

Market Recap

Buyers moved back into the market as both the S&P 500 and NDX posted their largest monthly gain year-to-date. Volatility fell dramatically as the VIX Index fell from above 18 to below 13. Coinciding with the rise in the equities, interest rates fell as the 10-year US Treasury traded back to levels seen in September. Fuelling these moves was optimism that the Federal Open Market Committee (FOMC) might be done hiking rates, inflation showing continued signs of slowing and the potential for a soft landing appearing more likely.

The FOMC met at the beginning of November for their scheduled meeting and as expected made no changes to the target rate which stood at 5.25% - 5.50%. This was the second meeting in a row where there was no change. Although the official statement said there was potential for future rate hikes, US Fed Funds Futures at the end of the month showed that investors gave only a 4% chance of a hike at the December meeting and 60% chance of the first rate cut in May of 2024. Powell took a similar tone to previous meetings and stated that the fight against inflation was not over. The committee remained firm on their 2% inflation target. Powell was encouraged by the progress made so far in the deceleration of rising prices along with the slowing economic activity, but stated they are still “squarely focused” on bringing inflation down to target. The chairman also mentioned rising interest rates, specifically citing US mortgage rates, and that the higher borrowing costs may slow economic activity.

A lower US Consumer Price Index (CPI) reading also contributed to rates falling and equities rising during the month. Year-over-year inflation was reported below the 3.3% expectation at 3.2%. The cost of energy decreased while the cost of core services and food increased at a slower pace than the previous month. Month-over-month US CPI showed no increase in inflation, below the 0.1% expectation. The decreases in the cost of energy and in goods offset the increases in services and food.

The second reading of Q3 US Gross Domestic Product (GDP) was released and was revised to 5.2%, up from first reading of 4.9%. The new reading revised a few key areas, which provided more insight into the current growth of the economy.

Index performance

Past performance does not predict future returns

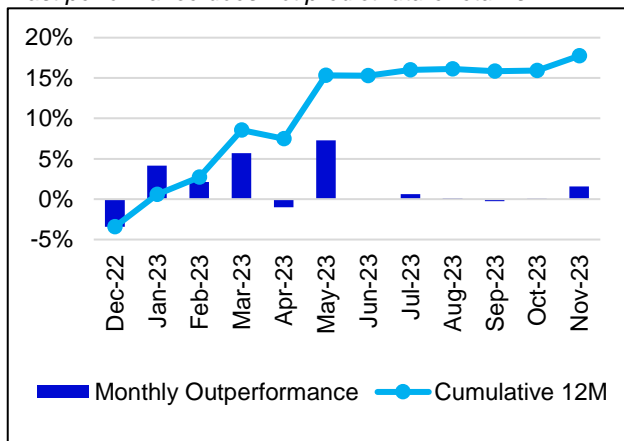
| | 1m | YTD | 1y | 10Y (ann.) |
|--------------------|-------|-------|-------|------------|
| NASDAQ-100 | 10.8% | 46.6% | 33.4% | 17.2% |
| S&P 500 | 9.1% | 20.2% | 13.3% | 11.2% |
| Relative | 1.6% | 21.9% | 17.7% | 5.5% |

Source: Bloomberg as of 30 Nov 2023.

An investment cannot be made directly into an index.

Monthly performance Nasdaq-100 vs. S&P 500

Past performance does not predict future returns

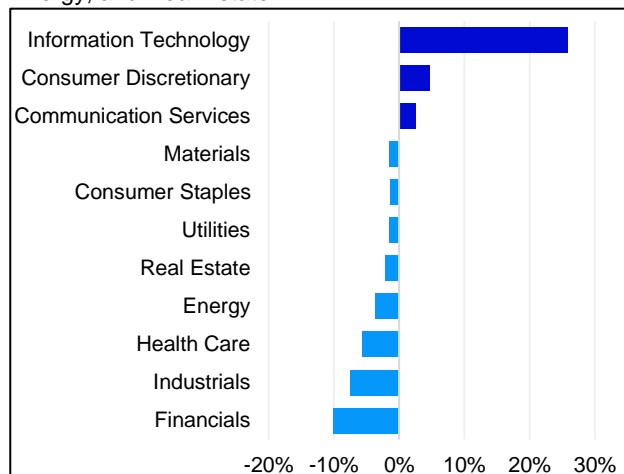


Source: Bloomberg as of 30 Nov 2023.

An investment cannot be made directly into an index.

Sector weightings Nasdaq-100 vs. S&P 500

Whilst the Nasdaq-100 specifically excludes Financials, it also currently offers very little exposure to Basic Materials, Energy, and Real Estate



Data: Invesco, FactSet as of 30 Nov 2023. Data in USD

Nasdaq 100 Performance Drivers

November's performance attribution of the Nasdaq 100 (NDX) vs the S&P 500 Index

From a sector perspective, Real Estate, Technology and Consumer Discretionary were the best performing sectors in NDX and returned 13.12%, 13.08% and 11.77%, respectively. During the month, these three sectors had average weights of 0.27%, 58.75% and 18.63%, respectively. The bottom performing sectors in NDX were Telecommunications, Energy and Basic Materials with average weights of 5.05%, 0.61% and 0.28%, respectively. Telecommunications returned -0.77%, Energy returned 2.69% while Basic Materials returned 2.79%.

NDX's outperformance vs. the S&P 500 was driven by its overweight exposure and differentiated holdings in the Technology sector. The index's underweight exposure to the Energy sector along with its overweight exposure and differentiated holdings to the Consumer Discretionary sector also contributed to relative performance vs. the S&P 500. The Telecommunications sector detracted the most from relative performance and was driven by its overweight exposure and differentiated holdings. Lack of exposure to the Financials sector along with underweight exposure and differentiated holdings in the Industrials sector also detracted from relative performance to the S&P 500.

NDX Contributor Spotlight: An American cybersecurity technology company was up 20% in November, prior to their earnings announcement on the 28th and ended the month up 34%. The cybersecurity company beat analysts' expectations on both the top and bottom lines. Revenue was announced at \$786.0 million vs. the expectation of \$777.4 million while earnings-per-share was reported at \$0.82 vs. the estimate of \$0.74. An American cybersecurity technology company saw strength within cloud computing security and grew revenue from professional services which were reported above estimates. The company raised full-year revenue and earnings guidance which also contributed to the stock's outperformance.

| November Attribution: Nasdaq 100 vs the S&P 500 | Nasdaq 100 | | | | Nasdaq 100 vs S&P 500 Attribution | | |
|---|----------------|------------------------------|---------------|---------------------|-----------------------------------|------------------|--------------|
| | Average Weight | Avg Wt Difference vs S&P 500 | Sector Return | Sector Contribution | Allocation Effect | Selection Effect | Total Effect |
| (%) | | | | | | | |
| Telecommunications | 5.05 | 2.69 | -0.77 | -0.02 | -0.18 | -0.20 | -0.38 |
| Financials | N/A | -9.87 | N/A | N/A | -0.18 | N/A | -0.18 |
| Industrials | 4.62 | -7.31 | 8.00 | 0.37 | -0.06 | -0.09 | -0.14 |
| Real Estate | 0.27 | -2.10 | 13.12 | 0.03 | -0.07 | -- | -0.07 |
| Basic Materials | 0.28 | -1.48 | 2.79 | 0.01 | 0.02 | -0.01 | 0.01 |
| Utilities | 1.24 | -1.44 | 4.11 | 0.06 | 0.06 | -0.01 | 0.04 |
| Consumer Staples | 3.99 | -1.31 | 5.48 | 0.23 | 0.07 | 0.07 | 0.15 |
| Health Care | 6.58 | -5.58 | 5.81 | 0.40 | 0.21 | 0.02 | 0.23 |
| Consumer Discretionary | 18.63 | 4.58 | 11.77 | 2.17 | 0.06 | 0.26 | 0.32 |
| Energy | 0.61 | -3.72 | 2.69 | 0.02 | 0.39 | 0.02 | 0.42 |
| Technology | 58.73 | 25.52 | 13.08 | 7.56 | 0.78 | 0.51 | 1.29 |
| Total | 100.00 | N/A | 10.82 | 10.82 | 1.11 | 0.58 | 1.69 |

Data: Invesco, FactSet, as of 30 November 2023 Data in USD. Sectors: ICB Classification. All figures in percentage terms. Market allocation effect shows the excess contribution due to sector/market allocation. A positive allocation effect implies that the choice of sector weights in the portfolio added value to the portfolio contribution with respect to the benchmark and vice versa. Selection effect shows the excess contribution due to security selection. A positive selection effect implies that the choice of stocks in the portfolio added value to the portfolio contribution with respect to the benchmark and vice versa. Total effect is the difference in contribution between the benchmark and portfolio.

November's Top Contributors/Detractors relative to the S&P 500

| Top Contributors (% of total net assets) | | | Top Detractors (% of total net assets) | | |
|--|--------|--------------|--|--------|--------------|
| Company | Weight | 1-mo. Return | Company | Weight | 1-mo. Return |
| PDD Holdings Inc. | 0.61% | 45.38% | Cisco Systems | 1.69% | -7.19% |
| Advanced Micro Devices | 1.55% | 23.01% | Comcast | 1.42% | 1.45% |
| Intel | 1.40% | 22.87% | Pepsico | 1.89% | 3.84% |

Source: Bloomberg, as of 30 Nov 2023. Past performance does not predict future returns. Top and bottom performers for the month by relative performance.

Historical Performance

Past performance does not predict future returns

| | Nov-13 to Nov-14 | Nov-14 to Nov-15 | Nov-15 to Nov-16 | Nov-16 to Nov-17 | Nov-17 to Nov-18 | Nov-18 to Nov-19 | Nov-19 to Nov-20 | Nov-20 to Nov-21 | Nov-21 to Nov-22 | Nov-22 to Nov-23 | 2022 | 2020 to 2022 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------|--------------|
| NASDAQ-100 Net Total Return Index | 25.4% | 8.4% | 4.1% | 33.3% | 10.0% | 21.8% | 46.9% | 32.2% | -25.0% | 33.4% | -32.6% | 27.4% |
| S&P 500 Net Total Return Index | 16.1% | 2.1% | 7.3% | 22.1% | 5.7% | 15.4% | 16.8% | 27.4% | -9.6% | 13.3% | -18.5% | 23.0% |

Data: Invesco, Bloomberg, as of 30 Nov 2023. Data in USD. An investment cannot be made directly into an index.

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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