Global dividend undertakings to give advice in any fiduciary capacity within the meaning of ERISA, the guarantee of future results. Annual.


Weekly Fund Flows

<table>
<thead>
<tr>
<th>Index</th>
<th>Current Week</th>
<th>Previous</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Equity</td>
<td>$-8.716</td>
<td>Billion</td>
</tr>
<tr>
<td>Foreign Equity</td>
<td>$-1.875</td>
<td>Billion</td>
</tr>
<tr>
<td>Taxable Bond</td>
<td>$9.859</td>
<td>Billion</td>
</tr>
<tr>
<td>Municipal Bond</td>
<td>$220.30</td>
<td>Million</td>
</tr>
<tr>
<td>Change in Money Market Fund Assets</td>
<td>$-1.573</td>
<td>Billion</td>
</tr>
</tbody>
</table>


Factoids for the Week of May 11, 2020

Research from Risk Based Security indicates that data breaches in Q1/20 produced 8.4 billion exposed records, a record high despite the fact that the number of breaches were down by more than half, according to 24/7 Wall St. The 8.4 billion exposed records exceeded the total number of exposed records in the first three quarters of 2019.

Moody's has reported that its global speculative-grade default rate stood at 4.0% in April, according to its own release. Moody's puts the historical average default rate at 4.1% since 1983. Its baseline scenario sees the default rate rising to 10.7% by the end of April 2021. Its most pessimistic scenario projects a 20.0% default rate by the end of April 2021. Moody's has recorded 53 defaults so far this year, up from 32 at this point a year ago. The default rate on senior loans stood at 2.71% on 4/30/20, according to S&P Global Market Intelligence.

Corporate debt issuance in the U.S. totaled $834.3 billion over the first four months of 2020, up 69% over the same period a year ago, according to CNBC. The Federal Reserve (“Fed”) is just beginning its program of purchasing corporate bonds and the exchange-traded funds (ETFs) that track them. In particular, it will be targeting ETFs that hold fallen angel bonds of companies that once carried an investment-grade rating but were later downgraded to speculative-grade. The Fed will also be buying individual corporate bonds and syndicated loans.

The Financial Times reported that global dividend payouts, as measured by the Janus Henderson Global Dividend Index, could decline by as much as $490 billion in 2020 due to companies cutting or suspending their dividend distributions, according to Wealth Professional (Canada). Global dividend payouts totaled a record $1.43 trillion in 2019, according to Janus Henderson. In February 2020, just prior to the COVID-19 pandemic, the firm stated that it expected global dividends to grow by 3.9% in 2020.

Year-to-date through 5/14/20, Health Care was the second-best performing sector in the S&P 500 Index, down 1.79% on a total return basis, according to Bloomberg. The S&P 500 Index was down 11.06%. Biotechnology, with a total return of 10.49%, was the eighth-best performing subsector in the index out of a total of 128. So far this year, up from 32 at this point a year ago. The default rate on senior loans stood at 2.71% on 4/30/20, according to S&P Global Market Intelligence.

Friday, May 15, 2020

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This information is provided by First Trust Advisors L.P. • 1-800-222-6822 • 5/18/20

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