

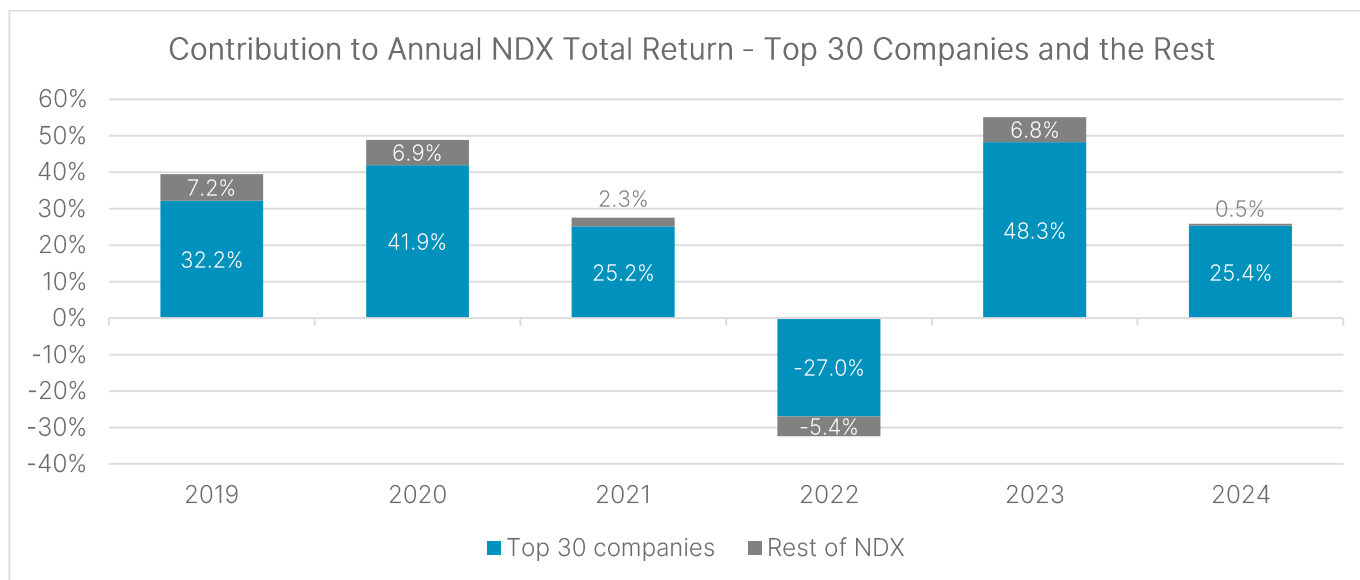
# Unlocking Mega-Cap Growth with the Nasdaq-100 Top 30™

David Tsoi, CFA, CAIA, FRM, CESGA, CAMS, *Nasdaq Index Research*

The largest corporations today have driven transformative technological advancements, fueling economic shifts and achieving sustained, robust earnings growth. The current AI boom is propelled by highly profitable, established tech giants. The vast resources, access to low-cost capital and cutting-edge technological expertise of mega-cap tech firms empower them to increase rising capital expenditures, driving innovation to meet growing AI demand and sustain a formidable competitive advantage. These firms also typically possess more diversified operations than smaller entities, exhibiting greater resilience amid economic volatility.

## The largest companies have been major drivers of the Nasdaq-100® in recent years

Since its launch in 1971, the Nasdaq Stock Market® has consistently attracted influential and pioneering companies worldwide. 8 of the world's 10 largest public companies are listed on Nasdaq.<sup>1</sup> Nasdaq-listed mega-cap stocks have fueled the majority of the US equity market's robust gains in recent years. From 2019 to 2024, the average aggregate weight of the largest 30 companies in the Nasdaq-100 Index® (NDX®) was 77%, and they contributed 88% of the index's total return on average. Last year, the top 30 companies contributed 98% of the index's performance.



Source: Nasdaq Global Indexes, Bloomberg.

<sup>1</sup> Source: Bloomberg. As of June 30, 2025.

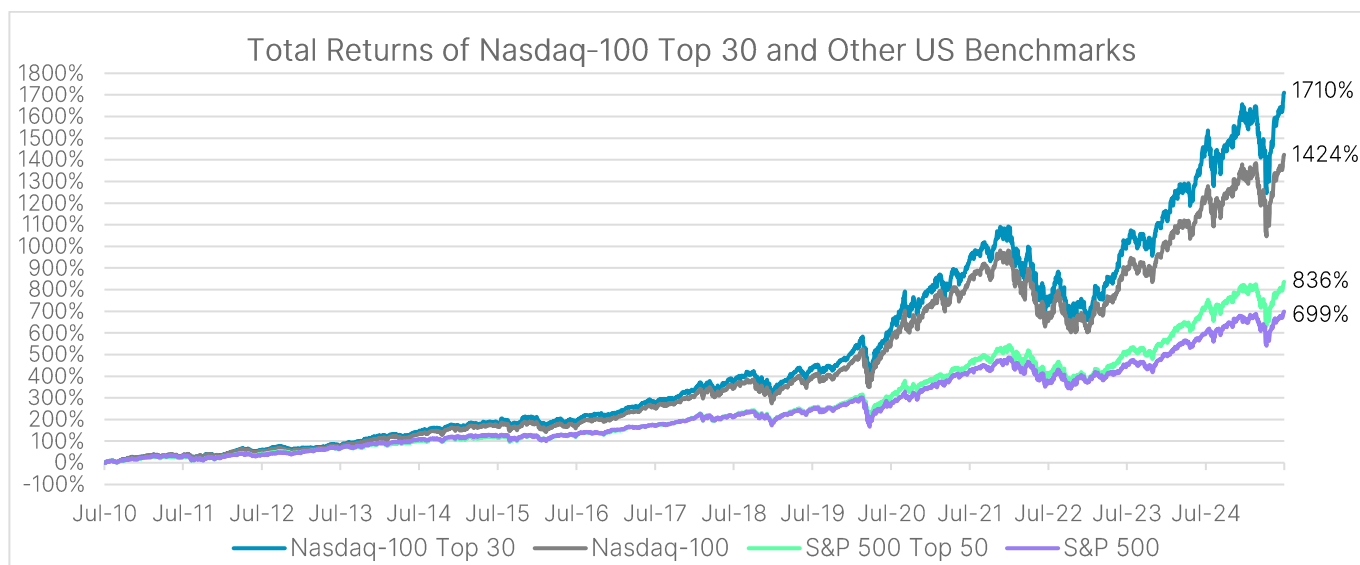
## Nasdaq-100 Top 30™ Index (NDX30™)

Launched on August 26, 2024, the Nasdaq-100 Top 30™ Index (NDX30™) is designed to track the performance of the top 30 companies from NDX and employs a modified market capitalization-weighted scheme. The final index weights are calibrated so that no individual constituent surpasses 22.5%, and the combined weights of constituents above 4.5% do not exceed 48%. The index is reconstituted and rebalanced every quarter in March, June, September and December. Constituents removed from NDX are dropped from NDX30 simultaneously and are not replaced until the next quarterly reconstitution. For the full index methodology, please visit our [website](#).

### Comparing NDX30 with other US benchmarks

Over the past 15 years, the total return of NDX30 has reached 1,710%, representing more than double the performance of the S&P 500 Top 50 (SP5T5) and over 2.4 times that of the S&P 500. NDX30 outpaced SP5T5 in 11 out of the past 15 full calendar years from 2010 to 2024, with particularly pronounced outperformance of over 23 percentage points in 2020 and 2023. As of June 30, 2025, approximately two-thirds of SP5T5's holdings by weight are NDX30 components, which serve as the primary drivers of its returns. 8 of the top 10 contributors to SP5T5's performance over the past 5 years were NDX30 constituents.<sup>2</sup>

NDX30 achieved a total return of 8% in the first half of this year, surpassing both the SP5T5 (5%) and the S&P 500 (6%). The Liberation Day tariff announcement on April 2 triggered a sharp market downturn, as the reciprocal tariff package exceeded expectations. In times of heightened volatility, markets often overreact and indiscriminately penalize strong and weak companies alike. This phenomenon can create attractive long-term opportunities for investors who remain patient and focused on fundamentals. Following the April 8 lows, NDX30 has rallied by 34% through the end of Q2, outpacing the SP5T5 (28%) and the S&P 500 (25%) over the same period. A resurgence in investor confidence, coupled with a robust earnings season, has driven the recovery in mega-cap tech stocks.



Source: Nasdaq Global Indexes, Bloomberg. For the period from June 30, 2010 to June 30, 2025.

NDX30 has delivered a notable 21.3% annualized return over the past 15 years, outpacing SP5T5 by 32%. NDX30 also exhibited a superior Sharpe ratio of 0.93, while maintaining a comparable maximum drawdown profile to NDX and the S&P 500.

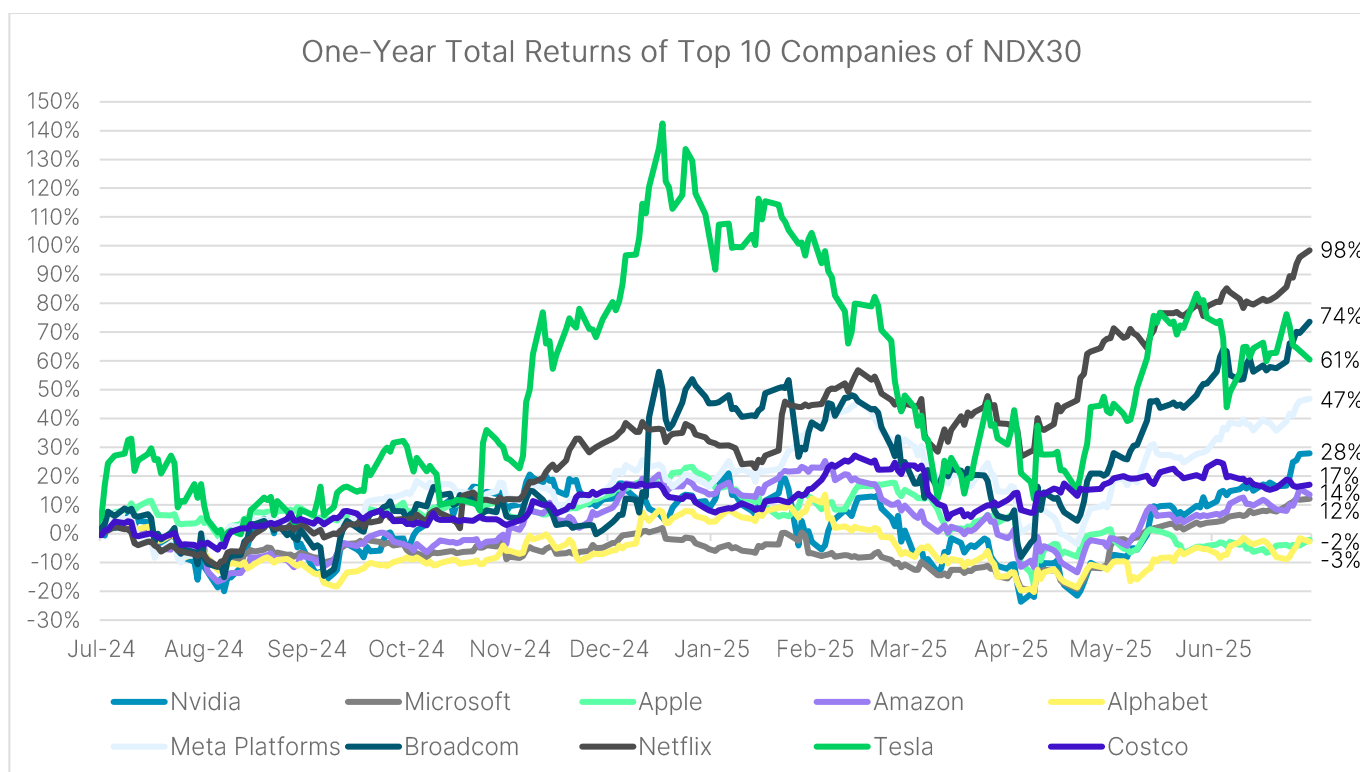
<sup>2</sup> Source: Bloomberg. For the period from June 30, 2020 to June 30, 2025.

Name of Index	Annualized Total Return	Annualized Volatility	Maximum Drawdown	Sharpe Ratio
Nasdaq-100 Top 30	21.3%	21.4%	36%	0.93
Nasdaq-100	19.9%	21.0%	35%	0.88
S&P 500 Top 50	16.1%	17.9%	30%	0.82
S&P 500	14.9%	17.4%	34%	0.77

Source: Nasdaq Global Indexes, FactSet. For the period from June 30, 2010 to June 30, 2025. The average yield on US Treasury securities at 1-year constant maturity for the entire period (1.49%) is used as the risk-free rate to calculate Sharpe ratios.

## Top 10 companies of NDX30

The top 10 companies in the NDX30 held a combined weight of 69% as of the end of June 2025. 8 of these top 10 holdings posted positive total returns over the past 12 months, with the exceptions being Apple and Alphabet. On average, the top 10 firms achieved a 35% one-year total return.



Source: Nasdaq Global Indexes, FactSet. As of June 30, 2025. The total return of Alphabet's Class A shares (GOOGL) is shown.

Microsoft, the second-largest constituent with a weight of 11.8%, delivered an impressive total return of 33% in Q2 2025. The company's Q1 2025 results indicate its cloud unit is showing remarkable resilience in a turbulent economy, driven by robust growth in both AI and non-AI workloads. Azure and other cloud services revenue soared 33% in Q1, with AI services fueling nearly half of this growth. The company is equipping developers with tools for seamlessly building and integrating agentic AI into their products, workflows and organizations.<sup>3</sup> 90% of the Fortune 500 companies have already leveraged Copilot Studio to build AI agents and automations.<sup>4</sup>

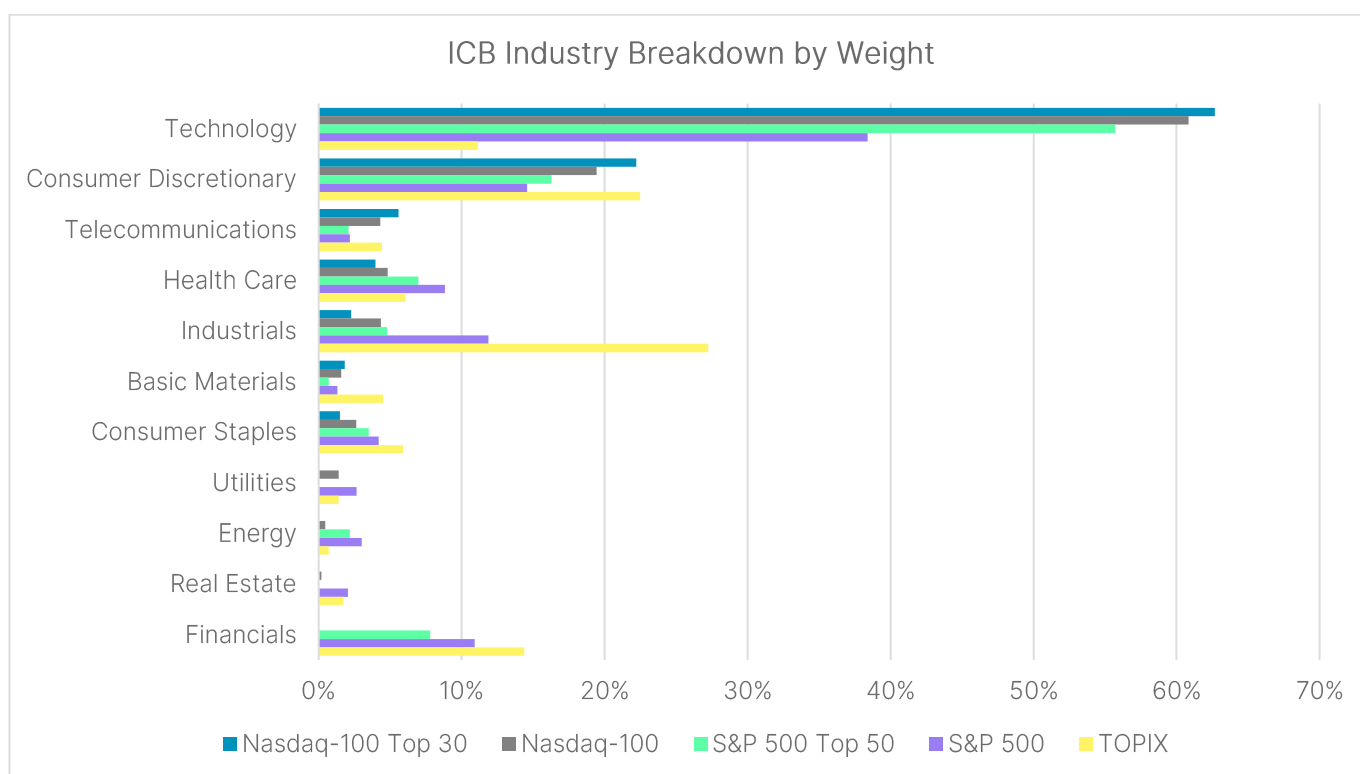
<sup>3</sup> <https://cdn-dynmedia-1.microsoft.com/is/content/microsoftcorp/TranscriptFY25Q3>

<sup>4</sup> <https://blogs.microsoft.com/blog/2025/05/19/microsoft-build-2025-the-age-of-ai-agents-and-building-the-open-agentic-web/>

Netflix achieved an outstanding total return of 98% over the past 12 months. With limited tariff impact and a burgeoning advertising business driving steady growth, investors view Netflix as a reliable choice amid significant economic uncertainty. Netflix has solidified its streaming supremacy, boasting over 700 million viewers worldwide. The company's operating margin has expanded to 32% in Q1 2025, up from 28% a year earlier.<sup>5</sup> Netflix is pivoting towards monetization, aiming to enhance offerings for both advertisers and subscribers. The streaming giant plans to invest US\$18 billion in content for 2025, marking an 11% rise from the previous year.<sup>6</sup>

## Portfolio composition

Today's economic growth is propelled by "new-economy" sectors, including technology, consumer discretionary and healthcare. Constituents within these three industries account for a substantial 89% of NDX30, surpassing the 79% representation in SP5T5 and 62% in the broader S&P 500. Moreover, technology firms comprise a significant 63% of NDX30 components by weight, outpacing SP5T5 by 7 percentage points.



Source: Nasdaq Global Indexes, Bloomberg. As of June 30, 2025.

## Diversifying beyond domestic sector constraints

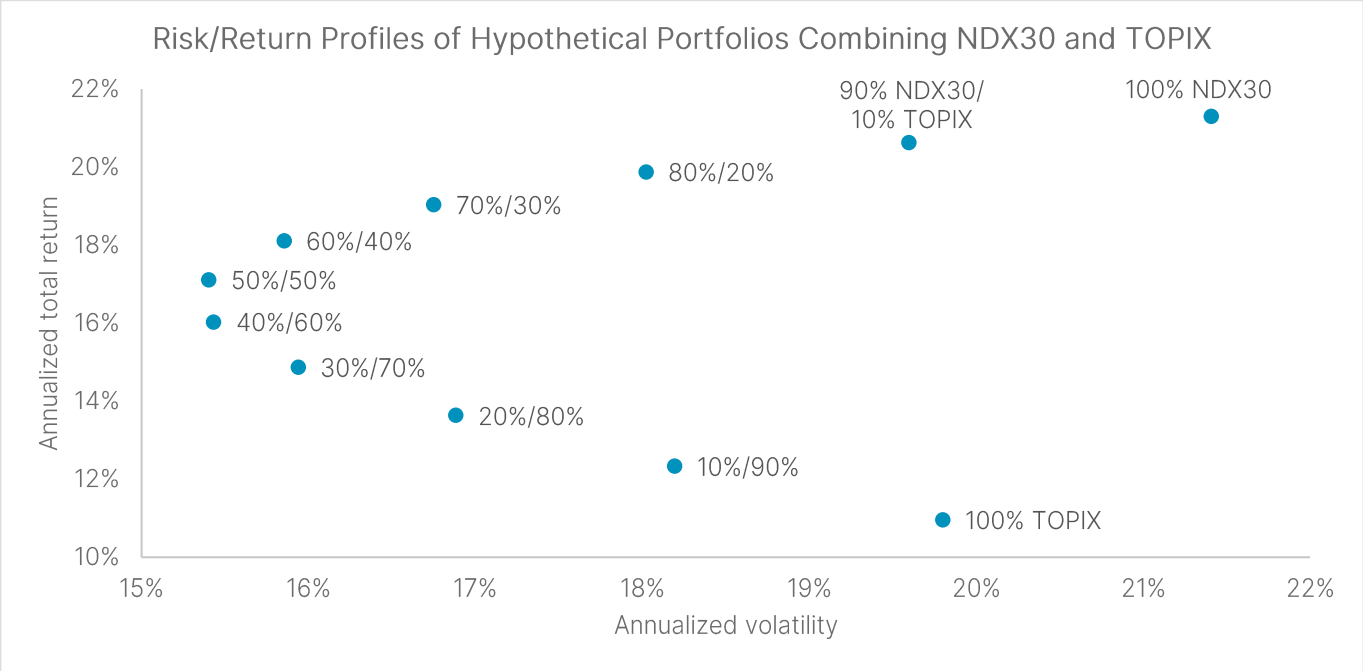
For non-US investors with limited local exposure to "new-economy" sectors, adding US mega-cap stocks to their portfolios can enhance sector diversification and offset domestic sector imbalances. For instance, the Tokyo Stock Price Index (TOPIX) is widely recognized as the leading benchmark that reflects the performance of the Japanese equity market. The index has a relatively low technology representation of only 11%, as it is predominantly weighted towards industrials (27%), consumer discretionary (22%) and financials (14%).<sup>7</sup>

<sup>5</sup> Source: Company reports.

<sup>6</sup> <https://variety.com/2025/digital/news/netflix-content-spending-2025-ceiling-cfo-1236328510/>

<sup>7</sup> By ICB Industry. Source: Bloomberg. As of June 30, 2025.

The chart below presents the annualized total return and volatility profiles for various hypothetical portfolios blending NDX30 and TOPIX over the past 15 years. The portfolio with a 60% allocation to NDX30 and a 40% allocation to TOPIX achieved the highest Sharpe ratio, delivering an impressive annualized return of 18.1% while maintaining an annualized volatility of 15.9%. With the distinct macroeconomic drivers influencing these two markets, incorporating US mega-cap exposure typically helps Japanese investors enhance their risk-adjusted return profiles.



Source: Nasdaq Global Indexes, Bloomberg. For the period from June 30, 2010 to June 30, 2025.

Conclusion

The Nasdaq-100 Top 30 Index (NDX30) provides a precise gauge of mega-cap stocks in "new-economy" sectors, meeting the need for an index that tracks the most dominant and impactful companies listed on the Nasdaq Stock Market.

Relevant ETF (Ticker)	Underlying Index	Domicile
iShares Nasdaq Top 30 Stocks ETF (QTOP)	Nasdaq-100 Top 30 Index (NDX30)	US
iShares Nasdaq Top 30 ETF (392A)	Nasdaq-100 Top 30™ Index JST Fixing JPY (NDX30JF™)	Japan

Disclaimer:

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