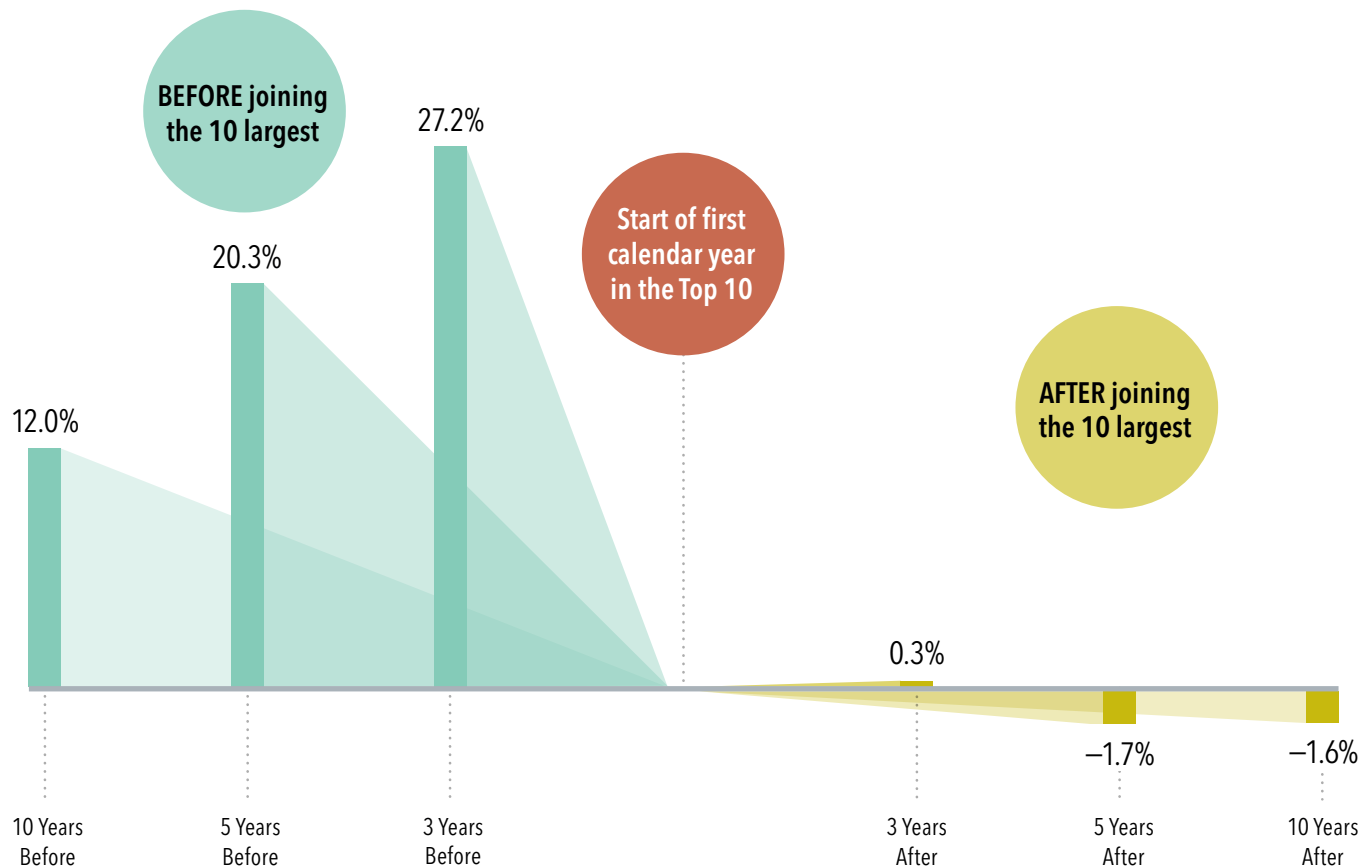




Think Twice About Chasing the Biggest Stocks

AVERAGE ANNUALIZED OUTPERFORMANCE OF COMPANIES BEFORE AND AFTER THE FIRST YEAR THEY BECAME ONE OF THE 10 LARGEST IN THE US COMPARED TO S&P 500 INDEX, 1927–2025



As companies grow to become some of the largest on the US stock market, their returns can be impressive. But not long after joining the Top 10 largest by market cap, these stocks, on average, have lagged behind the market.

- From 1927 to 2025, the average annualized return for these stocks over the three years prior to joining the Top 10 was more than 25% higher than the market.
- Five years after joining the Top 10, these stocks were, on average, underperforming the market—a stark turnaround from before.

Expectations about a firm's prospects are reflected in its current stock price. Positive news might push prices higher, but those changes are not predictable.