

May 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 May, the Nasdaq-100 Index (NDX) returned 10.58% vs. 5.26% for the S&P 500.
- NDX's outperformance was driven by its overweight position and differentiated holdings in the Technology sector along with its underweight position and differentiated holdings in the Industrials sector.
- Technology stocks were a primary catalyst for the continuation of performance that began in April. The top 10 performers (absolute performance) in the S&P 500 were all up at least 48%, with the top performer, Dell Technologies, up over 115%.
- U.S. economic releases provided mixed signals as inflation came in at expectation but elevated from previous readings, the labor market showed resilience while U.S. GDP came in below expectations.
- Interest rates were volatile during the month of May as the yield on the 10yr U.S. Treasury had a range of 4.31% to 4.68% before closing the month at 4.44%. The 4.68% was the highest the yield on the 10yr U.S. has been since January 2025.

Sector Performance for May

▲▲ Top Sectors by Absolute Performance

- Technology
- Telecommunications
- Industrials

▼▼ Bottom Sectors by Absolute Performance

- Energy
- Utilities
- Real Estate

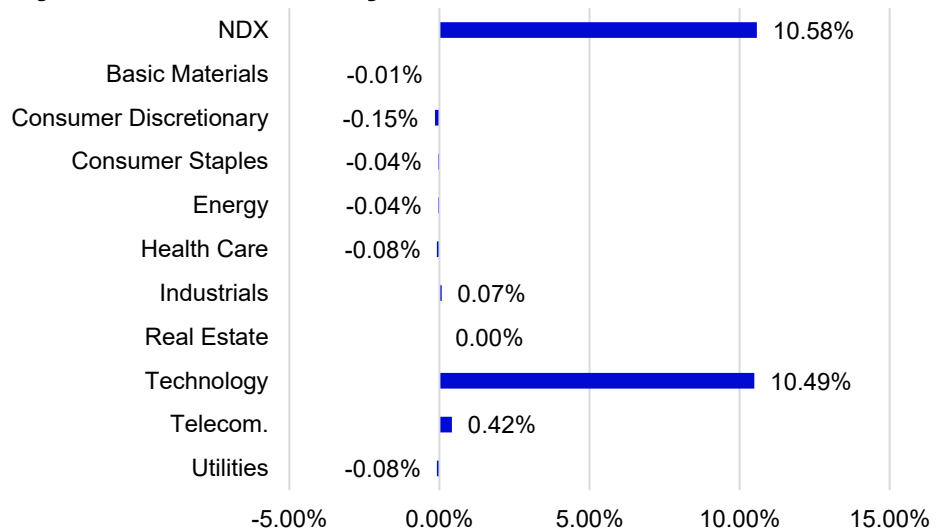
▲▲ Top Sectors Contributing to Relative Performance vs. S&P 500

- Technology
- Industrials
- Financials (0% exposure)

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

- Consumer Discretionary
- Health Care
- Basic Materials

May Sector Returns by Contribution



Data: Bloomberg, L.P., as of 2026/05/31. 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

- Strong performance in the Technology sector propelled NDX to new all-time highs throughout the month. The index finished the month with its highest closing level ever at 30,333.18.
- The AI trade continued to broaden out as companies providing memory and storage solutions performed well. Micron is a premier provider of DRAM, a type of semiconductor memory critical to the data center build out, and its stock was up over 87% in May. Other strong performers included CrowdStrike, Fortinet and Palo Alto Networks.
- Nvidia announced earnings on May 20th and best analysts' expectations on both the top and bottom line. Revenue was announced at \$81.6 billion vs. the estimate of \$79.2 billion while adjusted earnings-per-share came in at \$1.87 vs. the estimate of \$1.79. Data center revenue grew 92% year-over-year. The semiconductor company continues to deepen relationship with companies with Anthropic, OpenAI and others. Despite the strong results, Nvidia' stock dropped by 1.77% the day after the announcement (May 21st) but did finish up on the month by 5.80%.

NDX Top 10 Constituents	(%)
NVIDIA CORP	8.16
APPLE INC	7.29
MICROSOFT CORP	5.32
MICRON TECHNOLOGY INC	4.80
AMAZON.COM INC	4.62
ADVANCED MICRO DEVICES	3.70
ALPHABET INC-CL A	3.52
TESLA INC	3.46
BROADCOM INC	3.37
ALPHABET INC-CL C	3.26

Top Performers (Absolute performance)

Issuer	Average Weight (%)	May Return (%)
Micron Technology	3.77	87.76
Datadog Inc.	0.29	74.26
ARM Holdings PLC	0.16	67.98

Bottom Performers (Absolute performance)

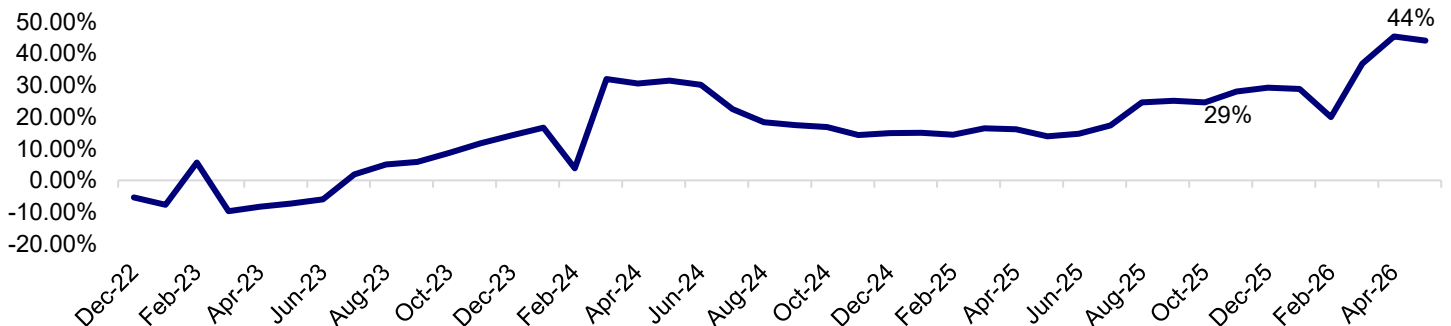
Issuer	Average Weight (%)	May Return (%)
Insmed Inc.	0.11	-21.58
PDD Holdings Inc.	0.30	-15.46
Intuit Inc.	0.47	-14.66

Source: Bloomberg, L.P., as of 2026/05/31. 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

- While a ceasefire was agreed upon between Iran and the U.S., continued disagreement on terms for long-term peace have yet to be agreed to by both sides. With that being said, U.S. equities continued to move upward despite the uncertainty. Progress on peace talks would help bring clarity to the current geopolitical outlook.
- Strength has not only been exhibited in U.S. equities but has also been observed in Korean equities. The Kospi Index has returned 102.35% year-to-date with a 28.50% return in the month of May alone. The increased velocity of the upward move will be something to monitor. If a reversal occurs, it will be important to monitor if contagion spreads to other markets.
- 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 44% as of end of the month of May. Weakness in earnings growth may increase volatility in NDX.

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



Source: Bloomberg, L.P., as of 2026/05/31. 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

	May-16 to May-17	May-17 to May-18	May-18 to May-19	May-19 to May-20	May-20 to May-21	May-21 to May-22	May-22 to May-23	May-23 to May- 24	May-24 to May-25	May-25 to May-26	2025	2023 to 2025
NASDAQ-100 Index	29.0%	21.3%	3.1%	35.0%	44.0%	-7.2%	13.5%	30.8%	15.8%	42.8%	20.8%	32.8%
S&P 500 Index	16.7%	13.7%	3.2%	12.2%	39.6%	-0.7%	2.4%	27.6%	13.1%	29.3%	17.4%	22.5%

Data: Invesco, Bloomberg as of 31 May 2026. Data in USD.

Performance (%) as of 31 May 2026

	YTD	1 year	3 years	5 years	10 years
NASDAQ-100 Index	20.45%	43.09%	29.57%	18.16%	22.04%
S&P 500 Index	11.27%	29.78%	23.58%	14.14%	15.64%
Relative	9.19%	13.30%	5.98%	4.02%	6.41%

Data: Bloomberg, L.P., as 31 May 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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