

March 2026 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 March, the Nasdaq-100 Index (NDX) returned -4.81% vs. -4.98% of the S&P 500.
- NDX's outperformance was driven by its differentiated holdings in the Consumer Discretionary sector along with its underweight position in the Industrials sector.
- Conflict between the U.S. and Iran arose as the U.S. and Israel carried out "Operation Epic Fury." This operation, which began on Saturday, February 28th, targeted and killed Supreme Leader Ali Khamenei and other senior officials.
- On going strikes by the U.S. and Israel, combined with retaliatory attacks by Iran, led the VIX Index, a common gauge for volatility, to spike as high as 35.3 and remain above 20 the entire month.
- The Federal Open Market Committee (FOMC) met during March and did not change the target rate. Stable employment combined with the potential of inflation rising due to higher oil prices contributed to interest rates rising and expectations of the next rate cut to be pushed further out in time.

Sector Performance for March

▲▲ Top Sectors by Absolute Performance

- Energy
- Basic Materials
- Consumer Discretionary

▼▼ Bottom Sectors by Absolute Performance

- Consumer Staples
- Real Estate
- Industrials

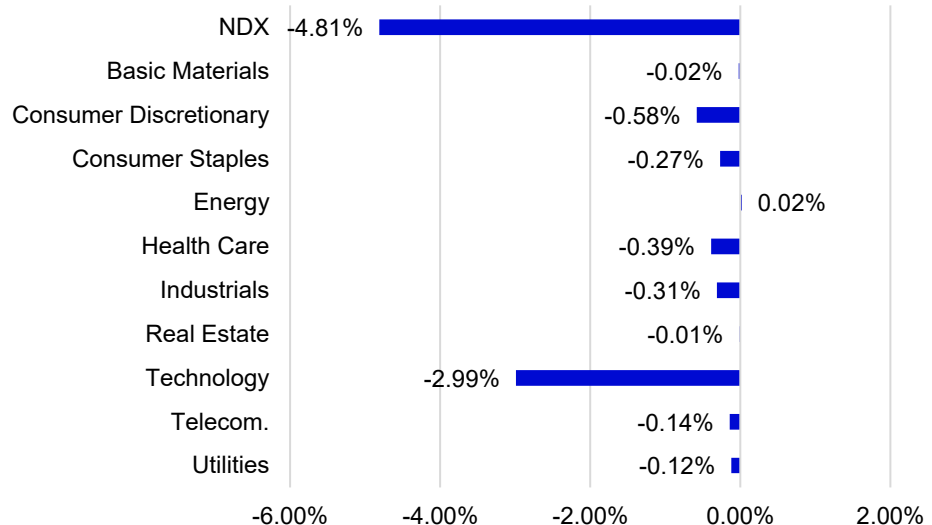
▲▲ Top Sectors Contributing to Relative Performance vs. S&P 500

- Consumer Discretionary
- Industrials
- Health Care

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

- Energy
- Financials (0% exposure)
- Utilities

March Sector Returns by Contribution



Data: Bloomberg, L.P., as of 2026/03/31. An investor cannot invest directly in an index. Past performance does not predict future results. All data is in USD unless indicated otherwise.

The Index uses 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

- Rising geopolitical risks and ongoing concerns around rising CAPEX spending weighed on not only NDX but many equities' performance during the month.
- Computer hardware and storage companies have been top performers within NDX year-to-date. The strong performance has been driven by AI demand for compute and storage hardware with supply not being able to keep up. Benefactors within NDX have been Western Digital and Seagate Technology which have returned 71.23% and 55.91% year-to-date, respectively.
- Broadcom announced quarterly results after the close on March 4th beating both revenue and adjusted earnings-per-share estimates. Revenue was announced at \$19.31 billion vs. the estimate of \$19.26 billion while adjusted earnings-per-share came in at \$2.05 vs. the expectation of \$2.03. Guidance for next quarter's revenue is expected to be ~ \$22 billion which would be a 47% year-over-year growth rate. Management stated that they see 2027 AI chip revenue to exceed \$100 billion. The semiconductor company's stock rose by 4.80% on March 5th, the day following the announcement and finished the month down 2.95%.

NDX Top 10 Constituents	(%)
NVIDIA CORP	8.69
APPLE INC	7.64
MICROSOFT CORP	5.64
AMAZON.COM INC	4.59
TESLA INC	3.81
META PLATFORMS INC-CLASS A	3.46
WALMART INC	3.44
ALPHABET INC-CL A	3.43
ALPHABET INC-CL C	3.20
BROADCOM INC	3.01

Top Performers (Absolute performance)

Issuer	Average Weight (%)	February Return (%)
Marvell Technology	0.42	21.25
ARM Holdings	0.10	18.70
Diamondback Energy	0.29	14.29

Bottom Performers (Absolute performance)

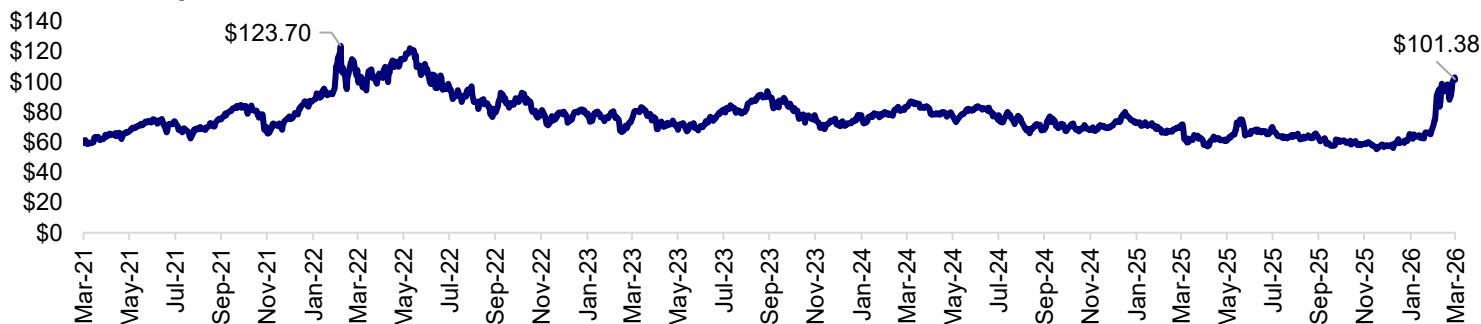
Issuer	Average Weight (%)	February Return (%)
Axon Enterprise	0.22	-21.70
Micron Technology	2.49	-18.04
Coca-Cola EuroPacific	0.25	-17.89

Source: Bloomberg, L.P., as of 2026/03/31. 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

- The price of oil moved up dramatically as conflict in the Middle East escalated. When peace talks become more likely to occur and progress, many investors anticipate the price of oil to fall and volatility in equities to decrease.
- The longer oil stays elevated, the likelihood that inflation rises increases. Many investors will watch oil and other energy prices as a signal of future inflation expectations.
- Interest rate rose dramatically in March as the 10yr US Treasury rose from 3.94% at the February to close the month of March at 4.31%. With the FOMC signaling a stable job market and potential for higher inflation, interest rate remaining at their current level or rising will be important to monitor.

Per Barrel Spot Price of WTI Crude Oil



Source: Bloomberg, L.P., as of 2026/03/31. 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. Date in USD.

Historical Performance

Past performance does not predict future returns

	Feb-16 to Feb-17	Feb-17 to Feb-18	Feb-18 to Feb-19	Feb-19 to Feb-20	Feb-20 to Feb-21	Feb-21 to Feb-22	Feb-22 to Feb-23	Feb-23 to Feb-24	Feb-24 to Feb-25	Feb-25 to Feb-26	2025	2023 to 2025
NASDAQ-100 Index	28.0%	29.6%	4.3%	20.1%	53.4%	10.8%	-14.9%	50.7%	16.4%	20.1%	20.8%	134.6%
S&P 500 Index	24.2%	16.4%	4.1%	7.6%	30.6%	15.9%	-8.2%	29.8%	17.9%	16.5%	17.4%	83.7%

Data: Invesco, Bloomberg as of 28 February 2026. Data in USD.

Performance (%) as of 28 February 2026

	YTD	1 year	3 years	5 years	10 years
NASDAQ-100 Index	-1.06%	20.35%	28.45%	14.98%	20.60%
S&P 500 Index	0.68%	16.99%	21.78%	14.18%	15.49%
Relative	-1.74%	3.35%	6.67%	0.80%	5.11%

Data: Bloomberg, L.P., as 28 February 2026. An investor cannot invest directly in an index. Data in USD.

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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