

Large Cap Value: The Market Doesn't Stop at Tech

A small group of large technology companies now makes up an unusually big share of major market indexes.¹

That means a portfolio that looks like it's spread across hundreds of companies may actually be relying heavily on the performance of a very narrow slice of the market.

Those companies are priced for continued growth, so a bad quarter hits harder than it would in a diversified portfolio—and the protection investors assume they have may not be there when they need it.

40%

of the S&P 500 Index is concentrated in just seven large technology companies.

60%

of the Russell 1000 Growth Index is driven by its top 10 stocks alone.¹

A different kind of investment

Large cap value stocks are shares in large, established companies (such as those in energy, healthcare, industrials, or consumer staples) whose prices are based on what they earn now, not on expectations about what they might earn later. Think utilities, pharmaceutical companies, or large retailers: businesses with steady revenues that don't depend on rapid expansion to justify their prices.

They don't rise and fall on the same news as large technology stocks. When growth-oriented stocks have stumbled historically, value-oriented stocks have often held steady.

High-performing technology companies have rewarded investors for years. The question your advisor can answer is how much of that concentration you're already carrying, and whether your portfolio has room for something that behaves differently when conditions shift. A good starting point: ask what percentage of your portfolio is tied to the top 10 holdings in your largest fund.

¹ As of 12/31/25. Source: Voya IM.

A note about risk

All investing involves risks of fluctuating prices and the uncertainties of rates of return and yield. The principal risks are generally those attributable to stock investing. Holdings are subject to market, issuer, and other risks, and their values may fluctuate. Market risk is the risk that securities may decline in value due to factors affecting the securities markets or particular industries. Issuer risk is the risk that the value of a security may decline for reasons specific to the issuer, such as changes in its financial condition. More particularly, growth-oriented stocks typically sell at higher valuations than other stocks. If a growth-oriented stock does not exhibit the level of growth expected, its price may drop sharply. Additionally, growth-oriented stocks have been more volatile than value-oriented stocks. Smaller companies may be more susceptible to price swings than larger companies, as they typically have fewer resources and more limited products, and many are dependent on a few key managers.

The S&P 500 Index measures the performance of about 500 of the largest U.S. companies.

The Russell 1000 Growth Index measures the performance of the large cap growth segment of the U.S. equity universe.

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