

# When Performance Matters:

## Nasdaq-100® vs. S&P 500

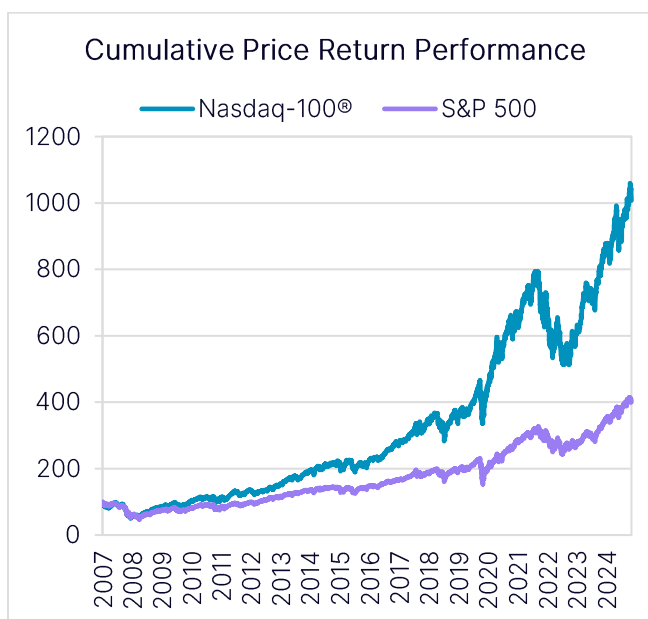
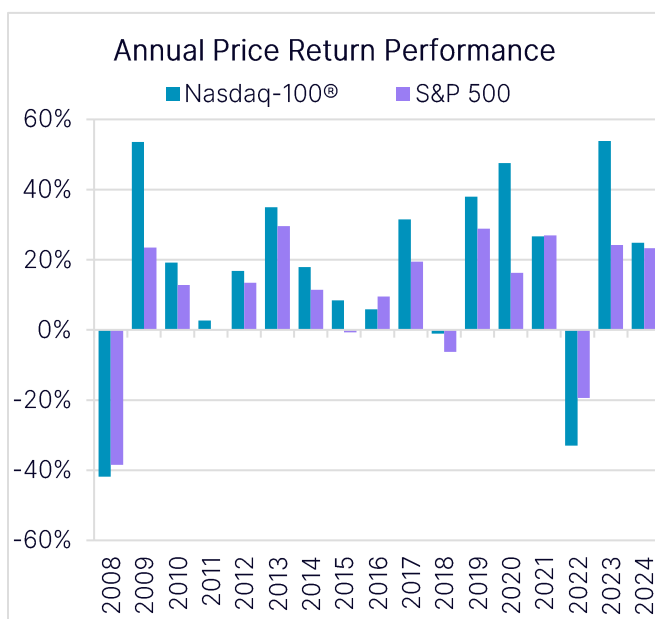
### Nasdaq Global Indexes

The Nasdaq-100® and S&P 500 stand as two of the most prominent equity indexes in the United States. With its considerable emphasis on innovative sectors like Technology, Consumer Discretionary, and Health Care, the Nasdaq-100 has consistently outperformed the S&P 500 over the past 17 years (12/31/2007 – 12/31/2024).

A detailed analysis of their annual returns reveals that the Nasdaq-100 Index® has exceeded the S&P 500 in 13 out of these 17 calendar years, achieving an impressive average annual return of 14.5%. The year 2023 was particularly outstanding for the Nasdaq-100®, with a 53.8% increase — its best calendar year of performance since 1999 and the third time it has outperformed the S&P 500 by ~30% in the past 17 years.

The notable lead of the Nasdaq-100 in 2023 can largely be credited to its substantial allocation to Technology and growth-oriented stocks, especially those focused on Artificial Intelligence (AI). AI-centric companies within the Nasdaq-100 experienced significant advancements and broader adoption of AI solutions across industries, increasing investor interest in AI's transformative capabilities.

In 2024, the Nasdaq-100 once again outperformed the S&P 500 (24.9% vs. 23.3%), driven by the anticipation of Federal Reserve rate cuts and continued adoption of AI. Since December 31, 2007, the Nasdaq-100 Index has surged by 908%, more than tripling the S&P 500's return of 301% on a price return basis.

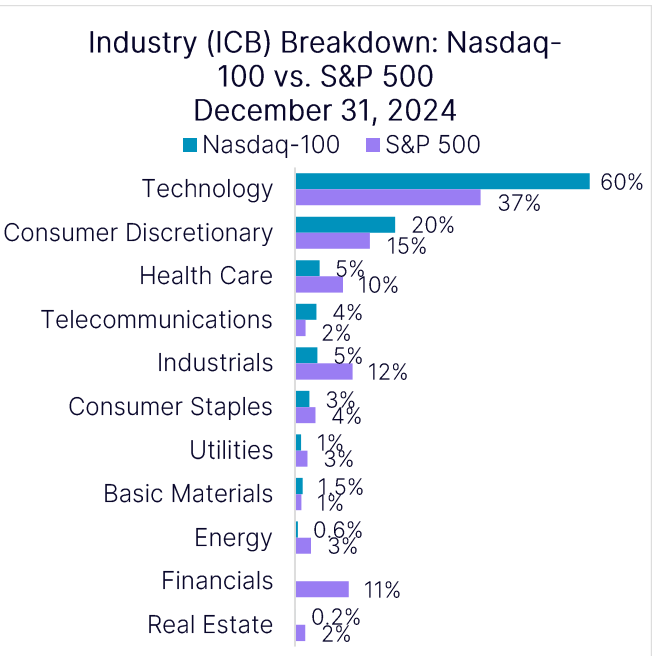
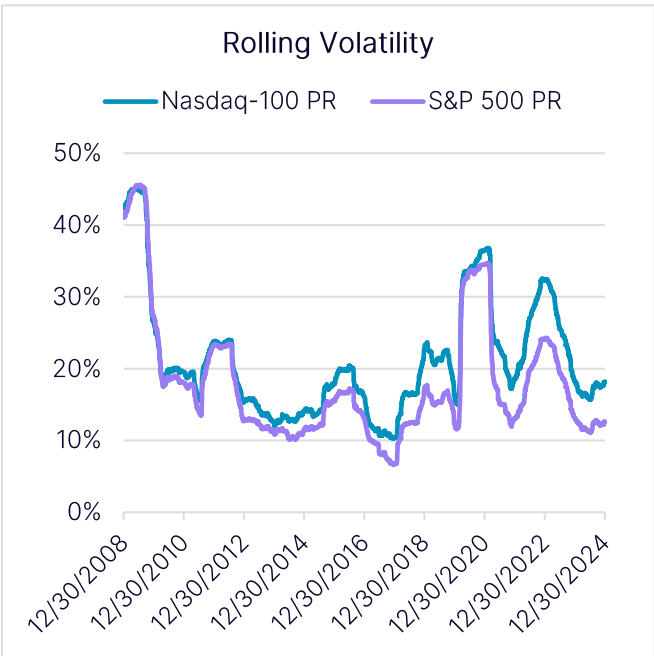


Historical Performance

Amidst recent market volatility, the Nasdaq-100 Price Return Index has consistently sustained cumulative price returns exceeding three times the performance of the S&P 500 Price Return Index.

	Nasdaq-100®	S&P 500
Cumulative Price Return	908%	301%
Annualized Price Return	14.5%	8.5%
Annualized Volatility	22.9%	20.1%

\* Data through 12/31/2024



Rolling Volatility (One Year)

The one-year rolling volatility, calculated by annualizing the standard deviation of daily returns, has shown a slight elevation in the Nasdaq-100 compared to the S&P 500. On average, it has been just 2.7% higher over the 17-year period spanning from December 31, 2007 to December 31, 2024. What's particularly noteworthy is the overall correlation of daily returns, which is 93%. This level of correlation is impressive, especially considering the Nasdaq-100's heavy concentration in the Technology sector.

Current Industry Weights

As of December 31, 2024, there are notable disparities in sector allocations between the Nasdaq-100 and the S&P 500. As highlighted earlier, the significant weightings in the Technology and Consumer Discretionary sectors have played a pivotal role in driving the Nasdaq-100 to multiple years of outperformance over the past 17 years. By design, the Nasdaq-100 does not have any Financials exposure.

## Conclusion

Despite facing shifts in central bank policies against a backdrop of complex geopolitical tensions, the Nasdaq-100 has demonstrated remarkable resilience. The pervasive integration of AI technology, revolutionizing nearly every industry, bolsters the index's capability for continuous innovation and highlights its strong potential for future growth. With its foundational focus on innovation, the Nasdaq-100 is well-positioned to navigate future uncertainties and sustain its long-term growth trajectory.

Data as of 12/31/2024 unless otherwise stated.

Sources: Nasdaq Indexes, Bloomberg

Returns are price returns and are not inclusive of dividends.

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