

Open-End Net Fund Flows (\$)	2/22	1/22	YTD (Feb)
Equity	-8.60B	-17.45B	-26.06B
Taxable Bond	-24.02B	-9.91B	-33.93B
Municipal Bond	-10.49B	-3.56B	-14.04B
Hybrid	-3.11B	-1.11B	-4.22B
Taxable Money Market	-36.24B	-135.61B	-171.85B

Key Interest Rates	3/31/22	12/31/21	3/31/21
Federal Funds Target Rate	0.50%	0.25%	0.25%
2-Year T-Note	2.34%	0.73%	0.16%
5-Year T-Note	2.46%	1.26%	0.94%
10-Year T-Note	2.34%	1.51%	1.74%
Bond Buyer 40	3.89%	3.45%	3.53%

Commodities/U.S. Dollar	3/22	YTD	12 Mo.
U.S. Dollar Index (DXY)	1.47%	2.57%	5.26%
Refinitiv/CC CRB Excess Ret.	9.70%	27.03%	59.59%
Crude Oil/WTI (per Barrel)	4.76%	33.33%	69.51%
Natural Gas (per million BTUs)	28.18%	51.21%	116.09%
Gold Bullion (Ounce)	2.55%	6.60%	13.74%

Total Return Performance

U.S. Stock Indices	3/22	YTD	12 Mo.
S&P 500	3.71%	-4.60%	15.63%
DJIA	2.49%	-4.10%	7.11%
NASDAQ 100	4.28%	-8.91%	14.14%
S&P MidCap 400	1.38%	-4.89%	4.56%
Russell 2000	1.24%	-7.53%	-5.82%
Russell 3000	3.24%	-5.28%	11.91%

U.S. Styles/Market Caps	3/22	YTD	12 Mo.
S&P 500 Growth	4.45%	-8.60%	18.15%
S&P 500 Value	2.96%	-0.17%	12.54%
S&P MidCap 400 Growth	0.52%	-9.05%	-0.40%
S&P MidCap 400 Value	2.20%	-0.61%	9.62%
Russell 2000 Growth	0.45%	-12.63%	-14.35%
Russell 2000 Value	1.95%	-2.41%	3.27%

Foreign Stock Indices (USD)	3/22	YTD	12 Mo.
MSCI World NET (Ex-U.S.)	1.16%	-4.81%	3.04%
MSCI Emerging Markets NET	-2.26%	-6.97%	-11.37%
MSCI Europe NET	-0.10%	-7.37%	3.51%
MSCI BRIC NET	-5.84%	-13.28%	-22.96%
MSCI EM Latin America NET	13.06%	27.26%	23.54%
Nikkei 225	0.07%	-7.70%	-11.70%

Bloomberg Fixed Income Ind.	3/22	YTD	12 Mo.
U.S. Treasury: Intermediate	-2.53%	-4.21%	-4.17%
GNMA 30 Year	-2.41%	-4.15%	-4.60%
Municipal Bond (22+)	-4.80%	-8.65%	-5.30%
U.S. Aggregate	-2.78%	-5.93%	-4.15%
Intermediate Corporate	-2.36%	-5.25%	-4.10%
U.S. Corporate High Yield	-1.15%	-4.84%	-0.66%
Global Aggregate	-3.05%	-6.16%	-6.40%
EM Hard Currency Aggregate	-2.53%	-9.84%	-8.80%

Sources: Bloomberg and 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

Federal Reserve ("Fed") Chairman Jerome Powell commented late in March 2022 that he is not concerned about the government bond yield curve inverting, as traditionally measured by the yield spread between 2- and 10-year Treasuries, according to Bloomberg. In the past, when inverted, meaning the yield on the 2-year exceeds that of the 10-year, U.S. economic growth has tended to weaken a year or so out from the inversion. Some believe it is a precursor to a recession. Powell noted that he believes investors should focus more on the spread between 3-month Treasuries and 10-year Treasuries, which is much more positively sloped since the Fed has only made one rate hike in the current climate. As such, Powell thinks the Fed has room to aggressively raise rates to fight inflation without choking off growth. We will see. The next update for inflation is the Consumer Price Index (CPI) release on 4/12/22. If it trends higher, the Fed may need to raise rates by more than 25 basis points next time, in our opinion. Bloomberg reported at the end of March 2022 that the average U.S. household could end up spending an extra \$5,200 this year for the same goods and services they consumed in 2021.

Stock Market

The S&P 500 Index ("index") closed March 2022 at 4,530.41, 5.55% below its all-time closing high of 4,796.56 on 1/3/22, according to Bloomberg. The S&P MidCap 400 and S&P SmallCap 600 Indices stood 7.46% and 10.06%, respectively, below their record closing highs as of month-end. A Bloomberg survey of 24 equity strategists found that their average 2022 year-end price target for the S&P 500 Index was 4,904 as of 3/17/22, down from 4,933 on 2/17/22 (24 strategists surveyed), according to its own release. The highest and lowest estimates were 5,330 (unchanged) and 4,400 (up from 4,200), respectively. In March 2022, the S&P 500 Index posted a total return of 3.71%. Ten of the 11 major sectors that comprise the index were up on a total return basis. The top-performer was Utilities, up 10.36%, while the worst showing came from Financials, down 0.19%. The index posted a total return of -4.60% year-to-date through 3/31/22. Only two of the 11 major sectors were up on a total return basis. The index's top performer was Energy, up 38.99%, while the worst showing came from Communication Services, down 11.92%. The S&P 500 Index exited correction territory on 3/29/22, according to MarketWatch. An asset does not exit a correction (a 10.00% to 19.00% price decline from the most recent peak) until it rises 10% from its correction low, according to Dow Jones Market Data. Since 1928, the S&P 500 Index has posted an average gain of nearly 14% one year after exiting a correction, and the index rose approximately 77% of the time.

Bond Market

The yield on the benchmark 10-year Treasury note (T-note) closed trading on 3/31/22 at 2.34%, up 51 basis points (bps) from its 1.83% close on 2/28/22, according to Bloomberg. The 2.34% yield stood 31 bps above its 2.03% average for the 10-year period ended 3/31/22. Bond yields and short-term interest rates are taking another shot at normalizing, which is to say they are moving off of their artificial lows. It was attempted in the U.S. from 2017-2018 but proved unsustainable due to the softer than expected economic output that followed. In 2017, the Fed began raising the federal funds target rate (upper bound), taking it from 0.75% to a high of 2.50% in December 2018, or an increase of 175 basis points, only to claw it back to 1.75% by October 2019. Over that same period, the yield on the 10-year T-note rose from its 2017-closing low of 2.05% to a high of 3.24% in November 2018, or an increase of 119 basis points, only to see it drop to 1.92% by the end of 2019. What is different this time around? Robust inflation. The most recent trailing 12-month rate on the Consumer Price Index was 7.9% in February 2022, significantly higher than its 2017-2018 peak of 2.9% in July 2018, which essentially matched its 3.0% annual average since 1926, according to data from the Bureau of Labor Statistics. The normalization of bond yields is global, as evidenced by the plunge in negative-yielding debt overseas. The Bloomberg Global Aggregate Negative Yielding Debt Index declined from \$11.31 trillion on 12/31/21 to \$2.98 trillion as of 3/31/22. The index's all-time high was \$18.38 trillion on 12/11/20.

Takeaway

The Federal Reserve reported that the total wealth of the richest 1% ("top 1%") of Americans increased by \$6.5 trillion to \$45.9 trillion in 2021, due largely to rising stock prices and financial markets, according to CNBC. The stock portfolios of the top 1% were valued at \$23 trillion. The top 1% own a record 53.9% of individually held shares. Overall, the top 1% owned a record 32.3% of the nation's wealth at the close of 2021. While the stock market is inherently risky, over a long time horizon, equities have proven to be one of the best ways in which to build wealth, in our opinion.

Data as of 3/31/22

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	4796.56	1/3/2022	1278.05	6/1/2012	4530.41	-5.55%	-4.60%	1.37%
S&P 500 Growth	3423.28	12/27/2021	696.49	6/1/2012	3080.84	-10.00%	-8.60%	0.73%
S&P 500 Value	1571.24	1/12/2022	572.94	6/4/2012	1537.74	-2.13%	-0.17%	2.03%
S&P MidCap 400	2910.70	11/16/2021	891.32	6/4/2012	2693.66	-7.46%	-4.89%	1.51%
S&P MidCap 400 Growth	1427.19	11/16/2021	409.95	6/4/2012	1257.25	-11.91%	-9.05%	1.07%
S&P MidCap 400 Value	908.15	11/15/2021	304.28	6/4/2012	879.74	-3.13%	-0.61%	1.92%
S&P 100	2219.44	1/3/2022	583.83	6/1/2012	2085.75	-6.02%	-4.62%	1.35%
DJIA	36799.65	1/4/2022	12101.46	6/4/2012	34678.35	-5.76%	-4.10%	1.86%
NASDAQ 100	16573.34	11/19/2021	2458.83	6/1/2012	14838.49	-10.47%	-8.91%	0.70%
Russell 2000	2442.74	11/8/2021	737.24	6/4/2012	2070.13	-15.25%	-7.53%	1.30%
Russell 2000 Growth	1709.62	2/9/2021	423.22	6/1/2012	1300.65	-23.92%	-12.63%	0.57%
Russell 2000 Value	2643.45	11/8/2021	972.37	6/4/2012	2419.70	-8.46%	-2.41%	1.97%
Russell 3000	2804.93	1/3/2022	754.11	6/4/2012	2631.73	-6.18%	-5.28%	1.36%
MSCI World Net (ex U.S.) (USD)	7936.92	9/6/2021	3452.12	6/4/2012	7410.60	-6.63%	-4.81%	2.78%
MSCI Emerging Markets Net (USD)	699.23	2/17/2021	296.25	1/21/2016	565.84	-19.08%	-6.97%	2.52%
Ibovespa/Brazil (USD)	35621.75	4/2/2012	9077.09	1/21/2016	25329.65	-28.89%	34.84%	7.16%
RTS/Russia (USD)	1919.58	10/25/2021	628.41	1/20/2016	1021.28	-46.80%	-35.67%	8.66%
S&P BSE 500/India (USD)	337.94	1/13/2022	95.89	9/3/2013	312.13	-7.64%	-2.11%	1.15%
Shanghai Composite/China (USD)	832.07	6/12/2015	314.68	12/3/2012	512.97	-38.35%	-10.42%	2.19%
KOSPI/South Korea (USD)	2.93	6/16/2021	1.16	3/19/2020	2.27	-22.54%	-9.13%	1.77%
Hang Seng (USD)	4241.01	1/26/2018	2343.90	6/4/2012	2808.34	-33.78%	-6.08%	2.87%
MSCI Euro (USD)	1705.00	9/6/2021	814.62	6/1/2012	1459.95	-14.37%	-11.52%	2.43%
S&P 500 Consumer Discretionary	1673.27	11/19/2021	329.22	6/1/2012	1462.69	-12.58%	-9.03%	0.62%
S&P 500 Consumer Staples	808.33	1/4/2022	341.55	6/1/2012	791.47	-2.09%	-1.01%	2.44%
S&P 500 Energy	737.09	6/23/2014	179.94	3/18/2020	581.93	-21.05%	38.99%	3.38%
S&P 500 Utilities	378.76	3/30/2022	171.80	11/15/2012	378.12	-0.17%	4.77%	2.81%
S&P 500 Financials	688.85	1/12/2022	179.47	6/4/2012	637.61	-7.44%	-1.48%	1.75%
S&P 500 Banks	461.87	1/12/2022	138.93	6/4/2012	384.33	-16.79%	-7.55%	2.50%
FTSE NAREIT All Equity REITs	980.08	12/31/2021	462.00	6/4/2012	922.08	-5.92%	-5.27%	2.85%
S&P 500 Health Care	1650.43	12/30/2021	409.97	6/1/2012	1594.81	-3.37%	-2.58%	1.47%
S&P 500 Pharmaceuticals	963.70	12/16/2021	334.18	6/1/2012	949.74	-1.45%	0.02%	2.38%
NYSE Arca Biotechnology	6319.77	2/8/2021	1320.31	4/16/2012	5085.12	-19.54%	-7.79%	0.37%
S&P 500 Information Technology	3107.46	12/27/2021	436.56	6/1/2012	2794.09	-10.08%	-8.36%	0.82%
Philadelphia Semiconductor	4039.51	12/27/2021	351.45	7/17/2012	3429.00	-15.11%	-12.84%	1.15%
S&P 500 Communication Services	288.46	9/1/2021	126.08	4/10/2012	235.09	-18.50%	-11.92%	0.93%
S&P 500 Industrials	905.63	1/4/2022	288.15	6/4/2012	870.46	-3.88%	-2.36%	1.45%
S&P 500 Materials	569.63	12/31/2021	206.38	5/18/2012	553.45	-2.84%	-2.38%	1.76%
Philadelphia Gold & Silver	195.20	9/21/2012	38.84	1/19/2016	158.42	-18.84%	20.13%	1.59%
Refinitiv/CC CRB Excess Return	320.92	9/14/2012	106.29	4/21/2020	295.18	-8.02%	27.03%	N/A
ICE BofA Perpetual Preferred	319.67	9/22/2021	170.24	5/18/2012	295.16	-7.67%	-6.76%	5.09%
ICE BofA U.S. High Yield Constrained	522.13	12/28/2021	283.38	6/5/2012	498.41	-4.54%	-4.50%	6.21%

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