

What's Actually Inside Your Index Fund?

Here's something most investors don't realize: owning "the market" today looks very different than it did even five years ago.

Index funds are supposed to spread your investment across hundreds of companies. For most of market history, they did. That's changed. A small group of technology companies now makes up an unusually large portion of those indexes. So what feels like owning "the whole market" may actually be a concentrated bet on a narrow slice of it.

Why this matters for your money

When a small number of stocks are doing most of the work in an index, your portfolio can become more sensitive to what happens with those particular companies than most people realize.

A change in interest rates, a shift in investor sentiment, or even a single earnings report from one of those dominant companies in the index can ripple through what looks like a "diversified" portfolio.

And because it happens at the index level, it can be easy to miss until you're looking at a statement that doesn't make sense.

The bottom line: Owning the index is less of a neutral, "set it and forget it" decision than it used to be. Your advisor is paying attention to exactly this kind of structural shift for you.

What your advisor is already doing about it

This is the kind of thing most investors never think to ask about—and that's fine. It's what your advisor is here for.

They monitor which risks are intentional and which ones may have crept into your portfolio through the way markets have shifted. **They work with investment managers who build portfolios with this discipline at the center**—people who track not just what a fund holds, but why it holds it and what role each position actually plays.

The goal isn't to predict when the market will shift; it's to make sure that however the market moves, your portfolio reflects your goals.

40%

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

60%

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

Your advisor shared this because they're paying attention (so you don't have to).

Ask them what this means for your portfolio—that conversation is exactly what they're here for.

¹As 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. Artificial intelligence (AI): AI—including natural language processing, machine learning and other forms of AI—may pose inherent risks, including but not limited to: issues with data privacy, intellectual property, consumer protection, and anti-discrimination laws; ethics and transparency concerns; information security issues; the potential for unfair bias and discrimination; quality and accuracy of inputs and outputs; technical failures and potential misuse. Reliance on information produced using AI-based technology and tools should factor in these risks.

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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