

June 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 June, the Nasdaq-100 Index (NDX) returned -0.12% vs. -0.95% for the S&P 500.
- NDX's outperformance was driven by its differentiated holdings in the Technology sector along with its underweight position in the Energy sector.
- Geopolitical tensions remained elevated in June as the conflict in Iran saw a brief interim peace deal signed mid month that opened a 60-day negotiating window. Conflict continued into late June despite the ceasefire. However, the price of oil fell consistently through the month of June and finished the month at \$69.50 a barrel.
- The Federal Open Market Committee met on June 17th and decided not to change the target federal funds rate. This was the new Fed Chairman Kevin Warsh's first meeting, and he signaled that there could potentially be less forecasting coming from the FOMC.
- Despite the 10yr U.S. Treasury finishing relatively flat for the month of June, it fluctuated as high as 4.56% and as low as 4.37% during the month of June. This was driven by U.S. labor market data along with inflation readings.

Sector Performance for June



Top Sectors by Absolute Performance

- Basic Materials
- Technology
- Industrials



Bottom Sectors by Absolute Performance

- Energy
- Consumer Discretionary
- Telecommunications

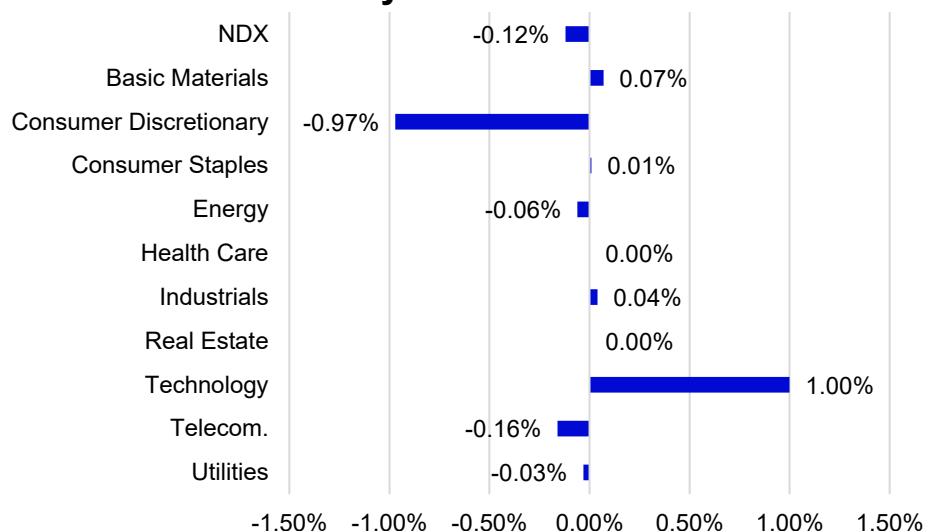
Top Sectors Contributing to Relative Performance vs. S&P 500

- Technology
- Energy
- Basic Materials

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

- Industrials
- Health Care
- Financials (0% exposure)

June Sector Returns by Contribution



Data: Bloomberg, L.P., as of 2026/06/30. 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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NDX Highlights

- Stronger than expected economic data reduced expectations for Fed rate cuts, while profit taking in AI weighed on broader market sentiment. However, earnings announcements from Nasdaq-100 companies remained positive during the month of June.
- Micron announced earnings on June 24th and beat analysts' expectations on both the top and bottom line. Revenue was announced at \$41.5 billion vs. the estimate of \$35.7 billion while adjusted earnings-per-share came in at \$25.11 vs. the estimate of \$20.49. DRAM revenue grew 443% year-over-year while NAND revenue grew 461% year-over-year. Micron's stock increased by 15.74% the day after the announcement (June 25th) and finished up on the month 18.88%.
- The AI trade continued to broaden out as companies providing equipment and materials performed well. Applied Materials is a premier provider of materials engineering solutions that are at the foundation of semiconductor manufacturing and display equipment, and its stock was up over 60% in June. Other strong performers included KLA Corp, ASML Holding and Lam Research Corp.

NDX Top 10 Constituents	(%)
NVIDIA CORP	7.60
APPLE INC	6.67
MICRON TECHNOLOGY INC	5.64
MICROSOFT CORP	4.35
ADVANCED MICRO DEVICES	4.11
AMAZON.COM INC	4.03
TESLA INC	3.30
ALPHABET INC-CL A	3.27
INTEL CORP	3.04
ALPHABET INC-CL C	3.03

Top Performers (Absolute performance)

Issuer	Average Weight (%)	June Return (%)
Applied Materials	1.97	60.65
KLA Corp	1.36	57.00
Marvell Technology	1.09	45.31

Bottom Performers (Absolute performance)

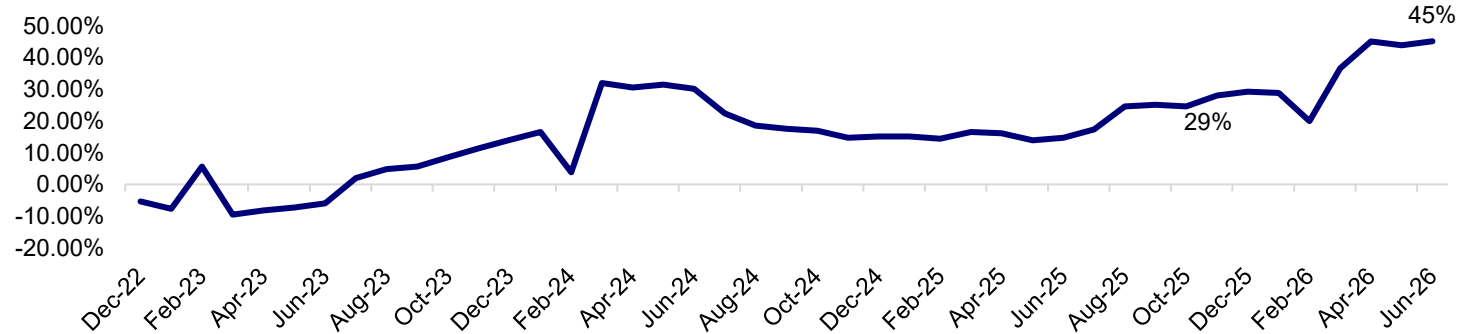
Issuer	Average Weight (%)	June Return (%)
Strategy Inc.	0.17	-45.36
Qualcomm Inc.	1.02	-26.11
Palantir Technologies	1.34	-25.47

Source: Bloomberg, L.P., as of 2026/06/30. 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

- Earnings season will accelerate in July, with several large-cap companies scheduled to report results, including Amazon, Alphabet, Microsoft, and Tesla. Given the market's strong performance year-to-date, investor attention will likely be focused on whether earnings and forward guidance can continue to support current valuations.
- Interest rates and inflation expectations will remain key areas to monitor. The 10yr U.S. Treasury yield has traded around 4.5%, while markets have begun pricing in potential Fed rate hikes. At the same time, higher energy prices tied to the Iran conflict have raised inflation expectations, making upcoming inflation data and its implications for monetary policy especially important.
- Earnings estimates have continued to rise in NDX. Twelve-month forward earnings-per-share growth was estimated at 29% in December 2025. It has now risen to 45% as of end of the month of June. Weakness in earnings growth may increase volatility in NDX.

Forward Twelve-Month Earnings-Per-Share Estimated Growth Rate



Source: Bloomberg, L.P., as of 2026/06/30. Performance data quoted represents past performance, which is not a guarantee of future results. Data in USD.

Historical Performance

Past performance does not predict future returns

	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	Jun-25 to Jun-26	2025	2023 to 2025
NASDAQ-100 Index	28.9%	25.6%	9.8%	33.4%	44.0%	-20.6%	32.8%	30.4%	15.8%	34.1%	20.8%	32.9%
S&P 500 Index	17.2%	13.7%	9.8%	6.9%	40.1%	-11.0%	19.0%	24.0%	14.7%	21.9%	17.4%	22.5%

Data: Invesco, Bloomberg L.P. as of 30 June 2026. Data in USD.

Performance (%) as of 30 June 2026					
	YTD	1 year	3 years	5 years	10 years
NASDAQ-100 Index	20.31%	34.38%	26.81%	16.67%	22.31%
S&P 500 Index	10.21%	22.32%	20.59%	13.40%	15.50%
Relative	10.10%	12.06%	6.21%	3.27%	6.82%

Data: Bloomberg, L.P., as 30 June 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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