

## June 2025 Commentary

### Factor & Core Equity Product Strategy, ETFs & Index Strategies



#### About the index

- The Nasdaq 100 is one of the world's preeminent large cap growth indexes.
- The companies in the Nasdaq-100 include the largest non-financial companies listed on the Nasdaq Stock Market based on market capitalization.

### Overview

- In June, The Nasdaq-100 (NDX) returned 6.34% vs. 5.09% of the S&P 500.
- NDX's outperformance was driven by its overweight exposure in Technology and its underweight exposure and differentiated holdings in Consumer Staples.
- Conflict between Iran and Israel escalated during the 2<sup>nd</sup> and 3<sup>rd</sup> weeks of the month, which included U.S. involvement, with a ceasefire being agreed upon on June 24<sup>th</sup>.
- The Federal Open Market Committee (FOMC) met and kept the Federal Funds target rate between 4.25% - 4.50% citing that tariffs may cause inflation to rise in the upcoming months.
- The U.S. employment picture remained stable as Initial Jobless Claims remained under 250k in all four June readings.

### Sector Performance for June

#### ▲▲ Top Sectors by Absolute Performance

- Technology
- Real Estate
- Telecommunications

#### ▲▲ Top Sectors Contributing to Relative Performance vs. S&P 500

- Technology
- Consumer Staples
- Industrials

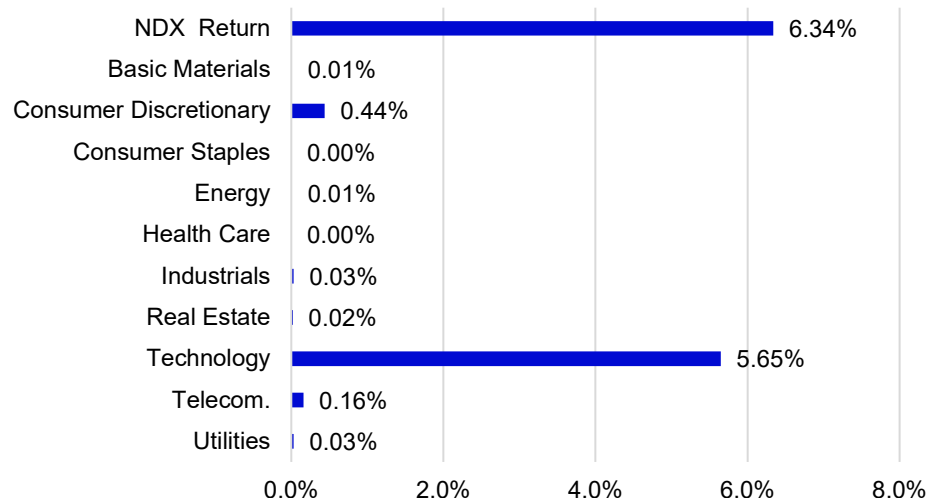
#### ▼▼ Bottom Sectors by Absolute Performance

- Health Care
- Consumer Staples
- Industrials

#### ▼▼ Bottom Sectors Detracting from Relative Performance vs. S&P 500

- Consumer Discretionary
- Telecommunications
- Basic Materials

### June Sector Returns by Contribution



Data: Bloomberg, L.P., as of 06/30/2025. An investor cannot invest directly in an index. Past performance does not predict future results.

The Index and Fund use the Industry Classification Benchmark ("ICB") classification system which is composed of 11 economic industries: basic materials, consumer discretionary, consumer staples, energy, financials, health care, industrials, real estate, technology, telecommunications and utilities.

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## Individual Company Highlights

- All sectors within NDX had positive performance for the month with Technology returning the most at 9.55% while Health Care returned the least at 0.03%. Over 70% of the holdings had a positive return for the month.
- Nvidia became the largest company in the world by market capitalization in June finishing the month at \$3.85 trillion. The company's stock was up 16.93% for the month as the company announced the expansion of their cloud computing business until, DGX Cloud Lepton, along with new partnerships in Europe to expand AI capabilities.
- Micron Technology's strong June performance was driven by positive financial results announced on June 25<sup>th</sup>. Revenue was announced at \$9.30 billion, well above the \$8.85 billion estimate. Adjusted earnings-per-share came in at \$1.91, also beating the estimate of \$1.60. Research and development costs were 9.42% of revenue taken in for the quarter.

NDX Top 10 Constituents	(%)
NVIDIA CORP	9.17
MICROSOFT CORP	8.79
APPLE INC	7.29
AMAZON.COM INC	5.54
BROADCOM INC	5.10
META PLATFORMS INC-CLASS A	3.81
NETFLIX INC	3.33
TESLA INC	2.75
COSTCO WHOLESALE CORP	2.57
ALPHABET INC-CL A	2.44

### Top Performers (% of total net assets)

Issuer	Average Weight (%)	April Return (%)
Micron Technology Inc.	0.78	30.48
ARM Holdings PLC	0.11	29.87
Marvell Technology Inc.	0.37	28.59

### Bottom Performers (% of total net assets)

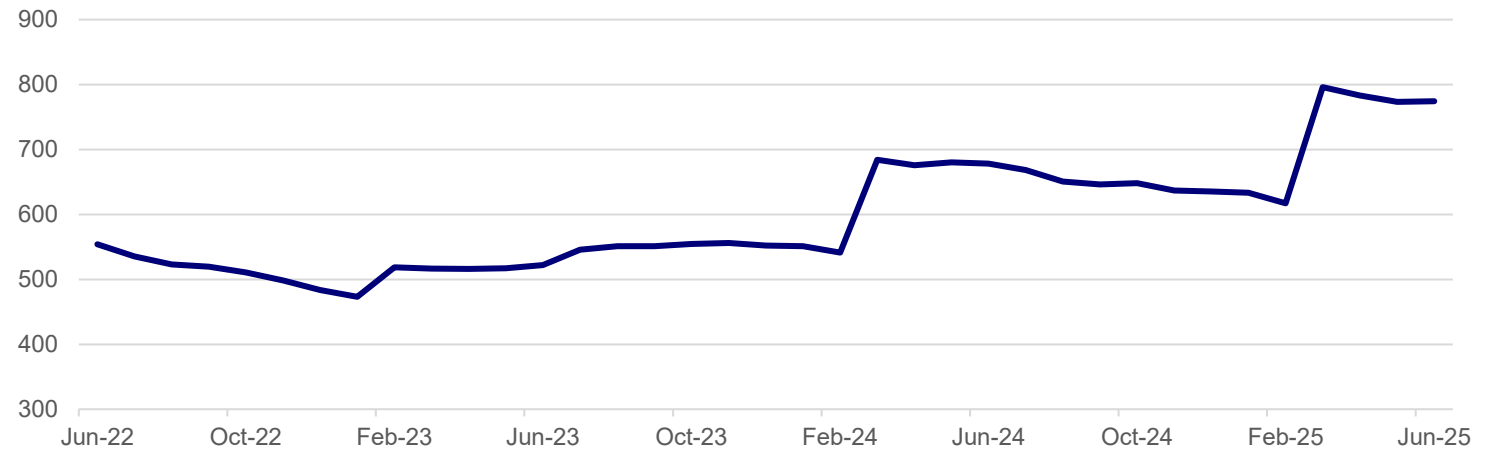
Issuer	Average Weight (%)	April Return (%)
Lululemon Athletica Inc.	0.18	-24.98
AppLovin Corp.	0.70	-10.92
Ross Stores Inc.	0.27	-8.67

Source: Bloomberg, L.P., as of 06/30/2025. Past performance is not a guarantee of future results. Holdings are subject to change and are not buy/sell recommendations. Top and bottom performers for the month by absolute performance.

## Outlook

- Quarterly earnings announcements will start on 17 July with Fastenal Co.
- Of the NDX heavyweights: Netflix, Tesla, Alphabet, Microsoft and Meta will all report their previous quarter's financial results in July.
- The US FOMC will be meeting on 30 July with US Fed Funds futures showing a 21.2% chance of a 0.25% cut to the Federal Funds target rate (as of 30/6/2025).
- At the index level, earnings growth has been a contributor to the long-term performance of NDX. Despite the uncertainty of tariffs, forward earnings estimates are still trending upward for NDX and are up over 14% year-over-year.

## Nasdaq-100 Forward Earnings-per-Share Estimates



Source: Bloomberg, L.P., as of 6/30/2025. Performance data quoted represents past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, and shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than performance quoted. See Important Information for competitor ETFs' investment objectives.

# Historical Performance

Past performance does not predict future returns

	Jun-15 to Jun-16	Jun-16 to Jun-17	Jun-17 to Jun-18	Jun-18 to Jun-19	Jun-19 to Jun-20	Jun-20 to Jun-21	Jun-21 to Jun-22	Jun-22 to Jun-23	Jun-23 to Jun-24	Jun-24 to Jun-25	2024	2022 to 2024
NASDAQ 100 Net TR Index	1.4%	28.9%	25.6%	9.8%	33.4%	44.0%	-20.6%	32.8%	30.4%	15.8%	25.6%	31.0%
S&P 500 Net TR Index	3.3%	17.2%	13.7%	9.8%	6.9%	40.1%	-11.0%	19.0%	24.0%	14.7%	24.5%	27.5%

Data: Invesco, Bloomberg as of 30 June 2025. Data in USD.

Performance (%) as of June 30, 2025					
	YTD	1 year	3 years	5 years	10 years
Nasdaq-100	8.35%	16.10%	26.41%	18.35%	18.96%
S&P 500	6.20%	15.16%	19.69%	16.63%	13.63%
Relative	2.14%	0.94%	6.72%	1.72%	5.32%

Data: Bloomberg, L.P., as of 30 June 2025. An investor cannot invest directly in an index. Data in USD.

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## Investment Risks

The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

Investments focused in a particular sector, such as technology, are subject to greater risk, and are more greatly impacted by market volatility, than more diversified investments.

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