

Magnificent 7

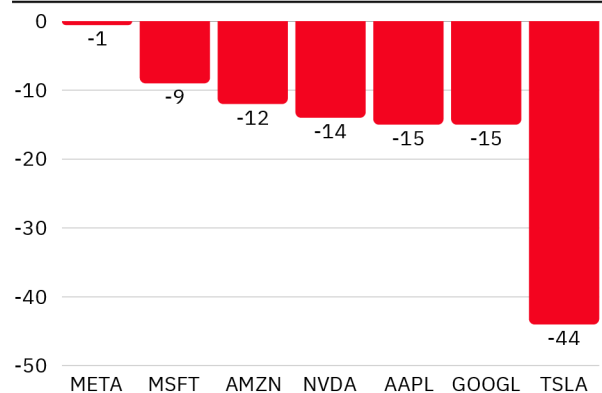
S&P 500 Concentration



S&P 500 Holdings March 18, 2025

Name	Cap-Weight	Equal-Weight
Apple Inc	7.24%	0.20%
NVIDIA Corp	6.07%	0.20%
Microsoft Corp	5.84%	0.20%
Amazon.com Inc	3.93%	0.20%
Alphabet Inc	3.59%	0.20%
Meta Platforms Inc	2.88%	0.20%
Tesla Inc	1.62%	0.20%
Magnificent 7	31.17%	1.40%

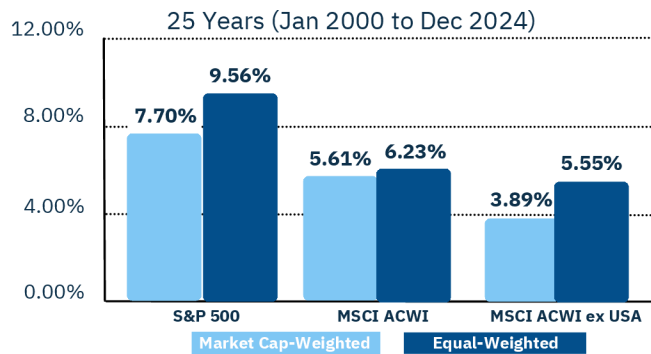
Magnificent Seven YTD Performance March 18, 2025



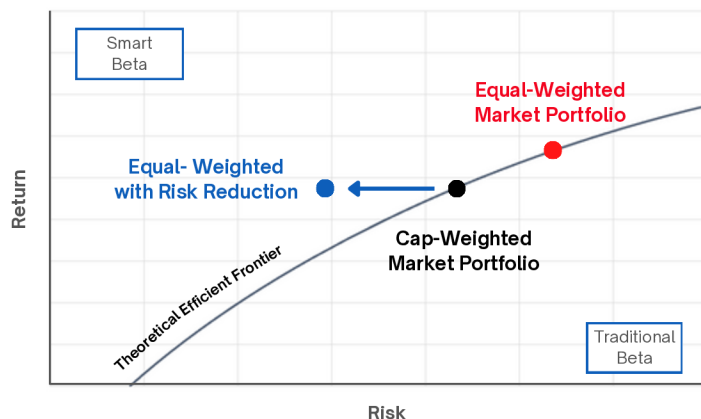
The Magnificent Seven has a 30% greater concentration in the S&P 500 Index, which is weighted by market capitalization, than it does in an equal-weighted version of the same index. This concentration has been a drag on performance year to date.

Cap-Weighted vs. Equal-Weighted Index Performance

The Efficient Market Theory assumes that cap-weighted indices, such as the S&P 500, are optimal. However, breakthroughs in finance have led to improved methodologies. Cap-weighted indices, by their very nature, overweight the most overpriced securities and underweight smaller companies with strong growth prospects. Equal-weighting has outperformed cap-weighting in the USA, globally, and abroad over the past quarter century, albeit with higher levels of risk.



Combining Equal-Weighting and Low Volatility Stocks



We believe the market portfolio is inefficient and that active management has the potential to add value when grounded in research and applied in an unemotional, systematic, and cost-effective manner. Integrating equal-weighting with quality, value, growth, and risk factors has the potential to enhance performance while moderating risk. This new approach results in a portfolio of high-quality stocks and a smoother ride for your clients.

Source: weights and performance derived from data from Morningstar, iShares, and MSCI