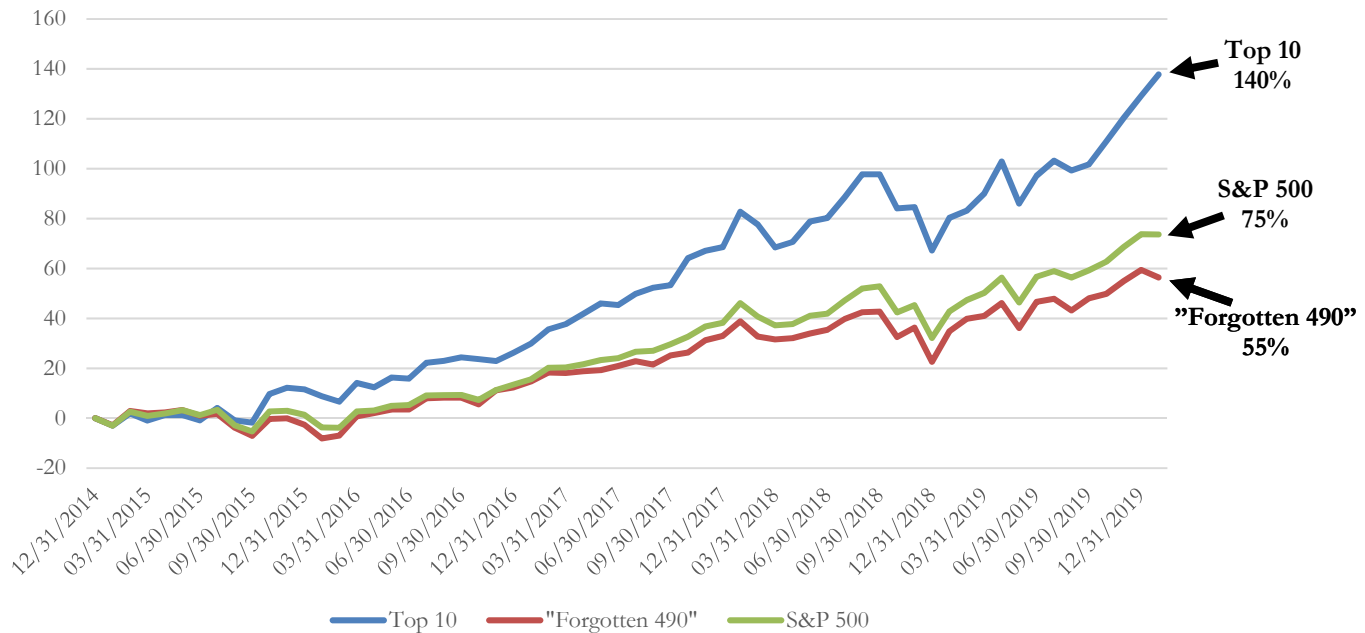


Narrow Growth Mania

S&P 500 Returns by Market Cap
Top 10 vs. "Forgotten 490"



- The largest ten stocks almost doubled the market performance over the past five years. Their average gain over the past five years is 140%, compared to the S&P return of about 75%. This is the largest spread we've seen since the Tech Bubble.
- This group mostly consists of the largest Growth names, which compared to Value is at an extreme on relative performance. We suspect ETFs and Algorithms have contributed to a very crowded trade.
- The broader market (i.e. the "Forgotten 490") is not nearly as strong as the headline index would suggest.

Source: Bloomberg, S&P and Todd Asset Management as of 1/31/2020

Top 10 list was screened monthly to capture the 10 largest names in the S&P 500 based on their market cap. The "Forgotten 490" consists of the remaining names in the S&P 500 that were not in the top 10.

Current Top 10 include: Apple, Microsoft, Amazon, Alphabet (A and C class shares), Facebook, Berkshire Hathaway, JPMorgan Chase, Johnson & Johnson and Visa.

The index used in the chart is unmanaged, and not available for direct investment; it includes reinvestment of dividends; it does not reflect management fees or transaction costs: **S&P 500 Index** is a widely recognized index of market activity based on the aggregate performance of a selected portfolio of publicly traded common stocks.

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