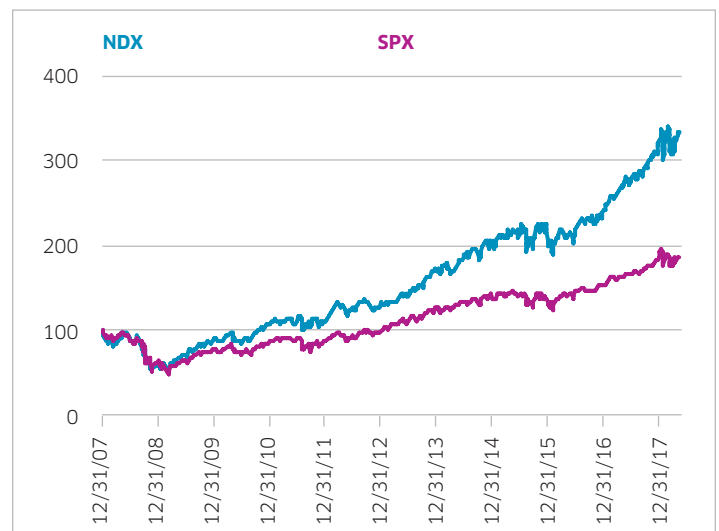
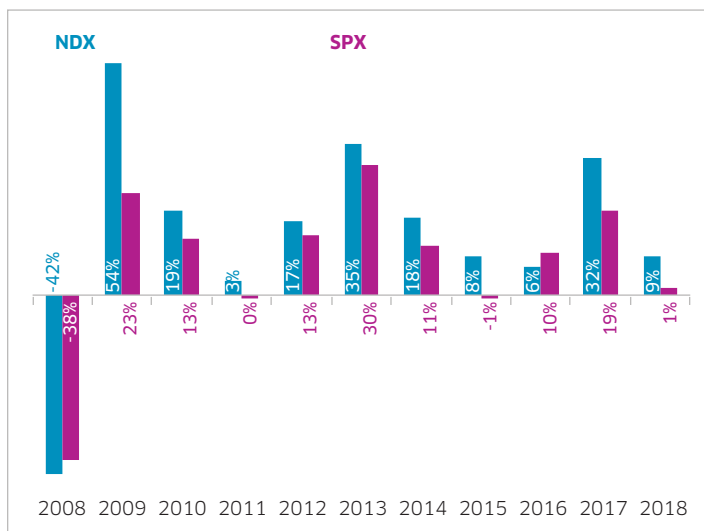


NDX vs SPX

Diversifying your portfolio while gaining exposure to the Nasdaq-100 Index

CHRIS MOYER, NASDAQ GLOBAL INFORMATION SERVICES

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 Services, and Health Care, which have helped the NDX outperform SPX by a wide margin between December 31, 2007 and May 31, 2018. Below is a comparison of annual returns between each index. NDX has outperformed 9 out of the 11 years in our study.



Historic Performance

The table and charts below display historical performance figures for both the Nasdaq-100 with the S&P 500 between December 31, 2007 and May 31, 2018. NDX has double the annualize return, on just slightly higher volatility.

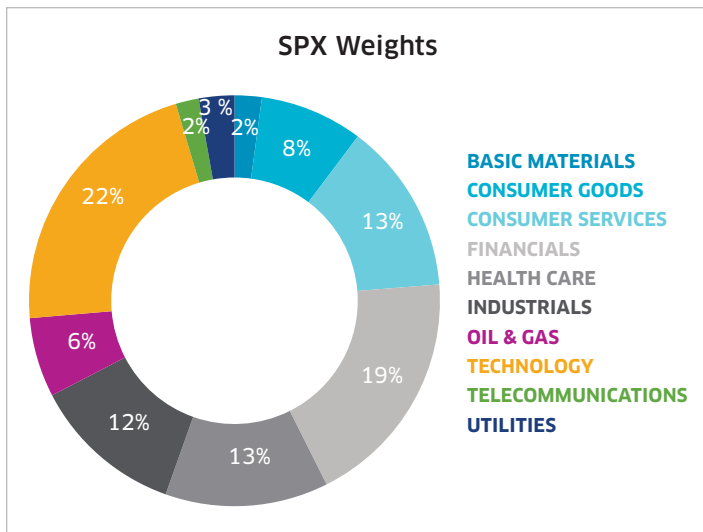
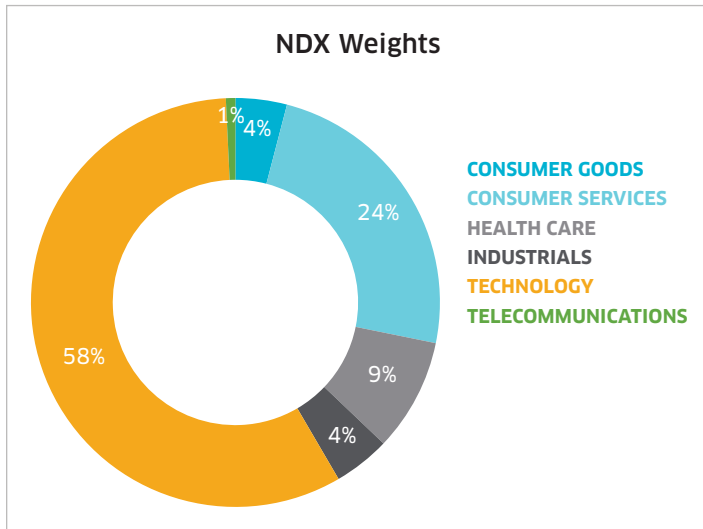
	NDX	SPX
Cumulative Return	234%	84%
Annualized Return	12%	6%
Annualized Vol	22%	20%

Current ICB Weights

5/31/18

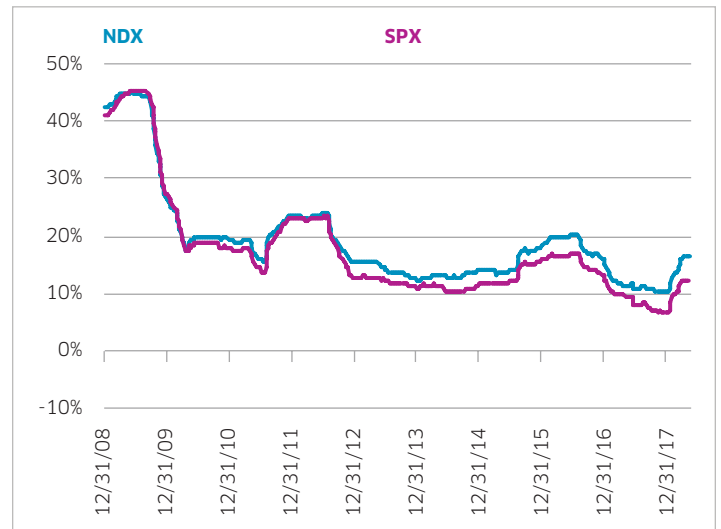
We can see the differences in ICB Industry Weights between both the Nasdaq 100 and the S&P 500 as of May 31, 2018. As mentioned previously, the largest allocations in NDX are geared towards Technology (58%), Consumer Service (24%), and Health Care (9%). The large allocations to both Technology & Consumer Services have helped propel the Nasdaq-100 Index to new all-highs as of the close on June 14, 2018. The S&P 500, however, remains roughly 4% below the record highs it made at the start of the year.

Market participants looking to gain exposure to the Nasdaq-100 Index can do so through the Invesco QQQ Trust Series ETF.



Rolling Volatility (1 Year - Daily)

One year rolling volatility (on a daily basis) was very closely correlated for the most part between Dec 31, 2007 and May 31, 2018. Given the large exposure NDX has towards Technology, the ability for the NDX to closely track the volatility of SPX is rather impressive.



Conclusion

The Nasdaq-100 and S&P 500 are two of the most popular equity indexes in the US. We provided performance and volatility analysis over the last 10 years. The Nasdaq-100 is heavily allocated towards top performing industries such as Technology, Consumer Services, and Health Care. The growth of companies in these industries has continued to be strong, particularly in Consumer Services (Amazon). Given the way technology is influencing the world and making companies more efficient, this trend is more than likely to continue going forward.

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