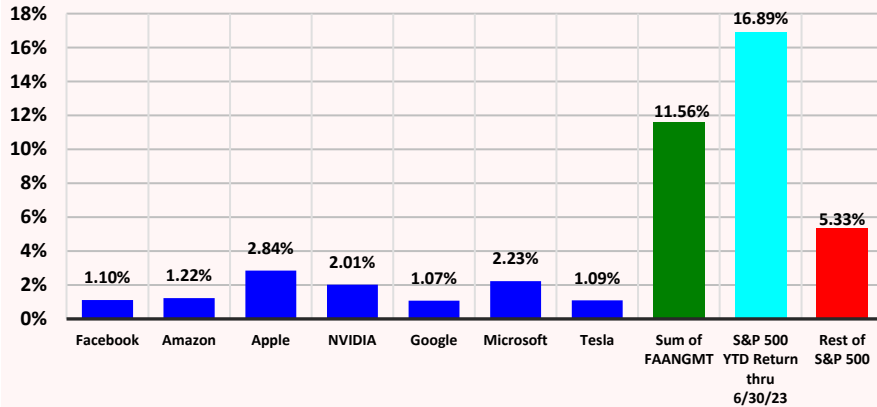


MARKET MICROSCOPE – The S&P 500’s Return Has Been Concentrated Towards The Top In 2023

The S&P 500 was up nearly 17% in the first half of 2023, a result that was heavily influenced by a small group of larger stocks.

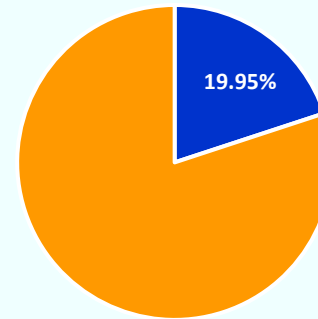
Just 7 stocks – Facebook (Meta), Amazon, Apple, NVIDIA, Google (Alphabet), Microsoft & Tesla - have accounted for almost 70% of the index’s YTD return.

Estimated Contribution to S&P 500 YTD Return as of 6/30/2023

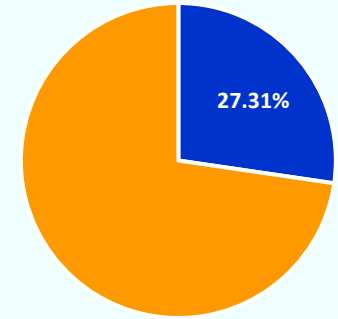


Those 7 stocks started the year as roughly 20% of the index, and by the end of May they had grown to represent 27.3% of the S&P 500.

S&P 500 as of 12/31/22



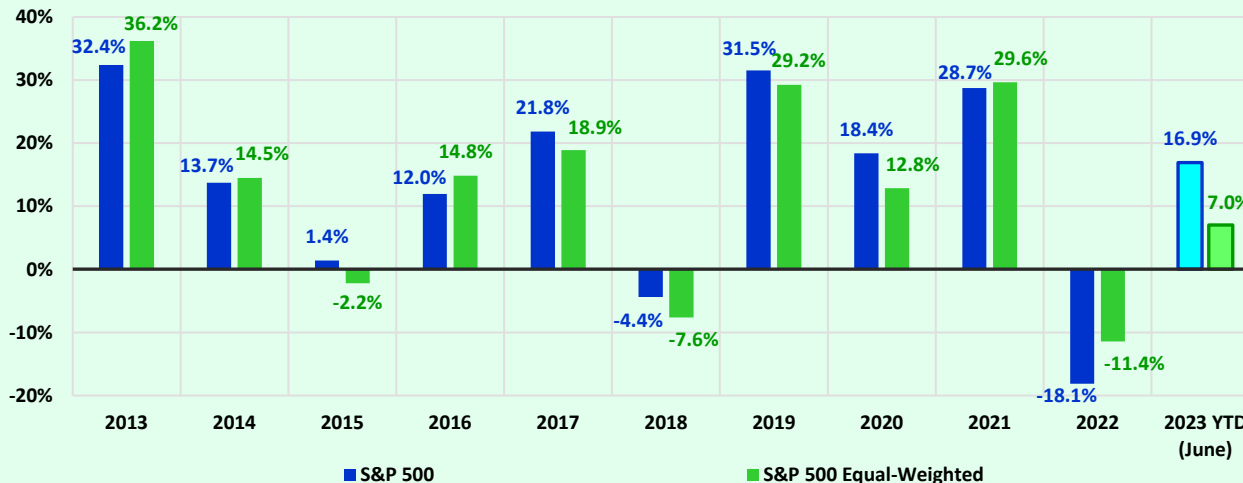
S&P 500 as of 5/31/23



■ FAANGMT ■ Rest of S&P 500

■ FAANGMT ■ Rest of S&P 500

Calendar Year Returns: S&P 500 vs S&P 500 Equal-Weighted



The top-heavy nature of the index’s YTD return is also reflected in the large spread between the return of the cap-weighted S&P 500 index and the equally-weighted S&P 500 index. The standard index outperformed by a margin of nearly 10% in the first half of the year thanks to the strong performance of the larger stocks.

Sources: Morningstar Advisor Workstation, Vanguard.com, <https://finance.yahoo.com>