

# Sector Performance Via Market Capitalization

## Large-, Mid- & Small-Caps: Year-to-Date Total Returns (10/17/16)

Category	S&P 500 Index	S&P MidCap 400 Index	S&P SmallCap 600 Index
Index	5.85%	9.98%	10.85%
Consumer Disc.	1.34%	1.49%	3.91%
Consumer Staples	5.32%	10.54%	19.36%
Energy	16.85%	9.31%	17.59%
Financials	1.58%	8.75%	10.53%
Health Care	-2.33%	7.14%	-0.80%
Industrials	8.39%	11.84%	11.92%
Info. Tech.	11.47%	10.49%	17.79%
Materials	8.21%	24.62%	26.34%
Real Estate	1.60%	9.27%	12.67%
Telecom. Services	15.55%	5.21%	0.80%
Utilities	13.81%	19.16%	12.75%

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

## View from the Observation Deck

1. From 12/31/15 through 10/17/16, small-capitalization (cap) stocks outperformed both mid- and large-cap stocks, as measured by the S&P 500 Index, S&P MidCap 400 Index and S&P SmallCap 600 Index (see table).
2. In that period, the only sector that posted a negative total return was Health Care. It was down in the S&P 500 and S&P SmallCap 600 Indices. Ironically, it performed well in the mid-cap space.
3. As indicated in table, sector performance can vary widely by market cap. Many sectors, such as Consumer Staples and Telecommunication Services, reflect a huge disparity in performance based on market cap.
4. A quick glance at the returns in the table should at the very least help the average investor appreciate the merits of asset allocation and diversification, in our opinion.
5. On the flipside, it also shows those investors who like to target specific sectors that it may be worth their while to investigate opportunities outside of the largest publicly traded companies, in our opinion.

*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 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.*

