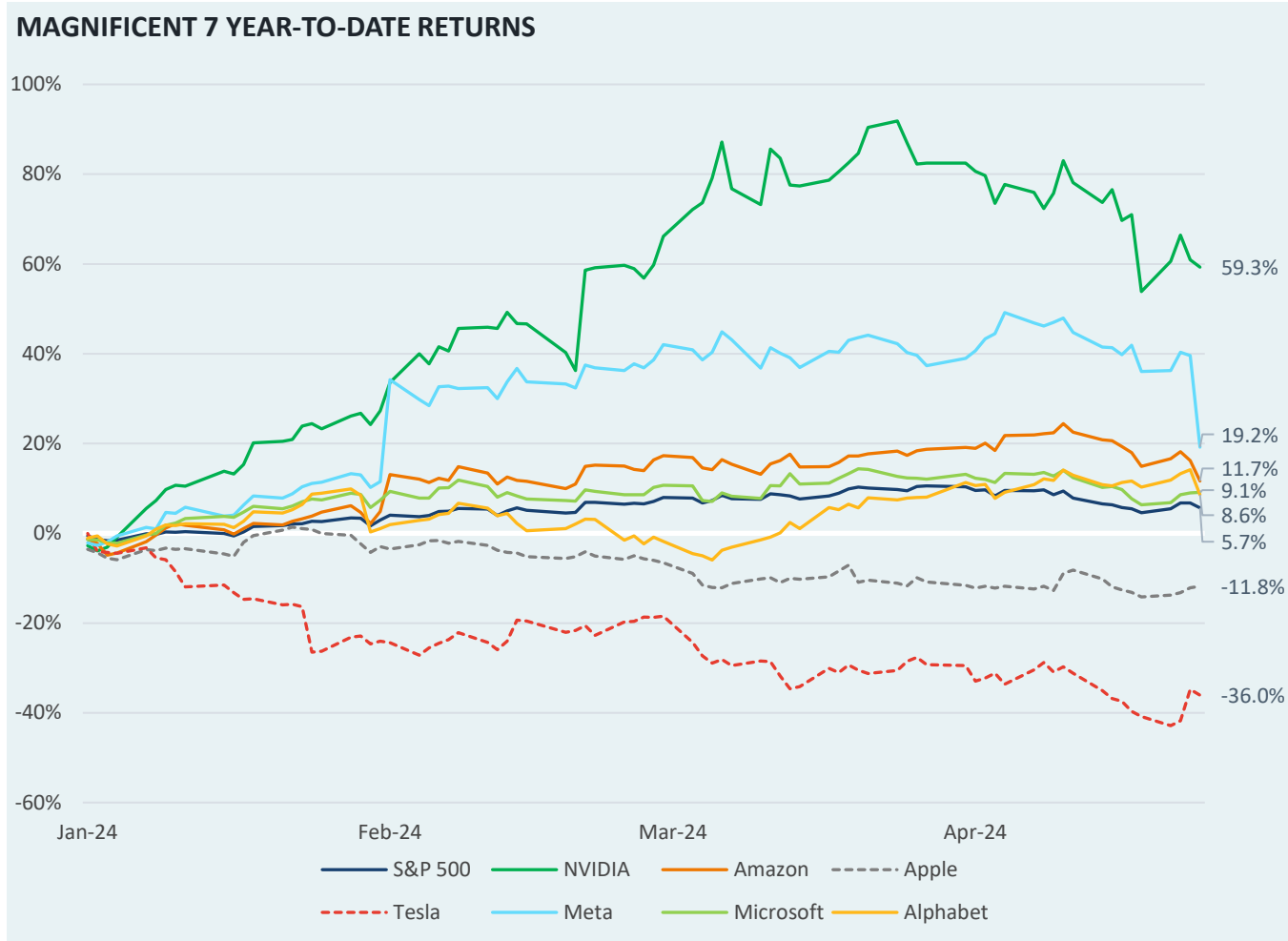


Verus Market Note

Magnificent Seven performance divergence in 2024

Throughout 2023, equity markets were lifted by outstanding performance among a collection of companies known as the “Magnificent Seven,” as many of these companies stand to benefit from the emerging artificial intelligence market. Performance this year has diverged, with a few companies vastly outperforming or lagging the broader market.

Nvidia and Meta started the year well, lifted by strong earnings and strengthening AI sentiment. However, cracks are starting to show in the AI story, with Meta’s Q1 earnings presenting a long road to profitability for its AI business. Apple has struggled this year, getting hit with multiple antitrust suits while facing tough competition from Chinese counterparts. Meanwhile, Tesla reported its first year-over-year decline in deliveries since 2020, despite cutting prices.



Source: Bloomberg, returns as of market open on 4/25/24