

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 February, the Nasdaq-100 Index (NDX) returned -2.26% vs. -0.76% of the S&P 500.
- NDX's underperformance was driven by its overweight in the Technology sector along with its underweight position and differentiated holdings in the Industrials sector.
- Rotation from Large-cap Growth oriented companies to Value-oriented, and smaller sized companies, persisted from January into February as many investors continued to question how the adoption of AI will affect future software companies' revenue.
- Inflation readings during the month showed a tick up in prices as the Federal Reserve's preferred gauge of inflation, Personal Consumption Expenditures, showed a month-over-month reading of 0.4% vs. the 0.3% expectation.
- On 28 February, the United States and Israel carried out coordinated military strikes against targets in Iran. In response, Iran launched waves of missile and drone attacks aimed at U.S. military facilities across the region.

Sector Performance for February

▲▲ Top Sectors by Absolute Performance

- Utilities
- Energy
- Basic Materials

▼▼ Bottom Sectors by Absolute Performance

- Real Estate
- Technology
- Consumer Discretionary

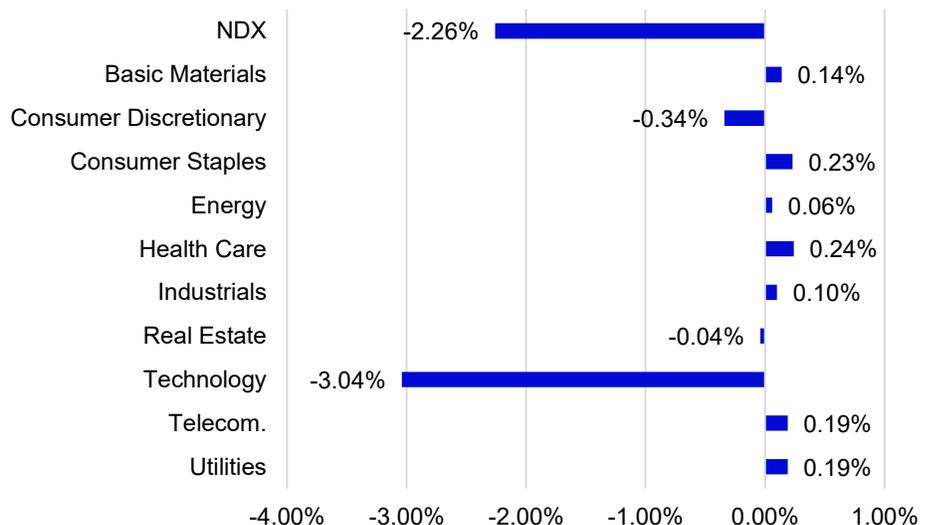
▲▲ Top Sectors Contributing to Relative Performance vs. S&P 500

- Financials (0% exposure)
- Telecommunications
- Consumer Discretionary

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

- Technology
- Industrials
- Energy

February Sector Returns by Contribution



Data: Bloomberg, L.P., as of 28/02/2026. 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

- Concerns around the future path of revenue growth in the face of rising capex continued to weigh on technology and software companies following earnings announcements from Alphabet, Amazon and Nvidia.
- Alphabet, parent company to Google, announced earnings after the close on 5 February. Revenue beat estimates, coming in at \$113.83 billion along with adjusted earnings-per-share which was announced at \$2.82. The company noted that demand remained strong for its AI product lineup as cloud revenue grew 48% along with Gemini reaching over 750 million monthly active users per month.
- Amazon's stock fell 5.55% on 6 February, the day following the company's earnings announcement. Although the e-commerce giant's revenue beat expectations, \$213.39 billion vs. \$211.49 billion, adjusted earnings-per-share missed, being announced at \$1.95 vs. the estimate of \$1.96. Slowing growth in Amazon Web Services' revenue, along with compressing margins and growing capex, contributed to the pullback.
- The company with the largest market capitalization in the world, Nvidia, announced quarterly results after the close on 25 February. 75% year-over-year data center revenue growth contributed to the revenue and earnings-per-share beats, as they were announced at \$68.13 billion and \$1.62, respectively. Despite the strong results, the company's stock fell 5.46% the next day on 26 February, underperforming the S&P 500 which fell 0.54%.

NDX Top 10 Constituents	(%)
NVIDIA CORP	8.40
APPLE INC	7.62
MICROSOFT CORP	5.70
AMAZON.COM INC	4.38
TESLA INC	3.92
META PLATFORMS INC-CLASS A	3.72
ALPHABET INC-CL A	3.54
WALMART INC	3.37
ALPHABET INC-CL C	3.29
BROADCOM INC	2.94

Top Performers (Absolute performance)

Issuer	Average Weight (%)	February Return (%)
ARM Holdings	0.09	20.97
Coca-Cola EuroPacific	0.25	20.43
Constellation Energy	0.40	17.53

Bottom Performers (Absolute performance)

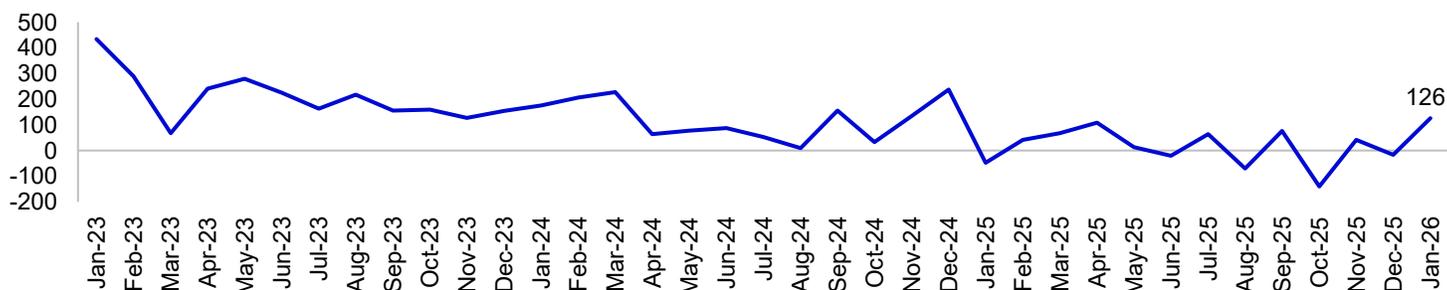
Issuer	Average Weight (%)	February Return (%)
Atlassian Corp.	0.08	-36.43
Costar Group Inc.	0.11	-27.43
Zscaler	0.15	-26.51

Source: Bloomberg, L.P., as of 28/02/2026. 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

- Through the end of February, 89 companies within NDX had reported earnings. Of the 89, 40 companies beat expectations, 38 met expectations and 11 missed expectations. Despite the overall strong results, many investors will be looking to future revenue, profit margin growth and capex spending.
- The US 10yr Treasury closed February with a yield of 3.93%, the lowest it had been since 2025 October. With inflation showing signs of potentially rising and conflict rising in the Middle East, fluctuation in yields will be an area of interest.
- With many US Federal Reserve officials stating that the balance of risk is tilting towards the labor market, future releases of changes in US Nonfarm Payrolls may provide insight into how future Fed policy may lean. With the current target between 3.50% and 3.75%, the most recent Summary of Economic Projections show the median expectation is that only one more rate cut will occur.

Change in US Employees on Nonfarm Payrolls (in thousands)



Source: Bloomberg, L.P., as of 28/02/2026. 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

	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%	33.2%
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%	23.0%

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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