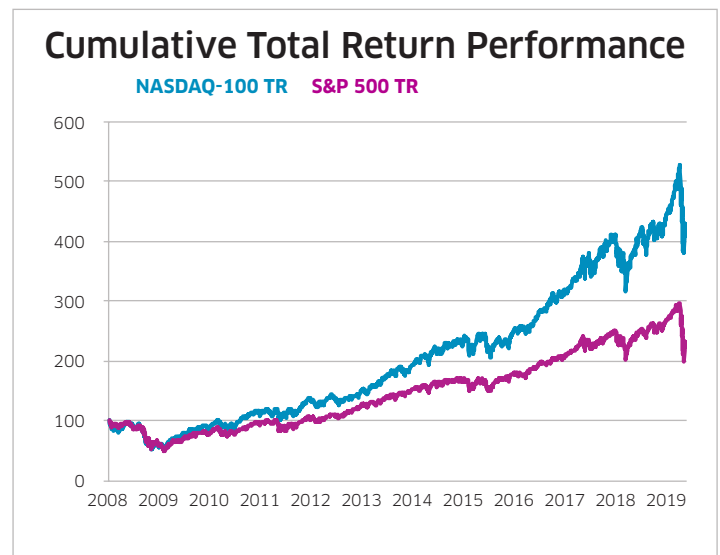
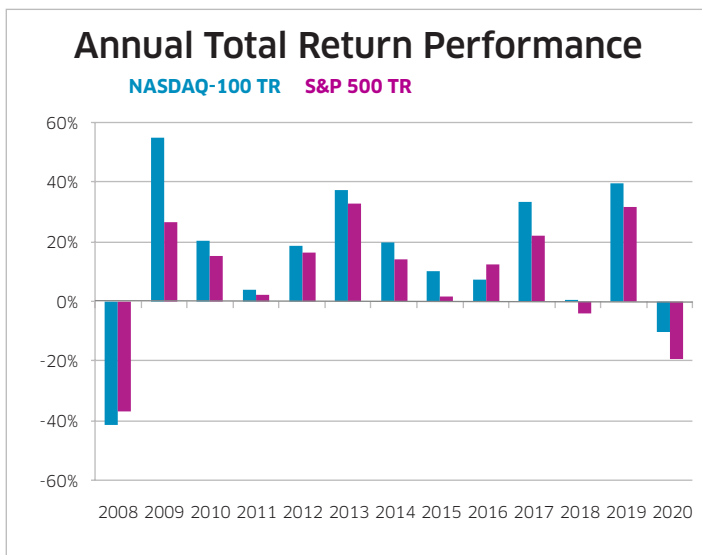


When Performance Matters:

Nasdaq-100 vs. S&P 500

Nasdaq Global Information Services

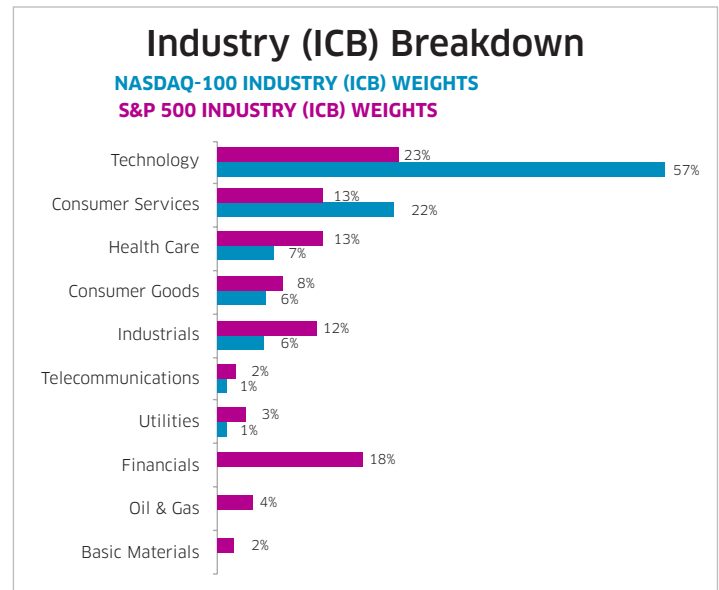
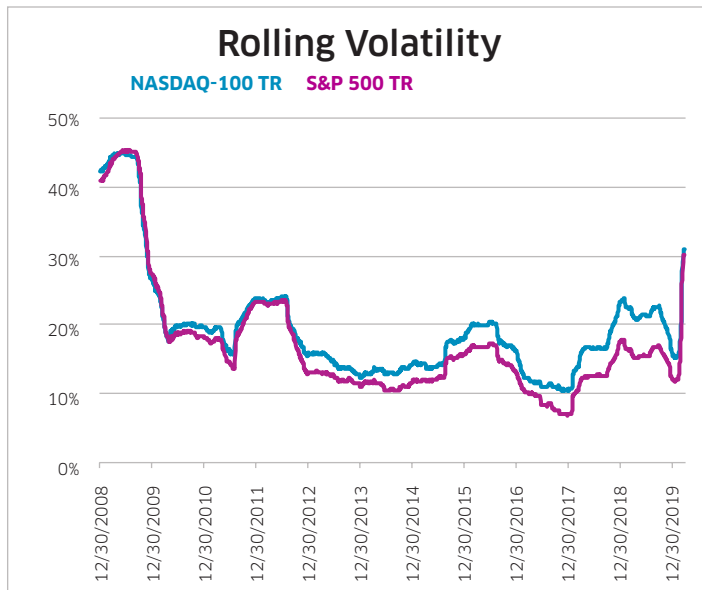
The Nasdaq-100 and S&P 500 are two of the most popular equity indexes in the US. The Nasdaq-100 is heavily allocated towards top performing industries such as Technology, Consumer Services, and Health Care, which have helped the Nasdaq-100 outperform the S&P 500 by a wide margin between Dec. 31, 2007 and March 31, 2020. Below is a comparison of annual total returns - which reinvest dividends - between each index. The Nasdaq-100 TR Index has outperformed 10 out of the 12 years in our study.



Historic Performance

The table below and the charts above display historical performance figures for both the Nasdaq-100 TR and the S&P 500 TR between Dec. 31, 2007 and March 31, 2020. Despite recent overall market volatility, the Nasdaq-100 TR Index has maintained cumulative total returns of approximately 2.5 times that of the S&P500 TR Index.

	NASDAQ-100 TR	S&P 500 TR
Cumulative Return	327%	128%
Annualized Return	12.6%	7.0%
Annualized Volatility	23%	21%



Rolling Volatility (One Year)

One year rolling volatility (calculated by taking the standard deviation of daily returns, annualized) was 94% correlated between Dec. 31, 2007 and March 31, 2020, when comparing the two indexes. Given the large exposure the Nasdaq-100 has towards Technology, the ability for the Nasdaq-100 to closely track the volatility of the S&P 500 is rather impressive.

Current Industry Weights

We can see important differences between the Nasdaq-100 and the S&P 500 as of Dec. 31, 2019. As mentioned previously, the largest allocations to both Technology and Consumer Services helped propel the Nasdaq-100 Index to a new all-time high on February 19, 2020, while also driving continued outperformance throughout the duration of 1Q'20. The Nasdaq-100 finished the quarter with a loss of 10.3%, nearly 50% smaller than the S&P 500 loss of 19.6%

This most recent outperformance mirrors what occurred in the last major market downturn in 4Q'18. For 2018 as a whole, the Nasdaq-100 outperformed the S&P 500 by more than 4% and maintained its streak of positive annual total returns dating back to 2009.

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 for almost 12 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. Given the way technology is influencing the world and making companies more efficient, this trend is more than likely to continue going forward.

Sources: Nasdaq Indexes, Bloomberg

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