

The Dow Paradox — When Index Membership Diverges from Fundamental Quality

NOT INVESTMENT ADVICE

An educational diagnostic brief on the VIU Bankability Score distribution across all 30 Dow Jones Industrial Average components

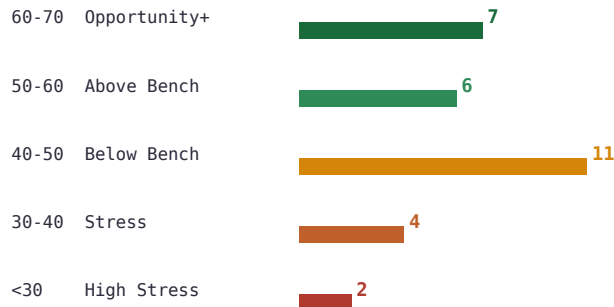
Educational diagnostic output

Primary issuer: MMM (3M) | Peer universe: Full DJIA | Diagnostic date: March 29, 2026 | VIU Peer Index: 49.30

KEY FINDINGS

- 13 of 30** components score above the VIU Peer Index benchmark of 49.30 — less than half of the index.
- 17 of 30** components score below the benchmark — including several of the most recognized names in global finance.
- Score range** spans from 69.2 (MSFT) to 23.1 (BA) — a 46-point spread within a single prestige index.
- 3 components** score below 30 — BA (23.1), GS (28.3), JPM (34.3) — all household financial names.
- Index vs fundamentals** The Dow is price-weighted by prestige. VIU scores on Graham-calibrated fundamentals. The two are not the same measure.
- MMM position** 3M ranks 18th of 30 with a score of 45.2 — below the peer benchmark, reflecting litigation exposure and margin compression.

SCORE DISTRIBUTION – DOW 30



MMM (3M) – PRIMARY ISSUER PROFILE

VIU Bankability Score	45.2	Below peer benchmark (49.30)
Peer Rank	18 of 30	Lower half of DJIA universe
Profitability	Moderate	Margin compression ongoing
Balance Sheet	Stressed	Litigation liability exposure
Growth & Efficiency	Weak	Revenue CAGR under pressure
Risk & Resilience	Moderate	Altman-Z within caution range
Verdict Zone	Below Benchmark	Monitor — not disqualified

DIAGNOSTIC METHODOLOGY

- > Profitability**
 ROE, ROA, Gross & Operating Margin, Net Margin
- > Balance Sheet**
 Debt/Equity, Current Ratio, leverage metrics
- > Cash Flow Quality**
 FCF to Debt, Operating Cash generation
- > Growth & Efficiency**
 Revenue CAGR, EPS CAGR trajectory
- > Risk & Resilience**
 Altman-Z, stress scenario indicators
- > Dividend Coverage**
 Payout sustainability ratios

IMPORTANT CONTEXT

- The VIU Score measures current fundamental quality — not future potential, market momentum, or strategic value.
- A low score does not constitute a sell signal. It identifies areas of fundamental stress requiring deeper analysis.
- The Dow Jones is a price-weighted prestige index. Inclusion criteria differ entirely from bankability thresholds.
- Scores are deterministic — identical inputs always produce identical outputs. No analyst discretion applied.
- This brief is produced for educational and analytical purposes. It does not constitute investment advice.