

Market Timing

Everyone dreams of an investment process that has you in the market when it's going up and gets you out when it's going down. But, alas, such an investment process is just that—a dream.

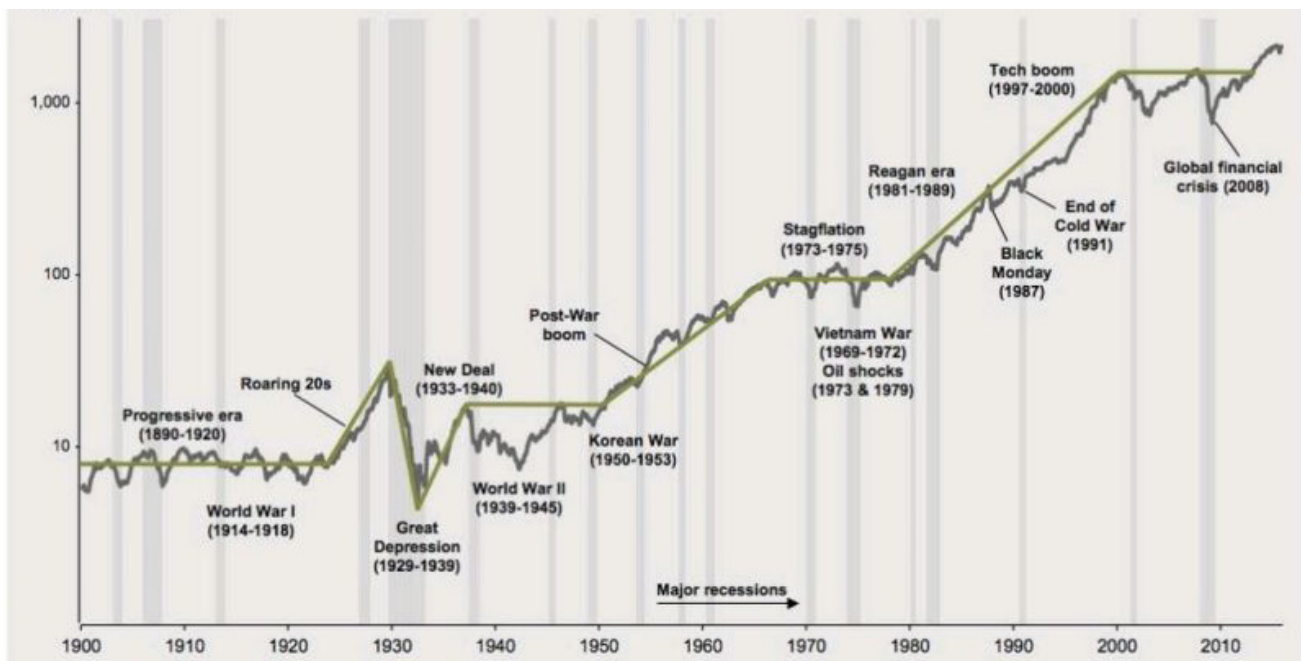
There are no academic papers or studies of market timing that support the success of that approach to investing. There are, however, plenty that point out its shortcomings.

Securities markets are driven by many variables. It isn't possible to consistently account for all these factors and the impact they have on the markets.

Three Reasons to Stay Invested

1. The stock market goes up and the stock market goes down. Over time, however, the trend is strongly upward. Staying invested allows you to ride this long-term upward trend.

Stock Market Since 1900 S&P Composite Index

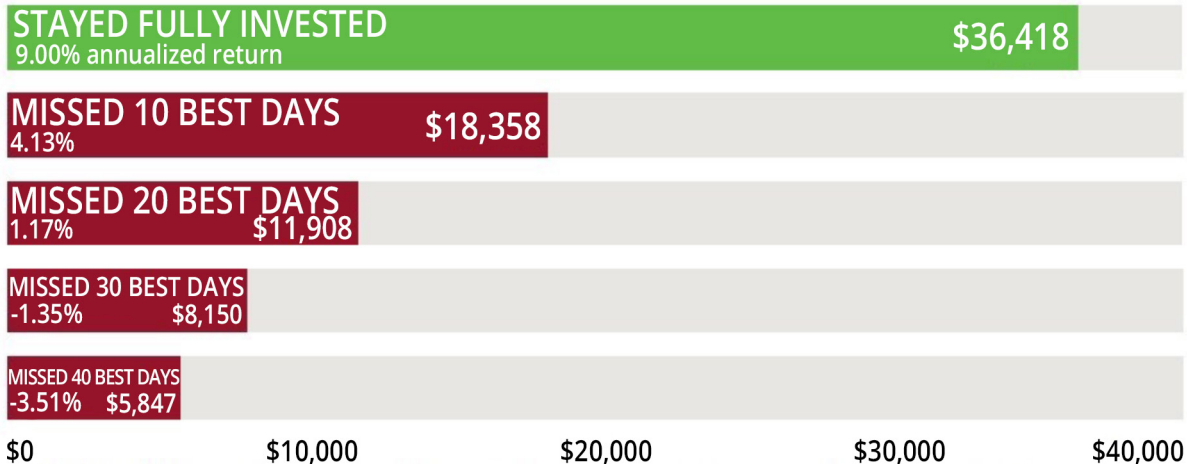


Source: FactSet, NBER, Robert Shiller, J.P. Morgan Asset Management. Data shown in log scale to best illustrate long-term index patterns.

2. The stock market's long-term returns are driven by a relative handful of very good days. If you miss them, your portfolio's performance will suffer. Staying invested is important.

\$10,000 Invested in the S&P 500

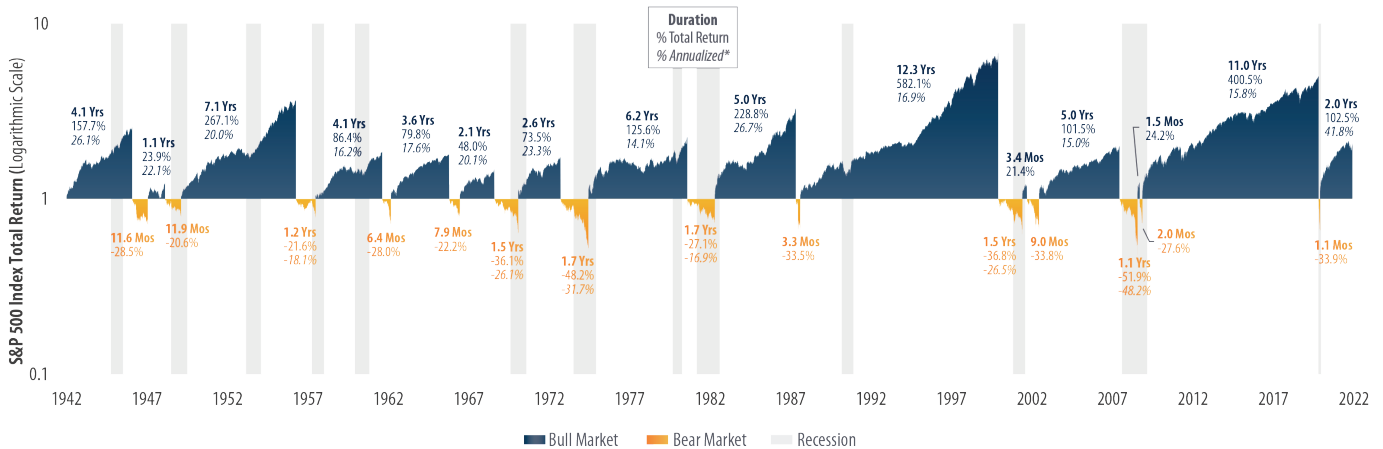
12/31/04 - 12/31/19



Data is historical. Past performance is not a guarantee of future results. The best time to invest assumes shares are bought when market prices are low.

3. Bull markets last longer than Bear markets and the losses in Bear markets are smaller than the gains in Bull markets. You are better off staying invested so you don't miss the up markets.

History of U.S. Bear & Bull Markets Daily Returns Since 1942



Source: First Trust Advisors L.P., Bloomberg. Daily returns from 4/29/1942 - 3/31/2022. *No annualized return shown if duration is less than one year. **Past performance is no guarantee of future results.** These results are based on daily returns—returns using different periods would produce different results. The S&P 500 Index is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. Investors cannot invest directly in an index. Index returns do not reflect any fees, expenses, or sales charges. This chart is for illustrative purposes only and not indicative of any actual investment. These returns were the result of certain market factors and events which may not be repeated in the future.

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Bottom Line

You can't control the direction of the markets, but you can control how you react to them. Markets go up and down, but successful investors are patient. They know the key to long-term financial security is riding out the bumpy periods and reaping the rewards that markets have always delivered.