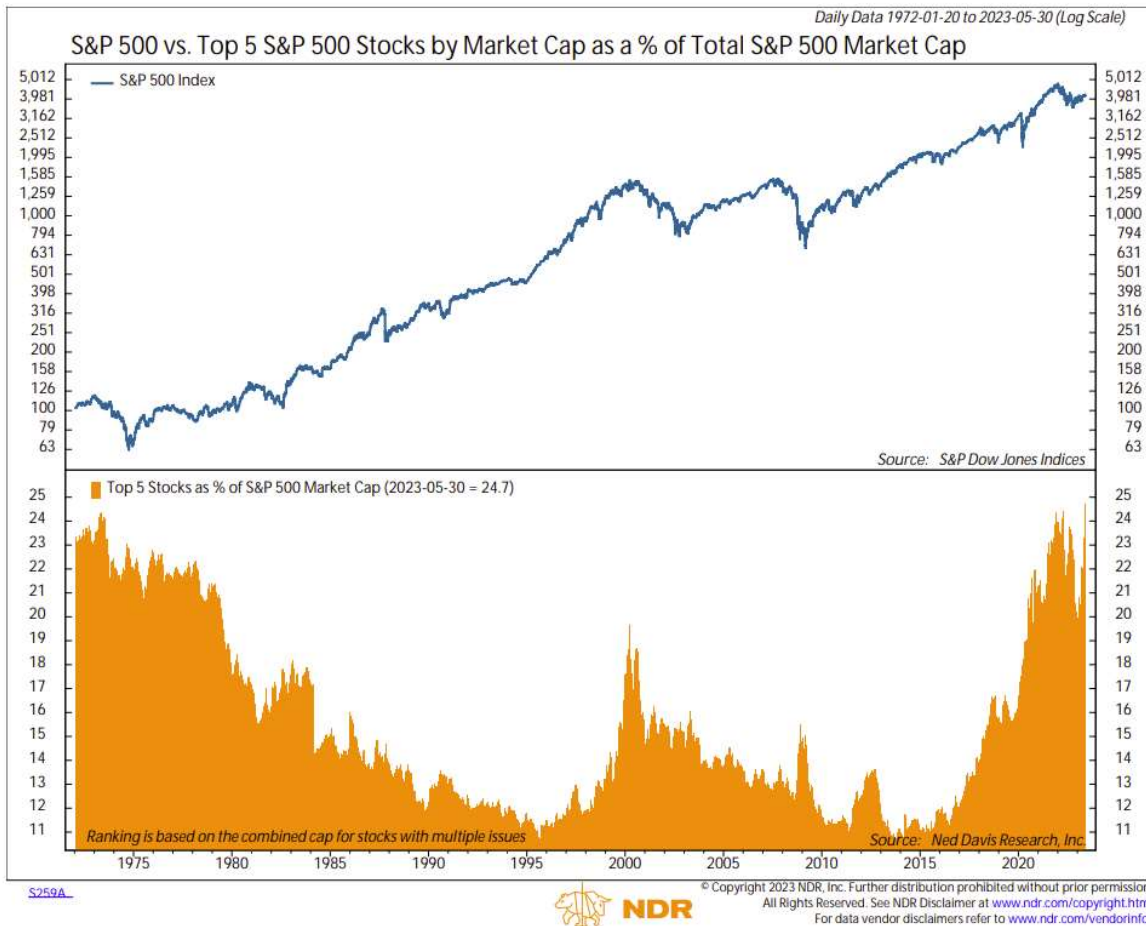


## Top-Heavy Market

- The 2023 rally for the S&P 500 has been led by mega-cap technology stocks. The five largest S&P 500 stocks (Microsoft, Apple, Alphabet, Amazon, and Nvidia) now make up 24.7% of the index, approaching a record going back nearly 50 years (Data as of 5-30-2023 via Ned Davis Research).



- The top 10 largest stocks in the world are now worth a combined \$13.6 trillion.
- This typically worries investors as a narrow market rally can be seen as a sign of fragility and calls into question the rally's staying power.
- According to Bespoke Investment Group, over the last three months the 50 largest S&P 500 stocks are up +9.2%, while the 50 smallest S&P 500 stocks are -10.8%. The big are getting bigger.
- 104% of the S&P 500 return contribution this year is from the 10 largest constituents, the largest ever in an up year (Data via @Todd\_Sohn).

Past performance is not a guarantee of future results. The S&P 500 Index is a market capitalization-weighted Index of 500 widely held stocks often used as a proxy for the stock market. Returns are based on price index only and do not include dividends or fees, expenses, and sales charges. Investors cannot directly invest in an index. This information is provided for illustrative purposes, is neither an offer to sell nor a solicitation to buy any security mentioned and is not investment advice.

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