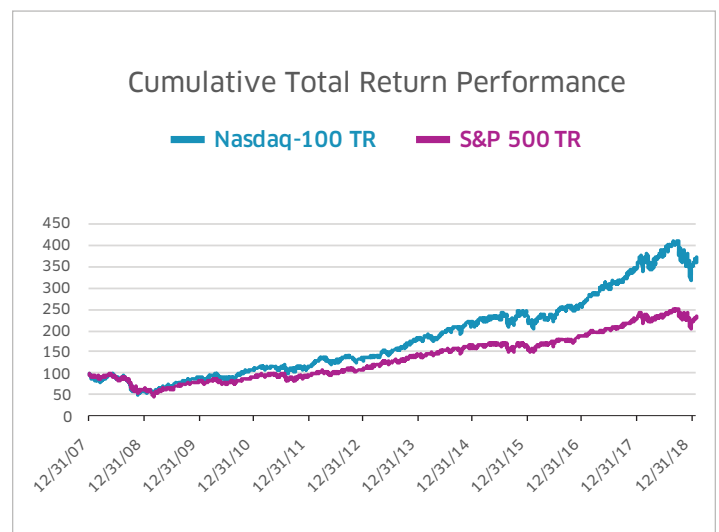
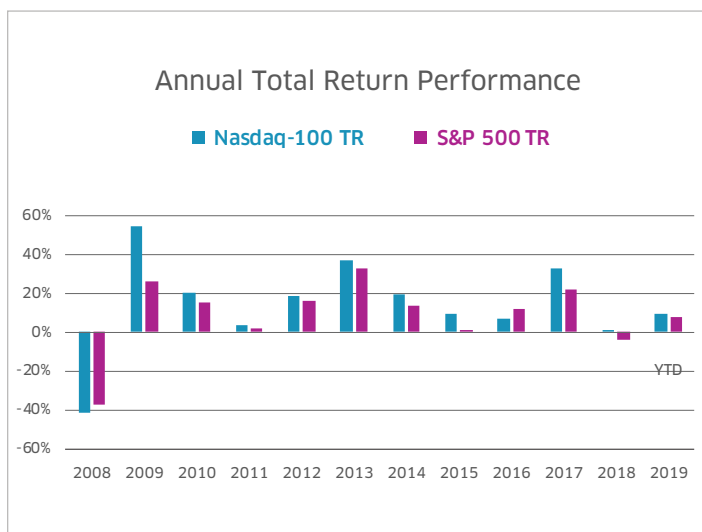


Nasdaq-100 vs. S&P 500

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

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 December 31, 2007 and January 31, 2019. 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 and charts below display historical performance figures for both the Nasdaq-100 TR and the S&P 500 TR between December 31, 2007 and January 31, 2019. The Nasdaq-100 TR Index more than double the cumulative total return, on just slightly higher volatility.

	NASDAQ-100 TR	S&P 500 TR
Cumulative Return	272%	133%
Annualized Return	13%	8%
Annualized Volatility	22%	20%

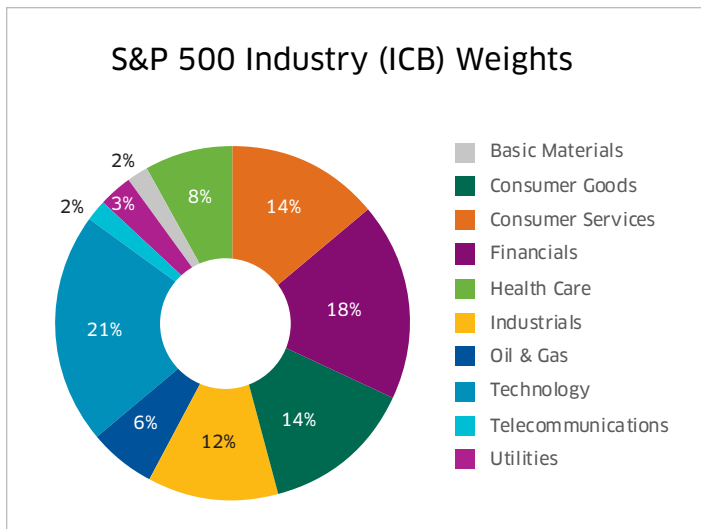
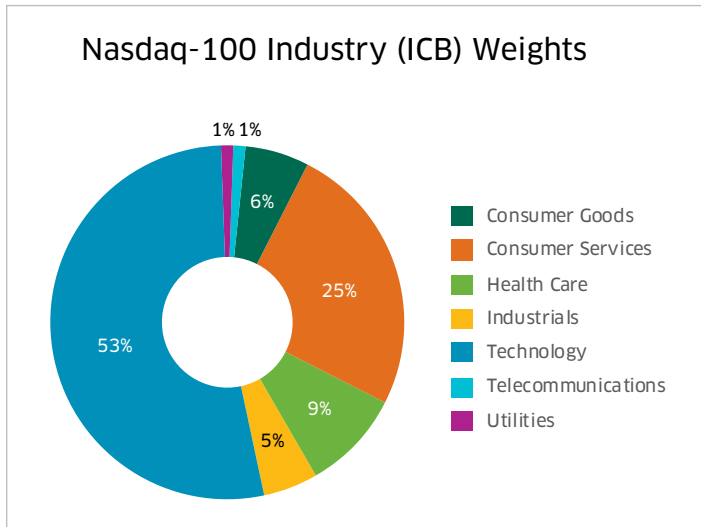
Current Industry Weights

JANUARY 31, 2019

We can see important differences between the Nasdaq-100 and the S&P 500 as of January 31, 2019. As mentioned previously, the largest allocations in the Nasdaq-100 are geared towards Technology (53%), Consumer Services (25%), and Health Care (9%). The large allocations to both Technology and Consumer Services have helped propel the Nasdaq-100 Index to a new all-time high as of the close on August 29, 2018.

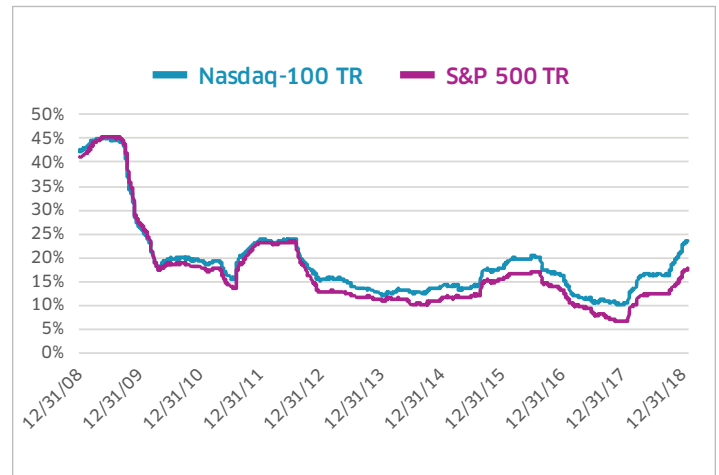
Despite the sharp drop in the market from October to December 2018, the Nasdaq-100 still outperformed the S&P 500 by 4% in 2018 and by 1% in January 2019 from a total return standpoint.

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



Rolling Volatility (One Year)

One year rolling volatility (calculated by taking the standard deviation of daily returns, annualized) was 93% correlated between Dec 31, 2007 and January 31, 2019, 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.



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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