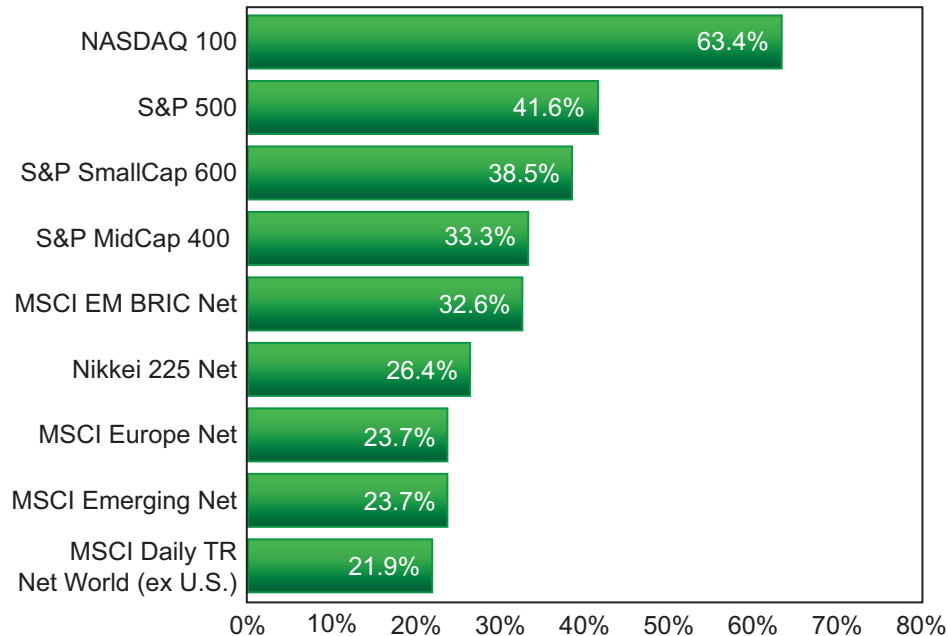


# U.S. Major Stock Indices Have Outperformed Their Foreign Counterparts Since President Trump Was Elected

**Global Equity Indices**  
(Cumulative Total Returns from 11/8/16-5/7/19)



Source: Bloomberg. Foreign equity index cumulative total returns in USD.  
Past performance is no guarantee of future results.

## View from the Observation Deck

1. Today's blog post indicates that equity investors have prospered since Donald Trump won the presidential election on 11/8/16.
2. The major U.S. stock indices have outperformed their foreign counterparts to date.
3. President Trump campaigned on the promise that his administration would put America's interests first.
4. The passage of the Tax Cuts and Jobs Act in December 2017 and the administration's efforts to remove some of the regulatory burdens plaguing U.S. businesses are just two examples of Trump keeping that promise.
5. The 41.6% cumulative total return posted by the S&P 500 Index (see chart) equates to a 14.98% average annualized total return, according to Bloomberg. For comparative purposes, from 1926-2018 (93 years), the S&P 500 posted an average annual total return of 9.99%, according to Ibbotson & Associates/Morningstar.
6. From 11/8/16 through 5/7/19, the U.S. dollar declined by 0.24%, as measured by the U.S. Dollar Index (DXY), according to Bloomberg. An essentially flat U.S. dollar likely had minimal influence on the performance of the foreign stock indices, in our opinion.
7. Fund investors have slightly favored U.S. stock portfolios over their foreign counterparts over the past year. For the 12-month period ended 3/31/19 (most recent data available), investors funneled an estimated net \$27.85 billion into U.S. Equity and Sector Equity mutual funds and exchange-traded funds (ETFs), compared to estimated net inflows totaling \$24.42 billion to International Equity mutual funds and ETFs offered in the U.S., according to Morningstar.

*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 NASDAQ 100 Index includes 100 of the largest domestic and non-financial companies listed on The NASDAQ Stock Market based on market capitalization. The S&P 500 Index is a capitalization-weighted index comprised of 500 stocks (currently 505) used to measure large-cap U.S. stock market performance. The S&P 600 Index is a capitalization-weighted index that tracks U.S. stocks with a small market capitalization. The S&P 400 Index is a capitalization-weighted index that tracks the mid-range sector of the U.S. stock market. The MSCI BRIC Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of Brazil, Russia, India and China. The Nikkei 225 Index is a price-weighted average of 225 top-rated Japanese companies listed in the First Section of the Tokyo Stock Exchange. The MSCI Europe Index is a free-float weighted index designed to measure the equity market performance of the developed markets in Europe. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI World (ex U.S.) Index is a free-float weighted index designed to measure the equity market performance of developed markets.*

*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 advisors are responsible for evaluating investment risks independently and for exercising independent judgment in determining whether investments are appropriate for their clients.*