

Sector Performance Via Market Capitalization (Year-to-Date)

Large-, Mid- & Small-Cap Total Returns (12/29/17-9/4/18)

Category	S&P 500 Index	S&P MidCap 400 Index	S&P SmallCap 600 Index
Index	9.76%	8.45%	17.76%
Consumer Disc.	19.66%	2.00%	17.56%
Consumer Staples	-4.55%	2.76%	13.01%
Energy	4.51%	14.46%	5.17%
Financials	2.91%	4.14%	13.16%
Health Care	12.49%	32.34%	47.22%
Industrials	2.59%	3.44%	17.18%
Info. Tech.	20.68%	16.05%	17.03%
Materials	-1.41%	-0.30%	5.97%
Real Estate	3.49%	6.33%	2.82%
Telecom. Services	-4.44%	6.73%	20.98%
Utilities	3.90%	7.26%	4.80%

Source: Bloomberg. Past performance is no guarantee of future results.

View from the Observation Deck

1. Small-capitalization (cap) stocks are outperforming their mid- and large-cap counterparts handily so far in 2018 (see table).
2. As of 9/4/18, the S&P 500, S&P MidCap 400 and S&P SmallCap 600 Indices stood 0.59%, 0.48% and 0.44% below their respective all-time closing highs set in the last week of August 2018, according to Bloomberg.
3. The combination of tax cuts, a resurgence in U.S. economic growth, higher corporate profits, and rising trade tensions has helped boost the performance of small-cap stocks, according to *The Wall Street Journal*. Small companies tend to garner most of their sales from within the U.S.
4. In addition to the implementation of trade tariffs by the Trump administration, the stronger U.S. dollar year-to-date has created some headwind for larger, multinational companies that tend to get a relatively high percentage of their revenues from foreign sales.
5. The U.S. Dollar Index (DXY) is up 3.60% so far this year (thru 9/4/18), according to Bloomberg.
6. In 2017, the percentage of S&P 500 Index sales from foreign countries stood at 43.6%, according to S&P Dow Jones Indices.
7. As shown in the table, sector performance can vary widely by market cap. Some of the sectors reflect a fairly significant disparity in performance.
8. For the period featured in the table, all 11 of the major sectors that comprise the S&P SmallCap 600 Index posted positive total returns. The S&P MidCap 400 Index had one sector that was in negative territory, while the S&P 500 Index had three.

This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions and other expenses incurred when investing. Investors cannot invest directly in an index. The S&P 500 Index is a capitalization-weighted index comprised of 500 stocks (currently 505) used to measure large-cap U.S. stock market performance. The S&P MidCap 400 Index is a capitalization-weighted index that tracks the mid-range sector of the U.S. stock market. The S&P SmallCap 600 Index is a capitalization-weighted index that tracks U.S. stocks with a small market capitalization. The 11 major S&P 500, S&P MidCap 400 and S&P SmallCap 600 Sector Indices are capitalization-weighted and comprised of S&P 500, S&P MidCap 400, and S&P SmallCap 600 constituents, respectively, representing a specific sector.

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