

February 2026

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# PA100 Index

Lehigh University  
Department of Financial Engineering

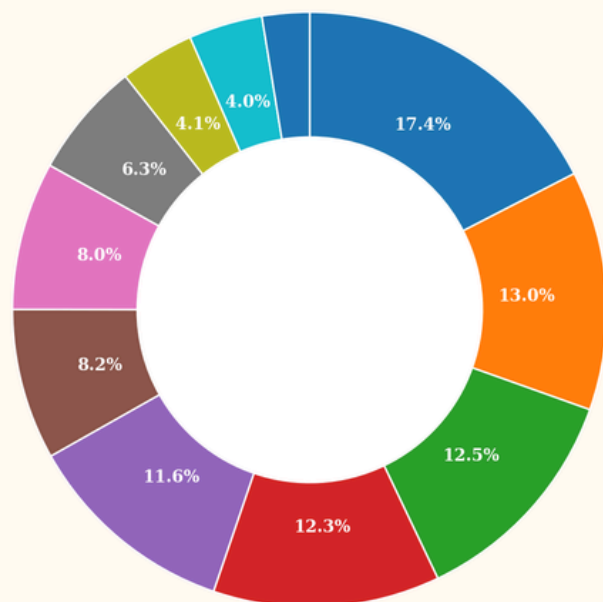
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# Overview



## Sector Allocation (Cap-Weighted)



### Sectors

Industrials	— 17.4%
Health Care	— 13.0%
Financials	— 12.5%
Communication Services	— 12.3%
Materials	— 11.6%
Information Technology	— 8.2%
Consumer Discretionary	— 8.0%
Consumer Staples	— 6.3%
Utilities	— 4.1%
Energy	— 4.0%
Other	— 2.6%

The PA100's sector allocation provides meaningful insight into its behavioral characteristics relative to broader market indices especially with more recent AI and tariff concerns. Our industrial allocation leads with a 17.4% weight, followed by health care, financials, communication services, and materials all ranging between 11-13% collectively, reflecting a diversified, real-economy orientation. The index's information technology allocation weighting of just 8.2%. Significantly underweight relative to the S&P 500, which has proved advantageous during February 2026's tech-driven market weakness.

Manufacturing activity in Pennsylvania is expanding (per the Philadelphia Fed) and big life-sciences investments are coming here (billions from companies like Johnson & Johnson and TerraPower), while energy demand is growing with more solar projects alongside Pennsylvania's natural gas base.

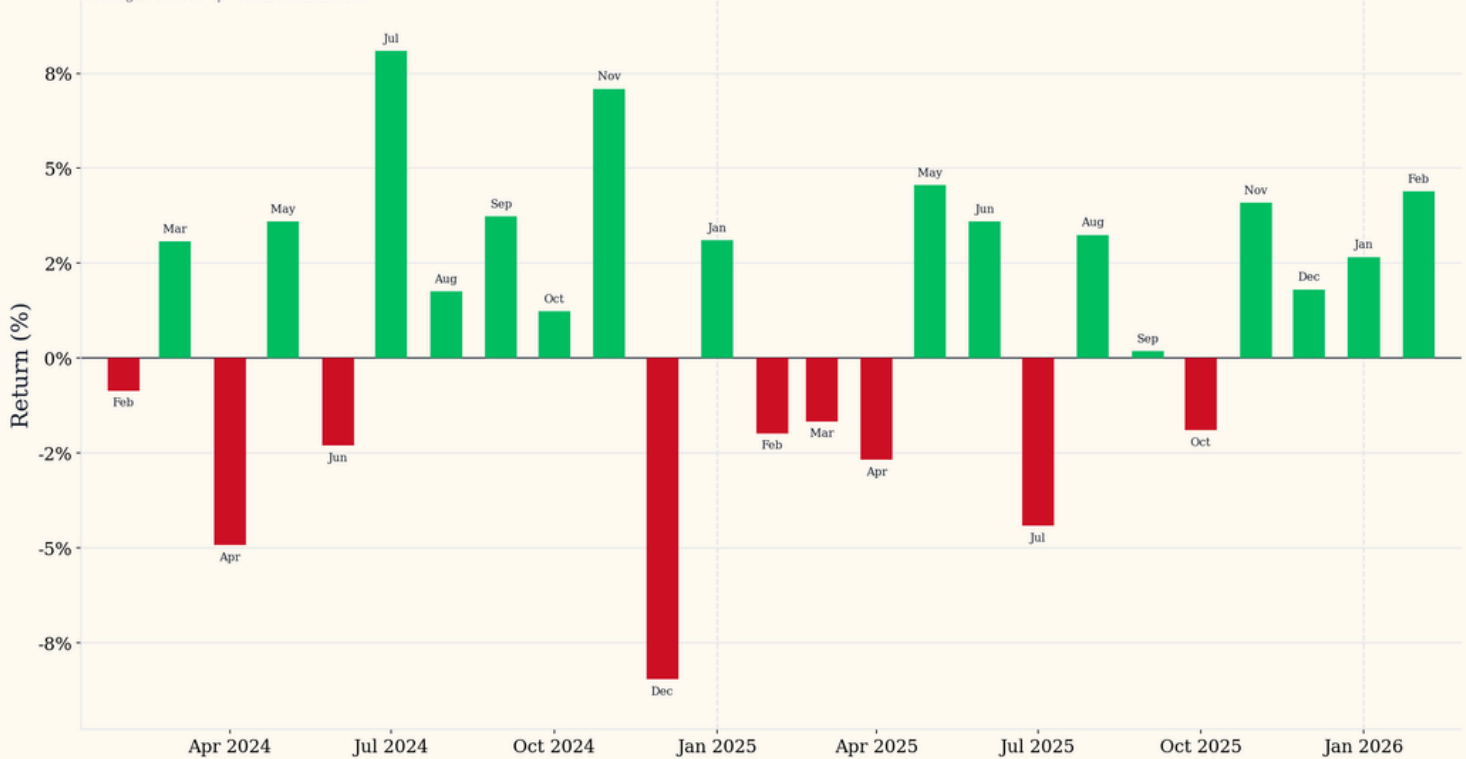
Sources: Philadelphia Fed, PA DCED, Reuters, WESA (Pittsburgh NPR)

# Overview



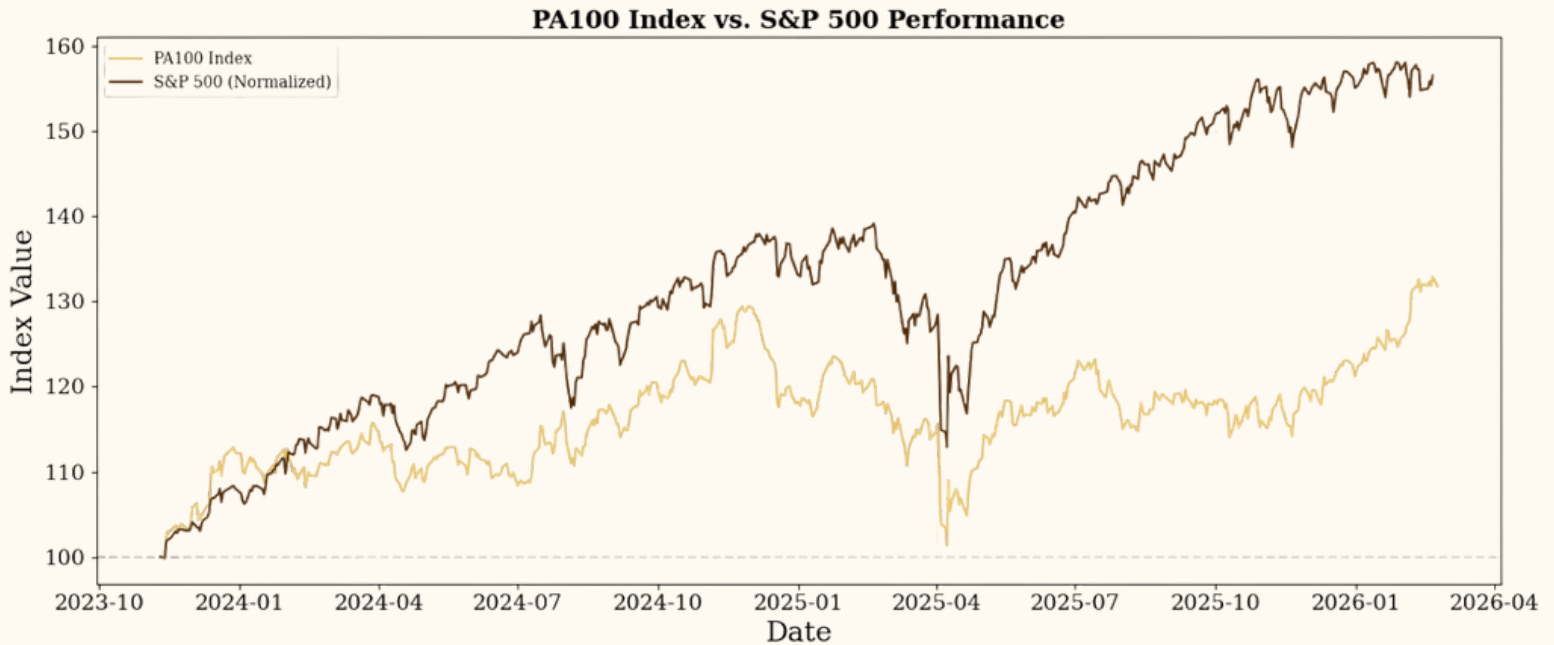
## Monthly Returns

Average: 1.08% | Total Months: 25



Over the 25-month period from February 2024 through February 2026, the PA100 has delivered positive returns averaging ~1.08% per month. Some highlights include gains in July 2024 (+8.5%) and November 2024 (+7.5%). December 2024's near -9% decline stands as an outlier in an otherwise positive track record. Down months outside of Dec 2024 have generally been well contained and relatively brief. The index has recently shown strong momentum, closing February 2026 at approximately +4.5% as part of a positive run to close out the period.

# Performance



5.29%

PA100 Feb 2026 Performance

February 2026 was a tumultuous month for the market due to fears around AI disruption as well as tariff uncertainty. This sent technology stocks to sharply decline, pushing down the S&P 500. Investors started locating more defensive corners of the market rather than big tech that had been cornerstones to the market in the past two years. The PA100, was well-positioned for exactly this kind of environment - its diversified, tech-underweight construction allowed it to not just weather the storm, but thrive, delivering a +5.29% return and outperforming the S&P 500 by over 6 percentage points on the month.

0.96%

S&P 500 Feb 2026 Performance

The PA100 index increased about 4.4% in February 2026. This gain resulted from improved conditions a record high of total jobs in Pennsylvania (~6.257 million in Dec 2025) and low unemployment (~4.2%, below U.S. 4.4%). Solid job growth and big company projects outweighed isolated layoffs, lifting business confidence and pushing the PA100 higher.

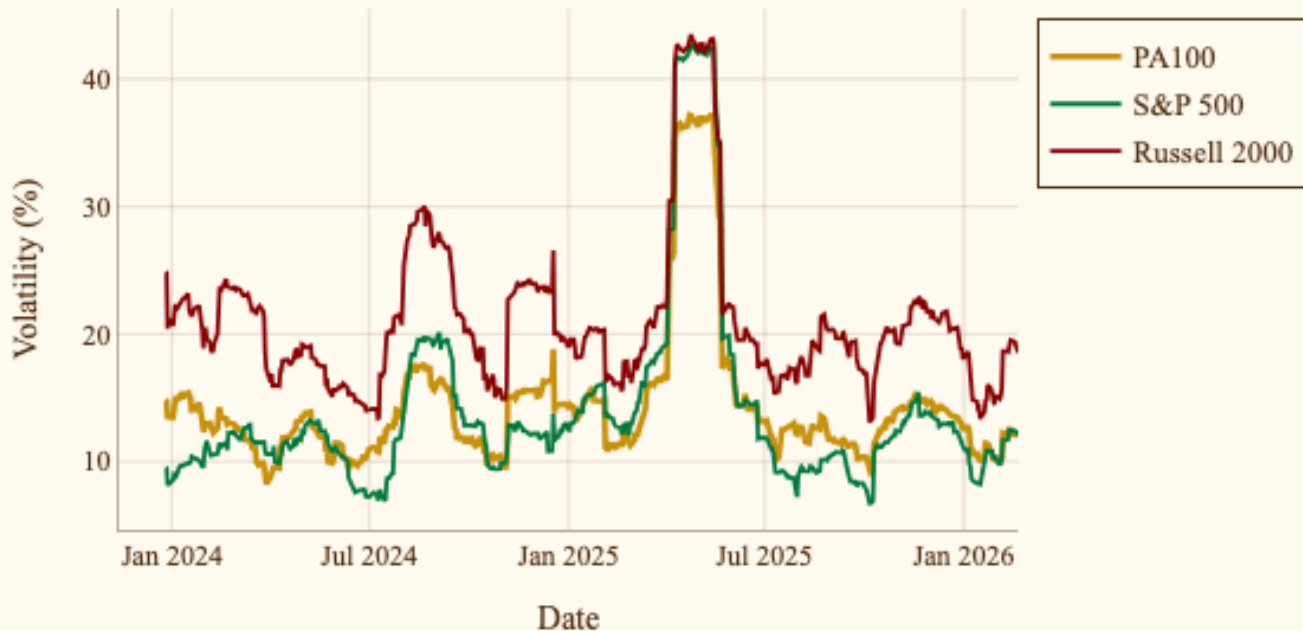
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Sources: Official PA Labor Dept. and Fed data on jobs and industry; news on major investments.

# Volatility Analysis



## Rolling 30-Day Annualised Volatility — PA100 vs. Benchmarks

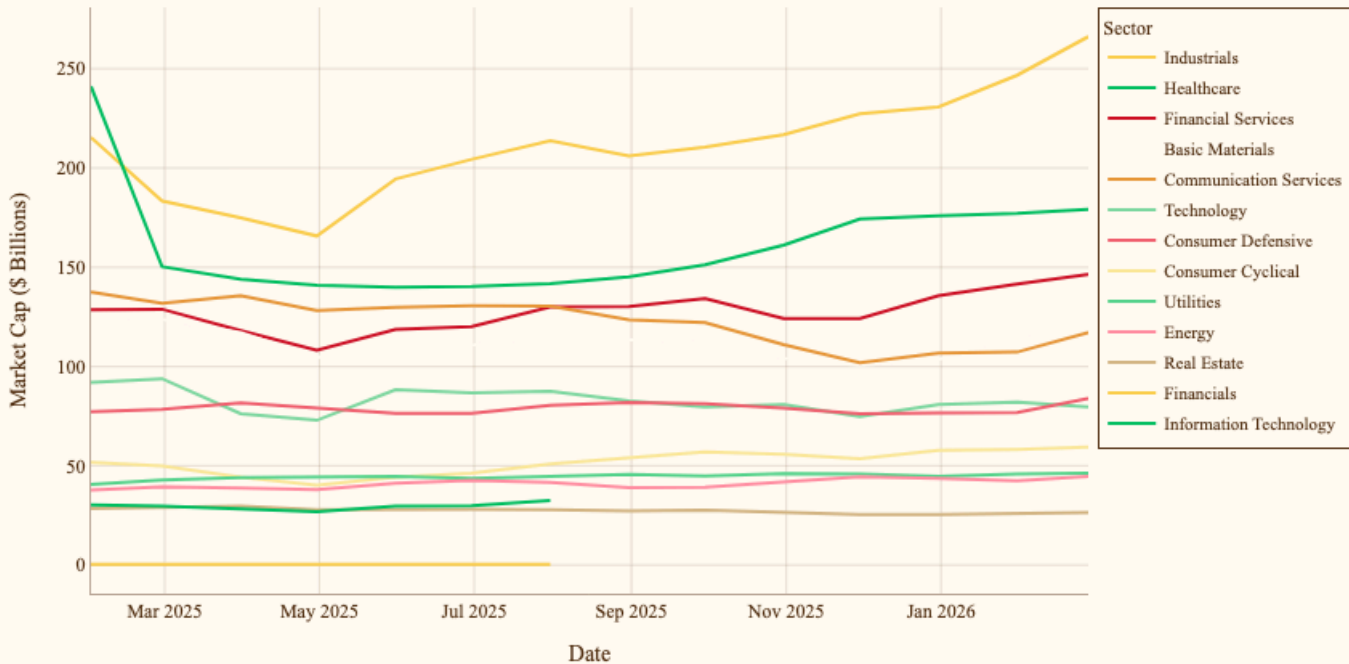


Looking at an ETF's volatility history is always an interesting experience and can tell a lot about what is happening in the market. This chart highlights a dramatic split in market behavior during recent turbulence within the past few years. While the Russell 2000 swung wildly due to its smaller companies and sensitivity to news, and the S&P 500 buckled under the weight of global tensions, the PA 100 remained steady. Why this stability remains is simple: The PA100 is built on a foundation of essentials. The index excludes the high-volatility giants that led the market's decline. When AI disruption fears and tariff uncertainty sent shockwaves through the tech sector, Pennsylvania's corporate staples provided the essential goods and services that stay steady regardless of the news cycle, acting as a regional sanctuary while the broader market dipped.

# Sector Analysis



PA100 — Sector Market Cap Growth Over Time



This breakdown reveals the specific sectors that powered the PA 100's 5.29% gain, showing a heavy concentration in Healthcare and Industrials, often outstripping the Technology-heavy weights seen in the broader S&P 500 and the Russell 2000. This composition exists because Pennsylvania serves as a historic and modern hub for pharmaceutical research and legacy manufacturing. This chart shows that by being underweight in speculative tech, the index avoided the drag of the month's biggest losers, proving that a focus on tangible industries can be a major advantage when high-growth sectors lose their footing.

## Five Largest Holdings Feb 2026

