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BMO Global Asset Management

Nasdaq 100 – A Closer Look

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TODAY'S SPEAKERS



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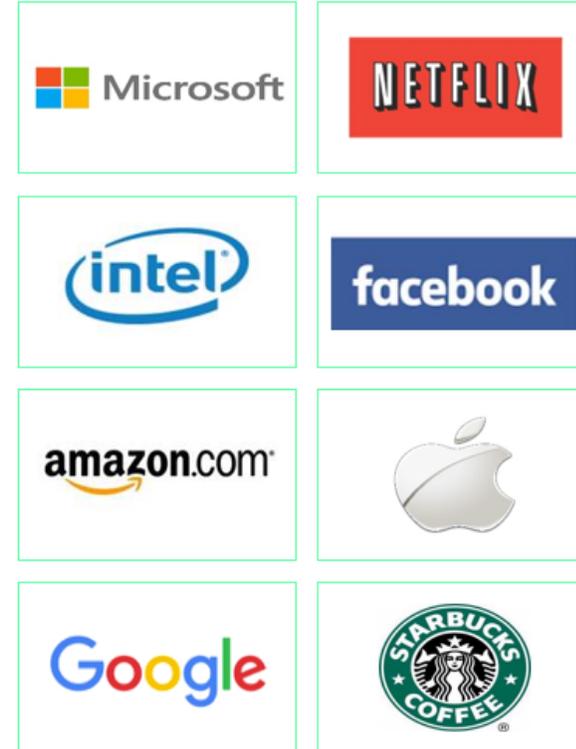


Nasdaq-100 Index: Overview

The disruptors; the game-changers; the forward-thinkers.

Companies that influence our lives daily, in multiple areas.

- GE, Chicago Gas Company, American Sugar Company, and the other original Dow Industrials accelerated the growth of the US economy at the turn of the 20th century, and helped spur its transformation from agricultural to industrial.
- By mid-century, GE was still one of the nation’s 10 largest companies by market cap, joined by the automakers (GM/Ford/Chrysler), Big Oil (Exxon Mobil, Texaco, Gulf Oil), and other large, diversified industrial companies like DuPont.
- At the turn of the 21st century, the Internet/Tech Bubble heralded the transformation of the economy from industrial to technological; from analog to digital; from hardware to software.
- Today, Apple, Amazon, Google, Facebook and Microsoft have become global leaders in the technology sector by creating products and services that are essential to both individual consumers and enterprise customers. From software, computing, and communications, to entertainment, advertising, and e-commerce, their platforms represent the new “diversified industrials” of the 21st century.
- Beyond the biggest names, companies like Intel and Netflix specialize in narrower applications of technology, while the rest of the Nasdaq-100 encompasses innovation-driven companies in other sectors, like Starbucks.



Source: NASDAQ

Any trading symbols, entities or investment products displayed are for illustrative purposes only and are not intended to portray recommendations.

NASDAQ 100 OVERVIEW

- WHAT IS THE NASDAQ 100
- PERFORMANCE
- HISTORICAL VOLATILITY
- PERFORMANCE VS INTEREST RATES
- R&D
- GETTING EXPOSURE

What is the Nasdaq-100®?



Unique among US equity benchmarks, it is the only major exchange-driven index with substantial AUM in the US ETF industry (>\$200B)

Not a “pure Tech” index, other major sector exposures (per ICB) include Consumer Discretionary (19%) and Healthcare (7%)

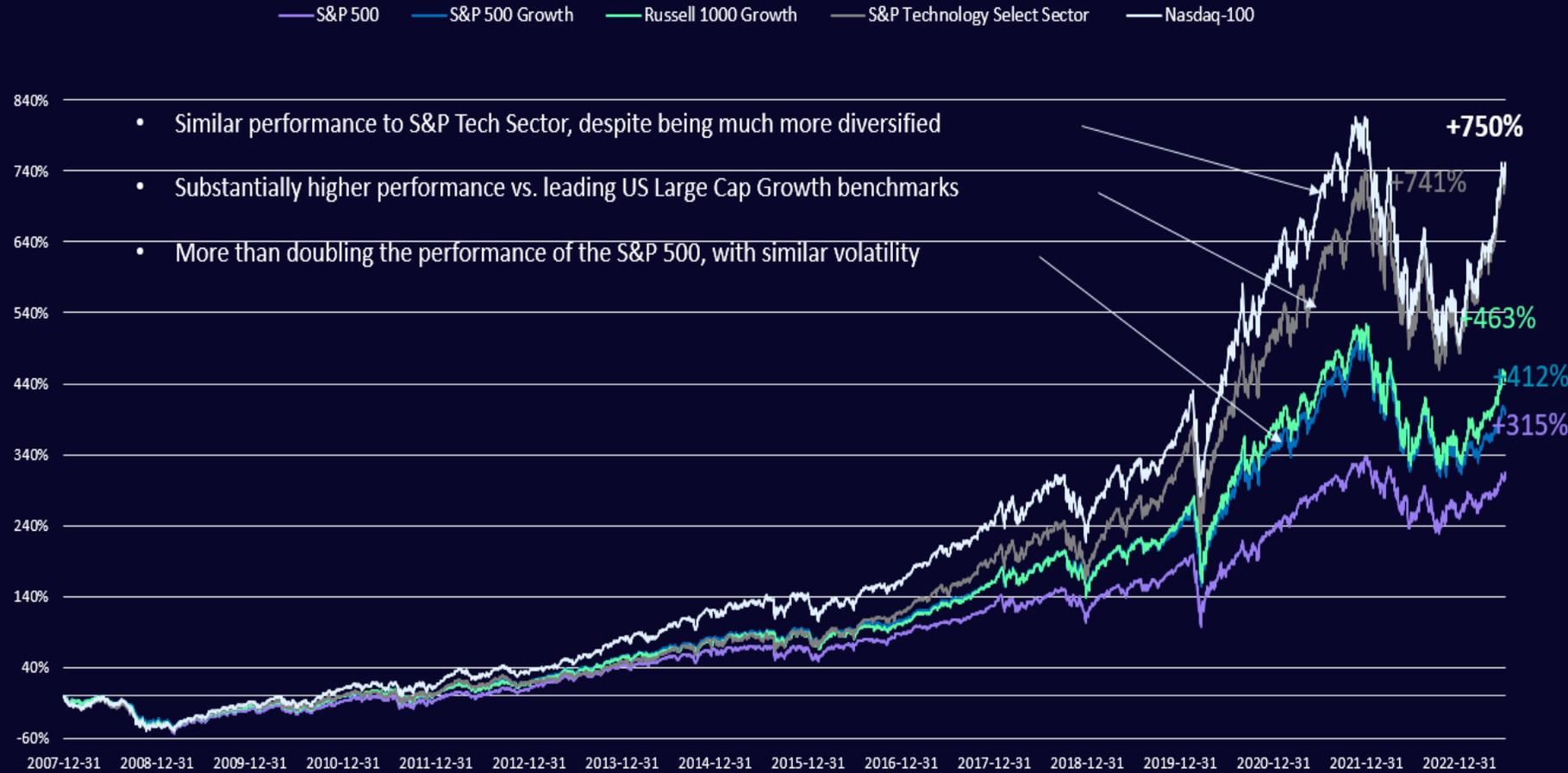
Not a “pure Growth” index, although it is disproportionately exposed to highly innovative, fast-growing large cap companies

Includes 8 internationally-domiciled constituents with US listings, such as AstraZeneca, ASML, Lululemon, & Atlassian

Source: Nasdaq, FactSet, Bloomberg. Data as of 7/24/2023

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Nasdaq-100's Long-Run Performance is Unrivalled



NASDAQ 100 OVERVIEW WHAT IS THE NASDAQ 100

PERFORMANCE

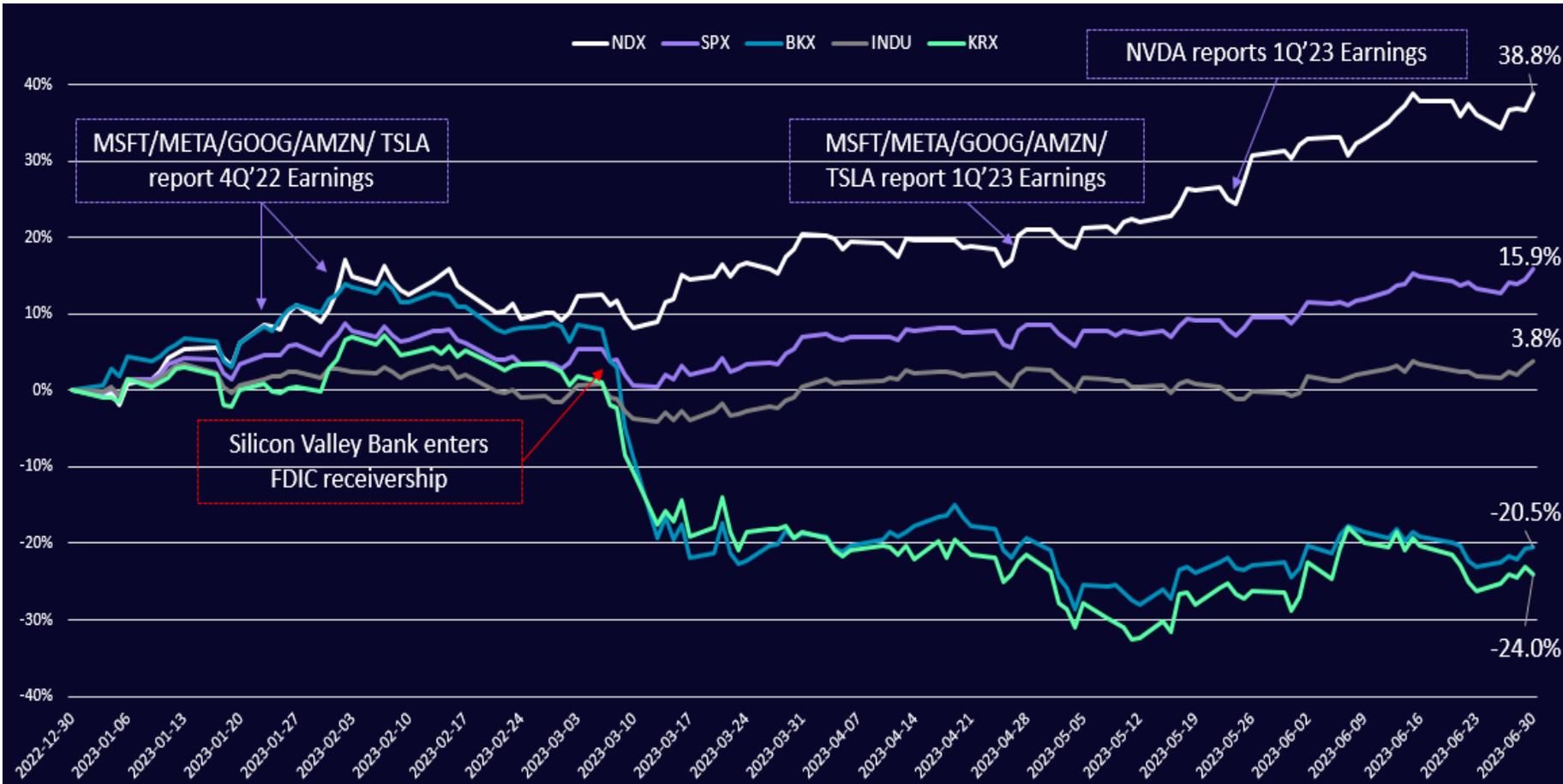
HISTORICAL VOLATILITY PERFORMANCE VS INTEREST RATES

R&D

GETTING EXPOSURE

Source: Nasdaq, Bloomberg. Total return versions of each index shown. Data as of 6/30/2023.

Nasdaq-100: YTD' 23 Performance vs. Benchmarks



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WHAT IS THE NASDAQ 100

PERFORMANCE

HISTORICAL VOLATILITY
PERFORMANCE VS INTEREST RATES

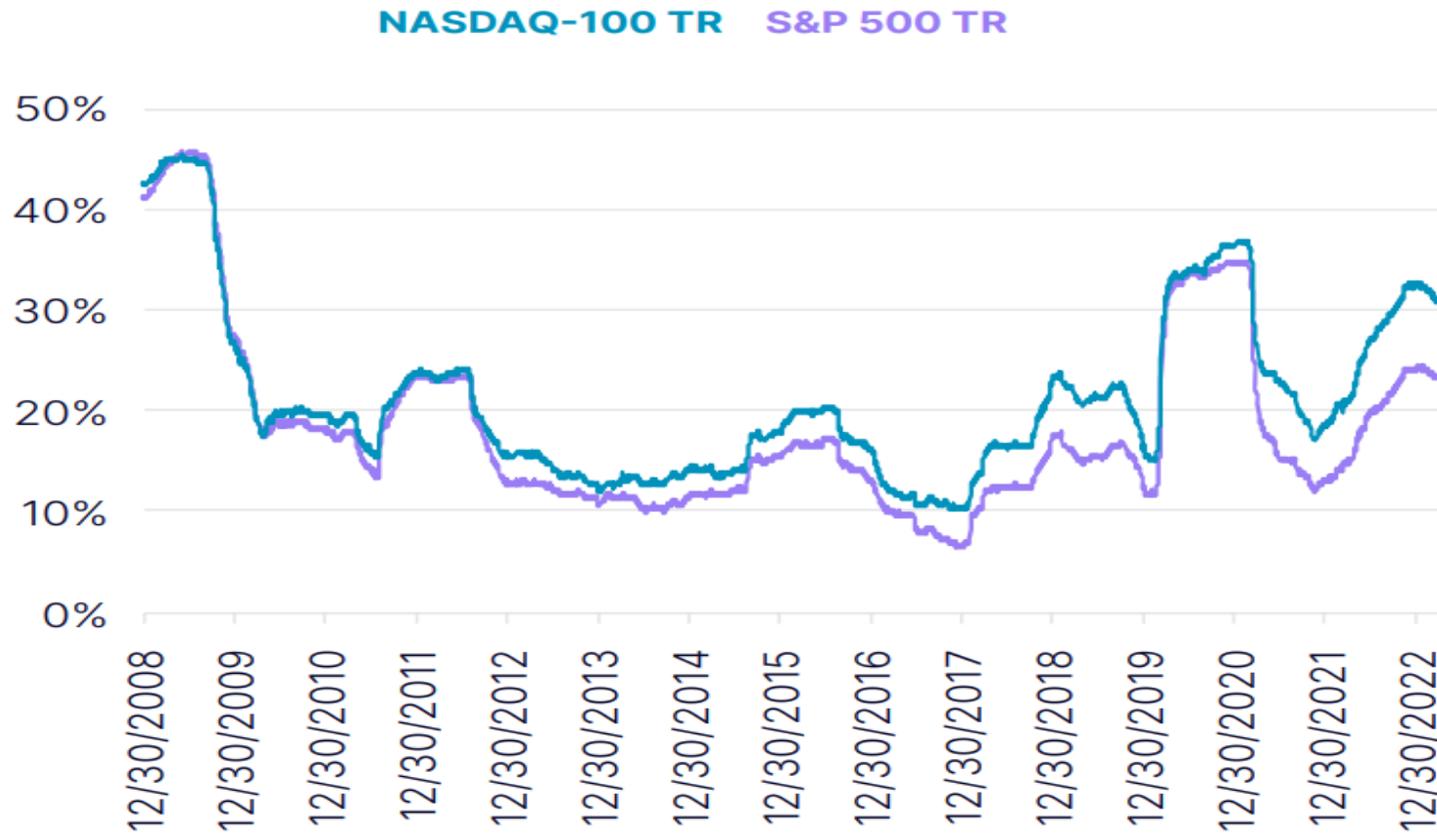
R&D

GETTING EXPOSURE

Source: Nasdaq, Bloomberg. Data as of 6/30/2023. Performance data based on price return versions of each index.

Historical Volatility

Both the Nasdaq-100 and the S&P 500 have had very similar volatility over last 15+ years

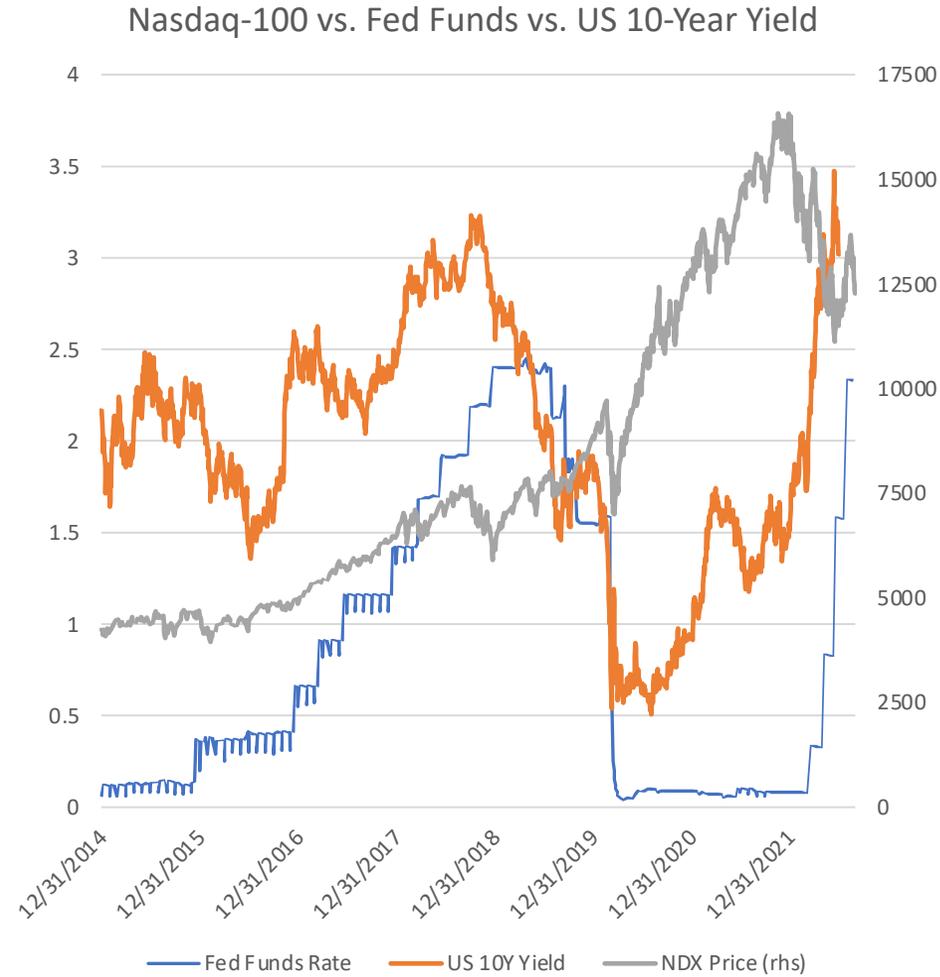


Source: Nasdaq, Data as of 12/31/2022.

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Performance vs. **Interest Rates**

- The last Fed rate hiking cycle began in December 2015, and consisted of 9 hikes of 25 bps each (total = 225 bps)
- The Nasdaq-100 dropped 23% during Q4 of 2018, until the Fed began telegraphing a pause in hikes
- In 2022, the Fed has started raising rates and committed to keep at it until inflation cooled



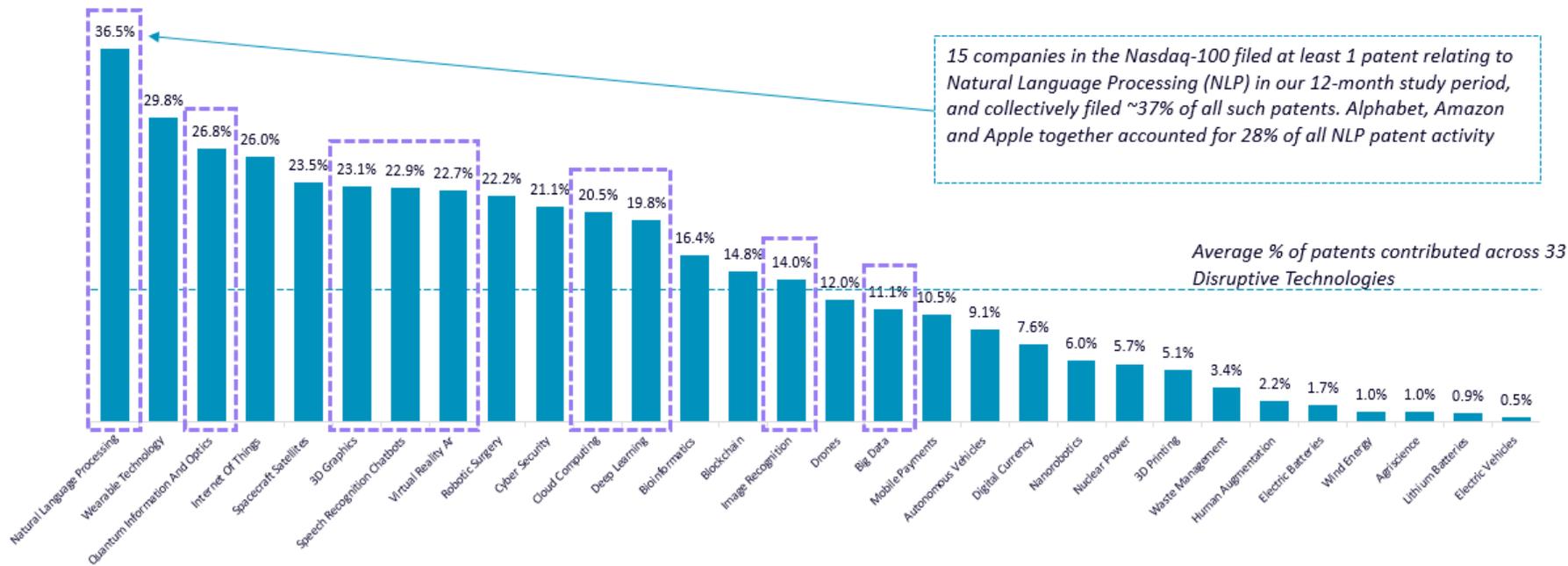
Source: Nasdaq, FactSet, Bloomberg. Data as of 8/31/2022.

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Disruptive Technology and R&D: Nasdaq-100

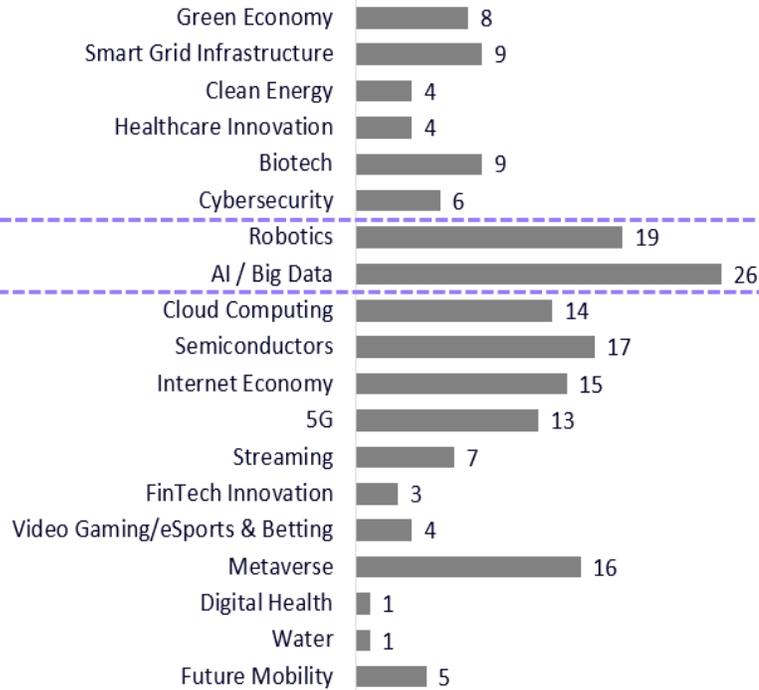
- 58 companies in the Nasdaq-100 (representing 82.2% of index weight) recently filed patents across one or more of 35 key areas of Disruptive Technology such as Artificial Intelligence, Clean Energy, or Blockchain



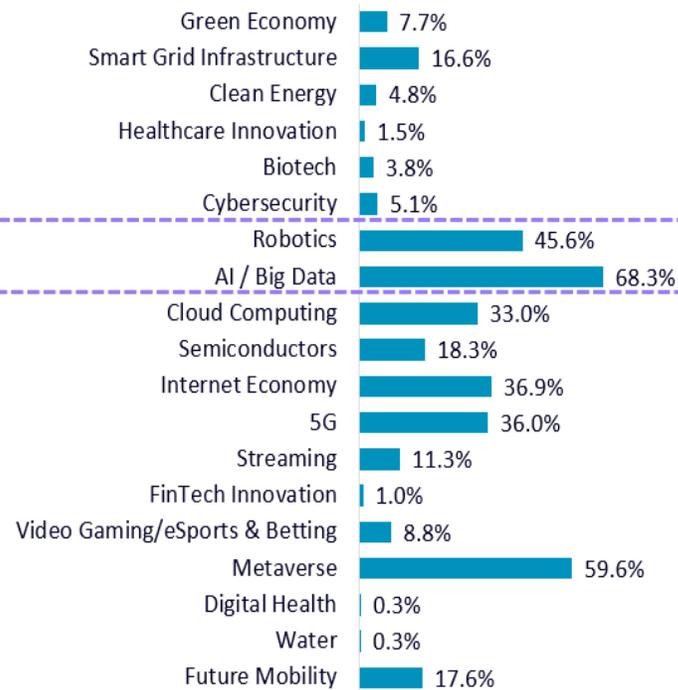
Source: Nasdaq. Patent data as of 5/31/2023. Index data as of 6/30/2023.

Nasdaq 100 by Thematic Exposures

of Constituents per Theme



Index Weight per Theme



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Source: Nasdaq, FactSet. Data as of 06/30/2023.

Based on overlap with existing Nasdaq Thematic Indexes, except for 5G, Streaming, and Video Gaming/eSports & Betting where competitor products were analyzed.



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