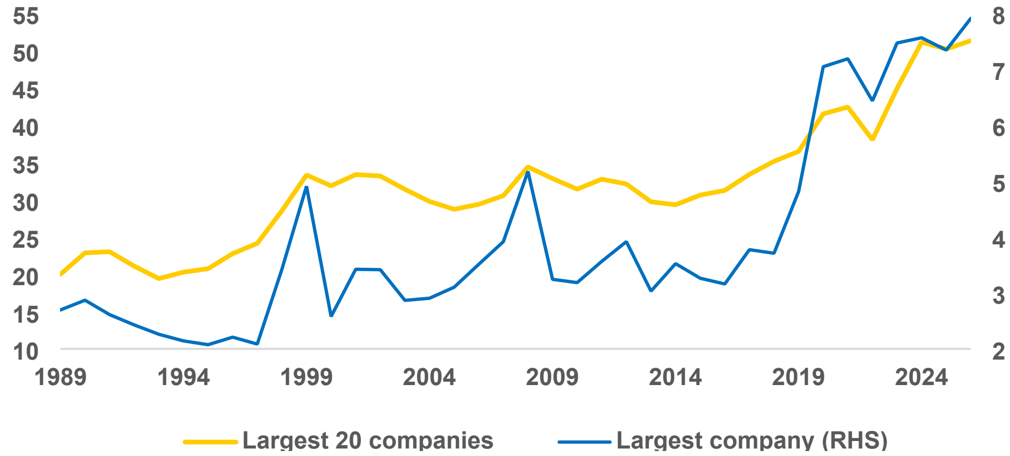
Appendix 2: Quarterly theme charts

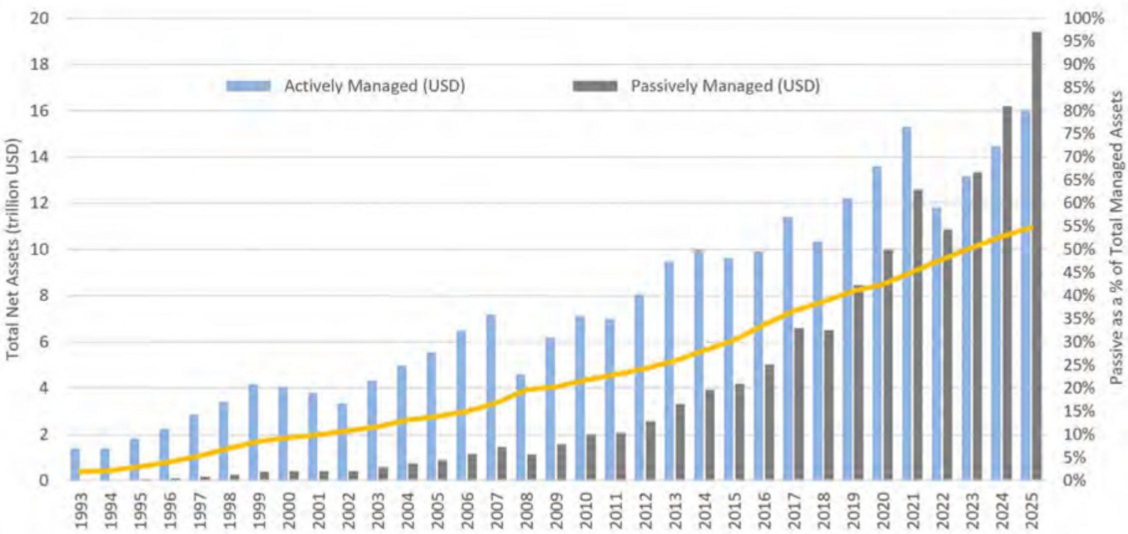
1. Concentration of S&P500 Index, 1989-2025

The largest 20 US stocks now account for more than half of a market cap weighted passive US equity strategy - or 35% of global market cap. This is unprecedented concentration risk for passive equity investors.



2. Passive and active equity flows, all US equity mutual fund and ETFs

Passively managed equity AUM exceeded actively managed in 2023 and continues to grow more rapidly



3. S&P500 Information Technology Consensus Earnings Forecasts, 2024-27

Annual IT sector earnings growth that has recently been ~20-25% is forecast to be >50% by 2027