

The background features a complex financial chart with a grid. It includes several candlestick-style bars in shades of blue and purple, and multiple overlapping line graphs in various colors (blue, purple, teal). The overall aesthetic is modern and data-driven.

 First Trust

CLIENT RESOURCE KIT

RISING RATES

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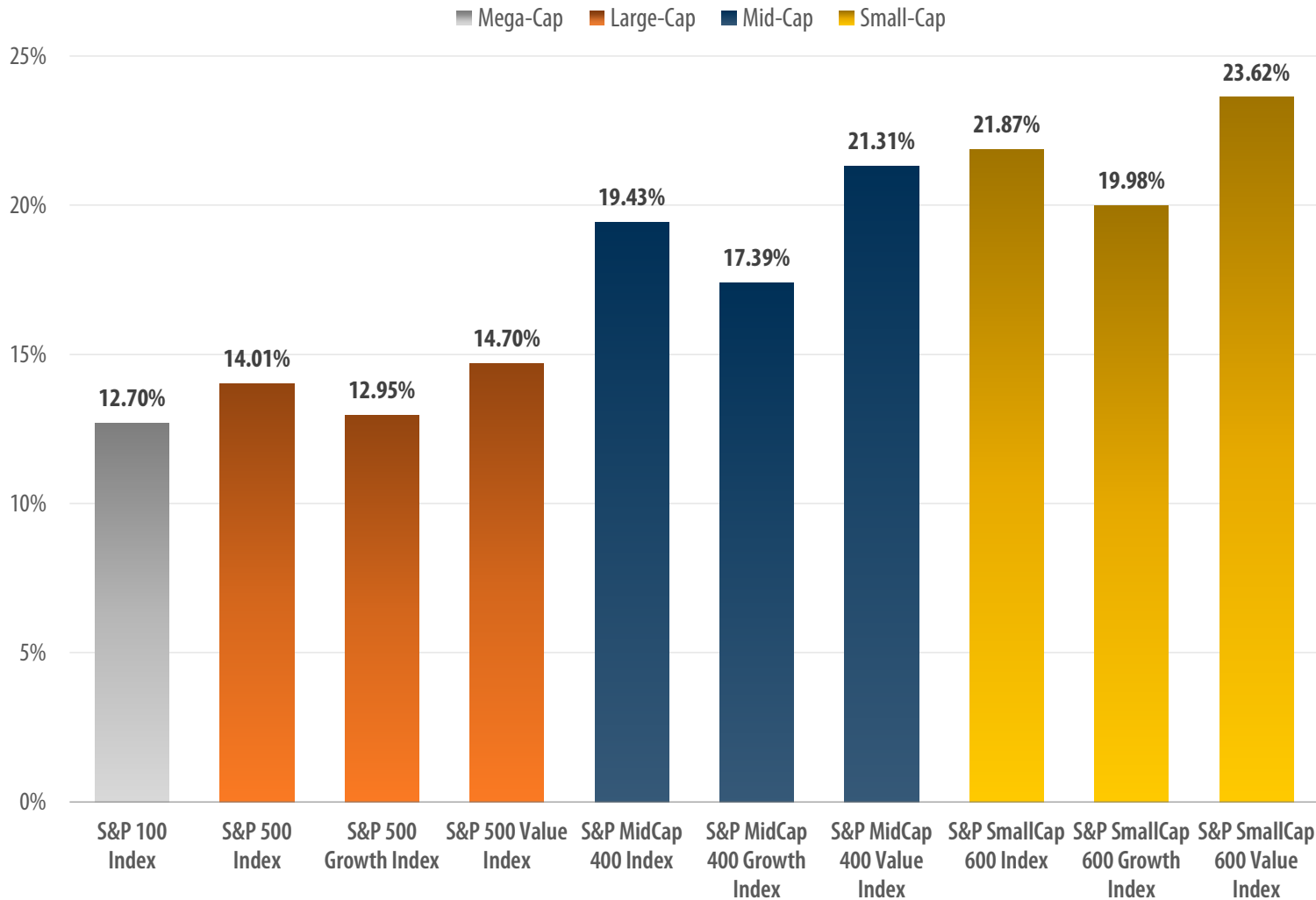
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Many investors wonder how a rise in interest rates might impact U.S. stocks and various asset class returns. Since January 20, 2000, there have been 14 periods where the yield on the benchmark 10-year U.S. Treasury Note rose by 1% or more without falling by 0.5%. The following charts and tables consider those periods of rising rates and can help provide some historical perspective.

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AVERAGE ANNUAL TOTAL RETURN DURING RISING RATE PERIODS

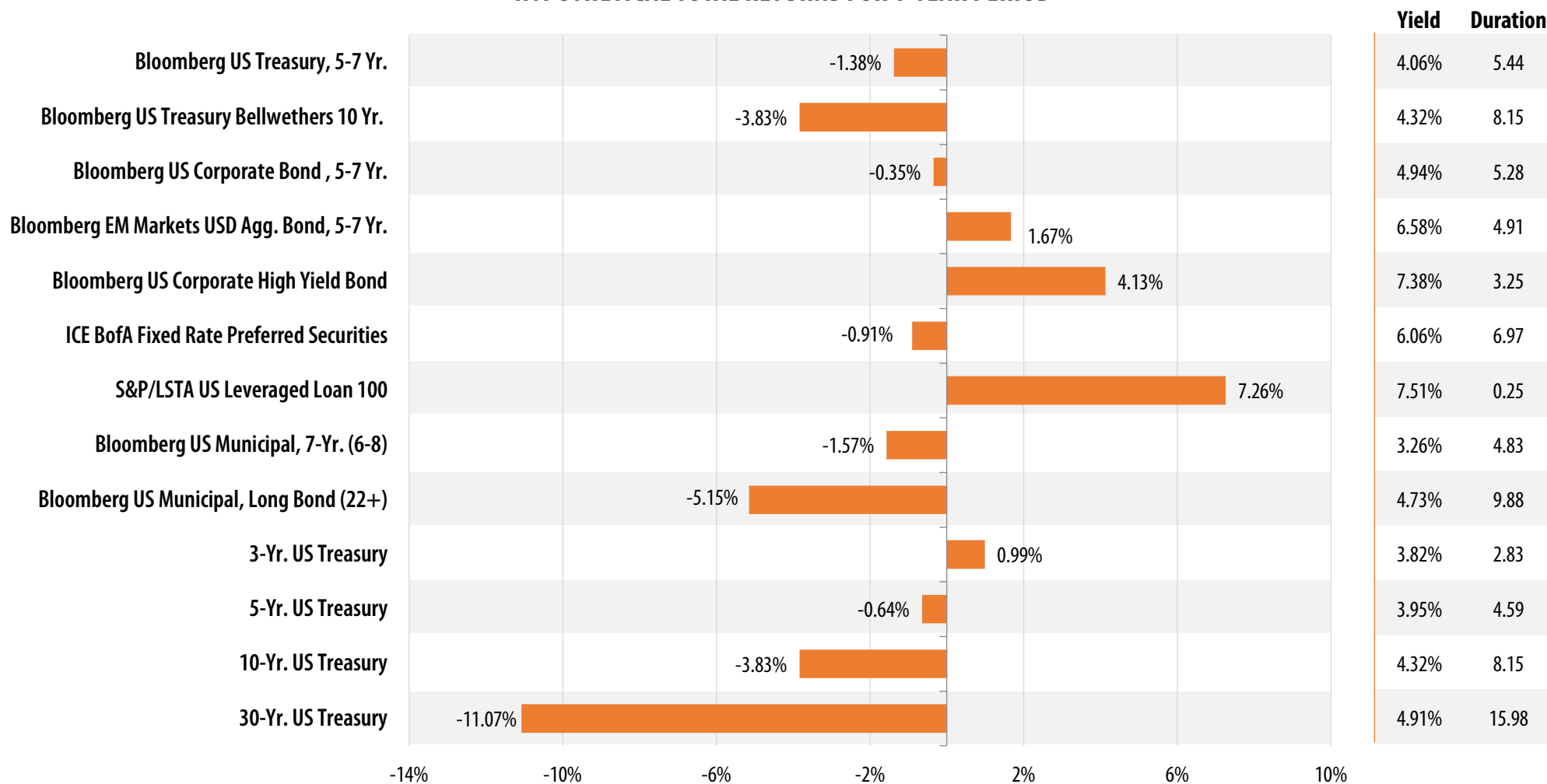


Rising Rate Period	Change In Rates
11/7/01 – 4/1/02	1.25%
6/10/03 – 9/2/03	1.41%
3/8/04 – 6/14/04	1.10%
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7/5/16 – 3/13/17	1.25%
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HYPOTHETICAL TOTAL RETURNS FOR 1-YEAR PERIOD



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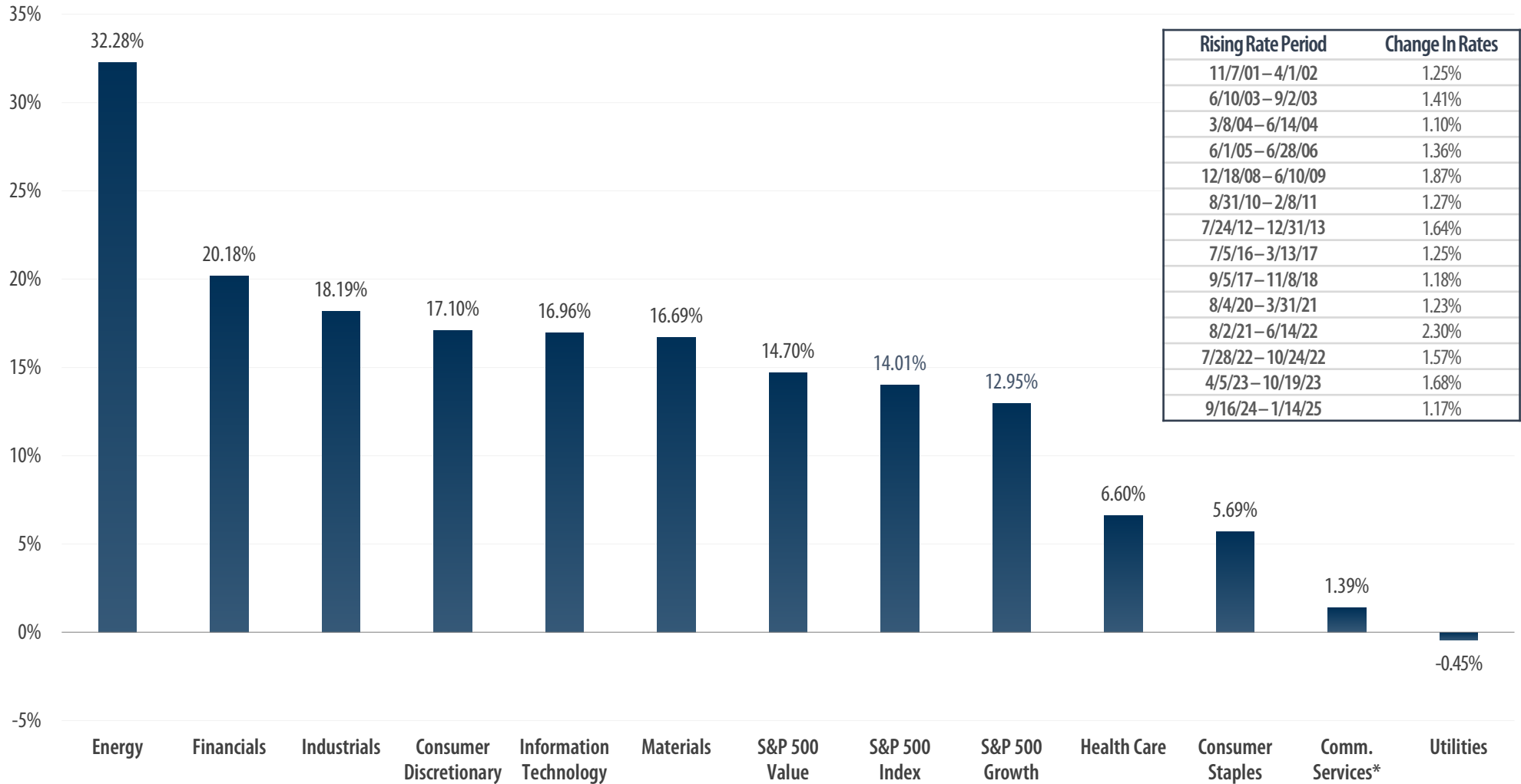
HISTORICAL IMPACT OF RISING RATES ON U.S. EQUITY SECTORS

Rising Rate Period	Change In Rates	Consumer Staples	Utilities	Comm. Services*	Health Care	Information Technology	Financials	Industrials	Energy	Materials	Consumer Discretionary	S&P 500 Growth	S&P 500 Value	S&P 500 Index
11/7/01 – 4/1/02	1.25%	8.78%	0.90%	-14.47%	0.25%	-3.42%	5.58%	5.17%	11.78%	14.12%	9.99%	2.31%	4.15%	3.32%
6/10/03 – 9/2/03	1.41%	1.73%	-2.32%	-3.04%	-2.51%	11.91%	3.00%	7.00%	1.05%	11.19%	7.81%	4.34%	4.02%	4.18%
3/8/04 – 6/14/04	1.10%	0.50%	-4.19%	-5.44%	-1.74%	-0.10%	-5.45%	3.73%	0.94%	-4.45%	-1.08%	-0.24%	-2.65%	-1.47%
6/1/05 – 6/28/06	1.36%	4.26%	9.15%	11.54%	-4.00%	-3.64%	10.99%	9.06%	26.36%	12.12%	-0.20%	0.73%	10.97%	5.72%
12/18/08 – 6/10/09	1.87%	0.46%	-2.76%	-3.64%	-1.80%	26.95%	1.23%	4.54%	10.33%	21.62%	12.96%	12.49%	2.38%	7.56%
8/31/10 – 2/8/11	1.27%	12.70%	6.34%	14.94%	16.15%	33.91%	26.02%	34.22%	44.92%	33.09%	30.07%	27.86%	26.76%	27.28%
7/24/12 – 12/31/13	1.64%	29.03%	9.08%	14.08%	52.77%	32.90%	58.26%	55.70%	33.12%	39.37%	60.20%	39.76%	46.13%	42.60%
7/5/16 – 3/13/17	1.25%	1.54%	-1.55%	-4.08%	6.25%	28.15%	37.84%	18.03%	3.12%	16.38%	12.52%	13.97%	16.56%	15.36%
9/5/17 – 11/8/18	1.18%	6.48%	4.17%	3.58%	17.81%	25.99%	15.53%	8.95%	11.85%	4.20%	25.96%	21.15%	12.17%	16.78%
8/4/20 – 3/31/21	1.23%	9.79%	7.95%	25.10%	11.32%	17.66%	44.05%	37.98%	37.62%	31.24%	17.28%	16.56%	27.19%	21.46%
8/2/21 – 6/14/22	2.30%	-0.16%	2.05%	-32.44%	-7.91%	-17.43%	-13.25%	-13.40%	78.69%	-4.94%	-25.16%	-21.15%	-5.94%	-13.73%
7/28/22 – 10/24/22	1.57%	-5.55%	-12.37%	-10.47%	-2.55%	-10.88%	-1.34%	-3.67%	18.35%	-6.24%	-7.87%	-8.94%	-3.87%	-6.37%
4/5/23 – 10/19/23	1.68%	-7.98%	-14.00%	20.00%	-2.65%	14.44%	3.66%	2.83%	7.79%	-3.45%	8.23%	8.37%	2.14%	5.47%
9/16/24 – 1/14/25	1.17%	-6.62%	-2.90%	13.25%	-10.13%	5.84%	7.89%	3.16%	6.23%	-7.12%	17.69%	8.41%	-1.64%	4.15%

Past performance is not a guarantee of future results. Source: First Trust, Bloomberg. As of 3/31/2026. For illustrative purposes only and not indicative of any actual investment. Average total return for each period is shown. For each rising rate period, the returns are from the start of the period to the peak date of the 10-year yield before it fell at least 50 bps. The **S&P 500 Index** is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. Investors cannot invest directly in an index. The S&P 500 Sector Indices are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector. 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. *Comm. Services = Communication Services. As of 9/28/18, the Global Industry Classification Standard (GICS) was reconstituted, and the Telecommunications Services sector was renamed Communication Services. GICS sector information for periods prior to 9/28/18 may not necessarily be comparable to the reconstituted sectors.

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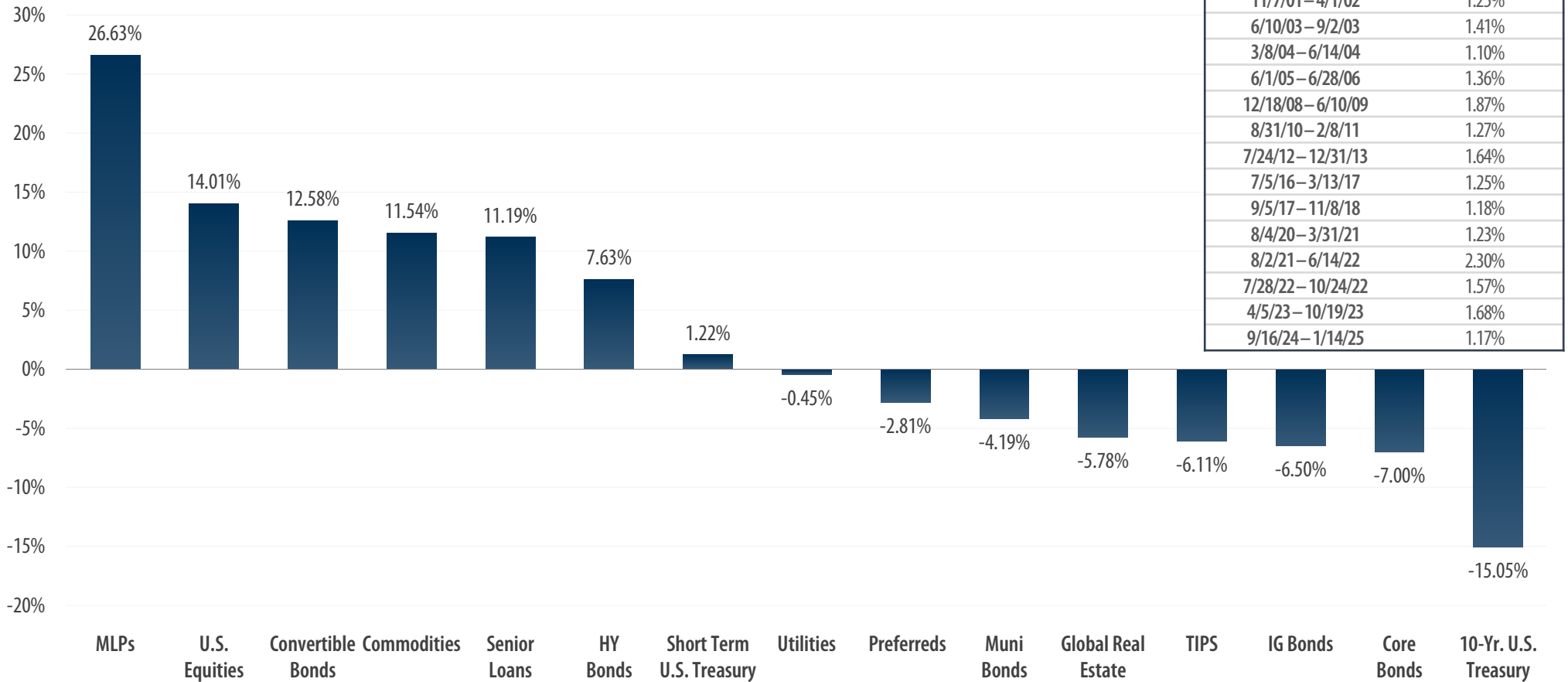
HISTORICAL IMPACT OF RISING RATES ON VARIOUS ASSET CLASSES

Rising Rate Period	Change In Rates	U.S. Equities	Utilities	Commodities	Global Real Estate	MLPs	Convertible Bonds	Preferreds	IG Bonds	HY Bonds	Senior Loans	Core Bonds	Muni Bonds	Short Term U.S. Treas.	10-Yr. U.S. Treas.	TIPS
11/7/01 – 4/1/02	1.25%	3.32%	0.90%	14.75%	N/A	N/A	2.00%	0.61%	-2.65%	N/A	N/A	-2.44%	-1.55%	0.63%	-7.48%	-2.68%
6/10/03 – 9/2/03	1.41%	4.18%	-2.32%	-1.24%	N/A	N/A	1.75%	-1.44%	-5.34%	1.60%	N/A	-4.20%	-4.09%	0.15%	-9.53%	-5.97%
3/8/04 – 6/14/04	1.10%	-1.47%	-4.19%	0.91%	N/A	N/A	-3.19%	-4.95%	-4.96%	-2.06%	N/A	-4.03%	-4.49%	0.03%	-7.14%	-4.56%
6/1/05 – 6/28/06	1.36%	5.72%	9.15%	14.17%	N/A	N/A	8.87%	0.99%	-2.53%	5.01%	N/A	-1.28%	1.02%	3.73%	-6.53%	-3.22%
12/18/08 – 6/10/09	1.87%	7.56%	-2.76%	14.37%	-2.94%	34.68%	24.92%	8.24%	6.59%	39.60%	34.00%	-0.14%	8.30%	0.22%	-13.19%	1.72%
8/31/10 – 2/8/11	1.27%	27.28%	6.34%	24.59%	18.84%	19.61%	18.48%	2.89%	-1.93%	9.12%	7.20%	-2.36%	-5.54%	0.12%	-8.65%	-1.62%
7/24/12 – 12/31/13	1.64%	42.60%	9.08%	-11.42%	5.39%	28.57%	36.37%	-1.21%	0.95%	14.66%	9.42%	-1.71%	-1.21%	0.27%	-9.35%	-7.71%
7/5/16 – 3/13/17	1.25%	15.36%	-1.55%	-3.21%	-8.27%	7.93%	12.93%	0.38%	-2.53%	8.55%	6.55%	-3.68%	-3.81%	0.25%	-9.67%	-2.78%
9/5/17 – 11/8/18	1.18%	16.78%	4.17%	-0.48%	1.83%	1.39%	9.28%	-0.54%	-3.02%	2.74%	5.57%	-2.92%	-1.11%	1.81%	-7.07%	-2.38%
8/4/20 – 3/31/21	1.23%	21.46%	7.95%	18.35%	11.66%	35.95%	28.41%	3.96%	-3.30%	7.16%	7.78%	-3.70%	0.86%	0.11%	-9.99%	0.51%
8/2/21 – 6/14/22	2.30%	-13.73%	2.05%	35.19%	-15.90%	21.74%	-20.28%	-14.71%	-16.97%	-11.87%	-1.08%	-13.77%	-10.41%	-0.51%	-16.99%	-8.01%
7/28/22 – 10/24/22	1.57%	-6.37%	-12.37%	-6.51%	-21.26%	4.52%	-3.52%	-8.77%	-9.76%	-4.55%	0.07%	-9.36%	-6.40%	0.17%	-11.80%	-8.03%
4/5/23 – 10/19/23	1.68%	5.47%	-14.00%	2.38%	-10.23%	16.72%	0.43%	-4.16%	-6.24%	0.47%	6.52%	-7.29%	-5.53%	2.45%	-11.06%	-5.58%
9/16/24 – 1/14/25	1.17%	4.15%	-2.90%	7.77%	-11.74%	10.09%	5.21%	-4.06%	-4.41%	0.79%	2.91%	-4.82%	-1.98%	1.42%	-7.71%	-3.57%

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