Major Trends Over 35 Years:

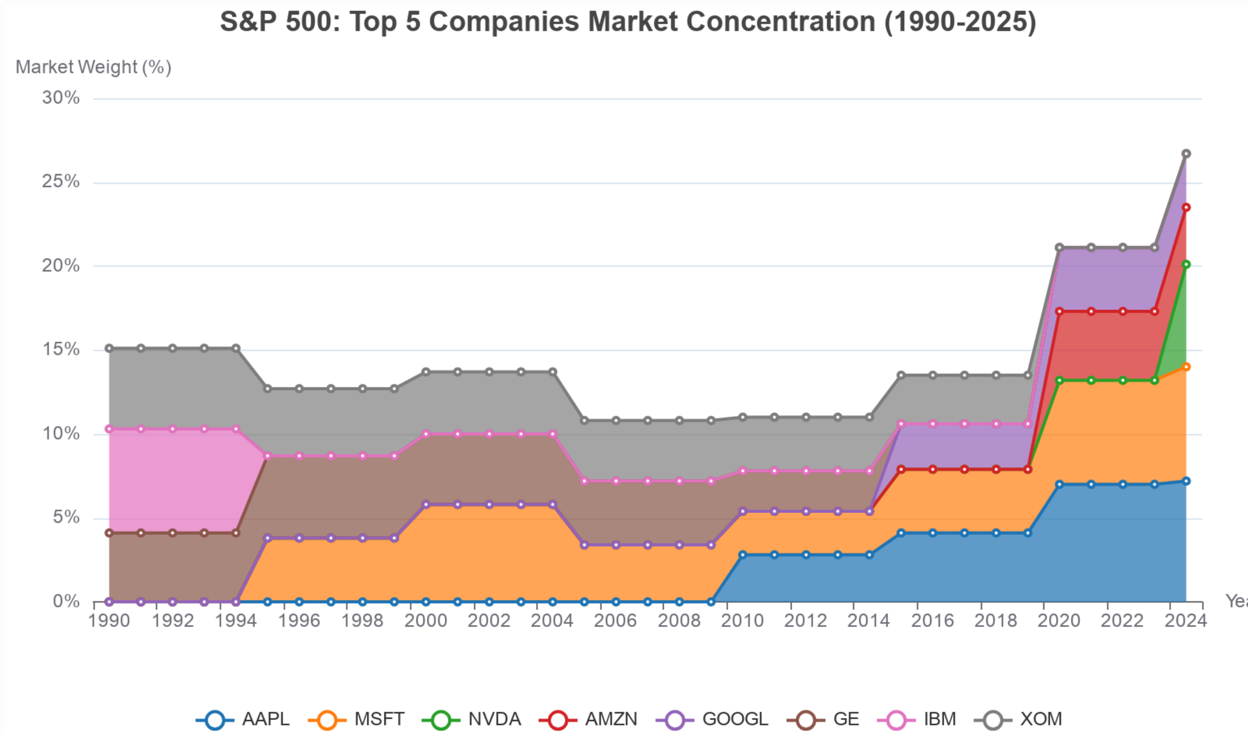
1. Technology Revolution (2010s-2020s):
    - Apple (AAPL) emerged as the dominant force, reaching ~7% weight by 2024
    - Microsoft (MSFT) maintained consistent strength, averaging 6.3% in the 2020s
    - NVIDIA (NVDA) had explosive growth, reaching 6% by 2024
2. Traditional Leaders Decline:
    - General Electric (GE) dominated the 1990s at 4.5% average weight but disappeared from top 10 by 2020s
    - Exxon Mobil (XOM) was consistently strong through 2010s but declined significantly
    - IBM was a major player in the 1990s-2000s but lost relevance
3. Market Concentration Changes:
    - 1990s: 21.1% (top 5 companies) - Traditional industrial/energy focus
    - 2000s: 19.4% - Tech bubble and recovery period
    - 2010s: 14.7% - Most diversified period
    - 2020s: 24% - Highest concentration, dominated by mega-cap tech

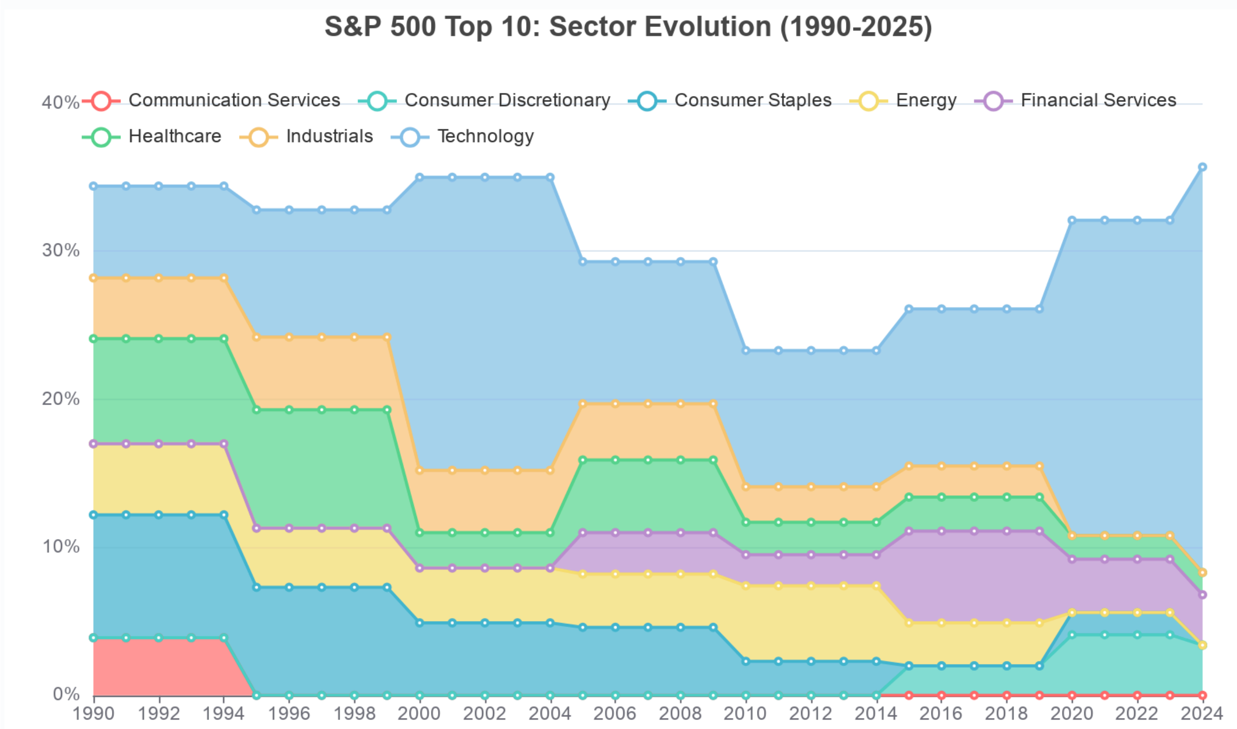
Top Company by Decade:

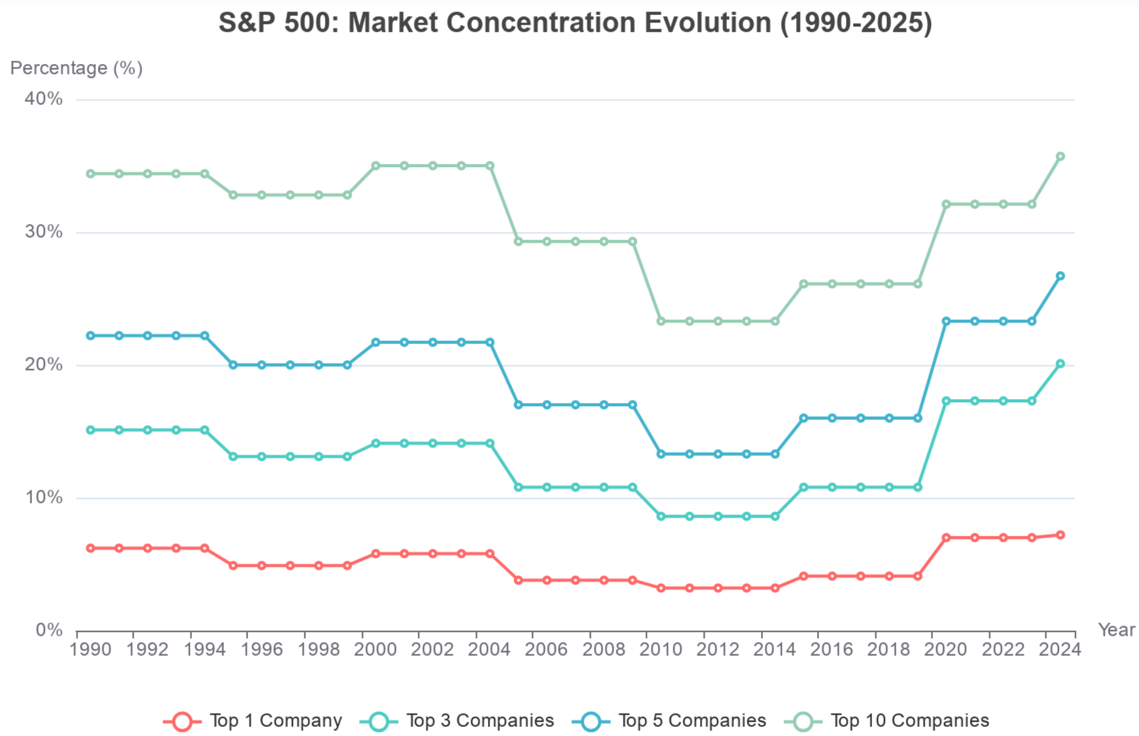
- 1990s: General Electric (GE) - 4.5% average
- 2000s: Microsoft (MSFT) - 4.6% average
- 2010s: Apple (AAPL) - 3.5% average
- 2020s: Apple (AAPL) - 7% average

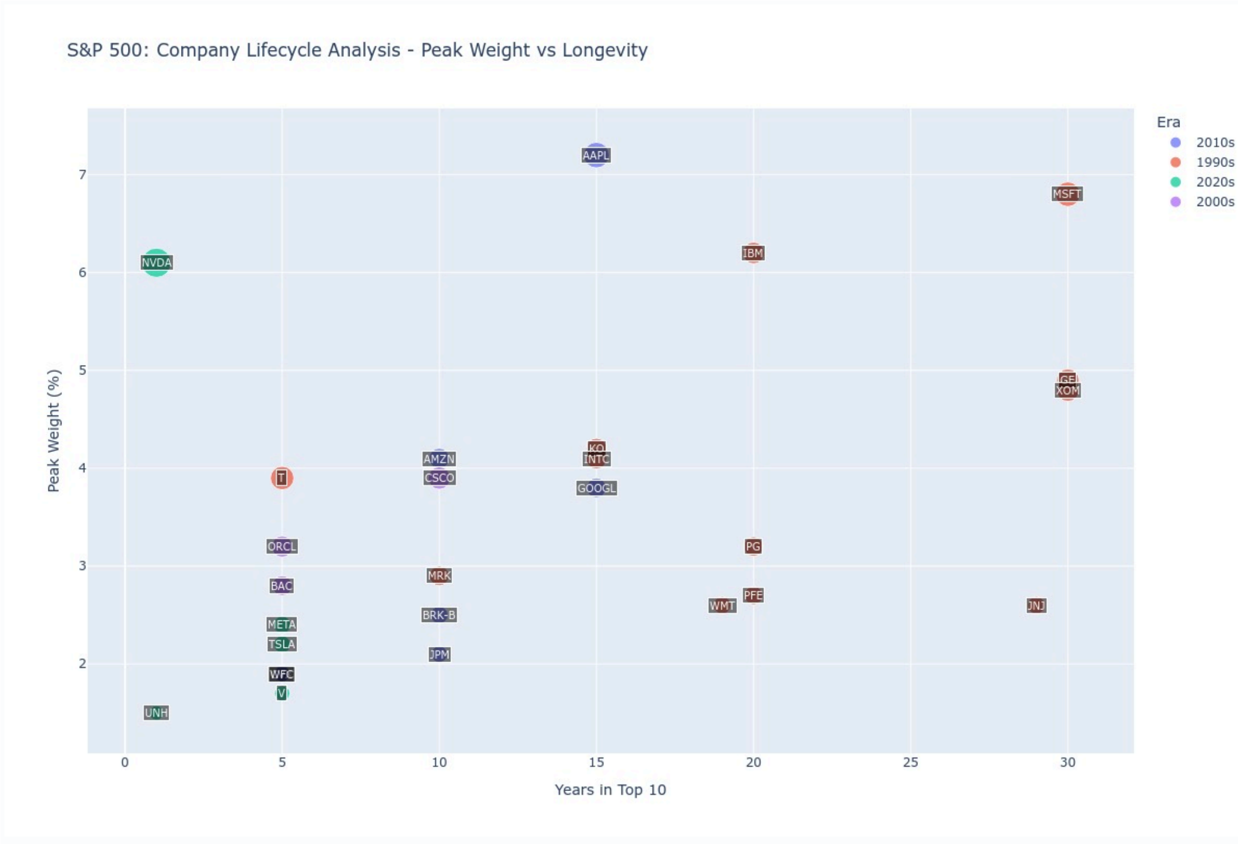
End of 2024:

1. Apple (AAPL): ~7.1%
2. Microsoft (MSFT): ~6.7%
3. NVIDIA (NVDA): ~6.0%
4. Amazon (AMZN): ~3.4%
5. Meta (META): ~2.4%


S&P 500: Top 5 Companies Market Concentration (1990-2025)
Market Weight (%)
30%
25%
20%
15%
10%
5%
0%
1990
1992
1994
1996
1998
2000
2002
2004
2006
2008
2010
2012
2014
2016
2018
2020
2022
2024
Yea
AAPL
MSFT
NVDA
AMZN
GOOGL
GE
IBM
XOM

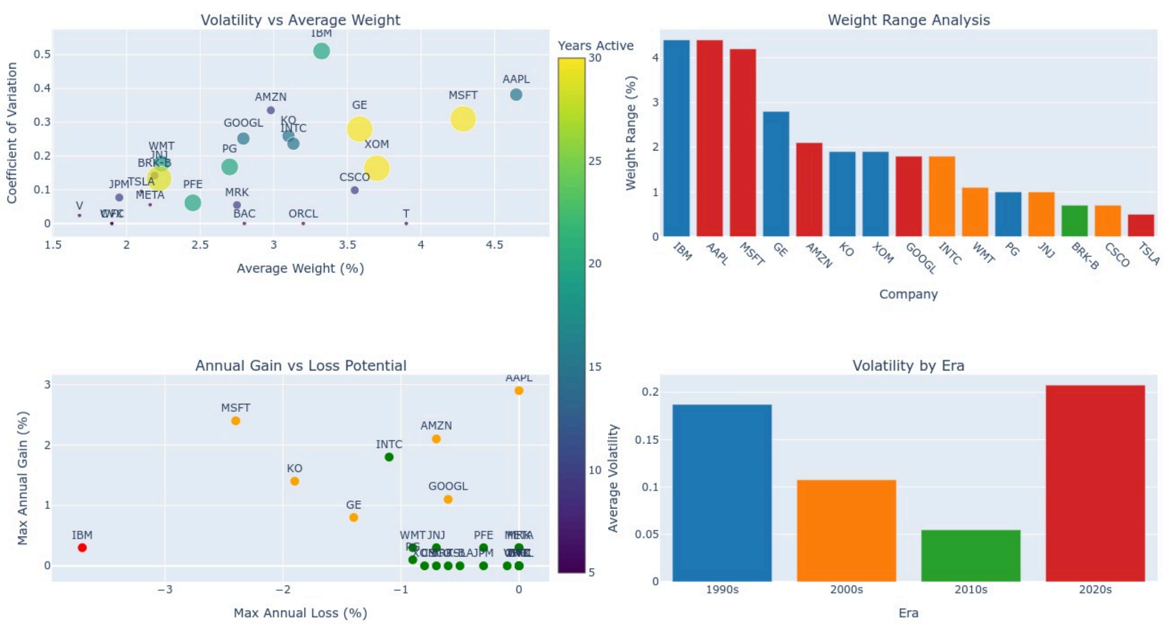

S&P 500 Top 10: Sector Evolution (1990-2025)
Communication Services
Consumer Discretionary
Consumer Staples
Energy
Financial Services
Healthcare
Industrials
Technology
40%
30%
20%
10%
0%
1990
1992
1994
1996
1998
2000
2002
2004
2006
2008
2010
2012
2014
2016
2018
2020
2022
2024


S&P 500: Market Concentration Evolution (1990-2025)
Percentage (%)
40%
30%
20%
10%
0%
1990
1992
1994
1996
1998
2000
2002
2004
2006
2008
2010
2012
2014
2016
2018
2020
2022
2024
Year
Top 1 Company
Top 3 Companies
Top 5 Companies
Top 10 Companies


S&P 500: Company Lifecycle Analysis - Peak Weight vs Longevity
Era
2010s
1990s
2020s
2000s
Peak Weight (%)
Years in Top 10
0
5
10
15
20
25
30
2
3
4
5
6
7
AAPL
MSFT
NVDA
IBM
GE
XOM
KO
AMZN
INTC
T
CSCO
GOOGL
ORCL
PG
MRK
BAC
PFE
WMT
JNJ
BRK-B
META
TSLA
JPM
WFC
V
UNH

S&P 500: Current Market Dominance Analysis (August 15, 2025)

S&P 500: Comprehensive Volatility Analysis of Top Companies (1990-2025)



CURRENT STATE:

- Top 10 Combined: 38.7% of the index
- Top 3 Combined: 19.8% (NVDA + MSFT + AAPL)
- Top 1 (NVIDIA): 7.5%
- Tech Companies: 33.7% of top 10 weight
- 38.7% top-10 concentration is elevated arguably extreme
- Similar to historical peaks but not unprecedented

🚀 NVIDIA's Historic Rise:

- First company to reach $4 trillion market cap (July 2025)
- Now leads S&P 500 at 7.5% weight
- Represents the AI revolution's impact on markets

📊 Historical Context:

- Current 38.7% vs 2020s average ~24% (elevated but reasonable)
- NVIDIA's 7.5% is significant but not extreme by historical standards
- Tech dominance continues: 7 of top 10 are tech companies

🔄 Major Shifts:

- NVIDIA overtook Apple and Microsoft to become #1
- Apple dropped to #3 (was dominant in early 2020s)
- JPMorgan Chase returns to top 10 (financial sector representation)

MY TAKEAWAY:

There are a couple of concerns with this concentration run, simply put passive investors are accumulating more risk as these winning stocks take up a larger % of the index. It's a bit of a paradox given the passive investors have received tremendous returns (outperformance) during this momentum period for the MegaCaps.

Think of it like this…as we go higher, the returns outperform but the risk increases all the way up. Sometime in the future, this will create an episode. The only questions are When? And How Severe?

CORRECTED S&P 500: Current Market Analysis (August 15, 2025)

Source: Visual Capitalist, Reuters, Financial Times