

FAANG Stocks and the S&P 500 Index

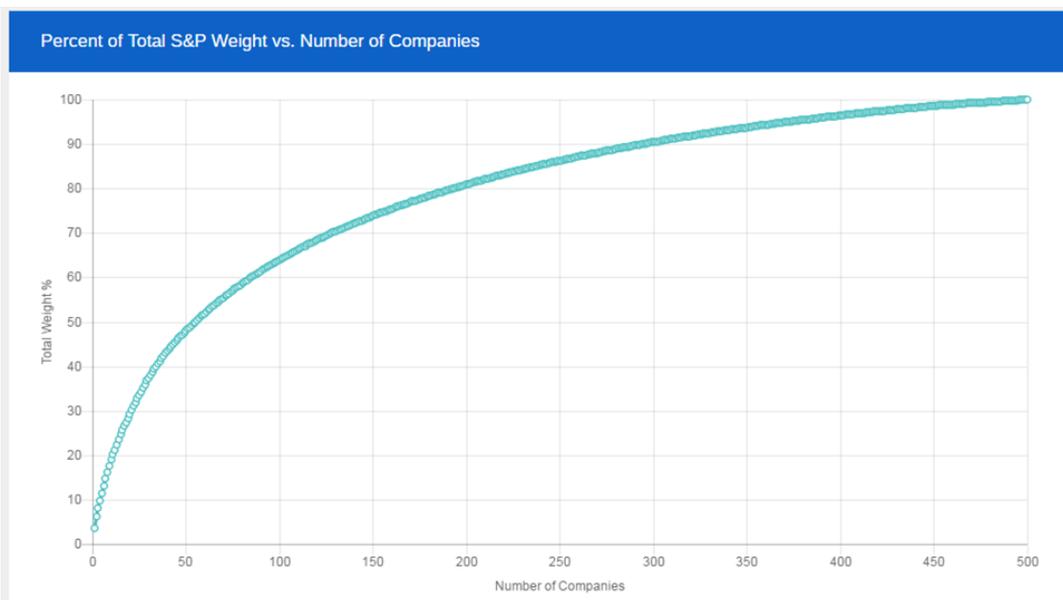
You may hear financial analysts talk about the “FAANG stocks.” FAANG is an acronym for (F) Facebook, (A) Apple, (A) Amazon, (N) Netflix, (G) Google. These stocks have been the darlings of the S&P 500 Index this year and have contributed strongly to the rise of the index the first half of 2017.

The S&P 500 Index is made up of 500 companies (mostly the largest companies) in the United States. Each company is ranked from 1-500 and is based on the financial size (market capitalization) of the company.

As of this writing, the top stock in the S&P 500 Index is Apple (AAPL). The 500th stock in the S&P 500 Index is News Corporation (NWS). Apple carries significantly more weight (3.6376%) in the S&P 500 Index than News Corp (0.0073%). If Apple has a good day - the S&P 500 Index will move more. On the other hand, if News Corporation made some media announcement and the stock price soared, the S&P 500 Index would move little if any because News Corporation’s weighting in the overall index is so small.



Here are the rankings in the S&P 500 Index for the FAANG Stocks, #1 Apple, #3 Amazon, #5 Facebook, #9 Google, #78 Netflix. These combined stocks account for close to 12% of the weighting of the S&P 500 Index. As the chart below shows, the top 50 companies represent about 48% of the S&P 500 weighting.



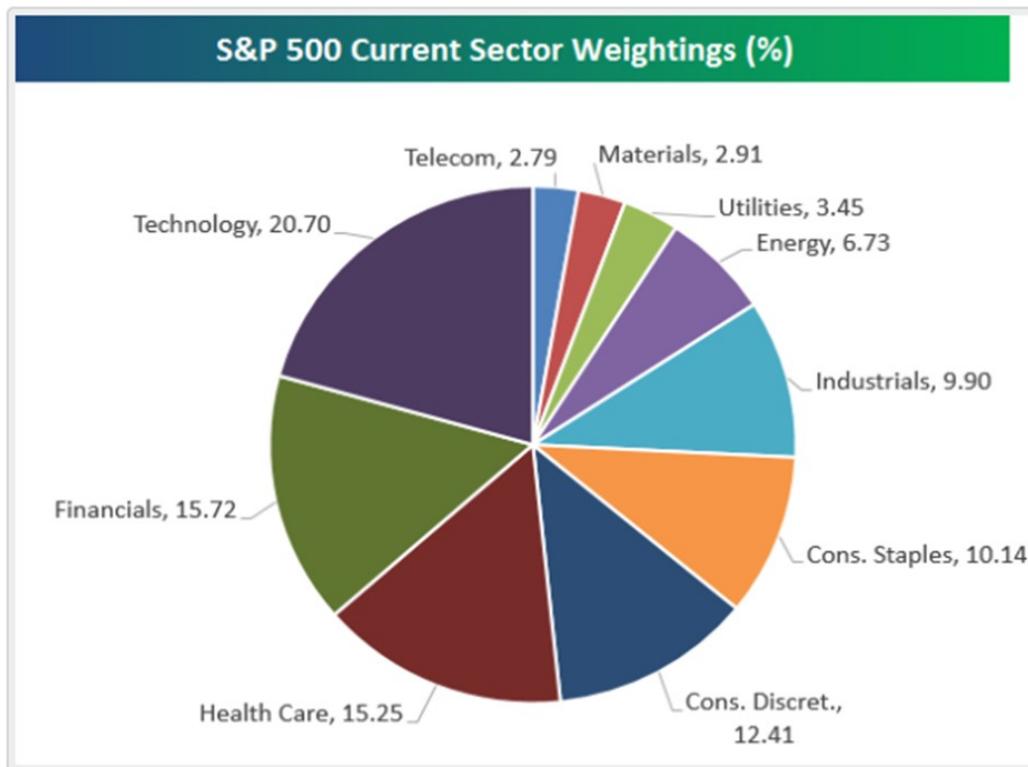
To learn how Intermountain Wealth Management can help you manage your investments, please contact us.

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Investing in an index is a way to gain market exposure to many industries and sectors of the economy. Components of the S&P 500 Index represents ten different sectors of the economy



Source: [Bespoke Investment Group](#)

Last month we discussed active management versus passive management. If we want broad stock market exposure in our portfolio, using passive management and investing in the S&P 500 Index (IVV) is a low-cost way to gain stock market exposure. It is important to understand how the index is created and know that every stock and sector contributes differently to the S&P 500 Index.



Save the date for the Luau!

Annual Summer Social

We will be serving pig luau style, rolls, fruit, drinks and dessert.

You are encouraged to bring friends! The More the Merrier!

Date: Thursday, August 3rd

Time: 5:00 pm — 7:00 pm

Location: Kate Curley Park



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