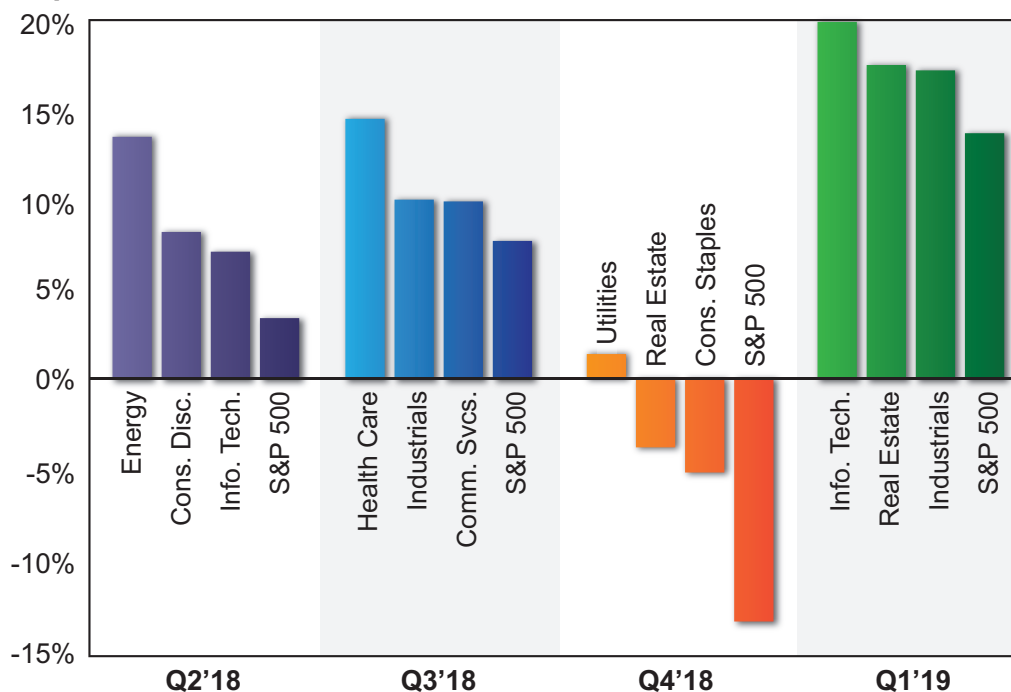


The Only Constant Is Change

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, in our opinion.
3. You didn't need much of a crystal ball to tout Information Technology in 1998 and 1999 (top-performing S&P 500 sector both years by a wide margin), as was the case with Energy in 2004 & 2005, according to performance data from Bloomberg.
4. From 2006-2018, however, no sector in the S&P 500 Index was able to repeat as the top-performer on a calendar year basis.
5. As indicated in the chart above, forecasting which of the 11 major sectors in the S&P 500 Index is likely to outperform the pack on a quarterly basis is even trickier, in our opinion.

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. 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. The respective S&P 500 Sector Indices are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector.

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