

August 25, 2025

Weekly Market Commentary



Equity Market Concentration

By Michael Crook, CAIA, Chief Investment Officer

Equity market performance has been less concentrated this year (but not in US large cap)

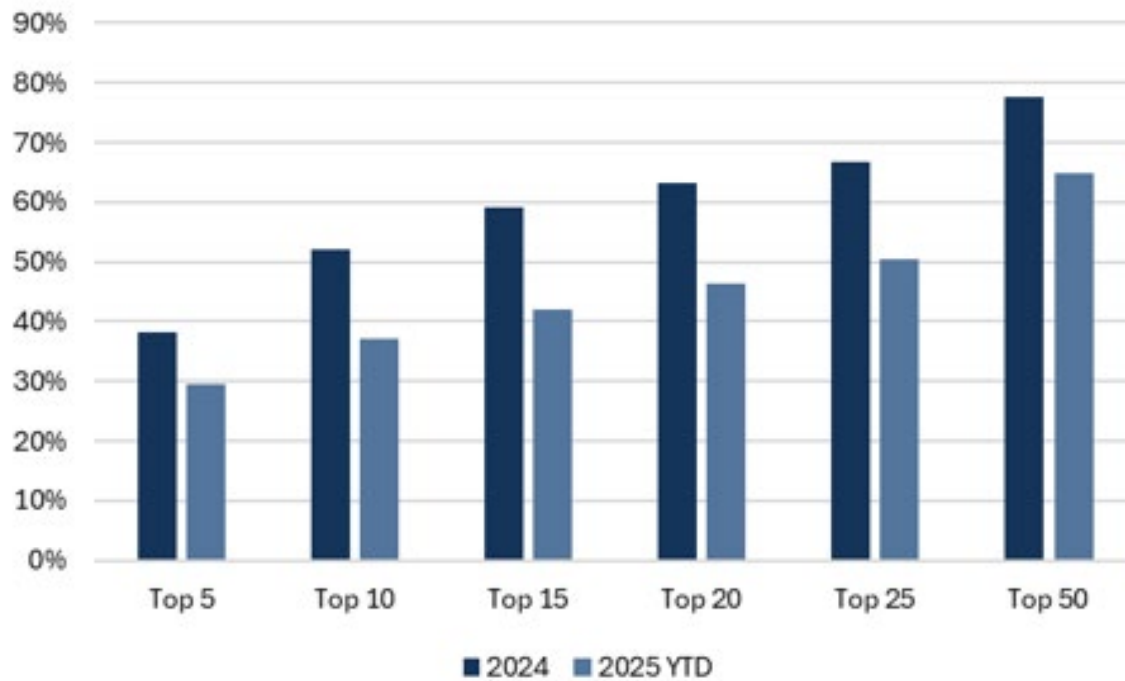
1. Global equity market performance has been less concentrated in 2025 than it was in 2024 (Fig. 1). For example, 10 companies were responsible for 50% of index performance in 2024 versus 37% of index performance thus far in 2025.
2. For US large cap, 2025 performance concentration has been similar to 2024, with five companies driving nearly 50% of index returns (Fig. 2).
3. A higher percentage of global equities are positive this year (71%) than last year (54.7%), but the opposite is true in the US (64% this year vs. 67% for 2024).
4. Longer term, only 47% of global equities and 57% of US large cap equities outperformed cash over decade ending July 31, 2025. Additionally, only seven of the top performance contributors for 2005-2015 remained in the top 15 over the last decade (Fig. 3).

Why it matters for investors

After a period of very narrow leadership in global equities, the broadening out of equity market performance is a welcome development for investors. However, the broadening has mainly happened outside of the US. US equity performance continues to be concentrated in the usual tech and growth suspects, and small cap US stocks have underperformed year-to-date.

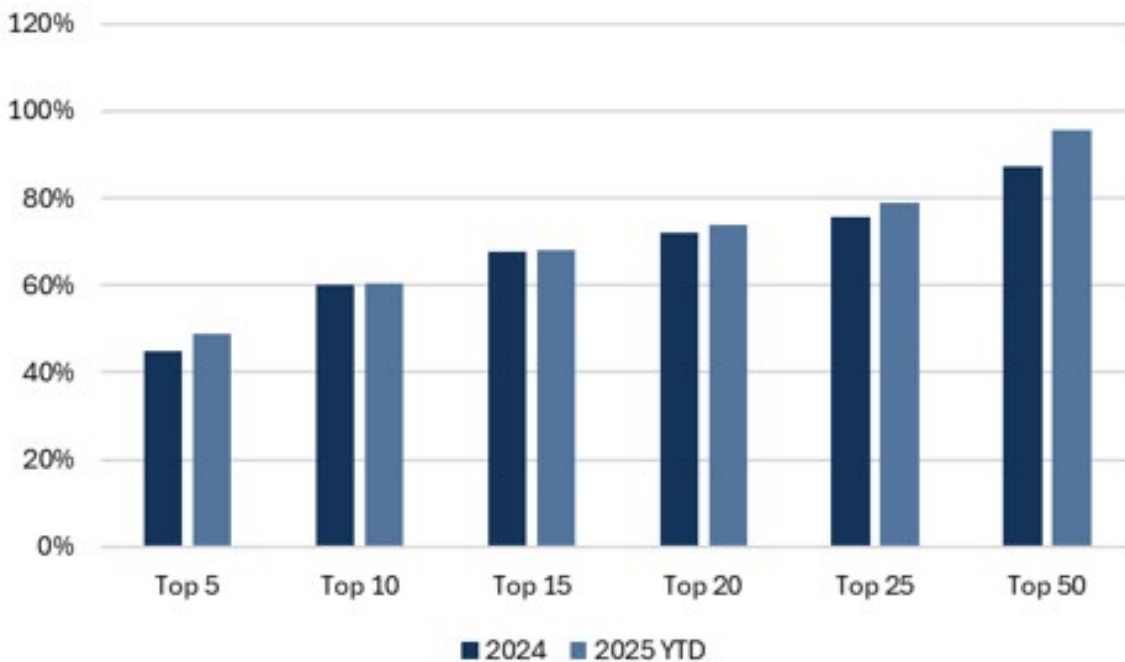
Over the long term many stocks don't outperform cash. Leadership also evolves - only seven of the top index 15 performance contributors between 2005 and 2015 remained in the top 15 over the last decade. These are challenges for active management and reasons we believe low cost, broad-based, index exposure should form the core of equity portfolios.

Fig. 1: Percentage of index performance coming from top performers (Global)



Source: Bloomberg, Mill Creek as of 8/19/2025.

Fig. 2: Percentage of index performance coming from top performers (US large cap)



Source: Bloomberg, Mill Creek as of 8/19/2025.

Fig. 3: Top 15 index performance contributors

| Top 15 2005-2015 | Top 15 2015-2025 |
|---|-------------------------|
| Apple Inc | NVIDIA Corp |
| Microsoft Corp | Microsoft Corp |
| Exxon Mobil Corp | Apple Inc |
| Alphabet Inc | Amazon.com Inc |
| Wells Fargo & Co | Meta Platforms Inc |
| Amazon.com Inc | Broadcom Inc |
| JPMorgan Chase & Co | Alphabet Inc |
| Walt Disney Co/The | Alphabet Inc |
| Altria Group Inc | JPMorgan Chase & Co |
| Johnson & Johnson | Tesla Inc |
| Gilead Sciences Inc | Eli Lilly & Co |
| International Business Machine | Visa Inc |
| Pfizer Inc | Netflix Inc |
| Meta Platforms Inc | Berkshire Hathaway Inc |
| AT&T Inc | Mastercard Inc |
| Merck & Co Inc | Oracle Corp |
| Chevron Corp | Costco Wholesale Corp |
| Visa Inc | Walmart Inc |
| Home Depot Inc/The | Home Depot Inc/The |
| Coca-Cola Co/The | Bank of America Corp |

Source: Bloomberg, Mill Creek. Strikethrough used to indicate companies that fell out of the top 15. Data is for September 2005-August 2015 and September 2015-August 2025.

Disclosures & Important Information

Any views expressed above represent the opinions of Mill Creek Capital Advisers ("MCCA") and are not intended as a forecast or guarantee of future results. This information is for educational and informational purposes only. It is not intended to provide, and should not be relied upon for, investment, accounting, legal, or tax advice. This content should not be considered as an offer or solicitation to purchase or sell securities or other services. This publication has been prepared by MCCA. The information contained in this publication has been obtained from sources that MCCA believes to be reliable, but MCCA does not represent or warrant that it is accurate or complete. The views in this publication are those of MCCA and are subject to change, and MCCA has no obligation to update its opinions or the information in this publication. While MCCA has obtained information believed to be reliable, MCCA, nor any of their respective officers, partners, or employees accepts any liability whatsoever for any direct or consequential loss arising from any use of this publication or its contents. Access disclosures and important information at millcreek.com/legal.

The Weekly Commentary may contain links to other websites, including links to other websites of companies that may provide related information, products, and services. Such external internet addresses contain information created, published, maintained, or otherwise posted by institutions or organizations independent of MCCA. These links are solely for the convenience of visitors to the Weekly Commentary, and the inclusion of such links does not necessarily imply an affiliation, sponsorship, or endorsement. MCCA does not endorse, approve, certify, or control these external internet addresses and does not guarantee or assume responsibility for the accuracy, completeness, efficacy, timeliness, or correct sequencing of information located at such addresses. Use of any information obtained from such addresses is voluntary, and reliance on it should only be undertaken after an independent review of its accuracy, completeness, efficacy, and timeliness. Reference therein to any specific commercial product, process or service by trade name, trademark, service mark, manufacturer, or otherwise does not constitute or imply endorsement, recommendation, or favoring by MCCA.

© 2025 All rights reserved. Trademarks "Mill Creek," "Mill Creek Capital" and "Mill Creek Capital Advisors" are the exclusive property of Mill Creek Capital Advisors, LLC. The Trademarks are registered with the U.S. Patent and Trademark Office and may not be used without written permission.