

RALLY IN TECH STOCKS LEADS JUNE MARKET

The S&P 500, an Index comprised of the largest U.S. companies, rose 2% in June—its fifth positive month in a row. The Index also closed the month at its 34th record high of 2021.

The June rally was primarily driven by technology companies. In fact, the Nasdaq Composite, an Index that holds many technology-oriented stocks, gained 5% during the month. During June, growth stocks outperformed their value stock counterparts by a wide margin. This outperformance occurred across small-, mid- and large-cap areas of the market.

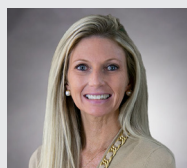
Fueling June's performance was optimism about the continued economic recovery, the potential for additional fiscal stimulus and a confidence in the Federal Reserve's actions to support credit markets.

With the first six months of 2021 now behind us, the S&P 500 Index climbed 15% since the beginning of the year. During that time, value-oriented companies have outperformed growth companies and smaller companies outperformed their larger peers. For example, on a year-to-date basis as of June 30, 2021, the Russell 2000 Value Index of small value stocks gained 26%, while the Russell 1000 Growth Index of large growth stocks rose nearly 13% for the six months ended June 30, 2021.



Last year, in 2020, investors saw the opposite scenario where growth stocks, regardless of market capitalization, significantly outperformed value companies.

This shift in market leadership exemplifies the importance of portfolio diversification. When a portfolio contains different types and sizes of companies as well as bonds and cash, returns may potentially be smoother over time and carry less risk. At Jemma Financial, we help our clients understand that important investment concept.



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