

Value Added Partners

Helping clients since 1981

October 2025

Back to School Surprise Quiz

OK class, it has not escaped our notice that the great weather this autumn has meant that you are not studying your economics textbooks as much as you should. Accordingly, I am springing a one question pop quiz on you. Here it is: we are almost a quarter of a century removed from January, 2001.

If you look back at the ten most valuable US companies at that time, as measured by their market capitalization, how many of them are still among the top ten largest corporations?

0 US Companies

3 US Companies

1 US Company

5 US Companies

Those of you who guessed that the answer is only one, win the prize. If you knew that the only holdover is Microsoft, you have the privilege of staying after class to clean the erasers. As you can see below, there has been quite a change in the makeup of the ten largest US companies (in descending order; the list of 2001 companies was found at the 24/7 Wall Street website; and the current list was found at the Companies Market Cap website):

2001	Today
GE	Nvidia
Exxon Mobil	Microsoft
Cisco Systems	Apple
Pfizer	Alphabet
Walmart	Amazon
Microsoft	Meta
Citigroup	Broadcom
Merck	Tesla
Intel	Berkshire Hathaway
AIG	JP Morgan Chase

Now, in fairness, we stacked the deck a bit by choosing January, 2001 rather than January, 2000. As you will know if you have done the required reading, the Dot Com bubble burst in 2000, so the market capitalization of a number of tech companies took a big hit that year. Even so, the point we want to make is that market leadership has turned over 90% in the past twenty-five years. What is even more noteworthy is how recently the current companies were founded. If you look at the list from 2001, these were companies that had existed for decades. GE was incorporated in 1892. Citibank was founded in 1812.

With the exception of JP Morgan, all of today's most valuable companies are young. Even if you had the foresight to realize that the coming 25 years were going to treat the current top ten well, you could not have bought all of them. Alphabet (then, Google), Meta (then, Facebook), Broadcom (then, Avago Technologies), and Tesla had not had an initial public offering of their shares by 2001. Facebook, Avago Technologies and Tesla had not even been founded.

With the exception of JP Morgan, all of today's most valuable companies are young. Even if you had the foresight to realize that the coming 25 years were going to treat the current top ten well, you could not have bought all of them. Alphabet (then, Google), Meta (then, Facebook), Broadcom (then, Avago Technologies), and Tesla had not had an initial public offering of their shares by 2001. Facebook, Avago Technologies and Tesla had not even been founded.

It is also a much more narrowly focused list of corporations. In 2001, the largest entities came from the energy, tech, healthcare, retail, and financial services industries. Today, the largest companies are either tech-related or in financial services.

And what about the performance of the top ten in 2001 over the past 25 years? As you can see below, it is not a pretty picture. Here is a comparison of what they were worth then and what they are worth today:

2001	Market Cap in 2001 (in Billions)	Market Cap Today (in Billions)
GE	\$371	\$515
Exxon Mobil	\$302	\$486
Cisco Systems	\$275	\$272
Pfizer	\$275	\$137
Walmart	\$237	\$826
Microsoft	\$231	\$3,779
Citigroup	\$229	\$189
Merck	\$206	\$204
Intel	\$202	\$143
AIG	\$191	\$43
Total	\$2,519	\$6,594

Six of the companies have lost value in the past two and half decades. The values of Citigroup and AIG are down 17% and 77% respectively. While an equally weighted portfolio would have more than doubled its money, that is a far cry from the return of the S&P 500, which has grown nearly five-fold over the same time period.

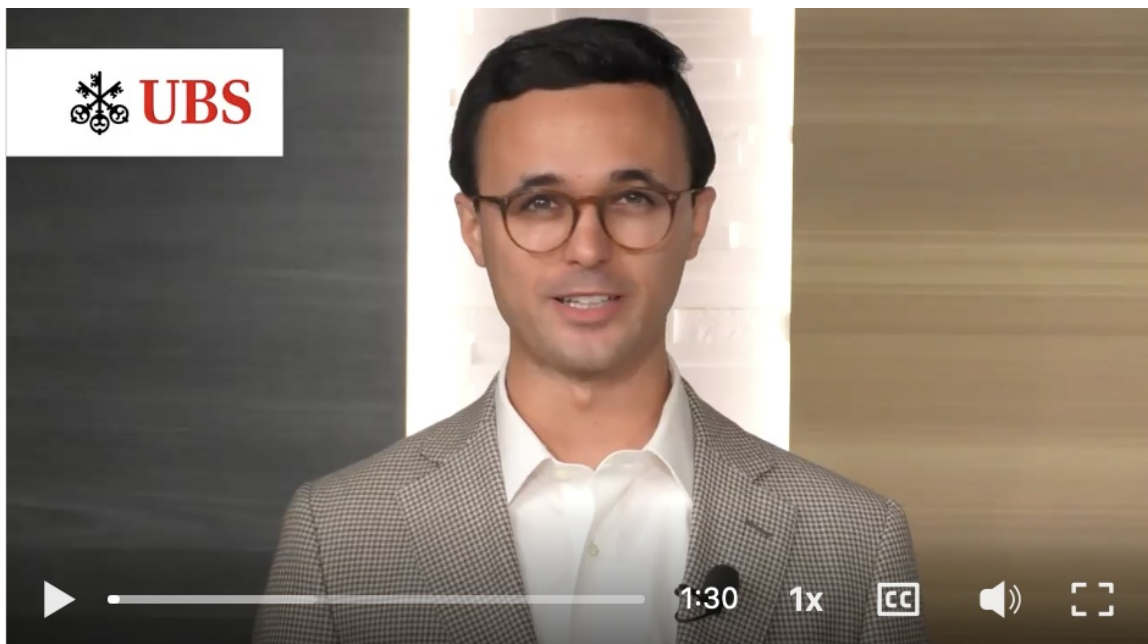
All of which is to confirm what you all know: we live in a time of extraordinarily rapid change. The first company to achieve a \$1 billion market capitalization was US Steel in 1901. It then took 54 years for a company to reach a size ten times that amount (General Motors in 1955). 40 years after that, GE grew to ten times that size, \$100 billion, followed by Apple's reaching \$1 trillion (another 10X) 23 years later. I ask the class to ponder how long will it take a company to reach the next threshold of ten times growth (\$10 trillion)? While we clearly have no idea, it seems reasonable to assume that it will take far less than 23 years. It also seems reasonable to guess that the company that crosses that threshold may not be listed on a public exchange today. It may not have even opened its doors yet.

Which raises the question of how investment advisors should balance the risk and reward of managing a stock portfolio. On the one hand, good advisors do not chase every new shiny object because many of them fail or, at least, perform poorly. That can particularly be the case when investors become euphoric about a new technology, like railroads in the 1840s or, perhaps, artificial intelligence today. On the other hand, they need to jettison yesterday's top performers when their growth slows and find new entities which have sufficient earnings and solid enough balance sheets to moderate their risk and justify their inclusion in portfolios.

I encourage the class to seek me out if you have any questions whatsoever about this material. My colleagues and I are always happy to clear up any confusion and talk further about the way that risk and reward play into portfolio construction. I also hope that the weather turns a bit brisker so all of you do better on the next pop quiz.

New Ways to Communicate

The first edition of this newsletter came out roughly 40 years ago. We have been hosting client conference calls and Zooms for almost 20 years. Today, our team wants to reach clients and prospective clients in ways that appeal to consumers of Tik Tok and Instagram. To that end, Corey Vita and Ryan Karl have started to post short videos on a variety of financial planning topics. In the weeks to come, other team members will also post content. We encourage you to check these out, as they discuss important concepts in very digestible bites. To get you started, here is a link to a recent video from Corey:



Please do not hesitate to let us know what you think or to alert others who might have an interest in these subjects.

Harry Elish, CFP,[®] CPWA[®]

Managing Director—
Wealth Management
Private Wealth Advisor

212-713-8719
harold.elish@ubs.com
advisors.ubs.com/valueaddedpartners/Meet-the-team.htm

California Insurance License #0141743



Kevin O’Leary, CFA, CFP®

Managing Director—
Wealth Management
Private Wealth Advisor

212-713-2525
kevin.oleary@ubs.com
advisors.ubs.com/valueaddedpartners/Meet-the-team.htm



Timothy Turpin

Senior Vice President—
Wealth Management

212-713-6242
timothy.turpin@ubs.com
advisors.ubs.com/valueaddedpartners/Meet-the-team.htm



Nicholas Landy, CFP®

Senior Vice President—
Wealth Management

212-713-6154
nick.landy@ubs.com
advisors.ubs.com/valueaddedpartners/Meet-the-team.htm



Sarah Wilson

First Vice President—
Wealth Management

212-713-2523
sarah.wilson@ubs.com
advisors.ubs.com/valueaddedpartners/Meet-the-team.htm



Ryan Karl, CFP®

Wealth Strategy Associate

212-713-9287

ryan.karl@ubs.com

advisors.ubs.com/valueaddedpartners/Meet-the-team.htm



We look forward to hearing from you.

The information contained in this commentary is not a solicitation to purchase or sell investments. Any information presented is general in nature and not intended to provide individually tailored investment advice. The strategies and/or investments referenced may not be suitable for all investors as the appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Investing involves risks and there is always the potential of losing money when you invest. The views expressed herein are those of the author and may not necessarily reflect the views of UBS Financial Services Inc.

Neither UBS Financial Services Inc. nor its employees (including its Financial Advisors) provide tax or legal advice. You should consult with your legal counsel and/or your accountant or tax professional regarding the legal or tax implications of a particular suggestion, strategy or investment, including any estate planning strategies, before you invest or implement.

The past performance of an index is not a guarantee of future results. Each index reflects an unmanaged universe of securities without any deduction for advisory fees or other expenses that would reduce actual returns. An actual investment in the securities included in the index would require an investor to incur transaction costs, which would lower the performance results. Indices are not actively managed and investors cannot invest directly in the indices.

Certified Financial Planner Board of Standards Center for Financial Planning, Inc. owns and licenses the certification marks CFP®, CERTIFIED FINANCIAL PLANNER®, and CFP® (with plaque design) in the United States to Certified Financial Planner Board of Standards, Inc., which authorizes individuals who successfully complete the organization's initial and ongoing certification requirements to use the certification marks.

As a firm providing wealth management services to clients, UBS Financial Services Inc. offers investment advisory services in its capacity as an SEC-registered investment adviser and brokerage services in its capacity as an SEC-registered brokerdealer. Investment advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate arrangements. It is important that you understand the ways in which we conduct business, and that you carefully read the agreements and disclosures that we provide to you about the products or services we offer. For more information, please review client relationship summary provided at ubs.com/relationshipsummary, or ask your UBS Financial Advisor for a copy.

©UBS 2025. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved. UBS Financial Services Inc. is a subsidiary of UBS Group AG. Member FINRA/SIPC.

Approval date: 9/30/2025

Expiration: 9/30/2026

Review Code: IS2501260

