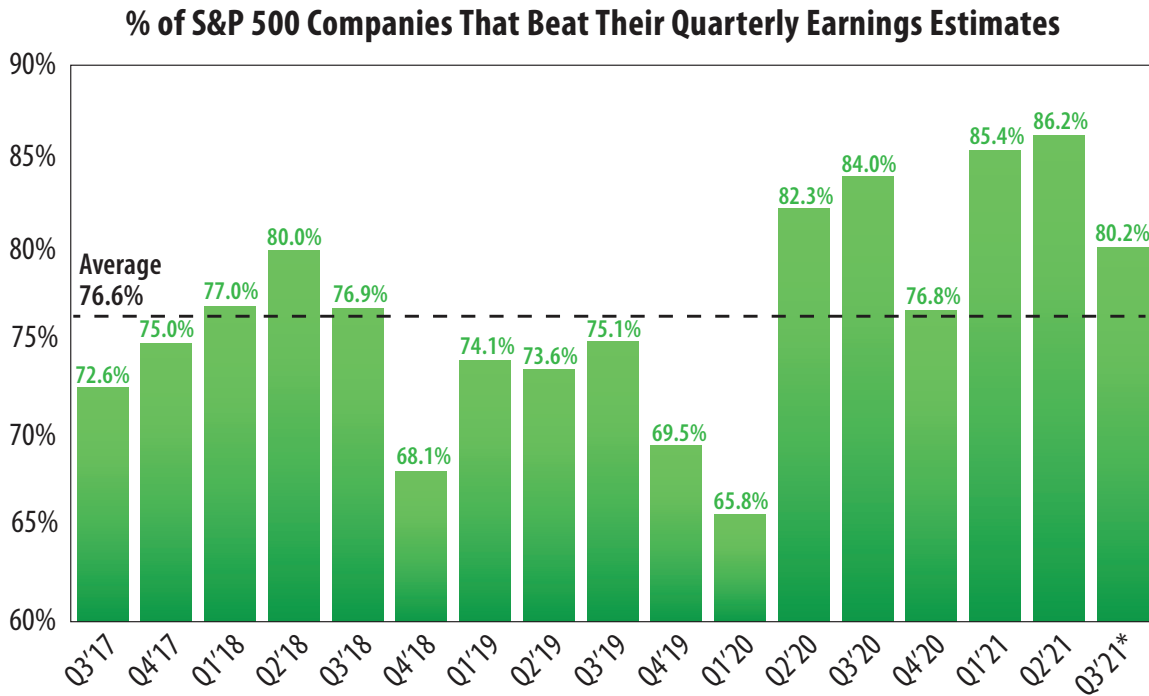


# A Snapshot Of The S&P 500 Index Earnings Beat Rate



## View from the Observation Deck

1. As we head into the close of the Q3'21 corporate earnings reporting season, we thought it would be a good time to review the percentage of S&P 500 Index companies that exceed their estimates on a quarterly basis.
2. Equity analysts adjust their corporate earnings estimates on an ongoing basis. Regardless of whether they adjust their estimates up or down, companies typically have a consensus target number or range to hit.
3. From Q3'17 through Q3'21 (17 quarters), the average earnings beat rate for the companies that comprise the index was 76.6%.
4. As indicated in the chart, five of the last six quarterly beat rates (Q2'20-Q3'21) have exceeded the 80.0% mark (topping the 76.6% average in the chart). This period captures nearly all of the COVID 19 pandemic.
5. The S&P 500 Index posted a cumulative total return of 70.71% for this period (3/31/20-9/30/21), according to Bloomberg.
6. Information Technology (94.37%) and Health Care (92.06%) have registered the highest earnings beat rates in Q3'21 (not in chart), according to S&P Dow Jones Indices. Real Estate has the lowest beat rate at 55.17%.

*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. The S&P 500 is a capitalization-weighted index comprised of 500 stocks used to measure large-cap U.S. stock market performance.*

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