

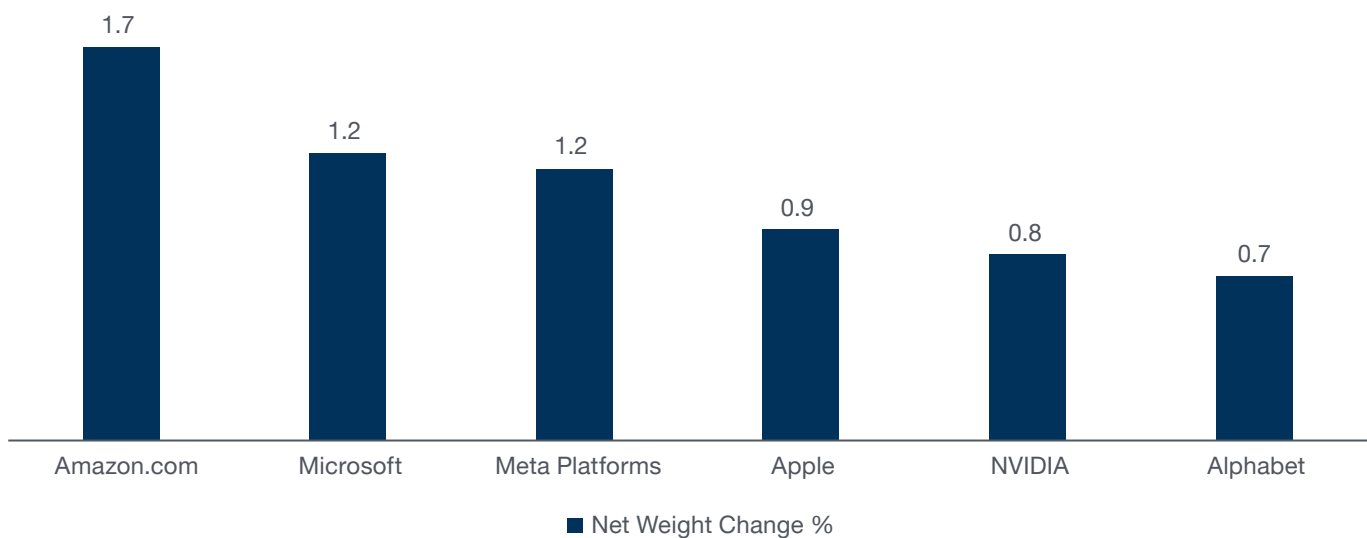
# The end of increasing index concentration

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On March 21, 2025, a new era dawned with the official end of an ever-increasing concentration in the Russell 1000® Growth Index (“Index”). Mega weights, defined as 4.5% or greater, had minimal representation in the Index until 2016 when these weights began a virtuous compounding cycle to represent 50.8% of the Index as of January 31, 2025. It is informative to note that

the rise of the mega weights was not just driven by price appreciation, but also by FTSE Russell (“Russell”) reweighting the largest names higher during its annual Index reconstitution. Russell’s rigid rules-based methodology has reweighted the top six stocks higher by 6.5% over the last five years.

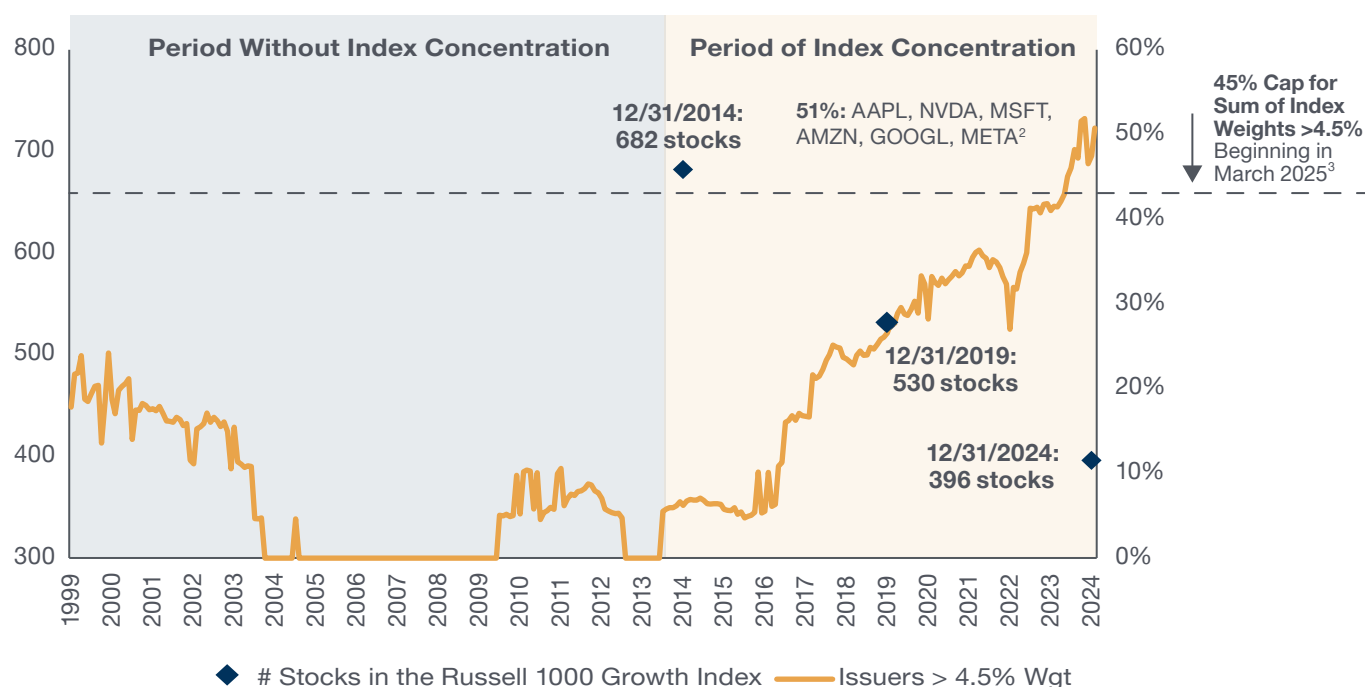
**Chart 1: Russell 1000® Growth Index – 5 Year Annual Reconstitution Impact<sup>1</sup>**



After consultation with market participants, Russell has decided to rebalance the Index quarterly to avoid breaching the 25/5/50 U.S. Regulated Investment Company (RIC) IRS capping thresholds.<sup>4</sup> The IRS considers RICs as pass-through entities, thus taxes are not owed at the fund level. Instead, any capital gains or income is passed down to the end investor. The RIC must maintain a diversification test in order to avoid owing taxes at the fund level. Specifically, all companies that have a weight greater than 4.5%

in aggregate can no longer sum to more than 45% of the Index. Further, individual companies are capped at 22.5% of the Index. Since the Index is currently in violation of this threshold, there will be a meaningful reweighting down of the largest six stocks. We believe this likely marks the bottom of an ever-declining name count in the Russell 1000® Growth Index as well (396 names as of 12/31/2024 vs. 682 as of 12/31/2014 and 869 in the Russell 1000® Value Index as of 12/31/2024).

**Chart 2: Russell 1000® Growth Index – Concentration of Holdings >4.5%<sup>2</sup>**

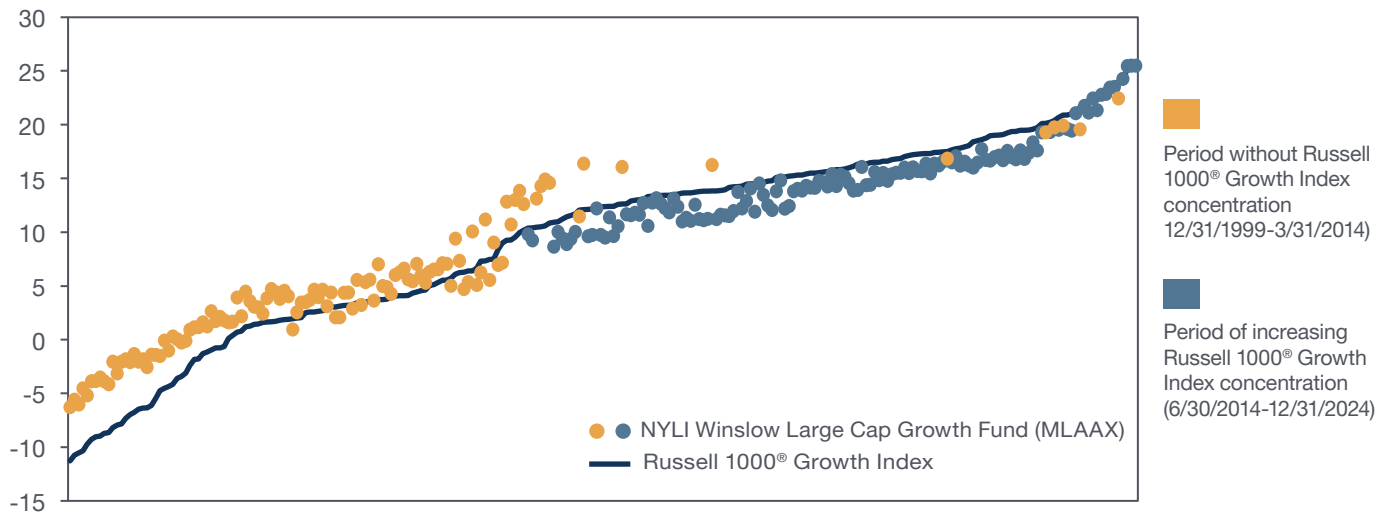


This quarterly rebalance, which began on March 21, 2025, may help address the increasing concentration in the Russell 1000® Growth Index that we believe has served as a material headwind to active managers. Our own experience at Winslow Capital suggests a

potential strong relative outperformance bias when the market was not experiencing increasing concentration. Conversely, we believe it can be difficult to dramatically outperform during periods of increasing concentration.

### Chart 3: Rolling 5-Year Annualized Returns

Rolling returns from lowest to highest (April 1999 - December 2024)<sup>5</sup>

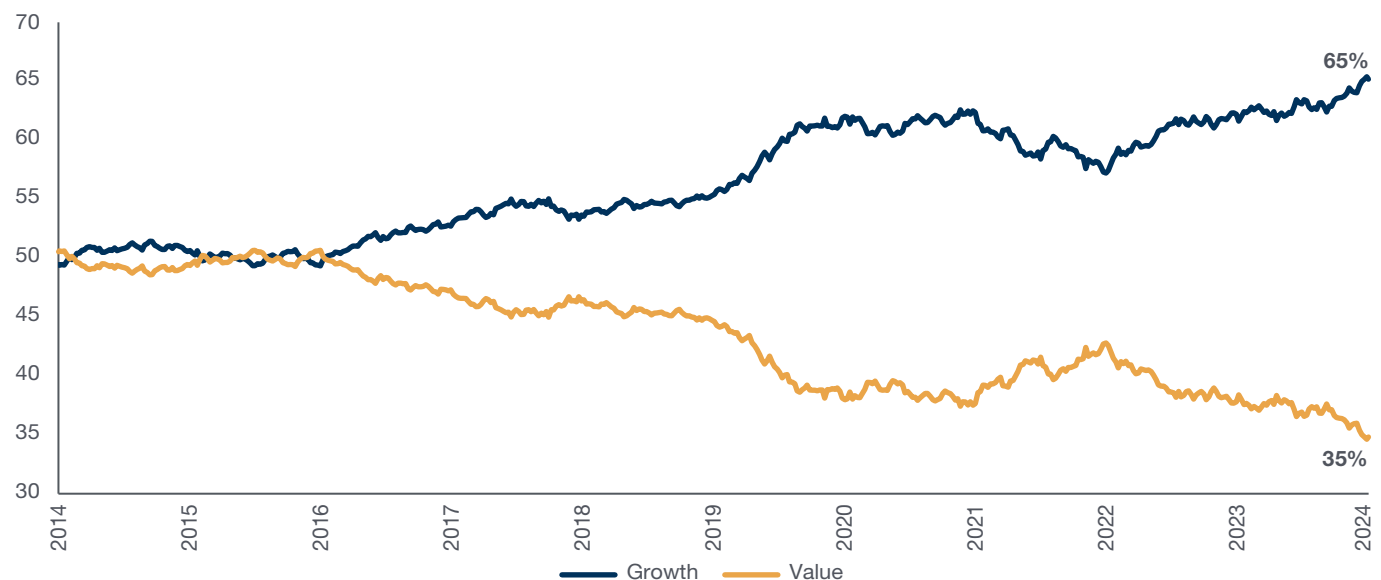


Returns represent past performance which is no guarantee of future results. Current performance may be lower or higher. Investment return and principal value will fluctuate, and shares, when redeemed, may be worth more or less than their original cost. Visit [newyorklifeinvestments.com](https://www.newyorklifeinvestments.com) for the most recent month-end performance.

One parting thought is that while the Russell 1000 Growth Index is the standard large cap growth benchmark, multiple sources have noted its shortcomings that led to the excessive concentration that is now being addressed. In that context, it may make sense to use the S&P 500 Index as a supplemental index when assessing large cap growth

manager skill. Ten years ago, the S&P 500 Index was indeed a blend or core index but today we estimate 65% is large cap growth and only 35% large cap value. This makes sense as our economy has shifted toward asset-light growth companies and we believe over time, the S&P 500 will look more and more like a large cap growth index.

### Chart 4: The S&P 500 Index is Becoming a Large Cap Growth Stock Index<sup>6</sup>



## Annual Average Total Returns (%) as of 12/31/2024

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
MLAAX (NAV)	4.85	29.35	29.35	8.19	16.65	15.05	10.45
MLAAX (max. 5.5%load)	-0.91	22.23	22.23	6.16	15.34	14.40	10.24
MLAIX (no load)	4.89	29.72	29.72	8.44	16.94	15.33	12.74

Inception Date: Class A: 07/01/1995; Class I: 04/01/2005

Returns represent past performance which is no guarantee of future results. Current performance may be lower or higher. Investment return and principal value will fluctuate, and shares, when redeemed, may be worth more or less than their original cost. Performance reflects a contractual fee waiver and/or expense limitation agreement without which total returns may have been lower. This agreement will remain in effect until 2/28/26, and renew automatically for one-year terms unless written notice is provided prior to the start of the next term or upon approval of the Board. No initial sales charge applies on investments of \$1 million or more (and certain other qualified purchases). However, a contingent deferred sales charge of 1.00% may be imposed on certain redemptions made within 18 months of the date of purchase on shares that were purchased without an initial sales charge. Visit [newyorklifeinvestments.com](http://newyorklifeinvestments.com) for the most recent month-end performance. Expenses stated are as of the fund's most recent prospectus.

**Total Annual Fund Operating Expenses are: Class A: 0.95%, Class I: 0.70%. Net Expenses are: Class A: 0.94%, Class I: 0.69%.**

Class I shares are generally only available to corporate and institutional investors.

- Source: FactSet as of 12/31/2024.
- Source: FactSet weighting of Russell 1000® Growth Index holdings >4.5% over time from 12/31/1999 to 1/31/2025 based on monthly data. As of 1/31/2025, six companies had weights greater than 4.5%, AAPL, NVDA, MSFT, AMZN, GOOG/L and META and totaled 51% of the Index in aggregate.
- On 11/1/2024, FTSE Russell announced a new capping methodology to the Russell US Style Indexes, "at the effective date of each quarterly and annual review, beginning with March 21, 2025. All companies that have a weight greater than 4.5% in aggregate are no more than 45% of the Index, and no individual company in the Index has a weight greater than 22.5% of the Index.
- The 25/5/50 U.S. Regulated Investment Company (RIC) IRS capping thresholds refer to the diversification requirements that a U.S. mutual fund or exchange-traded fund (ETF) must meet to qualify as a Regulated Investment Company (RIC) under Subchapter M of the Internal Revenue Code. Meeting these requirements allows the fund to maintain its pass-through tax treatment, meaning it does not pay corporate income tax as long as it distributes most of its income to shareholders.  
Breakdown of the 25/5/50 Rule: 25% Rule – No more than 25% of the fund's total assets can be invested in any single issuer or in companies that the fund controls. 5% Rule – No more than 5% of the fund's total assets can be invested in any single issuer (excluding U.S. government securities and cash). 50% Rule – At least 50% of the fund's total assets must be diversified, meaning that no more than 5% of total assets are invested in any one issuer.
- Source: Morningstar Direct - data is presented in order of return value as of 12/31/24. Same philosophy and process since April 1, 1999; CIO Justin Kelly Portfolio Manager since April 1, 1999. The performance periods for both the Fund and benchmark are aligned in order of return value from lowest absolute value to highest absolute value, moving from left to right on the chart. The circle represents the Fund's performance for that period and the line represents the benchmark's performance for that same period. If the circle is above the line, the Fund outperformed the benchmark. If the circle is below the line, the Fund underperformed the benchmark. The chart represents 5-Year rolling returns measured on quarterly basis. The Russell 1000® Growth Index is an unmanaged index that measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. Past performance is not indicative of future results. It is not possible to invest in an index.
- Source: FactSet as of 12/31/2024. Growth/Value style factors based on MSCI methodology categorizing value and growth securities using different attributes as part of a two-dimensional framework. In instances where security attributes are split equally between Growth and Value, Winslow Capital allocated 50% of the weight to each Growth and Value.

The **Russell 1000® Growth Index** measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values. Index results assume the reinvestment of all capital gain and dividend distributions.

The **Russell 1000® Value Index** measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000® Index companies with lower price-to-book ratios and lower expected growth values. Index results assume the reinvestment of all capital gain and dividend distributions.

The **S&P 500® Index** is widely regarded as the standard index for measuring large-cap U.S. stock market performance. Index results assume the reinvestment of all capital gain and dividend distributions. An investment cannot be made directly into an index.

## Disclosure

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## About Risk:

### NYLI Winslow Large Cap Growth Fund

**Before considering an investment in the Fund, you should understand that you could lose money.**

Growth-oriented common stocks and other equity type securities (such as preferred stocks, convertible preferred stocks and convertible bonds) may involve larger price swings and greater potential for loss than other types of investments. Typically, the subadvisor intends to invest substantially all of the Fund's investable assets in domestic securities. However, the Fund is permitted to invest up to 20% of its net assets in foreign securities. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks. These risks may be greater for emerging markets. Certain environmental, social, and governance ("ESG") criteria may be considered when evaluating an investment opportunity. This may result in the Fund having exposure to securities or sectors that are significantly different than the composition of the Fund's benchmark and performing differently than other funds and strategies in its peer group that do not take into account ESG criteria.

**Consider the Funds' investment objectives, risks, charges, and expenses carefully before investing. The prospectus and summary prospectus include this and other information about the Funds and are available by visiting the [Prospectus](#). Read the prospectus carefully before investing.**



INVESTMENTS

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