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 **DOUBLE-DIGIT GAINS, AGAIN.** The Dow Jones Industrials, S&P 500 and Nasdaq all gained at least 10% in 2025, which has occurred 25 times since the Nasdaq's inception in 1972. 2025 was the **third straight year of double-digit gains for all three indices. The only streak lasting as long or longer was the five years from 1995 through 1999.** (Source: Bespoke)

 **REVERSAL YEARS.** After falling more than 15% year-to-date in April, the S&P 500 finished 2025 with a gain of 17%. **The only other years since World War II that the S&P 500 finished the year up more than 15% after trading down as much as 15% year-to-date were 2009 and 2020.** In 2010, the index added another 12.8%, while in 2021, it rallied 26.9%. (Source: Bespoke)

 **ANOTHER BAD YEAR FOR ACTIVE.** **Just 27% of large-cap mutual fund managers beat the S&P 500 in 2025** — the third-lowest success rate of the past 10 years. The underperformance of “active” versus “passive” is one reason nearly a third of all equity flows have gone into S&P 500 ETFs over the last three years. (Source: Bloomberg)

 **INDEX > STOCKS.** The S&P 500 posted a total return of 18.7% in 2025, but the average stock in the index gained 14%. **Just 31% of S&P 500 stocks outperformed the index in 2025.** Stocks ending the year with market caps above \$100 billion gained an average of 31% in 2025, versus an average gain of 9.5% for sub-\$100 billion companies. (Source: Bespoke)

 **LARGE CAPS > SMALL CAPS.** **The large-cap S&P 500 has outperformed the small-cap Russell 2000® for five consecutive years, from 2021 to 2025.** The only other five-year streak of large-cap outperformance was from 1994 to 1998. In 1999, the Russell 2000® gained 19.6%, versus a 19.5% gain for the S&P 500. (Source: Bespoke)

 **GROWTH > VALUE.** In 2025, the S&P 500 Growth index performed nearly twice as well as the S&P 500 Value index (22.3% vs. 11.8%). **Growth has beaten value in each of the last three years, and in eight of the last 10.** In the last 30 years, growth has seen an annualized total return of 11.1%, versus 8.6% for value. (Source: Bloomberg)

 **EQUAL WEIGHT, EQUAL WINS.** The S&P 500 cap-weighted index beat the S&P 500 equal-weighted index for the third straight year in 2025. **Over the last 30 years, though, cap-weighted and equal-weighted have each won 15 times,** and their annualized total returns have been similar, at 9.8% for equal weight versus 10.3% for cap weight. (Source: Bloomberg)

 **NOT YOUR PARENTS' S&P 500.** **Only 188 stocks in the S&P 500 today were also in the index at the end of 1999.** Six of the largest 25 index members at the end of 1999 are no longer in the index at all today, and only six — Microsoft, Walmart, Exxon Mobil, Oracle, Home Depot and Johnson & Johnson — still rank in the top 25. (Source: Bloomberg)

 **STUDENT DEBT CRACKDOWN.** The Department of Education (DOE) will **start notifying defaulted student loan borrowers in early January that up to 15% of their wages (maximum allowed) may be garnished.** According to the DOE, over 5 million borrowers are seriously delinquent, with 3 million having missed payments for nine months or more. (Source: WSJ)

 **“TAX THE RICH.”** A proposed 2026 state ballot measure called the Billionaire Tax Act would enact a **“one-time, emergency” 5% tax on the assets of California’s billionaires.** The California SEIU-UHW (a state-wide labor union) estimates that the tax would raise \$100 billion from the state’s 200 billionaires, whose combined net worth is roughly \$2 trillion. (Source: SEIU-UHW)

 **ROTATION.** After losing to Oregon in the first round of the college football playoffs, **James Madison University will lose all 11 of its starting offensive players from the 2025 season.** While four players have no remaining eligibility (i.e., are expected to graduate prior to next football season), seven offensive starters entered the transfer portal after UCLA hired head coach Bob Chesney. (Source: SI.com)

 **A “PERFECT” LOSS.** The week-17 Sunday Night Football matchup between the 49ers and Bears was the first game in NFL history in which a regular season game was tied at 7-7, 14-14, 21-21, 28-28, and 35-35. **The Bears were also the first team to score 35+ points, score a defensive TD, have no turnovers, allow no sacks — and still lose the game.** (Source: OptaStats, NFL)

The **Dow Jones Industrials Index** tracks the performance of 30 large, publicly traded blue-chip companies in the United States, serving as a barometer of the overall stock market and economy.

The **S&P 500** is a stock market index that measures the performance of 500 of the largest publicly traded companies in the U.S., representing a broad spectrum of industries.

Nasdaq is a global electronic marketplace for buying and selling securities, as well as a stock market index that tracks the performance of over 3,000 technology and growth-oriented companies listed on the Nasdaq Stock Market.

The **Russell 2,000 Index** measures the performance of the 2,000 smallest companies in the Russell 3000 Index, often used as a benchmark for small-cap stocks in the U.S.

The **S&P 500 Growth Index** is a subset of the S&P 500 that includes companies with higher growth potential, typically characterized by higher price-to-earnings ratios and revenue growth.

The **S&P 500 Value Index** is a subset of the S&P 500 that includes companies considered undervalued, often characterized by lower price-to-earnings ratios and higher dividend yields.

The **S&P 500 Cap-Weighted Index** is the standard S&P 500 index where each company's weight is proportional to its market capitalization, meaning larger companies have a greater influence on the index's performance.

The **S&P 500 Equal Weight Index** is a version of the S&P 500 where each company is given an equal weight, regardless of its market capitalization, providing a more balanced representation of the index's components.

The Service Employees International Union - United Healthcare Workers West (**SEIU-UHW**), is a labor union representing healthcare workers in California, advocating for better wages, benefits, and working conditions.

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