERLY RETURNS BEFORE, DURING AND AFTER MIDTERM ELECTIONS VS. NON-MIDTERM ELECTION PERIODS (1950-2022)

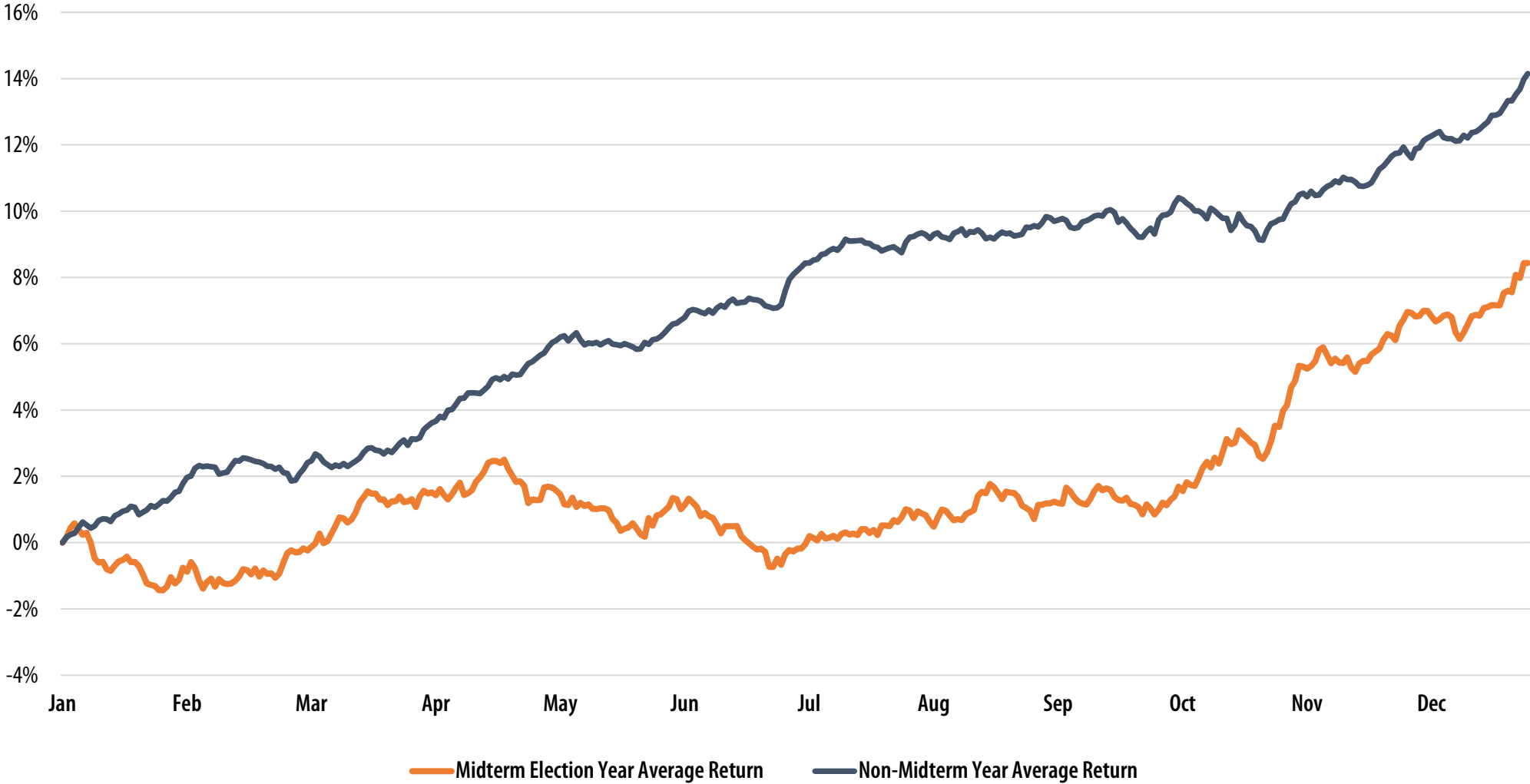
■ Midterm Election Period ■ Non-Midterm Election Period



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## MIDTERM VS. NON-MIDTERM ELECTION YEAR AVERAGE RETURNS S&P 500 INDEX: 1950 - 2022



Source: Bloomberg. Data from 1950-2022. **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 are total returns and were the result of certain market factors and events which may not be repeated in the future. The S&P 500 Index is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. The index cannot be purchased directly by investors.

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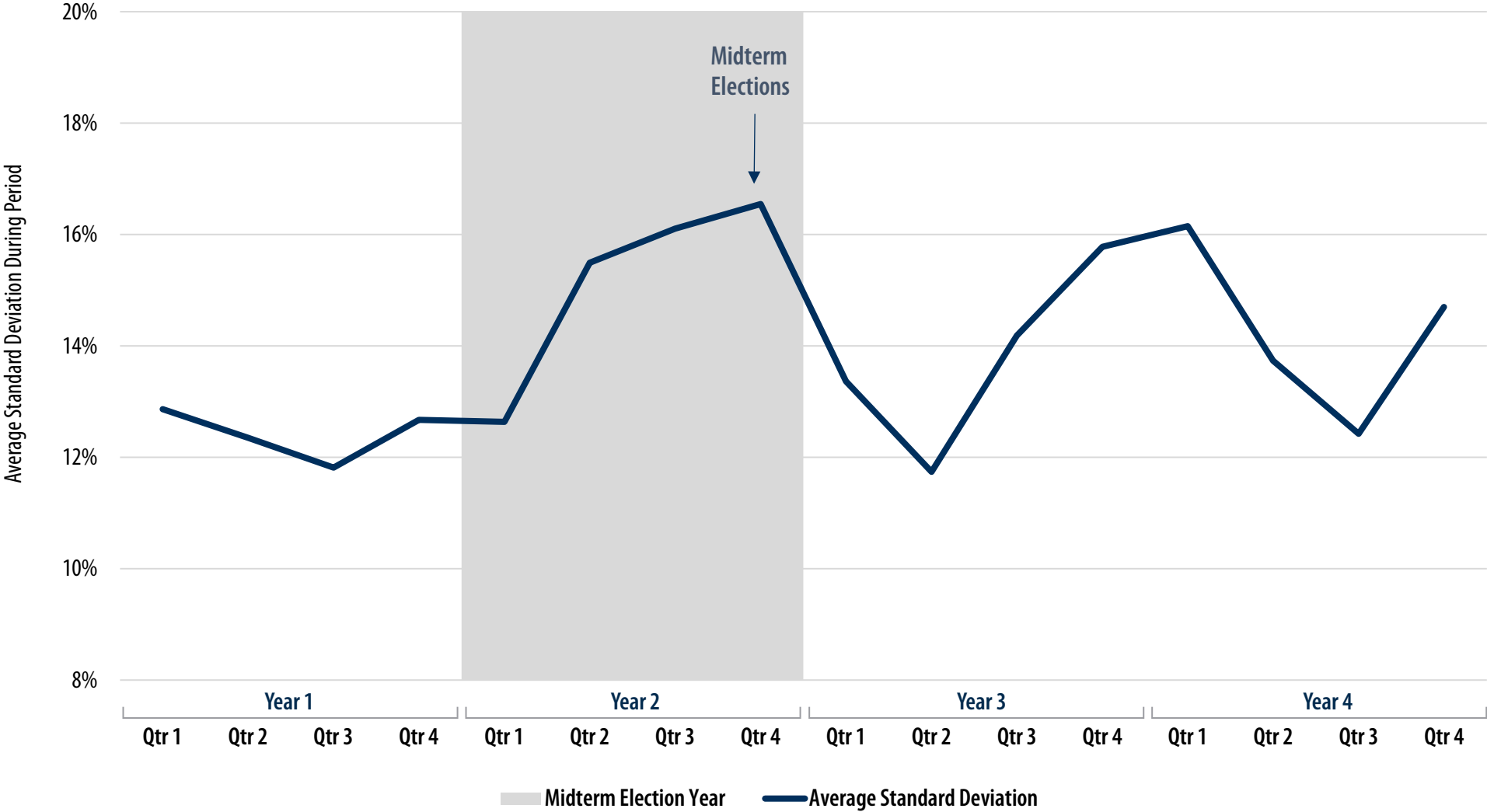
As seen in the table below, Midterm years tend to see moderate to large pullbacks, but returns a year later have historically been significant.

## S&P 500 INDEX INTRA-YEAR PULLBACKS VS. S&P 500 INDEX RETURN 1 YEAR LATER

Year	Date of Low	Intra-Year Pullback	Return 1 Year Later
1950	7/17/1950	-12.0%	41.7%
1954	8/31/1954	-4.4%	51.1%
1958	2/25/1958	-4.4%	41.0%
1962	6/26/1962	-26.4%	37.5%
1966	10/7/1966	-20.2%	37.3%
1970	5/26/1970	-25.0%	48.9%
1974	10/3/1974	-35.9%	44.4%
1978	11/14/1978	-12.8%	18.1%
1982	8/12/1982	-13.5%	66.1%
1986	9/29/1986	-9.4%	44.3%
1990	10/11/1990	-19.2%	33.5%
1994	4/4/1994	-8.5%	18.5%
1998	8/31/1998	-19.2%	39.8%
2002	10/9/2002	-33.0%	36.1%
2006	6/13/2006	-7.5%	26.2%
2010	7/2/2010	-15.6%	33.6%
2014	10/15/2014	-7.3%	10.9%
2018	12/24/2018	-19.4%	39.9%
2022	10/12/2022	-24.5%	?
<b>Average</b>		<b>-16.7%</b>	<b>37.2%</b>
<b>Median</b>		<b>-15.6%</b>	<b>38.6%</b>

Source: Bloomberg. As of 12/30/22. **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 are total returns and were the result of certain market factors and events which may not be repeated in the future. The S&P 500 Index is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. The index cannot be purchased directly by investors. *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.*

### S&P 500 INDEX VOLATILITY ACROSS THE 4-YEAR ELECTION CYCLE: 1950 - 2022



Source: Bloomberg. Data from 1950-2022. **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 are total returns and were the result of certain market factors and events which may not be repeated in the future. The S&P 500 Index is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. The index cannot be purchased directly by investors. Standard Deviation is a measure of price variability (risk).

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## S&P 500 INDEX RETURNS IN THE MONTHS BEFORE, DURING AND AFTER MIDTERM ELECTIONS VS. NON-MIDTERM ELECTION PERIODS (1950-2022)

Midterm Election Year	Trailing 12-Month Return Up To Election Month (November)	Midterm Election Month (November) Return	11-Month Return Following Election Month (November)
1950	35.1%	-0.1%	26.0%
1954	36.0%	8.1%	28.9%
1958	30.0%	2.2%	13.2%
1962	-14.9%	10.2%	22.8%
1966	-10.3%	0.3%	20.6%
1970	-10.8%	5.1%	11.2%
1974	-28.8%	-4.9%	32.5%
1978	6.3%	2.1%	13.0%
1982	16.3%	4.0%	23.0%
1986	33.2%	2.4%	3.9%
1990	-7.5%	6.5%	25.3%
1994	3.9%	-3.6%	31.2%
1998	22.0%	6.1%	18.5%
2002	-15.1%	5.9%	14.1%
2006	16.3%	1.9%	12.4%
2010	16.5%	0.0%	8.1%
2014	17.3%	2.7%	2.4%
2018	7.3%	2.0%	12.0%
2022	-14.6%	5.6%	?
<b>Midterm Election Average</b>	<b>7.3%</b>	<b>3.0%</b>	<b>17.7%</b>
<b>Non-Midterm Average*</b>	<b>14.6%</b>	<b>1.6%</b>	<b>7.6%</b>

Source: Bloomberg. Data from 10/31/1949-12/30/2022. \*Non-Midterm Average includes the years not shown in the chart above. **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 are total returns and were the result of certain market factors and events which may not be repeated in the future. The S&P 500 Index is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. The index cannot be purchased directly by investors.

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