

# Looking Decades Ahead: The Nasdaq-100 is the Economy's Tech Engine

A look at some of the most innovative  
companies in the Nasdaq-100 Index

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**Thomas Edison was nicknamed “the Wizard of Menlo Park” for his New Jersey-based laboratory, which was an epicenter of invention. Edison’s laboratory and companies not only produced great inventions but helped to produce other great scientists as well. Edison’s rival Nikola Tesla was once a Continental Edison employee.**

The state of innovation today is every bit as strong as it was in Edison’s day, but it is more diffuse. There’s not a single laboratory one can point to right now as a centralized locale of invention and technologic advancement.

If you were to ask someone to name the world’s technology leaders that characterize the current era, what names would you hear? Likely you’d hear Steve Jobs, Bill Gates, Elon Musk, and Mark Zuckerberg. All of these leaders share some things in common: a drive to succeed, a strong work ethic, a very savvy business sense, and, maybe most importantly, a very prescient view of the times ahead in terms of technology. These companies have come to define technology in the modern world, but they did not all spring from a single laboratory or place. Not one single school or former employer binds them all.

But all of these companies do share one location in common, though it’s not a brick-and-mortar structure like Edison’s Menlo Park or Tesla’s South Fifth Avenue laboratory. All of these companies are members of [the Nasdaq-100 index](#).

There is virtually no one living in the developed world that does not have daily contact with the Nasdaq-100 whether they realize it or not. The most common way people seek information is to “Google” it. Would holiday shopping be recognizable now without Amazon? Has anyone living in civilization not used a Microsoft product in their lifetime? Could you talk about coffee culture today without uttering the word “Starbucks?” Would our concept of private space travel or electric cars be the same without Tesla?

The Nasdaq-100 index serves as a channel for companies engaged in innovation, and the companies that are in the index today not only represent the top innovators in today’s market, they are working to ensure they are the most innovative companies in tomorrow’s market. It is not enough that they

enjoy a reputation as innovators today. Being comfortable with one’s history is a sure way to fall behind the times. The Nasdaq-100 companies are a case study in getting in front of technology so as not to fall by the wayside.

Companies in the index are on the leading edge of technology development in the world and the numbers prove it. According to data compiled by Nasdaq using Bloomberg and FactSet, the average Nasdaq-100 company spends an average of \$1.7 billion per year on research and development and has an 11.6% average trailing 12-month R&D expense as percentage of sales. This is more than double what the average S&P-500 company spends, which is an average of \$684 million per year and a 4.7% average trailing 12-month R&D expense as percentage of sales.

The world has taken note. *Forbes* lists its 100 most innovative companies every year, and in 2016 the Nasdaq-100 companies comprised nearly a quarter of all those listed with 23 out of 100 most innovative companies. When you look at the top of the list, the index becomes an even more dominant force, with nine out of the top 20 and six out of the top 10. Nasdaq-100 companies are 60% of the top 10 most innovative companies of 2016.

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Forbes more recently published a list of the [50 most admired companies](#). While the mix was a bit different, Nasdaq-100 companies comprised six of the top 10 most admired companies in the world, and 11 of the top 20 most admired companies in the world.

But being loved today is no guarantee of success tomorrow or longevity next year. History is littered with great powers that grew comfortable in their role and failed to plan ahead. What makes Nasdaq-100 companies stand out from the packs of the past is their mindset of looking towards the future. So let's pull back the curtain a little bit. Let's take a deep dive into just what companies are at this forward-thinking vanguard and what steps they are taking to make sure they stay there.

## Technology in the driver's seat

Technology has advanced so far so quickly that we've effectively entered a second wave of advancement. Our economy has been irrevocably altered by the ease and speed of decisions, connections, and deliveries made through a relatively new cyber universe of savvy vendors. Did anyone 10 years ago think that "uber" would be used as a verb (it wasn't even a noun until the ride-sharing app became a household name)?

The Nasdaq-100 index boasts some of the most technologically innovative companies in the world. Among our index members are some of the companies that have changed the way we look at the world. And they're not slowing down.

### A Look Deeper: Tech Conglomerates

[Apple](#) is the most heavily weighted stock in the Nasdaq-100 and with a market value of more than \$750 billion it's not hard to see why. The Cupertino, California-based company revolutionized the way consumers use technology. With its popularization of the iPhone, it made the smart phone an indispensable item for millions of people. And it has also set the template for consumer-facing electronics companies, in that it is always working on the next version. Two years from now, there will be an iPhone that has features you may only talk about. Its [constant reinvention](#) has Apple listed on one of the most innovative companies by numerous publications. Indicative of the company's ability to dominate an industry is its recent release of the AirPods, wireless ear buds that cost much more than many products on the market. In less than one month after being launched, AirPods accounted for [a quarter of all online wireless headphone revenue](#). Apple's [cycle of reinvention](#) goes back to its origins, when it began making commercially-available computers to compete with existing computers from Altair and later IBM. The company has no fewer than eight new products slated to become available in 2017. Its offerings include a new version of the [Apple Watch](#) as well as new versions of the iPad Pro, the MacBook Pro and an Apple Car (or possible self-driving auto software).

[Alphabet](#), the parent company of ubiquitous search engine [Google](#), is a firebrand of innovation. While it could contently sit back and continue to dominate the search engine world and the email (mostly personal, not corporate) world, it has proven to be a giant of innovation in ways that continue to expand. It released the Pixel smart phone as well as the Duo video

chat app along with a voice-activated Google Home product and its messaging app Allo. Allo is the first product to feature Google's [Artificial Intelligence](#) (AI) assistant technology. One of the additional applications of AI involves photo storage. Google developed [Rapid and Accurate Image Super Resolution](#) (RAISR) technology that forecasts how a photo can be magnified based on a history of other photos. It is working to bring Internet connectivity to remote parts of the globe with its [Project Loon](#). This has extended with a foray into space exploration with its Titan, an Internet drone project that has since been folded into Project Loon. Google's innovation has expanded to the medical field as well. It announced earlier this year that it had partnered with the Gates Foundation and the Gavi Matching Fund to assist startup [Nexleaf Analytics](#) strengthen vaccine cold chain equipment for developing countries.

[Cisco](#) has experienced tremendous change over the course of its life. It has maneuvered through the changing eras of technology and reinvented itself several times in the process, being one of the first to offer the kind of networking equipment needed to power much of the Internet. It has not stopped its innovative ways and put itself on the forefront of security technology by incorporating security functionality into its branch office routing products. Cisco took a great step towards integration in the release in 2016 of its Cisco Digital Network Architecture (DNA). The Cisco DNA product enables the deployment and managing of an entire network through a software-based architecture that drives analytics, automation, and security. It also developed a [Cloud Defense Orchestrator](#) to manage security via the cloud. This lead on security is very

forward-thinking in that it is focused on making security policy management much easier. Ease of use and integrated approach are two of the hallmarks of what security experts cite in what makes for effective policy.

Facebook came to dominate social media and helped launch a new era of technology-based interaction. As other social media platforms sought to duplicate its success, it hasn't sat still. Not only does the company constantly update its own flagship platform, it has sought to explore new technologies and remain an innovative power. It recently [announced](#) that it would open its [first startup incubator in Paris](#), working on between 10 and 15 new projects every six months. The facility, located in an abandoned train station and named Station X, will help the company make contact with potential acquisitions early on in their life cycle. Late last year the company began bringing on the first wave of universities as part of a series of innovation partnerships called Sponsored Academic Research Agreements (SARA) to support Facebook's Building 8 hardware product development group. A total of 17 universities have signed SARA agreements with Facebook: Arizona State University, Caltech, Georgia Tech, Harvard, Johns Hopkins University, Johns Hopkins University Applied Physics Laboratory, MIT, Northeastern, Rice, Stanford, Texas A&M, University of California - Berkeley, University of California - San Francisco, University Illinois at Urbana-Champaign, University of Waterloo (Canada), and Virginia Tech. Facebook's projects include the development of a solar-powered drone and its own connectivity satellite. It is also working on back-end open rack network infrastructure switch, mobile virtual reality headsets, and a [360-degree camera](#).

Software designer [Intuit](#) has products that have come to dominate their fields and are household names for managing complex finances with ease. It has kept in motion and continued to tap technology to make development easier. The company follows a "Design for Delight" philosophy and embraced broad development and vast experimentation. It launched an [open platform](#) in December 2016 to enable developers work with the nearly 30 million users of its flagship TurboTax Online product, with the aim of driving innovation in financial services. Refusing to stand still despite having dominance in the tax software sector, it announced a host of platform integrations and partnerships that would enable continued growth within its industry. Its software can integrate with Apple Pay, PayPal and Google and automated billing companies such as Bill.com.

Open source is also the way of [Micron](#). Late in 2016 it launched its [Xcela Consortium](#) to help advance high-speed, low signal count octal interface bus and ecosystem. The consortium is aimed at semiconductor and electronics companies and it will promote the Xcela Bus interface as an open standard for a new type of digital interconnect and

data bus viable for volatile and non-volatile memories as well as other integrated circuits. It was following up a move earlier in the year when it introduced its [Micron Accelerated Solutions](#) product that simplified the path to next-generation all-flash data centers. It was launched along with its Austin, Texas-based Micron Storage Solutions Center (MSSC), a hub for Micron storage innovation. It also announced a new portfolio of solid state drives that leveraged its high-performance NVMe protocol.

[Microsoft](#) created an operating system that continues to define personal computer use for most of the world. It is one of the leading companies that helped create our current technologic age. It has continued to dominate the world of tech innovation and work to ascertain how people will use technology in the future. The Redmond, Washington-based company recently delved into the 3D space by acquiring Swedish company [Simplygon](#) to further accelerate its "3D For Everyone" strategy that it initially introduced with Windows 10 Creators Update. It made an investment in AI with its purchase of Toronto-based Maluuba, a language comprehension startup that developed a system that comprehends at levels approaching human intelligence. The company's venture arm, Microsoft Ventures, recently agreed to back [Illusive Networks](#), a cybersecurity firm that uses a deceptive framework to identify and trap hackers. Starting from the proposition that some hackers will find their way through traditional firewalls and other security obstacles, Illusive uses virtual and augmented reality technology to create a decoy version of a company's network to trap hackers. And Microsoft announced that in 2017 and 2018 it would be opening three new locations of Microsoft Garage, an internal group of employees dedicated to creating innovative software. The Garage began with a few hundred dedicated employees in 2013 and counts thousands among its ranks today.

[Nvidia](#) is among the vanguard of technology companies that lives in the space most frequented by young, tech-savvy users: gaming and mobile devices. It set the standard for computer gaming in 1999 with the release of its Graphics Processing Unit (GPU). It is also a leading pioneer in Artificial Intelligence, making it one of the most forward-thinking companies in the computer space today. It released its DGX-1 Deep Learning System, a piece of hardware known as a "[supercomputer in a box](#)" that aims to make AI data more accessible. It is the latest in the company's investment in AI and the company's philosophy is that AI is for everyone. The company has been working to harness AI through an end-to-end AI platform, an AI car platform, and GPUs specifically designed for the "deep learning" that computers must do to use AI effectively. And its dedication to AI hasn't stopped the company from continuing to improve and innovate on its legacy entertainment systems. The company released a new 2017 version of its [4K HDR Shield TV](#) platform with Google Assistant.

Logic device supplier [Xilinx](#) is the first semiconductor company to boast a fabless manufacturing model and powered such industry advancements as cloud computing, 5G wireless, embedded vision and industrial IoT. This past November it launched its Embedded Vision [Developer Zone](#) for software, hardware and system developers to ramp up productivity and build all programmable, differentiated Embedded Vision applications. The Zone will be a one-stop shop to help jump

start the development of next-generation vision systems. The company also recently won a deployment with Amazon for FPGA clusters to be made available as pooled resources on cloud-based servers. Also, Xilinx announced that hundreds of its Space Grade FPGAs have been deployed in the launch of the Iridium NEXT satellites. These devices provide scalability and flexibility for new applications and innovations through the satellites' lifespan.

## Beyond pure tech; still pure innovation

While the pure technology sector is the engine of innovation for much of what we consider the highest technology advancements of our age, there is a host of other industries represented in the Nasdaq-100 that are trailblazing. These companies that lie outside the pure tech sphere are some of the most innovative companies in the world today.

Biotechnology is a space that is undergoing rapid innovation. From medical devices that can turn major surgeries into office-visit procedures to gene therapy that can make the difference between life and death, biotechnology knows no end in the ways it can improve our lives and shape our world.

### A Look Deeper: Biotech

Cited as one of the most innovative companies in the market today for four years straight by *Forbes*, [Alexion](#) is helping patients with rare and often overlooked diseases find hope. It filed applications for approval with U.S. and E.U. regulatory authorities for Soliris (Eculizumab). Soliris treats patients with Refractory Generalized Myasthenia Gravis (gGM), a debilitating disease that weakens the muscles and leave patients unable to move speak, or breathe properly. Late last year, it initiated Phase 3 clinical trials of ALXN1210 to treat Paroxysmal Nocturnal Hemoglobinuria (PNH), a rare blood disease that is difficult to diagnose and often proved fatal before treatments were developed. Alexion was also named a top employer in both 2015 and 2016 by *Science* magazine.

Another top innovative company cited for the past three consecutive years by *Forbes* is [BioMarin](#), a San Rafael, California-based developer of treatments for rare diseases that have very small patient populations. These are often fatal genetic disorders that affect children. It has led the fight in using gene therapy to combat Hemophilia, making advancements and announcing an update to its proof of concept earlier this year. As of late January, BioMarin was leading the market as the only company to have [reached clinical trials](#) for treatment of hemophilia A, according to LabioTech. Last year it enrolled its first participant in Phase 3 trials of its drug Vosoritide for treating children with Achondroplasia, which is the most common form of human dwarfism.

[Incyte](#) also focuses on developing pharmaceutical products to treat rare diseases, focusing on treating cancer. It has shared innovative company honors on the *Forbes* list as well. Its product Jakafi is currently approved in the U.S. for

treatment of intermediate or high-risk myelofibrosis and is being developed as a potential treatment for other forms of cancer. Earlier this year it announced it was collaborating with Calithera Biosciences to develop and commercialize CB-1158, a small molecule arginase inhibitor. Arginase is an enzyme that suppresses autoimmune functions that would otherwise help fight tumor growth. Preclinical trials have shown arginase inhibitors to help limit the size of tumors.

Tarrytown, N.Y.-based [Regeneron](#) is also in the fight against serious diseases, and has taken a strong stand in favor of innovation. The company's CEO Leonard Schleifer has said that biopharmaceutical companies need to [focus on innovation more](#) and less on pricing for future growth and that the focus on price has diminished the industry in the eyes of consumers, patients and political leaders. Pharmaceutical companies, particularly those that acquire existing drugs rather than develop their own, have drawn ire for high prices over the past several years. Schleifer pointed out that pharmaceutical companies will be viewed more kindly if they generate more of their profits from innovation rather than through raising prices on products. Regeneron also ranks as one of *Forbes'* most innovative companies. It has developed four FDA-approved medicines that help fight diseases such as cancer, asthma, arthritis and others. It also developed the VelociSuite technologies, manufacturing technologies and one of the world's largest human sequencing efforts.

[Vertex Pharmaceuticals](#) is on the front line of the fight against cancer. It recently forged a licensing [agreement with Merck](#) for the worldwide development and commercialization of four different research programs to treat cancer. In late 2016 the company announced it had positive results from its Phase 3

study of its product Orkambi in children with Cystic Fibrosis. It noted that the results support its submission to the European Medicines Agency in the first half of this year. Also late last year it announced it would move to initiate Phase 2 studies of Cystic Fibrosis treatments with plans to further test another related

product. Collaboration is key for Vertex and the company notes that its network is broad geographically and intellectually. It has research and development facilities in the U.S., Canada and the U.K., corporate offices in Boston and London, and 11 international offices in Europe and North America.

## Not your father's retail

Some of the boldest technology innovation that has the most visible, immediate and universal impact has come through the retail space. How to buy things faster and pay less for them has been the consumer's mantra since commerce as we know it began. The quest for making our shopping experience better has never stopped and companies in the Nasdaq-100 are leading the way to perfect the way retail works.

### A Look Deeper: Retail Companies

There is probably no better example of retail innovation than [Amazon](#). While it started mainly as a bookseller, Amazon has come to dominate multiple retail channels and has upended online shopping as we know it. Beyond its advances in logistics and online search that have been central to where it's come so far, the Seattle-based company has been the first among its peers to move into the areas that are the most-explored currently, such as cloud computing, digital technology, and the use of robots and drones. It has been a leader in innovation even among its many innovative peers. It launched its home assistant Amazon Echo in 2014 before several of its popular rivals, and its latest mode of Echo, Echo Dot, was one of the most in-demand items for holiday shopping late last year. The company's [Amazon Go](#) service promises a brick-and-mortar retail shopping experience with no lines. While Amazon opened an Amazon Go grocery store, its likely revolution will be to have [its payments system](#) used by other retailers. It has been among the most innovative explorer of drone technology, experimenting with different [methods and models](#) in its efforts to develop drone delivery and robotic assistants across markets.

[PayPal](#) has made it possible to send money to anyone, anywhere in the globe quickly and safely. But its innovation into online payments hasn't stopped it for innovating to help bridge the technology gap. Last year saw the payments pioneer process more than \$7 billion charitable donations alone. It is available on mobile devices via its OneTouch mobile and web payment service and it is making inroads into making e-commerce easier for people who still deal in cash,

a form of democratization of the online world. Last summer, the company launched an [innovation lab in Singapore](#), its first outside the U.S., and its innovation labs have helped incubate dozens of companies. It also has a separate technology center in Chennai, India that it launched in 2013. PayPal began the year with an announcement that it was going to create a network that allows customers to use cash to make digital payments. It is joining with 7-Eleven to enable its cashier to scan a code on a customer's smart phone and accept cash to make a digital payment. Google Play has the app ready for customers to download.

Innovation can start with your morning cup of coffee, and [Starbucks](#) has been a vanguard company for retail innovation. Its pumpkin spice latte is the flavor that helped expand and popularize use of pumpkin spice drinks and flavors. Starbucks saw the trend developing that retail businesses would have to evolve to be more online-focused and to develop status as an experience destination and adapted accordingly, expanding its retail locations even as retail space shrunk. It has sought to marry the latest in voice and mobile technology with one of the most basic retail rites of passage – getting a cup of coffee. This past January it launched [two voice-ordering features](#). One is an on-command voice-ordering mobile ordering system that works with its iPhone app. The other is a skill for the Amazon Alexa voice assistant. Both of these systems allow customers to order and pay for a cup of coffee without ordering from or paying a person, though they must still pick up their coffee at a Starbucks location and wait for a barista to call their name. It plans to continue innovating, staking out a five-year plan as it transitions to a new CEO this spring.

## The media is the (innovation) message

Perhaps no industry has both benefitted and struggled with innovation as much as the media space. While online news has revolutionized the way people consume news, traditional media outlets have struggled to survive at a time when so much content is available for free online. But it is among media companies that much of the innovation has come that has changed the way we consume media.

### A Look Deeper: Media Companies

Media behemoth [Comcast](#) is the largest broadcasting and cable television company in the world by revenue. Its [Comcast Labs](#) engineers new products and works to create new customer experiences with its own development center in Denver, Philadelphia, Silicon Valley, California and Washington, D.C. It partners with companies as large as Microsoft and Verizon Wireless as well as start-ups such as Bug Labs and Zeebox. It focuses on integrating across various media products, personalization and expanding content access among a variety of platforms. The company is also on a constant quest to keep technical infrastructure updated, and announced in February that it would be spending \$25 million to [update its fiber optic connections](#) in the Boston area. And Comcast does not limit its drive for innovation to within its own walls. [The Comcast Innovation Fund](#) provides research grants and open source development grants to researchers at leading academic institutions and elsewhere to support important tech research.

[SiriusXM](#) is another Nasdaq-100 constituent from the *Forbes* list of innovative companies as it explores the ways that real-time connectivity and technology integration can reshape how we interact with media. It pioneered the subscription-based economic model and proved the subscription model could work for companies in an era where consumers had come to expect free content. It has 175 channels of radio programming but fewer advertisements than commercial radio and while it once came close to declaring bankruptcy, it is now described as an "economic powerhouse." [It](#) also made great gains in showing that personalized content could be done on a large scale, as its music channels offer incredible variety that can suit almost any content need. Taking the view that people will seek interconnectedness in multiple settings through multiple channels, SiriusXM focused on [dominating the auto market](#), with 75% of cars sold in the U.S. coming with satellite radio installed.

Though it began with a merger in 1935, [20th Century Fox](#) is very much a company of the 21st century, adapting to the interactive tastes of media consumers and investing in new technologies. The company announced the creation of FoxNext, which will work on creating content that is used in video games as well as virtual reality, augmented reality and location-based event entertainment. The company is also one of the investors in [Dreamscape Immersive](#), a virtual reality technology startup. And its research arm, Fox Innovation Lab, [partnered with the Felix & Paul Studio startup](#) to create virtual reality films and other forms of "VR" entertainment. Earlier this year [Ericsson](#) announced it was partnering with Fox Innovation Lab to address increasing consumer demands for new and innovative video content. Journalists who visit Fox Innovation's virtual reality "[Bunker](#)" report that the company is ahead of the pack compared with its Hollywood contemporaries in pioneering the experience. 20th Century Fox is also exploring other immersive experience products, such as high dynamic range technology.

[Viacom](#) was an early champion of a media company taking charge of its own content and led the way in the plethora of original programming that consumers have available today. But its position as a media content pioneer has not stopped the company from continually working to know its audiences better. It recently [used neuroscience](#) to test different audiences and chart how multicultural audiences respond to different programming. The Viacom-founded Get Schooled was listed as one of *Fast Company's* [10 most innovative companies in gaming](#) in February for helping high school students find their way through the college admissions process by "gamifying" it. Last year Get Schooled saw 2 million students use its Web site.

## The industry of innovation

People often think of large manufacturing and industrial production as innovating only in terms of streamlining existing production. They ask when robots may be taking more jobs but don't look to see how else industrial companies may be making significant changes to their markets. While Ford's assembly line will continue to be changed with the times,

there is significant change in the industrial sector that is adapting to a culture that wants more renewable resources, more responsibility, and continuous innovation.

Among Nasdaq-100's most-cited innovative companies is [Tesla](#), the producer of electric cars and ranked the #1 innovative company by *Forbes* for two consecutive years. Named for

inventor Nikola Tesla, the electric automaker started a new era in the auto industry. Tesla is working to change the way people drive, creating a network of charging stations for their all-electric cars and has set ambitious goals that have baffled analysts and industry watchers time and time again. Its innovation in its batteries alone has helped spur the auto industry into a new electric era. It also managed to [build a mass-market vehicle with aluminum profitably](#), an auto-industry first. But it also created an innovative way to take advantage of the hype surrounding the release of its

new vehicles by taking reservations on cars in advance of their production. With these reservations requiring a \$1,000 deposit, Forbes notes that the [pending release of its Model 3](#) brought the company a cool \$400 million in capital. It is working to pioneer not only self-driving cars but self-driving trucks that can streamline logistics and delivery services worldwide. And Tesla is also known for its [SpaceX](#) subsidiary, which builds rockets and spacecraft and has announced ambitions to colonize Mars. Like its namesake inventor, Tesla has made bold innovation is *raison d'être*.

## Growth trajectory

The Nasdaq-100 index has a great [history of growth](#) and is on another strong growth trajectory. Since its inception in 1985 it climbed steadily until the technology wave of the 1990s sent on a spike that dropped along with the dot-com era in the early 2000s. But the story since then has been one of stronger, steadier growth. Since late 2009 it has been climbing and now has a value proposition equal to that of its dot-com era boom. What makes things different today is that the index is a diverse and innovative in ways that set a new and exciting precedent. Starting at a \$58 billion market cap in February of 1985 that comprised 3% of the total NYSE market cap, the Nasdaq-100 grew to more than \$6.5 trillion in total market value representing 28.5% of the NYSE market cap by June 2017. And the growth is poised to continue with the index dominating its competitors. The sales growth of the Nasdaq-100 companies is much higher on average than other indexes (16.2% for the Nasdaq-100, 5.5% for S&P 500 and -0.9% for the Dow). [The Nasdaq-100 has eight companies with sales growth that has averaged more than 50% over the last three years.](#) The S&P 500 had six such securities among its ranks and Dow Jones Industrial Average has no such components.

With technology powering and setting the agenda for growth, the Nasdaq-100 is the center of a lot of technology that is changing our world. The Nasdaq-100 will continue to be the economy's epicenter of innovation both in terms of technology

and in the way companies work. The companies that stand on the index today are determined to be leading the pack from the index 10, 20, 30 years from now and beyond.

With a wide diversity of companies in the index, the one thing that they all have in common is the drive to innovate. Having innovation at the center of corporate culture is perhaps the single common factor you will find in every single member of the index. Nasdaq-100 member companies know that the way the world looks two decades from now will be very different, and refuse to be caught off guard as the world changes.

As a result, companies can be seen as value destroyers via "disrupting" or "outcompeting" the established companies in various sectors. The upshot here is that failing to invest in the innovative Nasdaq-100 companies is not just foregoing potential value creation but exposing oneself to risk of value destruction by heavily investing in conventional autos (self-driving cars), retailers (e-commerce), media companies (digital advertising, cord cutting), etc. The growing ambitions of the Nasdaq-100 innovators are at the expense of older, slow-moving companies.

History is made by those taking action today and looking to the future. History will note that by all measures the Nasdaq-100 is a focal point of innovation setting the stage for the world of tomorrow.

Sources: Nasdaq Global Index Research, FactSet, Bloomberg.

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