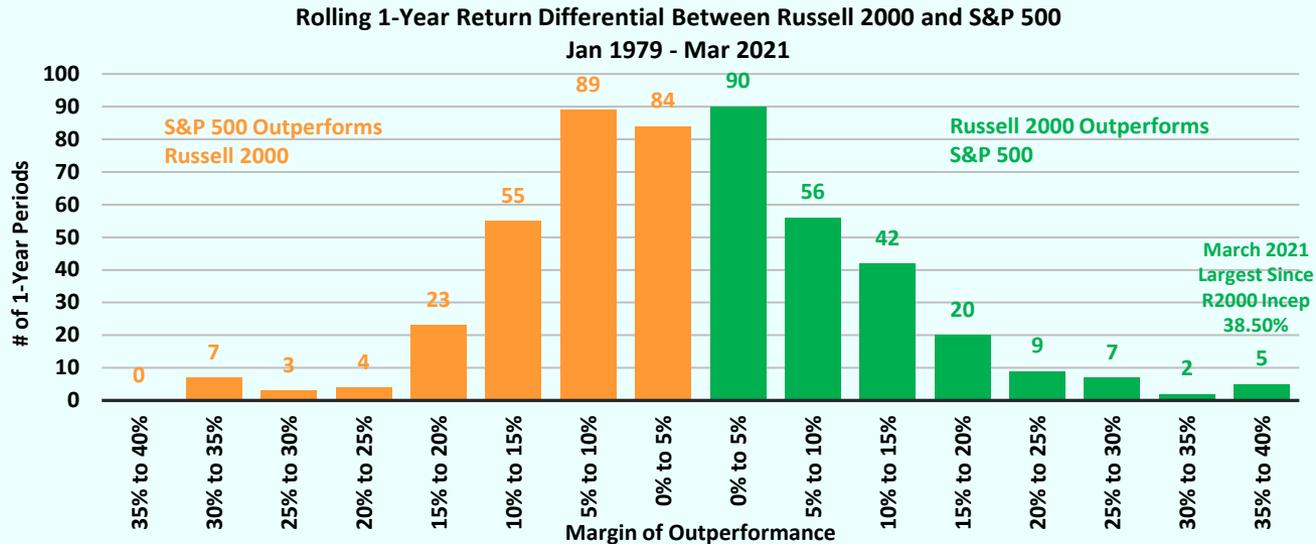


MARKET MICROSCOPE – The Market Shifts To Small Cap Stocks

For the 1-year period ending 3/31/2021, the Russell 2000 Index outperformed the S&P 500 Index by 38.50%. This marked the largest gap in 1-year performance between the two indexes since the inception of the Russell index in 1979.



A look at the rolling 1-year differential chart demonstrates the importance of sticking to an asset allocation plan. When the market shifts from favoring large caps to favoring small caps, the change has often been very sharp and sudden (see 1982-83, 1991, 1999-2000, and 2020-21).

