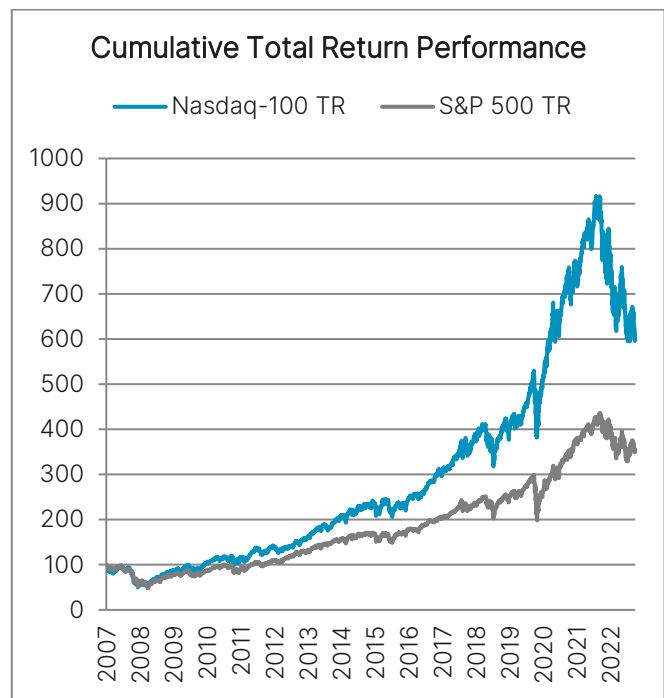
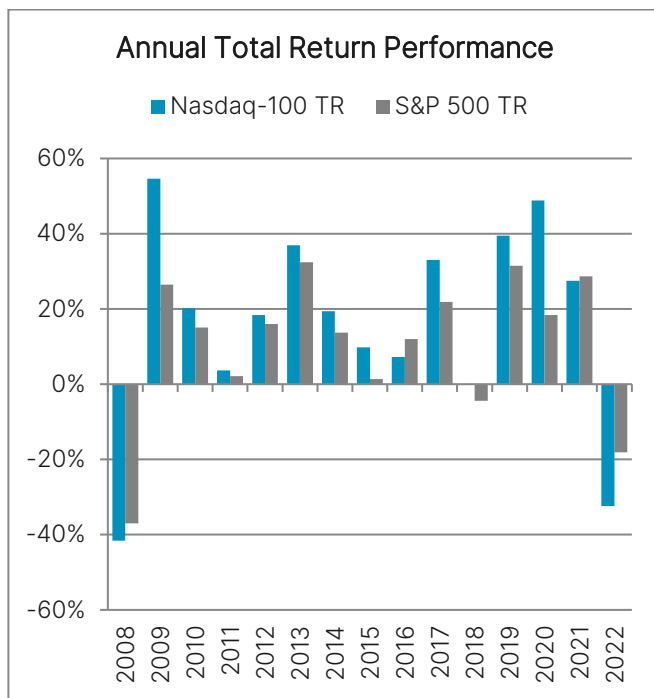


When Performance Matters:

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 December 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 15 calendar years in our study, with an underperformance of -14.3% in 2022. This was by far the most significant underperformance observed in our study, driven by global weakness in Growth stocks.

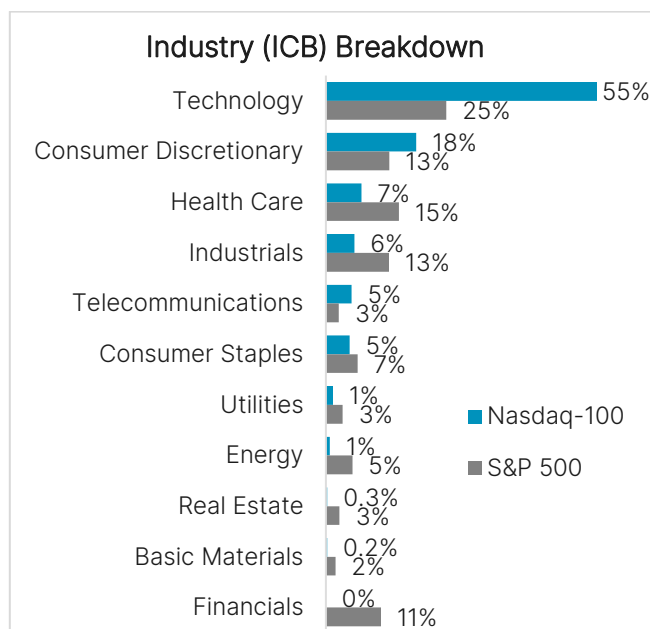
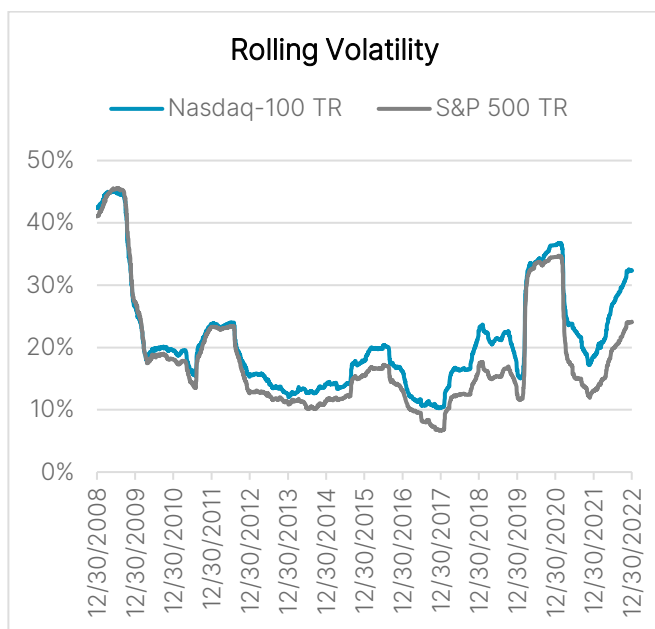


2022 data is through 12/30/2022

Historical Performance

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

	Nasdaq-100 TR	S&P 500 TR
Cumulative Return	510%	255%
Annualized Return	12.8%	8.8%
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 2.52% higher between December 31, 2007 and December 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 December 30, 2022. As mentioned previously, the outsized allocations to both Technology and Consumer Discretionary have helped propel the Nasdaq-100 Index to multiple years of outperformance over the past decade and a half.

Conclusion

The Nasdaq-100 finished the fourth quarter of 2022 with a full-year loss of 32.4% compared to the S&P 500 loss of 18.1%, during a period of heightened volatility and widespread equity market weakness. While significant, this underperformance pales in comparison to 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

Disclaimer:

Nasdaq® is a registered trademark of Nasdaq, Inc. The information contained above is provided for informational and educational purposes only, and nothing contained herein should be construed as investment advice, either on behalf of a particular security or an overall investment strategy. Neither Nasdaq, Inc. nor any of its affiliates makes any recommendation to buy or sell any security or any representation about the financial condition of any company. Statements regarding Nasdaq-listed companies or Nasdaq proprietary indexes are not guarantees of future performance. Actual results may differ materially from those expressed or implied. Past performance is not indicative of future results. Investors should undertake their own due diligence and carefully evaluate companies before investing. ADVICE FROM A SECURITIES PROFESSIONAL IS STRONGLY ADVISED.

© 2023. Nasdaq, Inc. All Rights Reserved.