

ChatETP

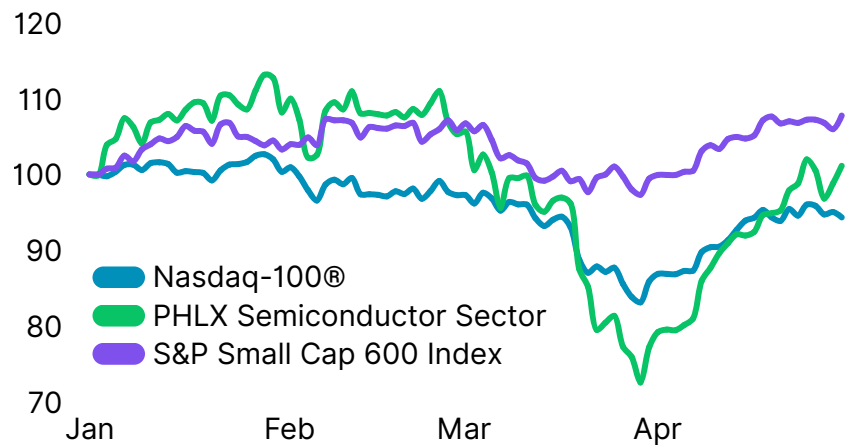
April Highlights

- Large cap ETFs returned to market highs after projected earnings surge.
- Technology ETFs had a MTD return of nearly 25% led by semiconductors and tech infrastructure. Software continues to slide.
- Retail net buying declines as investors look for a surgical, more thematic approach in April.

The State of the Market

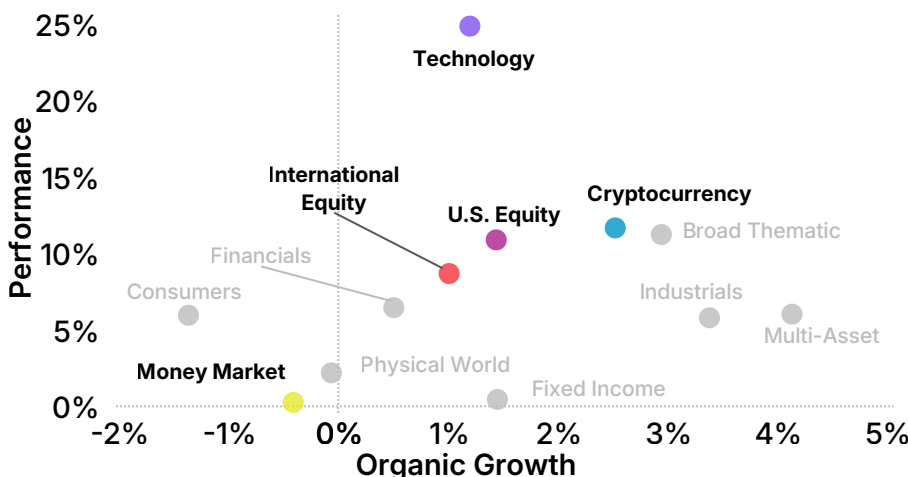
After a shaky few months, April returned markets to all time highs. While geopolitical and macro factors such as high oil prices, and consumer sentiment point towards a negative outlook, fundamentals are exceedingly strong. Earnings rose almost universally across the board and price responded. U.S. large cap stocks, particularly technology, had a resurgence after cooling off through the start of the year. The top performing funds were concentrated plays backed by good fundamentals. For example, even with a nearly 40% return in April, the PHLX Semiconductor™ Index's PE ratio only grew by 1% year to date. In contrast, off of worse performance, the S&P Small Cap 600's PE ratio has increased by nearly 8% YTD. Earnings growth was concentrated in large cap securities and reflected in performance. In April, U.S. equities outperformed international and technology returns were over 20%.

Change in Next 12mo PE Estimates



Fixed income is still experiencing healthy flows but money market funds had a small amount of outflows. Mild selling of money market funds suggests that investors are becoming more comfortable with other investments and may be moving money from the sidelines back into the

U.S. Monthly ETP Organic Growth and Performance

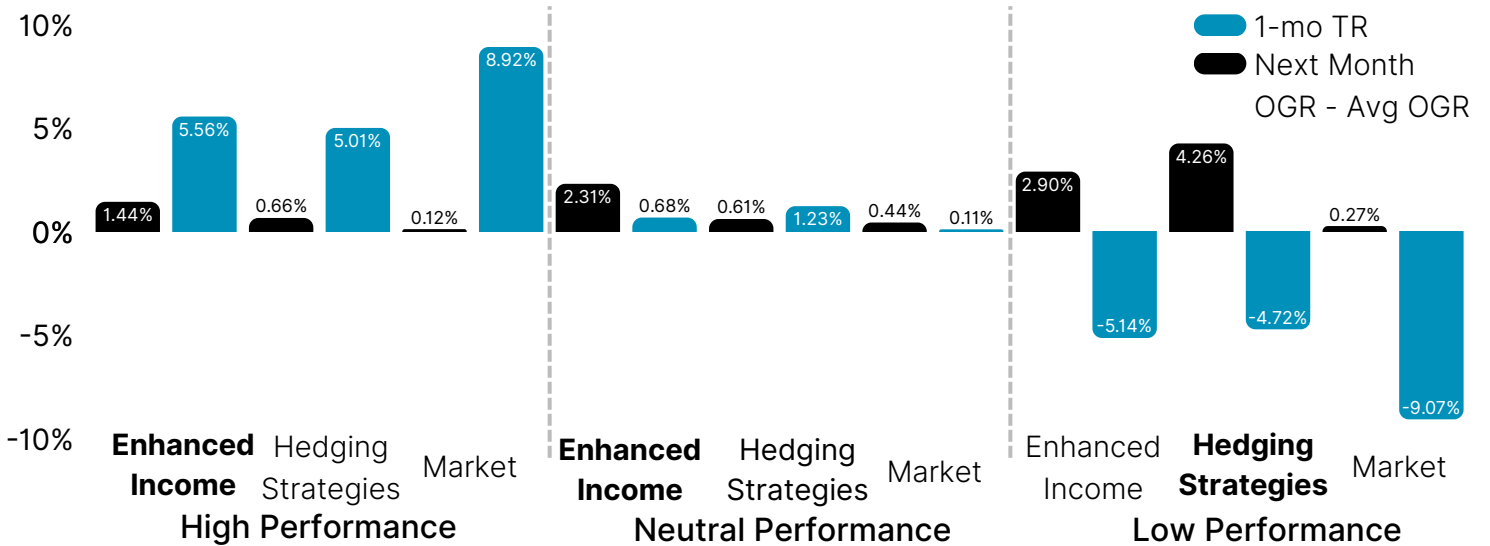


market or at least are not continuing to place money on the sidelines. Cryptocurrency is slowly picking up steam. After a period of downturn, it's finally had an up month and investors are responding. Historically, bitcoin has behaved similarly to a leveraged technology play and the concurrent bounce back alongside technology continues to support that narrative.



Option Overlay Strategies in Volatile Markets

Option Overlay Strategy Performance and Organic Growth

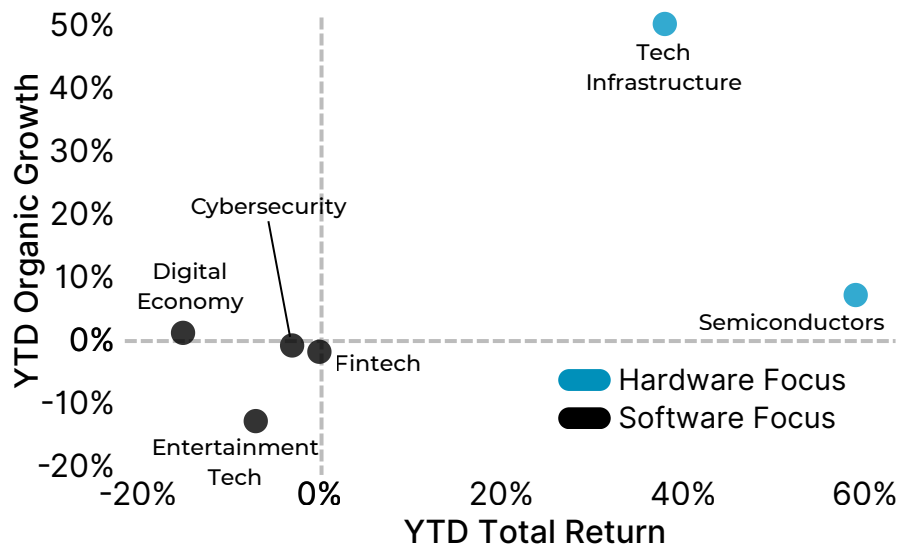


*Data from the last five years of monthly U.S. Large Cap performance. The three highest, lowest, and closest to the zero months for market funds were selected and averaged.

April was the best month for U.S. large cap ETFs in over five years. The median monthly performance for U.S. large cap ETFs falls at a little over 2% and this month returned 10%. In times of sideways or downward movement, option overlay strategies can have their advantages. Hedging strategies protect principal in downturns while enhanced income funds can provide a boost of income in a down or sideways market. The premiums cause them to drag in bull markets. Investors tend to be reactive when it comes to utilizing option overlay strategies. In up markets they slightly favor enhanced income strategies, while in down markets hedging strategies dominate with 4.3% higher organic growth than typical months.

Hardware vs. Software

Tech ETF's YTD Organic Growth and AUM



Overall technology had an excellent month. Within ETFs, the category had a weighted return of over 24%. However, taking a look under the hood of the category, that performance is being driven almost entirely by hardware while software is floundering. Categories like semiconductors and technology infrastructure have had an incredible start to 2026. Semiconductor funds have more than doubled in size associated with a return of nearly 60% YTD. On the flip side, as AI eats away at IP moats, digital economy, cybersecurity, and fintech are struggling to find their niche in a rapidly changing landscape.

Over the past few years investors have had 'buy the dip' hammered into their psyche. However, investors appear to be acting more drastically. Fintech and cybersecurity ETFs have both faced outflows on top of negative returns. While technology as a whole seems to be returning in force, the wins are concentrated in a narrow band of specific themes primarily focused on infrastructure and physical technology.



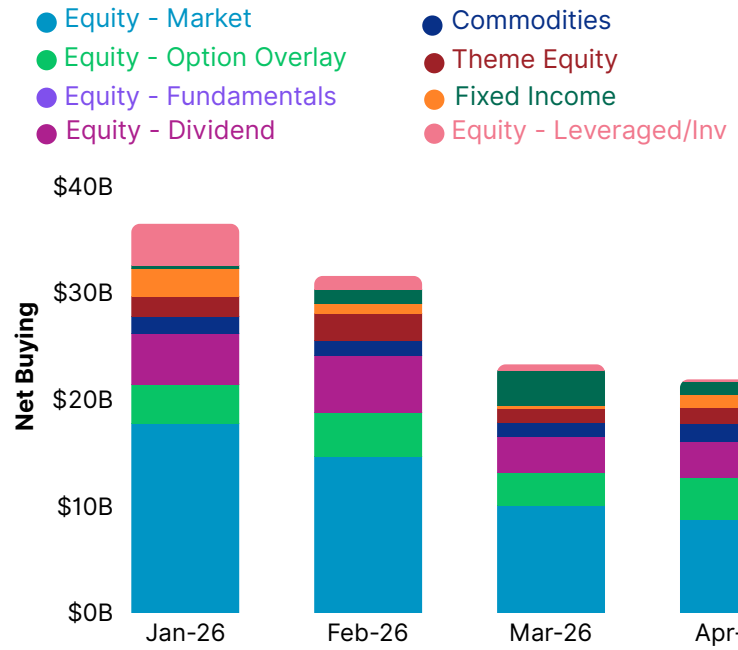
The U.S. Retail Report

April 2026 was a month of less money, but more conviction. Self-directed retail investors continued to pull back on net buying, but the capital they did deploy was concentrated in semiconductors, AI, technology, and crypto, while aggressively exiting energy, commodities, and broad passive large-cap exposures. The "buy everything" mentality of January gave way to a more surgical, thematic approach in April.

Retail investors showed much more conviction in specific thematic sectors compared to the broader market. In April, the share of retail net buying into semiconductors (6.9%), technology (3.7%), and U.S. small caps (2.7%) was firmly positive, even as total ETP market net cashflows for semiconductors and U.S. small caps flipped negative. This highlights retail's continued risk appetite in high-growth areas, while non-retail money shifted toward large caps.

Retail Activity Slide Continues From January High

Monthly Retail Net Buying



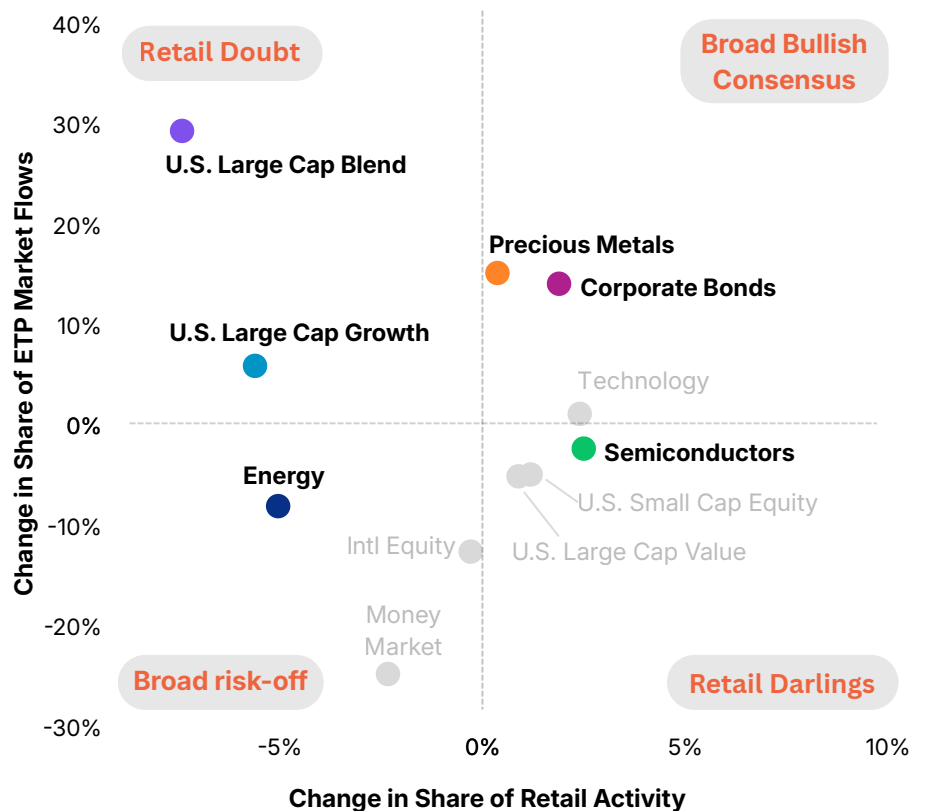
U.S. Large Cap & Energy See Monthly Retail Decline

U.S. large cap blend in particular showcased this sharp contrast with retail share dropping over 7 percentage points from March while non-retail share of net buying increased by 30 points.

The intense trading activity of precious metals that dominated early 2026 (with \$5.6 billion in the first two months) was fully unwound. April saw continued net selling of a combined \$111 million of precious metals in the commodities and hot sauce categories.

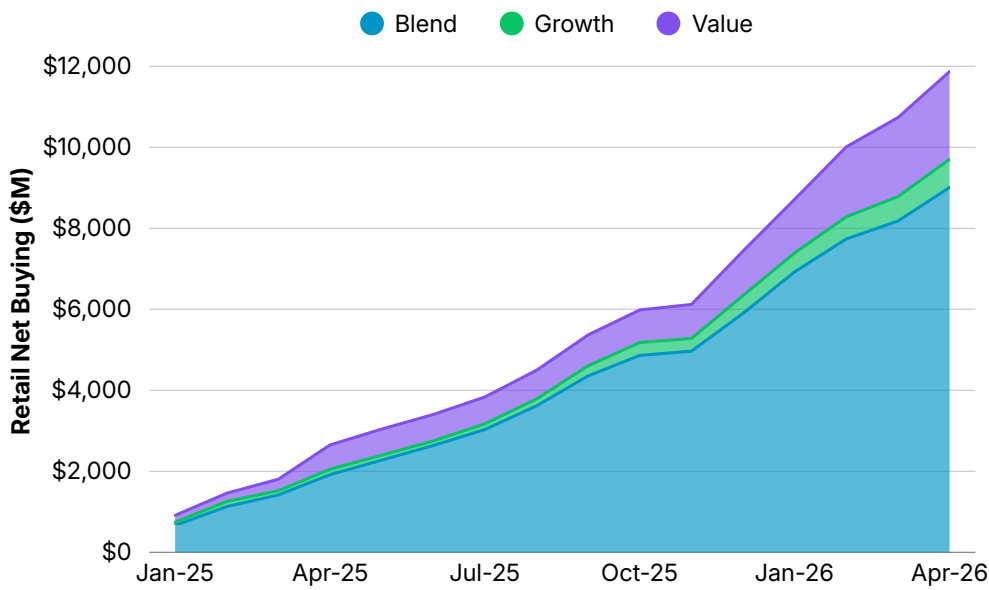
Overall, despite the Middle East tensions in April that temporarily spiked oil prices, retail's broader concerns over delayed rate cuts and slowing global economic growth ultimately outweighed geopolitical supply fears, leading to profit-taking in the energy sector.

Monthly Change in Share of Retail & ETP Market Share Flows



Small/Mid Cap ETFs Keep Up Steady March

Retail Net Buying of Small/Mid Cap ETFs



U.S. small and mid cap ETFs have shown a strong, consistent upward trend in cumulative retail net buying from January 2025 through April 2026 with net buying growing from nearly \$1B at the start of '25 to \$12B by April '26, representing sustained demand for this segment.

In particular, U.S. small cap value showed remarkable growth from \$147M to \$2.16B signaling the "value rotation" is real. The fact that previously

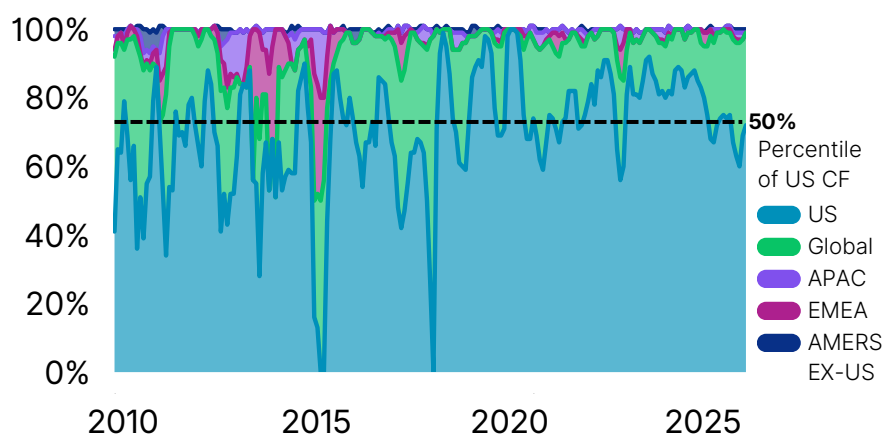
negative categories (small cap growth, mid cap value) finally turned positive in April 2026 suggests a broadening of retail enthusiasm beyond just blend and value styles amid a sign of improved risk appetite.

Retail investors have moved beyond the initial "tariff hedge" trade and now view the entire US small/mid cap space favorably, supported by reshoring tailwinds and a year of demonstrated resilience in domestic-focused equities.

US Regional Investments Remain Below Average

Recently, commentary around regional investment has varied by the month depending on the most recent up or downswing in regional buying. Taking a longer term view, U.S. investors are buying U.S. based ETFs at a slightly lower rate than they have in the past. 2023 to the first half of 2025 was marked by much higher than typical buying of U.S. ETFs. Since the highs of 85%+ in 2023, investors have steadily lowered their U.S. exposure by buying global funds. It is important to note that the largest regional exposure of global funds, unless specifically excluded, tends to be the U.S.

U.S. Quarterly ETF Cashflows by Investment Regions



While U.S. investors are lowering their U.S. exposure, they have almost entirely ceased buying regional funds that focus on Europe or Asia and ex-US ETFs have never been able to gather comparable assets to global funds. Global funds are subsuming ex-US regional flows. The long term downtrend of U.S. exposure has been slightly couched as around two thirds of all assets flowing into global funds find their way back into U.S. listed securities.



New Kids on the Block

US ETP Threads | Ranked Launches and Filings by Nasdaq ETP Taxonomy

	Q2-25	Q3-25	Q4-25	Q1-26	Apr-26	May-26*	Jun-26*
1	Equity Option Overlay	Equity Option Overlay	Single Stock	Single Stock	Equity Option Overlay	Single Stock	Single Stock
2	Fundamental Factors	Single Stock	Equity Option Overlay	Fixed Income	Fundamental Factors	Equity Option Overlay	Fundamental Factors
3	Single Stock	Fixed Income	Fixed Income	Equity Option Overlay	Single Stock	Fundamental Factors	Equity Option Overlay
4	Fixed Income	Fundamental Factors	Fundamental Factors	Fundamental Factors	Cryptocurrency	Theme Equity	Fixed Income
5	Signal Factors	Signal Factors	Cryptocurrency	Theme Equity	Theme Equity	International Equity	Theme Equity

*May/June 2026 launch numbers are estimates using SEC filings data and average launch rate.

U.S. Filing Trends

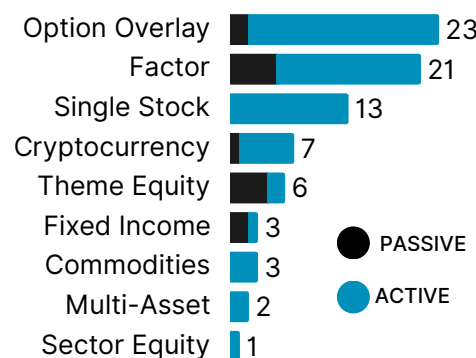
There were 223 filings this month led by Defiance with 27 filings primarily for single stock funds. 51% of all filings were applied leveraged or inverse exposure.



The iShares Nasdaq 100 ETF and State Street SPDR Nasdaq 100 ETF were filed by Blackrock and State Street expanding the issuers that license the Nasdaq-100. They will join Invesco as the only U.S. issuers with a delta-one Nasdaq-100 ETF.

While the first batch of 'prediction' ETFs were temporarily delayed by the SEC, issuers are going full steam ahead. There were 17 prediction filings from Defiance, Bitwise and Roundhill ranging from moonshots on single stocks to increases in tech layoffs. The majority are using Kalshi contracts with a binary payout. Based on the range of contracts on prediction markets like Kalshi this is likely only the beginning of the trend.

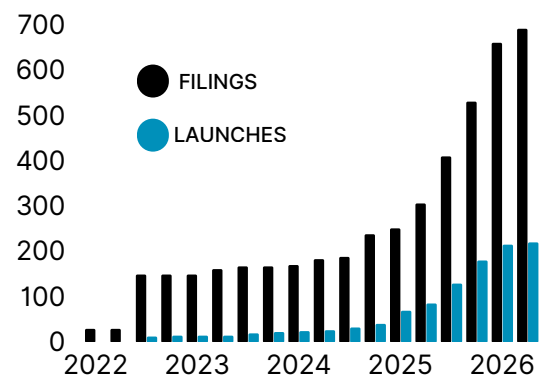
Active vs. Passive US Launches



Unique Single Stock Filings are Slowing

Single-stock ETF development has accelerated significantly since the first products were filed in 2022. The number of unique underlying equities referenced in filings has expanded to nearly 700 names by 2026, while only 218 unique stocks have a launched product. The widening gap between filings and launches suggests issuers continue testing product concepts at a faster pace than products are ultimately brought to market. Although overall product launches continue to grow, expansion into new underlying equities has slowed. A larger share of recent filings are tied to additional implementations built around existing single-stock ETF names, including inverse, income-oriented, and options-overlay structures. Issuers appear to be deepening coverage of stocks that already demonstrate elevated trading activity and retail engagement rather than broadening the universe.

Unique Stocks with a U.S. Single-Stock ETF Launch or Filing



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