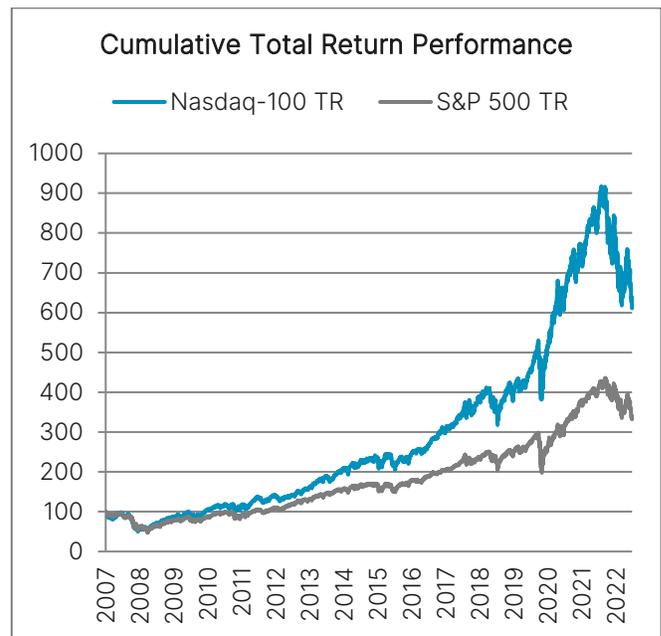
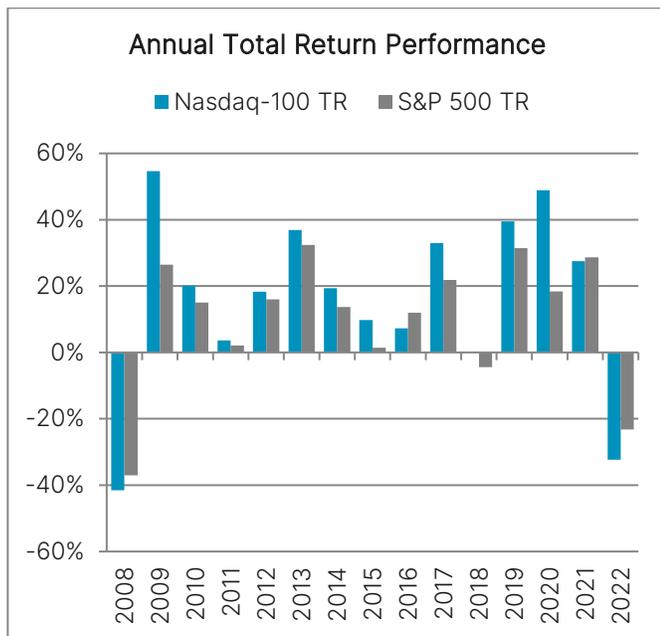


When Performance Matters:

Nasdaq-100 vs. S&P 500

Nasdaq Investment Intelligence

The Nasdaq-100® and S&P 500 are two of the most popular equity indexes in the US. The Nasdaq-100 is heavily allocated towards top performing industries such as Technology, Consumer Discretionary, and Health Care, which have helped the Nasdaq-100 outperform the S&P 500 by a wide margin between December 31, 2007 and September 30, 2022. Below is a comparison of annual total returns - which reinvest dividends - between each index. The Nasdaq-100 TR Index has outperformed 11 out of the 14 full calendar years in our study, with a minimal underperformance of 1.20% in 2021. (On a price-return basis, 2021 was a near-tie, with the Nasdaq-100 underperforming by only 0.26%).

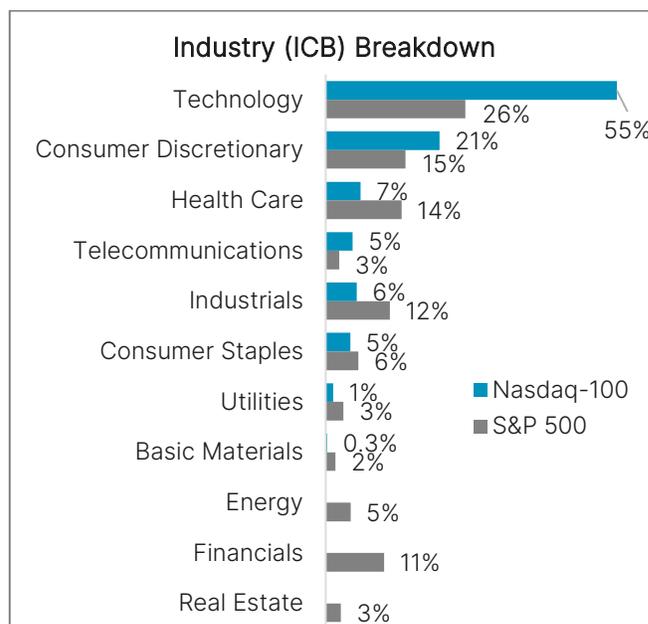
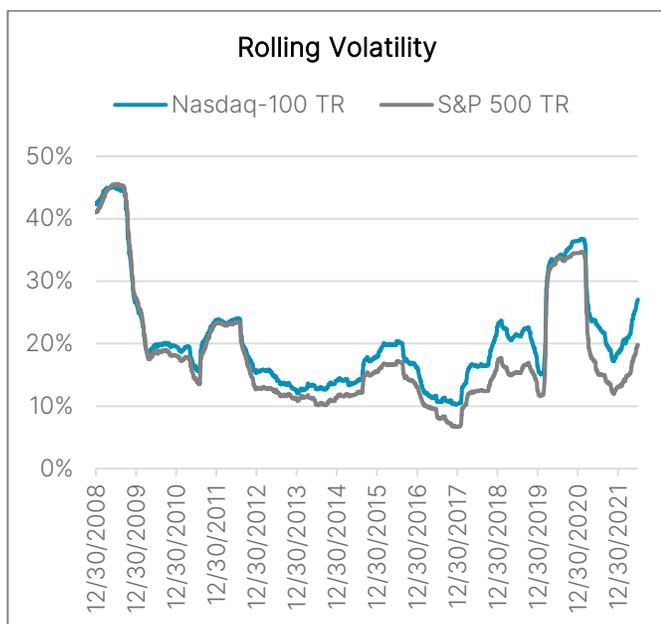


2022 data is through 9/30/2022

Historical Performance

Despite recent overall market volatility, the Nasdaq-100 TR Index has maintained cumulative total returns of approximately 2.2 times that of the S&P500 TR Index.

	Nasdaq-100 TR	S&P 500 TR
Cumulative Return	511%	232%
Annualized Return	13.0%	8.5%
Annualized Volatility	23%	21%



Rolling Volatility (One Year)

One year rolling volatility (calculated by taking the standard deviation of daily returns, annualized) of the Nasdaq-100 has been modestly elevated vs. the S&P 500, averaging only 2.43% higher between December 31, 2009 and September 30, 2022. The overall correlation of daily returns was 93% -- rather impressive given the concentrated exposure of the Nasdaq-100 towards Technology.

Current Industry Weights

We can see important differences in sector exposures between the Nasdaq-100 and the S&P 500 as of September 30, 2022. As mentioned previously, the outsized allocations to both Technology and Consumer Discretionary have helped propel the Nasdaq-100 Index to multiple new all-time highs since the Covid-19 pandemic, most recently in mid-November 2021.

Conclusion

The Nasdaq-100 finished the third quarter of 2022 with a YTD loss of 32.35% compared to the S&P 500 loss of 23.26%, during a period of heightened volatility and widespread equity market weakness. While notable, this underperformance of 910 bps pales in comparison to 2020's incredible 3,000+ bps of outperformance, as well as the long-running outperformance trend dating back to 2009. The Nasdaq-100 is heavily allocated towards top-performing industries such as Technology, Consumer Discretionary, and Health Care. The long-run growth trend of companies in these industries has persisted in spite of the widespread economic disruption from the COVID-19 pandemic, and remains generally strong even in the face of rising inflation and interest rates. Given the way technology is influencing the world and making companies more efficient, there is a strong possibility that this trend continues into the future despite occasional interruption, as we most recently witnessed in 1Q'20 and 4Q'18.

Sources: Nasdaq Indexes, Bloomberg

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