

John Petrides Report: The S&P “5” cited by CNN

BY RICHARD ZHANG ON *FEBRUARY 18, 2020*

Last week, John Petrides, a portfolio manager for the wealth management team in New York, published a commentary which was then featured in CNN Business: “The S&P 500 is really the S&P 5. Big tech dominates the index”.

Summary

Investors continue to deploy their funds into Exchange Traded Funds (ETFs) and mutual funds that replicate the S&P 500 Index. However, doing so without understanding the current construct of the Index could be a mistake. The Technology sector has been a major driving force behind market returns over the past few years. Taking that one step further, a handful of stocks (think F.A.A.N.G. + MSFT) have pulled the market higher. This is in contrast to the perception of owning a S&P 500 Index for a diversified basket of securities across the entire U.S. economy. However, the reality shows that one simply owns a concentrated Tech portfolio where a few positions can have a sizable .