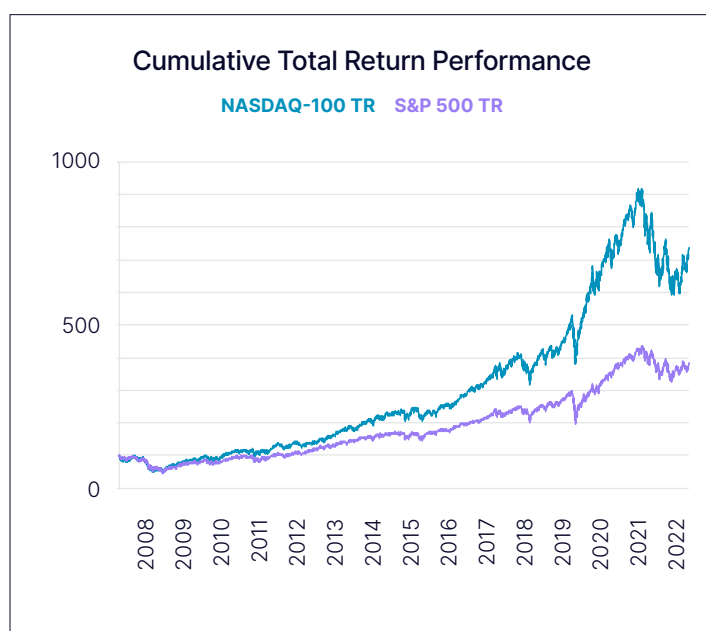
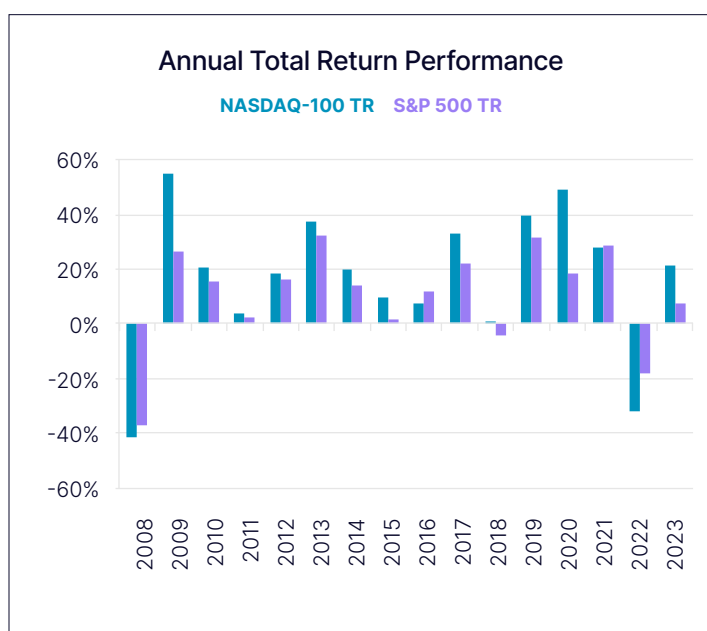


When Performance Matters:

Nasdaq-100 vs. S&P 500

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 March 31, 2023. 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. However, the Nasdaq-100 bounced back over the first quarter of 2023, outperforming the S&P 500 by a margin of 13.9% as Technology and Growth-related stocks started to recover.

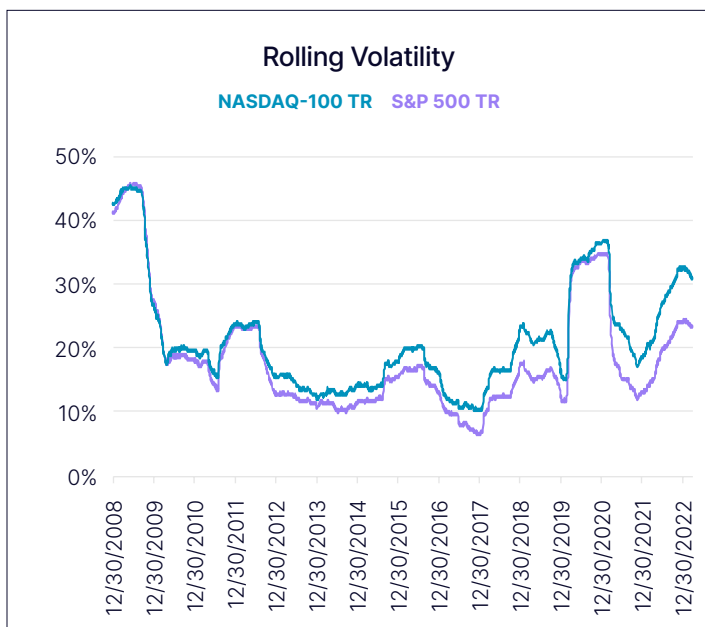


2023 data is through 3/31/2023

Historical Performance

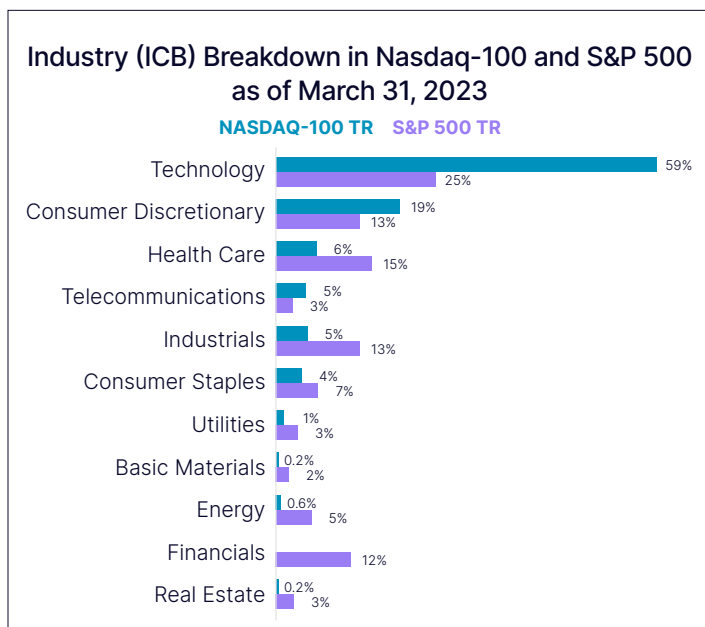
Despite recent overall market volatility, the Nasdaq-100 TR Index has maintained cumulative total returns of approximately twice that of the S&P500 TR Index.

	Nasdaq-100 TR	S&P 500 TR
Cumulative Return	637%	281%
Annualized Return	14.0%	9.2%
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 2.6% higher between December 31, 2007, and March 31, 2023. 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 March 31, 2023. 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 first quarter of 2023 with a gain of 20.8% compared to the S&P 500's gain of 7.5%, making this the 9th best quarter on record for the tech-heavy Nasdaq-100 since its inception in 1985 and continues 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 headwinds stemming from the COVID-19 pandemic, geopolitical tensions, and inflation, among other things, and remains generally strong even in the face of interest rate uncertainty. Given the way technology is influencing the world and making companies more efficient, there is a strong possibility that this trend of outperformance continues into the future, just as we saw over the last three months.

Sources: Nasdaq Indexes, Bloomberg

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