

QQQM

Invesco NASDAQ 100 ETF

Analyst Report

The Invesco NASDAQ 100 ETF (QQQM) tracks the top 100 largest non-financial companies listed on the Nasdaq. If that sounds familiar, it should: QQQM is virtually identical to Invesco's QQQ Trust (QQQ), one of the oldest, largest and most-traded

ETFs on the market. So why would Invesco launch a twibling? The short answer: Invesco designed the new QQQM to appeal to buy-and-hold investors, while traders and institutional buyers may prefer to stick with the original QQQ. Let's explain. For starters, the new fund is cheaper. QQQM (affectionately known as the Q mini) has a lower management fee. Shares of the Q mini are also a fraction of the value of QQQ, putting the mini within reach of small savers who might balk at QQQ's price tag. So why didn't Invesco just cut the price of QQQ? There are several reasons. Many older funds like QQQ, which launched in 1999, were structured as trusts. Trusts, unlike many other equity ETFs, can't lend out the stocks in their portfolio, and use the revenue to help offset fees. They also can't reinvest dividends, which many buy-and-hold savers prefer. The Q mini can do both. Invesco is not the only ETF firm to introduce newbie versions of older, pricier funds. State Street did the same thing with SPLG, a buy-and-hold version of SPY, the oldest and largest ETF in the world. And BlackRock's iShares successfully pioneered the concept with its Core series, which offered cheaper versions of legacy iShares ETFs. This way, ETF issuers can appeal to all comers — better to cannibalize your own funds with in-house rivals than watch a competitor eat your market share. Does that mean QQQM is meant to replace QQQ? That depends on the investor. For the buy-and-hold saver, the mini-Q is likely the more appealing option: lower fees, smaller share price, reinvested dividends. But big institutional investors and high-speed firms will likely stick with QQQ, at least for now; the larger size makes QQQ cheaper to trade, and the QQQ has a sizable lead when it comes to liquidity.



ESG Themes and Scores

6.38/10

ESG Rate

42.97%

Global Percentile

31.31%

Peer Percentile

Performance Data

	QQQM	ETF Database Category Average	Factset Segment Average
1 Month	4.33%	2.39%	2.64%
3 Month	22.73%	12.30%	10.11%
YTD Return	20.57%	9.80%	9.45%
1 Year Return	40.56%	24.04%	18.60%
3 Year Return	27.04%	17.57%	9.16%
5 Year Return	17.24%	8.90%	4.40%

Top 5 Holdings

Symbol	Holding	% Assets
NVDA	NVIDIA Corporation	8.11%
AAPL	Apple Inc.	6.93%
MU	Micron Technology, Inc.	5.58%
MSFT	Microsoft Corporation	4.46%
AMZN	Amazon.com, Inc.	4.16%

Vitals

Issuer	Invesco
Brand	Invesco
Structure	ETF
Expense Ratio	0.15%
Inception	Oct 13, 2020
Index Tracked	NASDAQ-100 Index

ETF Database Themes

Category	Large Cap Growth Equities
Asset Class	Equity
Asset Class Size	Large-Cap
Asset Class Style	Blend
Region (General)	North America
Region (Specific)	U.S.

FactSet Classifications

Segment	Equity: U.S. - Large Cap
Category	Size and Style
Focus	Large Cap
Niche	Broad-based
Strategy	Exchange-specific
Weighting	Market Cap