



The New Generation Leads

Advance: ETFs tracking
IPOX® soar during Q2. 🟢🟢

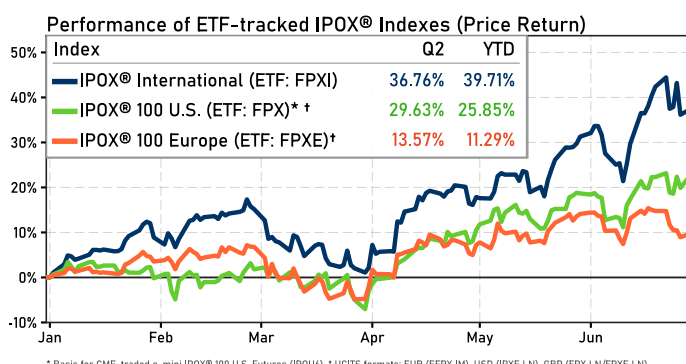
Year-to-Date Price Returns:

U.S. (FPX): +25.85%.
ex. U.S. (FPXI): +39.71%. 🟢🟢

Big Movers: 285A, SNDK,
STX, APGE, 2513 HK, 9903
HK, 3986 HK, TPRO IM. 🟢🟢

**The Golden Age of IPOs is
here: IPO deal flow soars
during Q2; U.S. in focus. 🟢🟢**

HIGHLIGHT OF THE QUARTER: On Thursday, May 28, IPOX® CEO J. Schuster rang the NYSE Opening Bell to mark the 20-year anniversary of the pioneering **First Trust U.S. Equity Opportunities ETF (FPX)**, which is tied to our flagship **IPOX® 100 U.S. Index (BBG: IPXO)**. We want to thank **First Trust Portfolios**, the **New York Stock Exchange**, and all our investors and partners for making this such a successful event. 🟢🟢



QUARTERLY REVIEW: Strong earnings, the perceived positive impact of generational trends around electrification, biotech innovation, and AI, as well as a more muted inflation outlook, increasingly dominated global equities trading over geopolitical turmoil and inflation concerns during Q2 2026. The New Generation of equities pooled in IPOX® were the main beneficiaries of increasing risk appetite, with select strategies recording one of their best quarters in 20 years. 🟢🟢

UNITED STATES: The **IPOX® 100 U.S. Index (IPXO)**, key U.S. innovation gauge tracked by the diversified **First Trust U.S. Equity Opportunities ETF** (ticker: FPX), continued its stellar performance record during Q2, adding **+29.63%** for the quarter and bringing YTD performance to **+25.85%**. This extended its relative YTD lead versus the benchmark **S&P 500 (SPX)** to a massive +1,530 bps. Outsized average corporate results, IPO-related M&A activity, and our strategic tilt toward the top themes set to drive future U.S. innovation contributed to the strong showing, with substantial upside recorded by storage-device maker **Sandisk (SNDK: +243.87%)** and IPO M&A name **Seagate Technologies (STX US: +173.19%)**. After the buyout of biotech company **Nuvalent (NUVL)**, biotech company **Apogee Therapeutics (APGE US: +46.86%)** became our second **IPOX® 100 U.S.** (ETF: FPX) portfolio stock to be acquired at a significant premium by large pharma in Q2, underscoring the continued attractiveness of the **IPOX® 100 U.S.** (ETF: FPX) as a target market for corporate M&A. 🟢🟢

INTERNATIONAL: The **IPOX® International Index (IPXI)** advanced by **+37.76%** to **+39.71%** YTD during Q2, extending its relative lead versus the international market to a massive +2,750 bps YTD, with the associated **First Trust International Equity Opportunities ETF** (ticker: FPXI) tracking these gains and soaring to fresh all-time highs. Exposure to the New Generation of firms driving innovation in AI and technology led to the strong showing, including Japan's **Kioxia (285A: +270.02%)**, while best-in-class APAC and European AI and semiconductor exposures, such as **Knowledge Atlas (2513 HK: +103.39%)**, **Shanghai Iluvator (9913 HK: +161.74%)**, **GigaDevice Semiconductor (3986 HK: +147.02%)**, and **Technoprobe (TPRO IM: +144.40%)**, contributed to the strong showing of the strategy during the quarter. 🟢🟢

THE IPOX® SPAC INDEX: The Index gained **+21.16%** to **+20.22%** YTD during Q2. LiDAR traffic management firm **Ouster (OUST US: +240.34%)** ranked on top, more than tripling on growing adoption of LiDAR technology, and its Buy America-compliant portfolio. Biopharma **Oculus (OCS US: -47.84%)** fell most after its late-stage trial failed to meet its endpoint. At least 28 SPACs announced merger targets, including deals such as **Axiom Intelligence Acquisition (AXIN US)** with German-Swiss quantum computing-as-a-service company **Terra Quantum**. At least 11 SPACs completed business combinations, including **Willow Lane Acquisition's** merger with GPU cloud firm **Boost Run (BRUN US)**. 55 new SPAC IPOs launched in the U.S. during Q2. 🟢🟢

Q2 ECM REVIEW: 291 firms went public, raising a combined \$143 billion. Firms gained an average of **+89.65%** from offer price to quarter-end close (median: **+21.62%**). The U.S. market dominated, representing >80% of global proceeds, underscoring the continued rotation of large, best-in-class private companies towards U.S. public markets.

The defining IPO was satellite communications firm **SpaceX (SPCX US: +21.62%)**, the largest public debut ever, raising \$86.25 billion. Other large U.S. deals included chipmaker **Cerebras (CBRS US: +16.84%, \$6.38B)**, gas engine maker **Innio (INIO US: +41.93%, \$2.79B)**, air quality specialist **Madison Air Solutions (MAIR US: +37.63%, \$2.57B)**, geothermal energy firm **Fervo Energy (FRVO US: +17.67%, \$2.17B)**, quantum computing firm **Quantinuum (QNT US: +21.40%, \$1.71B)**, and nuclear reactor firm **X-Energy (XE US: -18.22%, \$1.02B)**. Outside the U.S., large deals included circuit board maker **Victory Giant Technology (2476 HK: +55.33%, \$2.95B)**, Canadian generics firm **Apotex Health (APTX CN: +34.67%, \$1.08B)**, and electronics maker **Lingyi iTech (1688 HK: -7.86%, \$1.05B)**.

Best performers were clustered around defense and biotech, such as **Arxis (ARXS US: +64.29%, \$1.3 billion)** and British defense firm **Doncasters (DPC US: +56.85%, \$919 million)**. IPO M&A also propelled biotech IPOs, including **Hemab Therapeutics (COAG US: +104.06%, \$347 million)**, **Alamar Biosciences (ALMR US: +63.35%, \$220 million)**, **Kardigan (KARD US: +61.88%, \$460 million)**, **Parabiosis Medicines (PBLB US: +45.95%, \$771 million)**, **Kailera (KLRA US: +35.44%, \$719 million)**, and **Seaport Therapeutics (SPTX US: +25.11%, \$268 million)**.

Looking ahead, we expect large-cap IPOs during H2 2026, including AI model developer **Anthropic**, sandwich chain **Jersey Mike's**, restaurant franchisor **Inspire Brands**, data analytics platform **Databricks**, wearable ring maker **Oura**, fitness tracking platform **Strava**, social networking platform **Discord**, crypto exchange **Kraken** and micromobility operator **Lime** and others. 🟢🟢