

# Nasdaq-100 High Beta™ Index (NDXHB™): Amplified Exposure to the Nasdaq-100 Index® (NDX®) *Without Using Leverage*

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## Executive Summary

The Nasdaq-100 High Beta Index selects the 25 companies from NDX whose stocks have the highest beta<sup>1</sup> to NDX. Thus, NDXHB returns are exaggerated relative to NDX while still being a long only, equity index. This may be beneficial for investors who want amplified systematic exposure to the Nasdaq-100 Index without having to utilize derivative contracts or employ leverage.

Key attributes of NDXHB:

- **Higher systematic exposure to NDX:** By selecting higher beta stocks, NDXHB will typically have returns that are larger than NDX in both the positive and negative direction.
- **Long only, equity holdings:** The index is comprised of only long positions in equity holdings. There are no derivatives or leverage used in NDXHB.
- **NDX constituents form the basis for NDXHB:** NDXHB constituents are selected from NDX thereby ensuring that they go through the same index selection process as NDX.

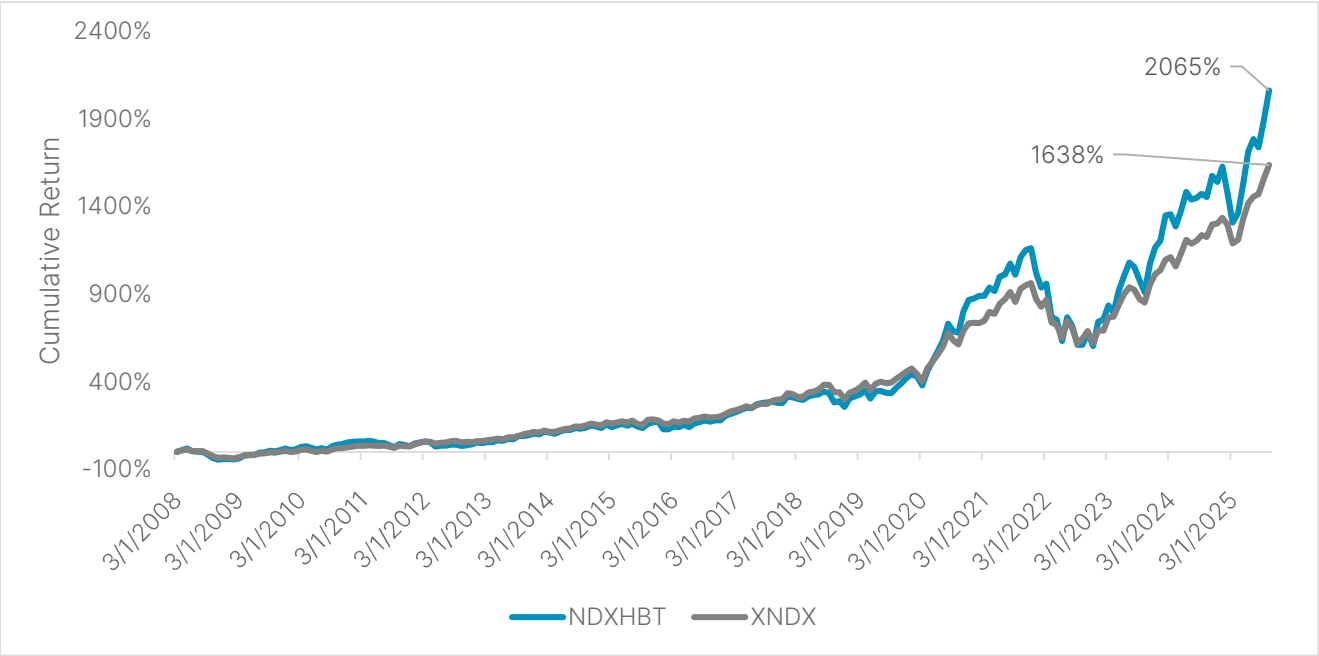
## Performance

From the start of the backtested period (March 28, 2008) for the Nasdaq-100 High Beta Total Return™ Index (NDXHBT™) through October 31, 2025, its cumulative return has been 2065% or 19.10% on an average annualized basis. This compares to 1638% or 17.62% for the Nasdaq-100 Total Return™ Index (XNDX™), respectively.

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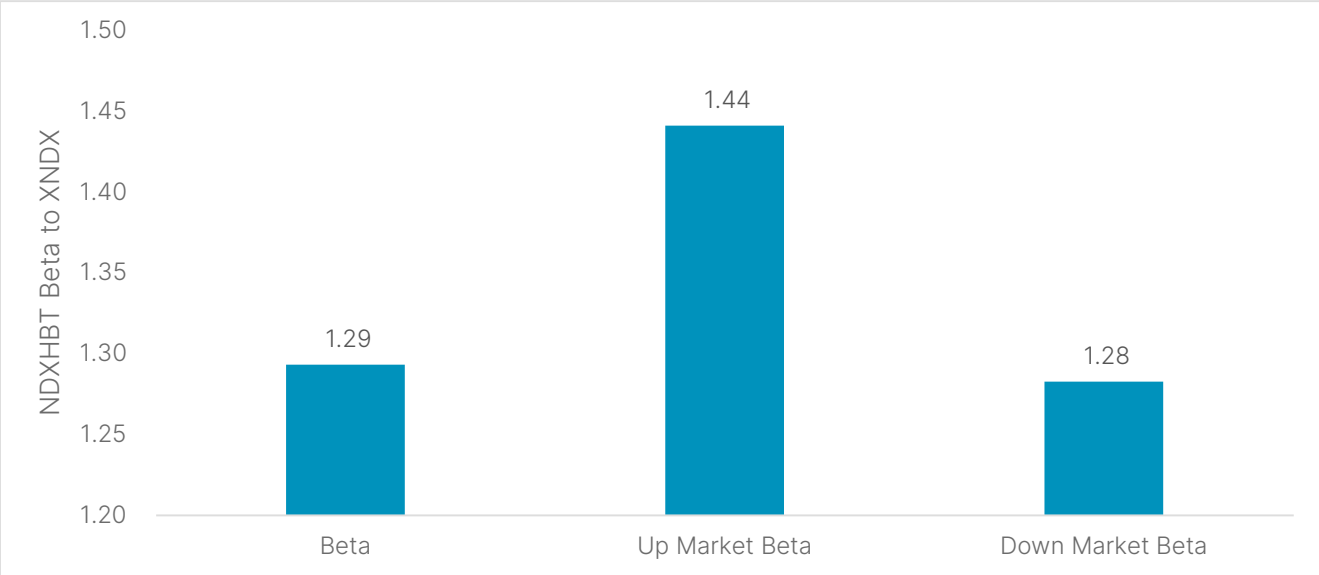
<sup>1</sup> Beta is a measure of the systematic risk of a security. It is calculated as the covariance of the security with the market divided by the variance of the market. Mathematically, Beta is  $\text{Covariance (Stock, Market)} / \text{Variance (Market)}$ .

Cumulative Return of NDXHBT vs XNDX



The beta for NDXHBT relative to XNDX is 1.29. This means that NDXHBT has had a systematic return of 1.29X the return of XNDX (not including company specific performance). Dividing the data set into positive months and negative months (as defined by XNDX), the beta values for NDXHBT are 1.44 and 1.28, respectively meaning that NDXHBT has a higher systematic exposure to XNDX during up markets than during down markets.

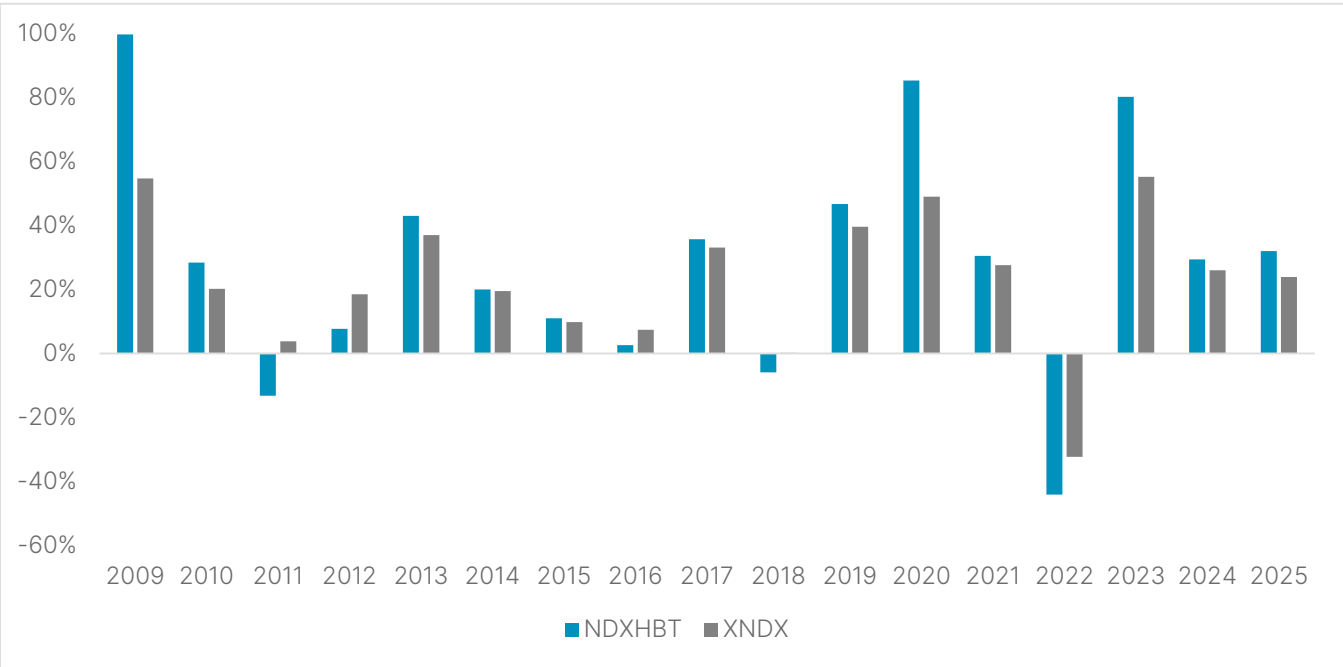
Beta of NDXHBT vs XNDX



As would be expected from a higher beta strategy, the annualized standard deviation for NDXHBT (25.39%) is higher than XNDX (18.61%).

Looking at the calendar year returns; the consistency of the larger performance moves in both directions for NDXHB becomes readily apparent. In 15 out of the 17 years (including year-to date through Oct 31, 2025), the absolute value of returns for NDXHBT is greater than the absolute value of returns for XNDX. That is to say, Nasdaq-100 High Beta typically has higher returns than NDX when the latter is positive, but lower returns when NDX is negative.

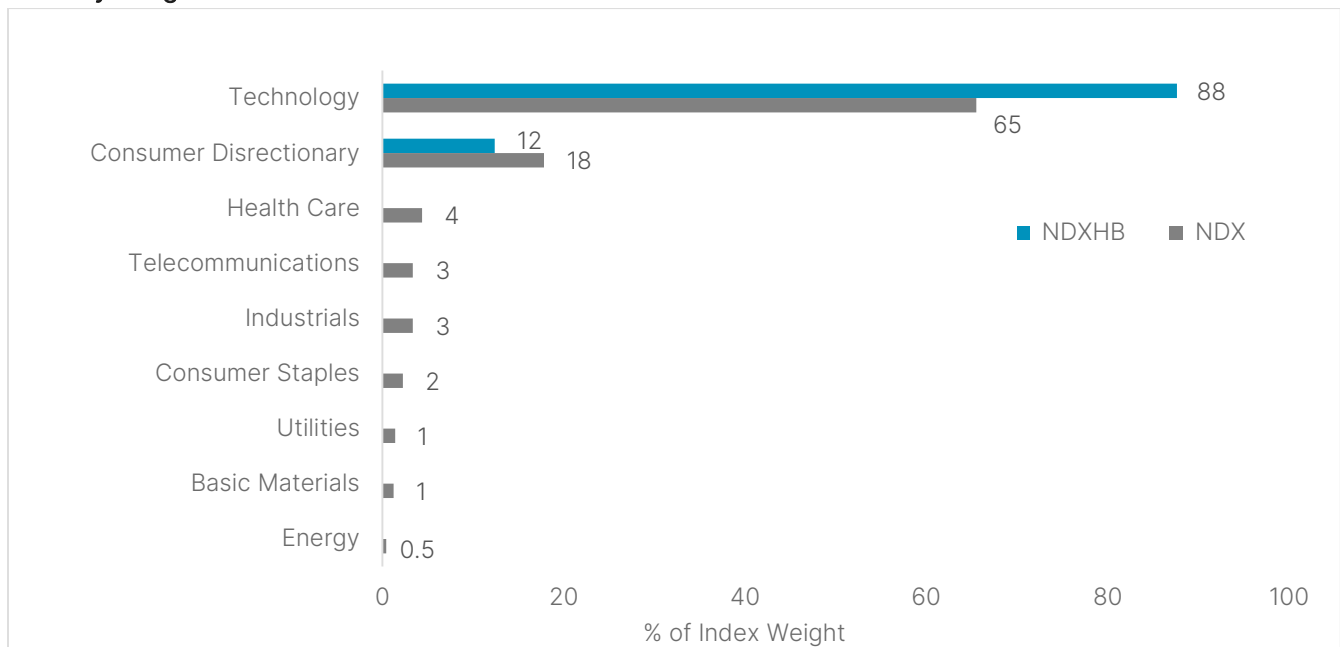
Calendar Year Returns of NDXHBT vs XNDX



Holdings

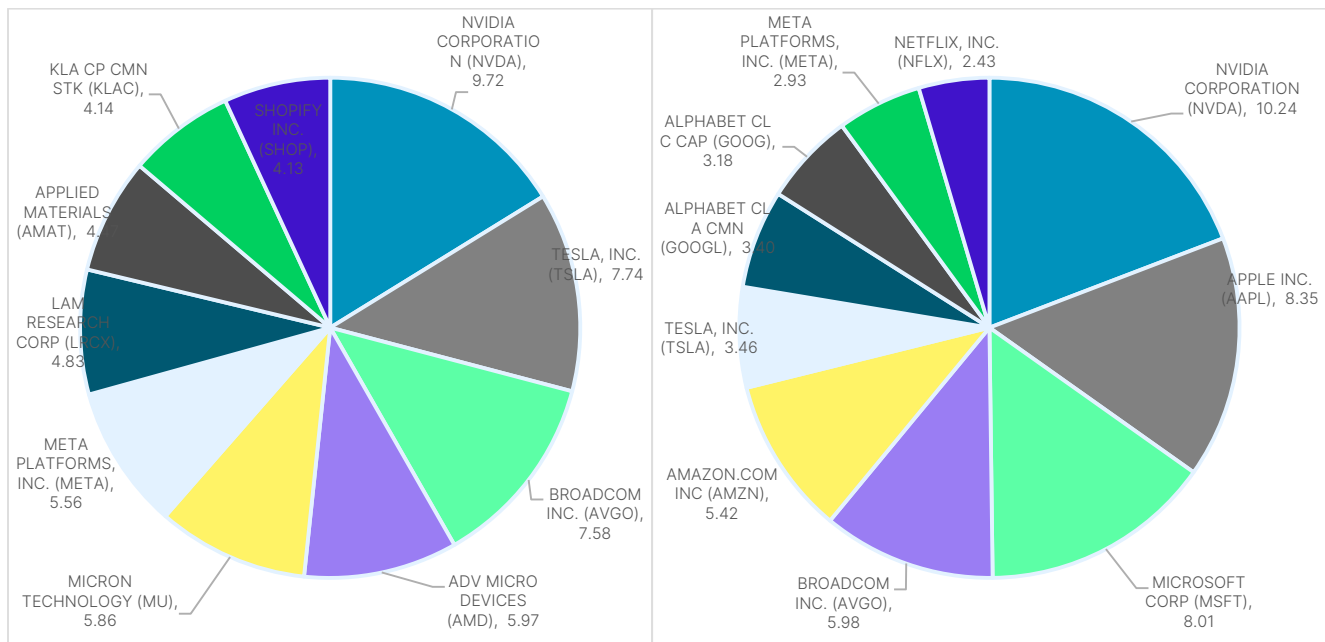
With 25 high beta companies in the index, NDXHB has a greater concentration in the Technology industry at 88% vs 65% for NDX according to the ICB Industry classification. The rest of the companies are in the Consumer Discretionary industry.

## Industry Weights for NDXHB vs NDX



The top 10 holdings account for 60% of NDXHB.

The top 10 holdings account for 53% of NDX.



While NDXHB contains many of the top holdings in NDX, Apple (Nasdaq: AAPL), Microsoft (Nasdaq: MSFT), Amazon (Nasdaq: AMZN) and Alphabet (Nasdaq: GOOG & GOOGL) are notable exceptions. Each ranks in the top 10 of NDX by weight but are not included in NDXHB as their beta values do not place in the top 25 of NDX.

## Conclusion

The Nasdaq-100 High Beta Index is a more concentrated version of the Nasdaq-100 Index that selects the 25 companies from the Nasdaq-100 that have the highest beta. This effectively creates an index whose performance is typically a multiple of NDX, though the multiple will vary through time. This is all accomplished without the use of derivatives resulting in an index that appears leveraged from a performance perspective but is comprised of only long positions in equities.

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