

Open-End Net Fund Flows (\$)	8/21	7/21	YTD (Aug)
Equity	-20.73B	-19.46B	-273.11B
Taxable Bond	25.05B	5.86B	268.92B
Municipal Bond	9.21B	10.18B	69.00B
Hybrid	2.74B	1.84B	-0.62B
Taxable Money Market	25.95B	-22.17B	216.87B

Key Interest Rates	9/30/21	12/31/20	9/30/20
Federal Funds Target Rate	0.25%	0.25%	0.25%
ICE LIBOR (3-Month)	0.13%	0.24%	0.23%
2-Year T-Note	0.28%	0.12%	0.13%
10-Year T-Note	1.49%	0.92%	0.69%
Bond Buyer 40	3.48%	3.46%	3.59%

Commodities/U.S. Dollar	9/21	YTD	12 Mo.
U.S. Dollar Index (DXY)	1.73%	4.77%	0.36%
Refinitiv/CC CRB Excess Ret.	4.93%	36.43%	54.14%
Crude Oil/WTI (per Barrel)	9.53%	54.64%	86.55%
Natural Gas (per million BTUs)	34.02%	131.10%	132.02%
Gold Bullion (Ounce)	-3.33%	-7.38%	-7.00%

### Total Return Performance

U.S. Stock Indices	9/21	YTD	12 Mo.
S&P 500	-4.65%	15.91%	29.98%
DJIA	-4.20%	12.12%	24.15%
NASDAQ 100	-5.69%	14.58%	29.58%
S&P MidCap 400	-3.97%	15.52%	43.67%
Russell 2000	-2.95%	12.40%	47.65%
Russell 3000	-4.49%	14.98%	31.86%

U.S. Styles/Market Caps	9/21	YTD	12 Mo.
S&P 500 Growth	-5.79%	16.43%	28.85%
S&P 500 Value	-3.29%	15.30%	32.00%
S&P MidCap 400 Growth	-4.26%	10.09%	33.26%
S&P MidCap 400 Value	-3.73%	21.01%	55.69%
Russell 2000 Growth	-3.84%	2.82%	33.25%
Russell 2000 Value	-2.00%	22.90%	63.88%

Foreign Stock Indices (USD)	9/21	YTD	12 Mo.
MSCI World NET (Ex-U.S.)	-2.87%	9.19%	26.50%
MSCI Emerging Markets NET	-3.97%	-1.25%	18.20%
MSCI Europe NET	-4.78%	10.07%	27.25%
MSCI BRIC NET	-3.81%	-6.57%	7.68%
MSCI EM Latin America NET	-10.34%	-5.55%	27.34%
Nikkei 225	4.02%	0.83%	22.14%

Bloomberg Barclays Bond Ind.	9/21	YTD	12 Mo.
U.S. Treasury: Intermediate	-0.61%	-1.15%	-1.38%
GNMA 30 Year	-0.21%	-1.01%	-0.64%
Municipal Bond (22+)	-1.00%	1.57%	4.64%
U.S. Aggregate	-0.87%	-1.55%	-0.90%
Intermediate Corporate	-0.51%	-0.44%	1.31%
U.S. Corporate High Yield	-0.01%	4.53%	11.28%
Global Aggregate	-1.78%	-4.06%	-0.91%
EM Hard Currency Aggregate	-1.83%	-1.76%	3.15%

Sources: Bloomberg, Bloomberg Barclays, Investment Company Institute

**Past performance is no guarantee of future results.** Historical performance figures for the indices are for illustrative purposes only and not indicative of any actual investment. Indices are unmanaged and an investor cannot invest directly in an index.

### Climate

Rising inflation, two infrastructure-related spending bills currently bogged down in Congress, the potential for the Federal Reserve ("Fed") to begin tapering its monthly purchases of Treasuries and mortgage-backed securities and significant container ship bottlenecks at our U.S. ports are just some of the candidates for inclusion in the so-called "Wall of Worry." These are influences that could possibly prevent the stock market from going higher. Is it a good time to be risk-on, or risk-off? There is one barometer that continues to flash risk-on: global mergers and acquisitions (M&A). M&A deals totaled \$4.3 trillion over the first nine months of 2021, the most ever recorded for that period. Corporate executives are expanding their businesses aggressively in the current climate.

### Stock Market

The S&P 500 Index ("index") closed at 4,307.54 on 9/30/21, 5.06% below its all-time closing high of 4,536.95 on 9/2/21, according to Bloomberg. A Bloomberg survey of 21 equity strategists found that their average 2021 year-end price target for the S&P 500 Index was 4,466 as of 9/21/21, up from 4,335 on 8/20/21, according to its own release. The highest and lowest estimates were 4,825 (up from 4,700) and 3,800 (unchanged), respectively. Brian Wesbury, Chief Economist at First Trust Advisors L.P., just raised his forecast for year-end from 4,500 to 5,000. The index posted a total return of -4.65% in September. Only one of the 11 major sectors that comprise the index was up on a total return basis. The top-performer was Energy, up 9.37%, while the worst showing came from Materials, down 7.21%. The S&P 500 Index posted a total return of 15.91% over the first nine months of 2021. All 11 major sectors were up on a total return basis. The index's top performer was Energy, up 43.10%, while the worst showing came from Utilities, up 4.20%. S&P Dow Jones Indices reported that S&P 500 Index stock buybacks totaled \$198.84 billion (preliminary) in Q2'21, up 11.63% from the \$178.13 billion executed in Q1'21 and up 124.27% from the \$88.66 billion registered in Q2'20 (onset of COVID-19). In Q2'21, Information Technology, Financials, Communication Services and Consumer Discretionary accounted for 31.56%, 21.01%, 13.71% and 9.65%, respectively, of all buyback expenditures. S&P 500 Index companies distributed \$123.38 billion (preliminary) in dividend payments in the quarter, down 0.43% from the \$123.91 billion paid out in Q1'21, but up 3.65% from the \$119.04 billion paid out in Q2'20. Looking ahead, the fourth quarter of the calendar year has been the best for stocks over the past two decades, with the S&P 500 Index posting an average increase of 4.1%, according to Bloomberg. A total of 412 stocks in the S&P 500 Index were in positive territory year-to-date through September. There have only been five occasions since 2001 where the total has exceeded 400 positive stocks at this point in the year, and the market went on to appreciate in the fourth quarter in all five of those instances.

### Bond Market

The yield on the benchmark 10-year Treasury note (T-note) closed trading on 9/30/21 at 1.49%, up 18 basis points (bps) from its 1.31% close on 8/31/21, according to Bloomberg. The 1.49% yield stood 55 bps below its 2.04% average for the 10-year period ended 9/30/21. As we noted last month, interest rates are front and center with respect to the bond market. The returns on the major categories were all negative in September due to the rise in bond yields (see Bloomberg Barclays Bond table). The direction of bond yields moving forward could be heavily influenced by inflation and the Fed's approach to tapering its bond buying activity.

### Takeaway

A survey by Natixis Investment Managers found that nearly 60% of Americans have accepted the likelihood that they will have to put off retirement and work longer, according to CNBC. Thirty-six percent of Americans currently believe they will never have enough money to retire. Forty-one percent of those polled said their ability to be financially secure in retirement is "going to take a miracle." The financial challenges do not end there. LendingClub Corporation reported that 63% of all U.S. consumers residing in metropolitan areas live paycheck to paycheck, compared to 39% for those residing in rural areas, according to its own release. The U.S. Census Bureau reported that the real median household income declined by 2.9% year-over-year to \$67,521 in 2020. The U.S. poverty rate rose 1.0% year-over-year to 11.4%. The total stood at 37.2 million people. The poverty threshold for a family of four was \$26,496. When you add in higher inflation to these and other headwinds for Americans you can see how critical it is to invest at least some capital in such traditional wealth-building asset classes as equities and/or real estate (REITs) over time, in our opinion.

Data as of 9/30/21

Index	10-Yr. High Value	Date	10-Yr. Low Value	Date	Month-End Value	% Off High Value	YTD Return (USD)	Month-End Yield
S&P 500	4536.95	9/2/2021	1099.23	10/3/2011	4307.54	-5.06%	15.91%	1.38%
S&P 500 Growth	3184.82	9/7/2021	598.65	10/3/2011	2983.95	-6.31%	16.43%	0.72%
S&P 500 Value	1496.60	8/11/2021	494.97	10/3/2011	1437.51	-3.95%	15.30%	2.14%
S&P MidCap 400	2773.83	9/2/2021	744.98	10/3/2011	2640.54	-4.81%	15.52%	1.38%
S&P MidCap 400 Growth	1357.05	9/2/2021	345.40	10/3/2011	1285.44	-5.28%	10.09%	0.76%
S&P MidCap 400 Value	882.65	5/7/2021	252.35	10/3/2011	827.46	-6.25%	21.01%	1.92%
S&P 100	2083.00	8/30/2021	500.09	10/3/2011	1977.50	-5.06%	16.18%	1.38%
DJIA	35625.40	8/16/2021	10655.30	10/3/2011	33843.92	-5.00%	12.12%	1.82%
NASDAQ 100	15675.76	9/7/2021	2085.04	10/3/2011	14689.62	-6.29%	14.58%	0.70%
Russell 2000	2360.17	3/15/2021	609.49	10/3/2011	2204.37	-6.60%	12.40%	1.14%
Russell 2000 Growth	1709.62	2/9/2021	350.15	10/3/2011	1492.21	-12.72%	2.82%	0.44%
Russell 2000 Value	2600.57	6/8/2021	804.33	10/3/2011	2397.02	-7.83%	22.90%	1.86%
Russell 3000	2695.41	9/2/2021	644.45	10/3/2011	2559.72	-5.03%	14.98%	1.31%
MSCI World Net (ex U.S.) (USD)	7936.92	9/6/2021	3369.63	10/4/2011	7547.72	-4.90%	9.19%	2.60%
MSCI Emerging Markets Net (USD)	699.23	2/17/2021	296.25	1/21/2016	616.35	-11.85%	-1.25%	2.40%
Ibovespa/Brazil (USD)	39318.75	3/2/2012	9077.09	1/21/2016	20403.95	-48.11%	-10.91%	5.65%
RTS/Russia (USD)	1785.05	9/28/2021	628.41	1/20/2016	1768.12	-0.95%	32.96%	4.47%
S&P BSE 500/India (USD)	327.65	9/23/2021	95.89	9/3/2013	322.40	-1.60%	29.92%	1.03%
Shanghai Composite/China (USD)	832.07	6/12/2015	314.68	12/3/2012	553.65	-33.46%	6.23%	2.04%
KOSPI/South Korea (USD)	2.93	6/16/2021	1.16	3/19/2020	2.59	-11.69%	-1.54%	1.95%
Hang Seng (USD)	4241.01	1/26/2018	2087.46	10/4/2011	3156.59	-25.57%	-7.86%	2.72%
MSCI Euro (USD)	1705.00	9/6/2021	814.62	6/1/2012	1591.82	-6.64%	11.20%	2.26%
S&P 500 Consumer Discretionary	1487.96	7/26/2021	267.58	10/3/2011	1429.69	-3.92%	10.28%	0.57%
S&P 500 Consumer Staples	755.00	8/17/2021	302.20	10/3/2011	714.58	-5.35%	4.69%	2.82%
S&P 500 Energy	737.09	6/23/2014	179.94	3/18/2020	395.88	-46.29%	43.10%	4.29%
S&P 500 Utilities	359.13	2/18/2020	166.04	10/4/2011	324.58	-9.62%	4.20%	3.23%
S&P 500 Financials	647.31	8/27/2021	151.85	10/3/2011	624.60	-3.51%	29.04%	1.71%
S&P 500 Banks	431.28	6/1/2021	108.80	10/3/2011	420.01	-2.61%	35.25%	2.14%
FTSE NAREIT All Equity REITs	926.49	9/2/2021	371.48	10/3/2011	849.61	-8.30%	21.63%	2.93%
S&P 500 Health Care	1592.61	9/3/2021	356.10	10/3/2011	1483.99	-6.82%	13.45%	1.51%
S&P 500 Pharmaceuticals	939.83	8/17/2021	296.62	10/3/2011	838.68	-10.76%	9.66%	2.59%
NYSE Arca Biotechnology	6319.77	2/8/2021	1001.60	11/25/2011	5679.05	-10.14%	-0.78%	0.38%
S&P 500 Information Technology	2801.93	8/30/2021	369.66	10/3/2011	2623.83	-6.36%	15.28%	0.84%
Philadelphia Semiconductor	3473.60	9/16/2021	326.37	10/3/2011	3258.09	-6.20%	17.60%	1.22%
S&P 500 Telecom Services	288.46	9/1/2021	117.82	11/25/2011	268.04	-7.08%	21.59%	0.80%
S&P 500 Industrials	891.88	8/11/2021	245.04	10/3/2011	826.83	-7.29%	11.48%	1.43%
S&P 500 Materials	556.90	5/17/2021	179.78	10/3/2011	496.64	-10.82%	10.49%	1.85%
Philadelphia Gold & Silver	215.30	11/7/2011	38.84	1/19/2016	118.96	-44.75%	-16.41%	1.88%
Refinitiv/CC CRB Excess Return	325.91	2/24/2012	106.29	4/21/2020	228.92	-29.76%	36.43%	N/A
ICE BofA Perpetual Preferred	319.67	9/22/2021	151.29	10/4/2011	317.14	-0.79%	2.64%	3.95%
ICE BofA U.S. High Yield Constrained	520.99	9/15/2021	250.64	10/4/2011	518.58	-0.46%	4.68%	4.70%

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