

# Committing to a Diversified, Risk-Aware Strategy

**With Mega-Cap Growth Stocks Overwhelming the Benchmarks, Some Investors Question Long-Term Diversification**



As the year 2025 barrels toward a close, it appears likely the broad stock market, at least as measured by the S&P 500, will once again post double-digit returns. And, very much like 2023 and 2024, the bulk of those gains will come from a relatively small group of high-performing growth stocks, tech companies specifically.

While the S&P 500 is a diverse U.S. stock market index the reality is a small number of trillion-dollar technology stocks represent a spectacularly outsized share of the S&P 500's value by weight. In turn, these stocks in combination have a sizable influence over the performance of the S&P. This narrow leadership has similarly impacted other broad-based indexes like the Russell 1000.

It's only natural that an investor with a diversified investment strategy might be wondering why he or she shouldn't chase a few of these highflyers.

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## Today's Story

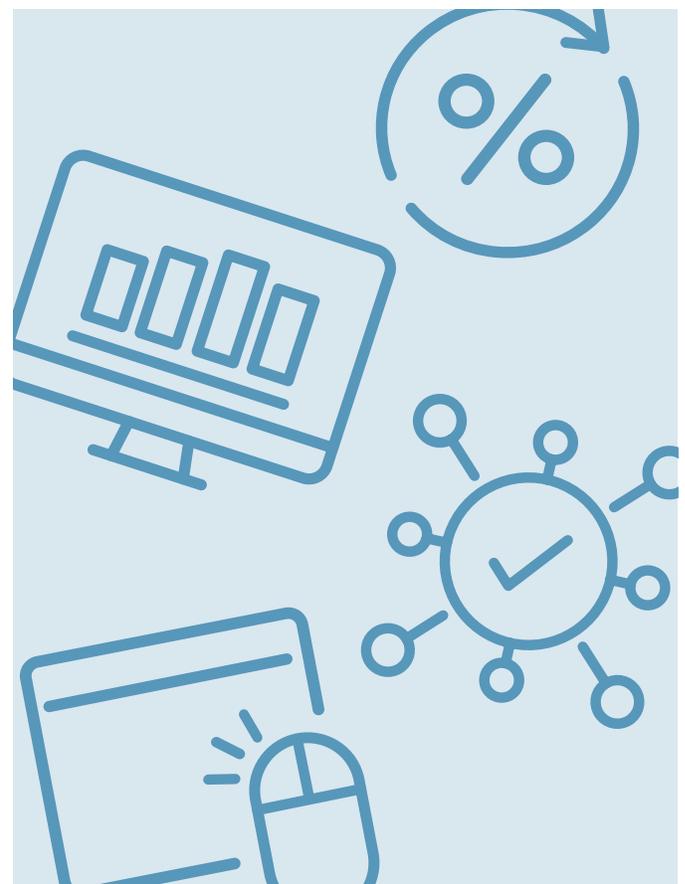
With growth sectors like Technology and Communication Services broadly outperforming in 2025, value-oriented stocks and other styles, by definition, lagged. Industry analysis indicates that many active managers across value and core have lagged the mega-cap-driven benchmarks since the market bottomed in April. High-quality managers with strong long-term records experienced challenges as artificial intelligence (AI) tailwinds boosted top companies in the space.

Even the CBIS Multi-Style US Equity Fund, which combines four of the industry's most skilled active managers to pursue enhanced risk-adjusted returns, couldn't keep up with the tech surge over the last few quarters. Third quarter returns for both share classes, for example, were just over 6% while numbers for the Russell 1000, the Fund's benchmark, were slightly below 8%. Trailing one-year numbers at 15% reflect a similar lag, with the Fund trailing the Russell by more than 2%. Since inception in 2021, the Fund has seen just over an 8% return.

*Performance as of 9/30/25 for CRTSX is 15.24% for 1 year and 8.57% since inception (4/30/21); CRTVX is 15.06% for 1 year and 8.40% since inception. Expense ratio for both classes is 0.65% net and 0.80% gross; waivers are contractual through 2/28/26. Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth less than their original cost and current performance may be higher or lower than the performance quoted. For performance current to the most recent month end, please call 1-866-348-6466. Indices are unmanaged and do not include the effect of fees. One cannot invest in an index.*

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While short-term results naturally raise questions, we'll suggest that the last few years' 'season of growth' and the resulting market dynamics have created a challenging environment for the Multi-Style team and every other manager in the diversified space to keep pace with market weighted indexes.



## Tomorrow and Tomorrow: Investing for the Long-Term

The Multi-Style approach spreads investments across multiple sub-advisors, styles, and sectors. By design, the Fund's diversified exposure includes value and quality growth styles – styles with relatively smaller allocations to high-flying growth stocks. Multi-Styles positive numbers indicate its broad diversification has captured market strength, but not to the same degree as a benchmark driven by only a few companies.

This is not a failure of the strategy. It is a reflection of how the strategy works.

Multi-Style was built to perform over full market cycles, not quarters. Here's why that matters: **Historical data from our research shows that diversified active approaches over the long term have outperformed benchmarks in normal and down markets, even if they lag during speculative, narrow rallies.**

Students of Modern Portfolio Theory won't be surprised. This long-term outcome aligns with long-term investing principles:

- **Market leadership rotates.** The top companies of one era rarely remain the leaders of the next.
- **Valuation extremes normalize.** Concentrated periods have historically preceded more balanced markets.
- **Staying invested is key.** Attempting to time shifts in market leadership is difficult and often counterproductive.



**Bottom Line:** When markets are led by only one type of stock, multi-style approaches will likely trail benchmarks in the short run. These periods, these seasons, have always been temporary. This three-year growth-stock run is extraordinary, to be sure, but history tells us it, like all cycles, will eventually turn.

For investors, remaining patient and committed to a diversified, risk-aware strategy has proven to be the most effective way to capture long-term growth.

Source: Mercer, FactSet

## Important Information

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The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 Index and includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 Index represents approximately 92% of the U.S. market. The Russell 1000 Index is constructed to provide a comprehensive and unbiased barometer for the large-cap segment and is completely reconstituted annually to ensure new and growing equities are reflected.

The S&P 500® Index is an unmanaged capitalization-weighted index of 500 stocks designated to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

**Before investing you should carefully consider the Funds' investment objectives, risks, charges and expenses. This and other information is available in the prospectus, or summary prospectus. Please read the prospectus carefully before you invest. The prospectus, or summary prospectus, can be obtained by calling 1-866-348-6466.**

Mutual fund investing involves risk, including possible loss of principal. There can be no assurance that the Fund will achieve its stated objectives. Current and future holdings are subject to risk.

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## Contact Us

**We want to hear from you!**

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