



July 2025

Quarterly Thematic Update

Invest On The Right Side Of Change

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CONTENTS

I.	Introduction	3
II.	Macroeconomic Update	4
III.	H1 2025 European Thematic ETF Flows	7
IV.	Innovation Accelerates Despite Volatility	10
V.	Turning Point: Clean Energy's Momentum In 2025	18
VI.	Our Range of ETFs - Market Commentaries And Performance Highlights	25
VII.	References	35

Unless specifically cited as being sourced from a third party, the commentary of this report is the opinion of ARK Invest Europe at the time of publication. This does not constitute investment advice.



I. Introduction

At ARK Invest Europe, our mission is to help investors invest on the right side of change. As part of that commitment, we publish this Quarterly Thematic Update to share timely insights, highlight emerging opportunities, and support investors in their ongoing research and investment decisions. With markets evolving rapidly and innovation accelerating across sectors, we aim to provide clarity and perspective on the trends that matter most.

In this issue, we begin with a macroeconomic update from Cathie Wood that outlines the key forces impacting global markets. We then turn our attention to European thematic ETF flows in H1 2025, highlighting shifts in investor sentiment and capital allocation. We also share a mid-year update on our Innovation range of ETFs and highlight the growing momentum behind the energy transition. Finally, we provide ETF-specific performance highlights and commentary across our full range of strategies, spanning areas such as innovation, artificial intelligence, genomics, cybersecurity, sustainable infrastructure, environmental impact, sustainable food, and circular economy.

Whether you're seeking resilience during market volatility or aiming to align your portfolio with the forces reshaping the global economy, this thematic update provides the insights and tools to help you stay ahead of the curve.

About us

ARK Invest International Ltd ('ARK Invest Europe') is a specialist thematic ETF issuer offering investors access to a unique blend of active and index strategies focused on disruptive innovation and sustainability. Established following the acquisition of Rize ETF in September 2023 by ARK Investment Management LLC, ARK Invest Europe builds on over 40 years of expertise in identifying and investing in innovations that align financial performance with positive global impact.

Through our innovation pillar and the 'ARK' range of ETFs, we focus on companies leading and benefiting from transformative cross-sector innovations, including robotics, energy storage, multi-omic sequencing, artificial intelligence, and blockchain technology. Meanwhile, our sustainability pillar, represented by the 'Rize by ARK Invest' range of ETFs, prioritises investment opportunities that reconcile growth with sustainability, advancing solutions that fuel prosperity while promoting environmental and social progress.

Headquartered in London, United Kingdom, ARK Invest Europe is dedicated to empowering investors with purposeful investment opportunities.



II. Macroeconomic Update

Broad-based global equity indexes (defined as the S&P 500 Index and the MSCI World Index) ended the quarter higher after rebounding from the sharp selloff triggered by threats of sweeping tariffs. In our view, the innovation space is not only recovering but also being revalued. The headwinds that once pressured disruptive technologies are shifting into structural tailwinds, supported by broadening market participation, favorable policy shifts around crypto, AI, and healthcare, and potential fiscal catalysts like tax cuts. Simultaneously, valuation premiums have normalised, with innovation assets now trading closer to market parity than historical norms. Should inflation continue to surprise on the low side of expectations, interest rates should follow, creating a constructive macroeconomic backdrop that will sustain momentum. The pro-growth policies of the Trump administration, as well as breakthroughs in AI, robotics, energy storage, blockchain, and multiomics, could drive a new cycle of productivity and long-term economic growth, particularly among underappreciated names not yet reflected in benchmark-heavy market leadership.

ARK's research suggests that a rolling recession* began in the spring of 2022, when the U.S. Federal Reserve (Fed) tightened monetary policy and raised interest rates by 22-fold in little more than a year. Our research also suggests that a loss of pricing power will force corporations to curb employment growth to protect margins. That said, the Five Innovation Platforms (Artificial Intelligence, Robotics, Energy Storage, Multiomic Sequencing, and Blockchain Technology) around which ARK has centered its research and investing could play an outsized role in pulling the economy out of the rolling recession, potentially salvaging corporate margins as inflation gives way to deflation in many sectors over the next few years. Supporting our perspective are the following indicators:

- Housing metrics like affordability and sales volumes continue to signal distress. Existing home sales remain depressed at 4.03 million units—down 37% from their 2022 peak and not far above levels seen during the global financial crisis, thanks in large part to the impact of mortgage rate lock-ins.¹ The number of home sellers now exceeds buyers, creating the widest gap since Redfin began collecting data in 2013 and pointing to downward pressure on prices. After a weak spring selling season, new single family home inventories continued to increase in May. Compounding the risk, home price expectations remain elevated, a disconnect that may weigh on consumer spending and broader measures of household wealth.
- In the early days of the pandemic, autos accounted for roughly one-third of the inflation spike. Now, while used car prices remain elevated relative to historical norms, they have dropped 19% from their pandemic-era peak, signaling deflationary pressure in the sector.² That said, auto sales surged above 17 million units (SAAR) in March and April—perhaps preemptive buying ahead of anticipated tariffs—before dropping below expectations to 15.3 million units in June.³
- As indicated by the PMI (Purchasing Managers Index), still below 50, manufacturing has been contracting since November 2022 and, despite the AI-related spending boom on data centers and power plants, capital spending as measured by non-defense capital goods excluding aircraft has begun to fall on a year-over-year basis.

**A type of recession that affects different sectors of the economy at different times, not simultaneously.*



- May was the first month since 2007 in which the ISM Services Prices Paid Index hit a two-year high while the New Orders index fell to a two-year low. This unusual divergence signals that rising input costs amid weakening demand is putting downward pressures on profit margins, often a harbinger of recessions that have prompted shifts in government policy.
- Small and medium businesses—the backbone of the US economy—have been reeling as measured by the NFIB (National Federation of Independent Business): in June 2022, their optimism dropped to levels last seen in 2008-09 and remained depressed until the election last November. After rebounding in hopes of deregulation, tax cuts, and lower interest rates, their optimism is relapsing now in response to tariffs and weaker economic activity.
- The consumer often is the last leg of a rolling recession. As measured by the University of Michigan, consumer confidence among high-income earners has capitulated, falling to the 2008-09 levels at which low- and middle-income earners have been mired since the Fed raised rates in 2022.
- Signaling recession in July 2024, the employment report triggered the Sahm Rule, as the three-month moving average of the US unemployment rate rose 50 basis points above its lowest point in the last 12 months, historically an indicator that the economy has been in recession for three months. Underscoring labor market weakness, for the twelve months ended March 2024, the Bureau of Labor Statistics revised employment down by 818,000, the largest downward revision since 2009, taking the average growth in monthly payrolls down from 242,000 to 174,000 jobs per month. Although the Sahm Rule no longer is signaling outright recession, quit rates have dropped sharply since the post-COVID “Great Resignation” and are now down to 2.1%, just off their lowest level since the 2020 COVID lockdown, a signal that confidence in labor market opportunities is diminishing.
- The labor market remains fragile. WARN (Worker Adjustment and Retraining Notification) notices, a leading signal of future job cuts, are on the rise as major firms like P&G, Microsoft, and Intel announce layoffs. At the same time, continuing unemployment insurance claims are increasing while initial claims remain flat, suggesting that laid-off workers are struggling to find new employment as labor demand weakens.

While the Fed focused on raising interest rates to squelch inflation, the bond market was signaling deeper trouble, as the yield curve inverted from +159 basis points in March 2021 to -108 in July 2023—levels last seen in the early 1980s—only to reverse into a bear steepening phase in 2024, suggesting that both growth and inflation might undershoot expectations. Since supply shocks, geopolitical turmoil, inventory hoarding, and government spending spurred a year-over-year spike in inflation to 9.1% in 2022, consumer-based inflation as measured by the CPI has dropped to 2.4%, aided by good, bad, and cyclical deflationary forces. Around the time the Fed paused rate hikes, ChatGPT highlighted the transformative innovation likely to turbocharge price deflation. During the next five to ten years, disruptive technologies (including robotics, energy storage, AI, blockchain, and multiomics sequencing) are likely to converge, creating powerful waves of both real growth and price deflation that will reshape the macroeconomic landscape. Now that the cost to train and deploy AI has been falling more than 75% per year,⁴ the deflationary ramifications could intensify, reinforcing a macro regime characterized by innovation-led growth and structurally lower inflation.



While many economists are beginning to forecast a recession extending into 2026, our research suggests that the rolling recession that has been in place for the past three years should end with clarity on tariff, tax, regulatory, and monetary policies during the next three to six months. If the current tariff turmoil results in freer trade, as tariffs and non-tariff barriers come down in tandem with declines in other taxes, regulations, and interest rates, then real GDP growth and productivity could surprise on the high side of expectations at some point during the second half of this year.

Innovation tends to gain traction during tumultuous times: when consumers and businesses are concerned about the future, they are willing to change the way they do things. Inertia gives way to better, less expensive, faster, more productive, and more creative ways of living and working. During the current turbulent transition in the US, consumers and businesses are likely to accelerate the shift to technologically enabled innovation platforms including artificial intelligence, robotics, energy storage, blockchain technology, and multiomics sequencing.

About The Author



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Cathie registered ARK Investment Management LLC ("ARK") as an investment adviser with the U.S. Securities and Exchange Commission in January 2014. With over 40 years of experience identifying and investing in innovation, Cathie founded ARK to focus solely on disruptive innovation while adding new dimensions to research. Through an open approach that cuts across sectors, market capitalizations, and geographies, Cathie believes that ARK can identify large-scale investment opportunities in the public markets resulting from technological innovations centred around DNA sequencing, robotics, artificial intelligence, energy storage, and blockchain technology.

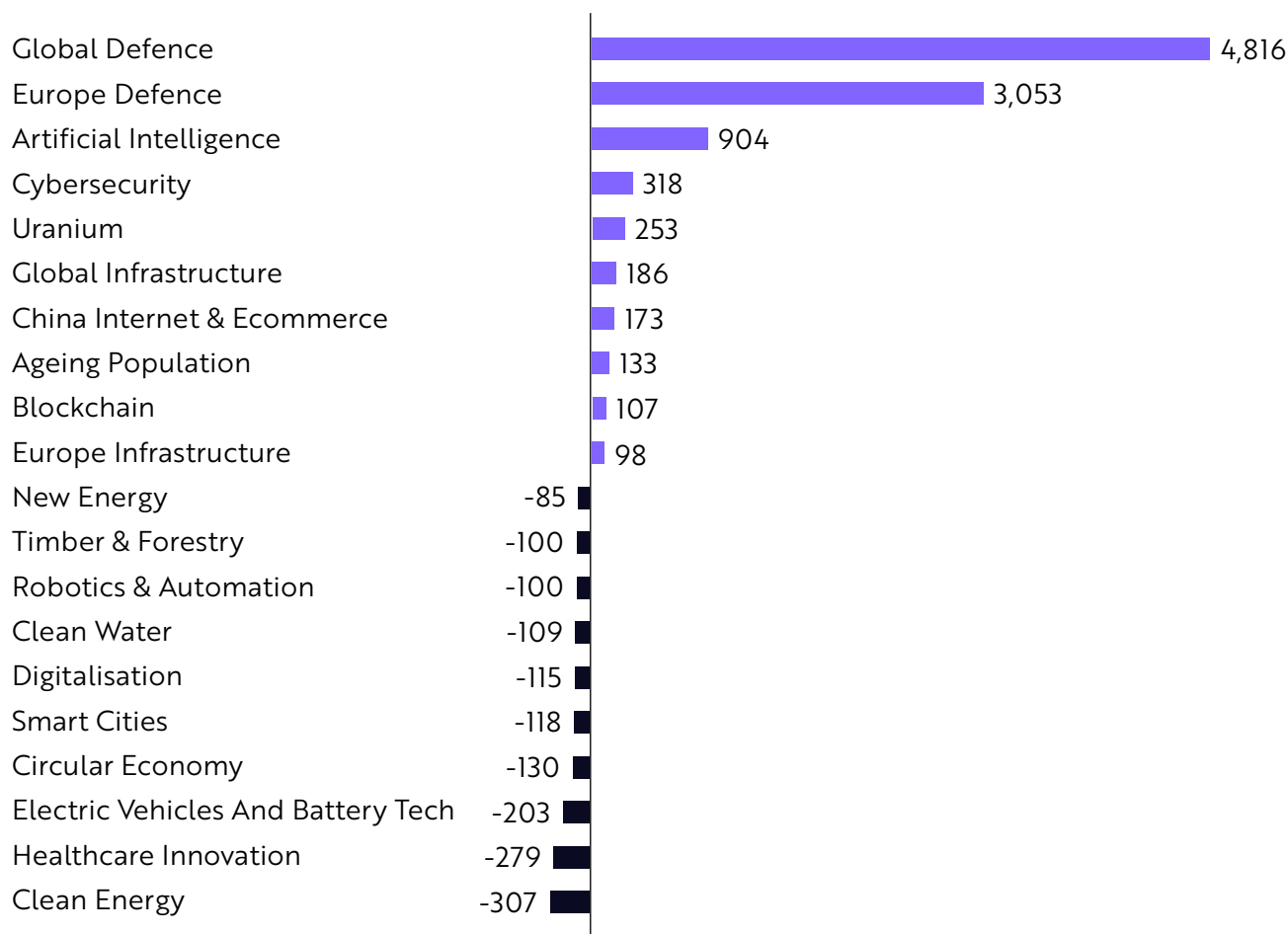
As Chief Investment Officer ("CIO") and Portfolio Manager, Cathie leads the development of ARK's philosophy and investment approach and has ultimate responsibility for investment decisions.



III. H1 2025 European Thematic ETF Flows

In this section, we break down the biggest developments in European thematic ETFs over the last half of the year, from key trends, shifts in investor flows, to anything that sparks curiosity.

Top 10 / Bottom 10 (\$USD in millions)



Source: Data from etfbook.com 30.06.2025. Classification based off internal ARK Invest Europe Megatrend Sub Theme Classification.

- Total thematic net flows for the H1 period stand at **+\$8.73 billion**, reinforcing investor conviction in key megatrends. Defence and AI continue to dominate, while cybersecurity, uranium and infrastructure remain robust performers.
- **Global Defence ETFs** lead in H1 2025 with **+\$4.81 billion** in net flows as investor positioning in defence remains robust. The demand for next-gen military and aerospace technology continues to attract capital, with defence-tech firms benefiting from increased procurement budgets globally.
- **Europe Defence ETFs** rank second with **+\$3.05 billion** in net flows. European investors appear especially focused on local defence capabilities, with regional tensions and rising national security priorities driving persistent allocations into the theme.
- **Artificial Intelligence ETFs** secured the third-highest net flows with **+\$904 million**. AI remains the defining technological revolution, with investor appetite fuelled by relentless innovation in large language models, robotics, and autonomous systems.



- **Cybersecurity** ETFs rank fourth at +\$318 million in net flows, reflecting growing investor conviction in cybersecurity as a structural necessity amid rising digital threats.
- **Uranium** ETFs rank fifth at +\$253 million, reflecting growing investor interest in the nuclear sector as a potential solution to global energy needs.
- **Clean Energy** ETFs posted the weakest H1 net flows, with a loss of -\$307 million. As policy momentum stalls in key markets, investors are increasingly selective within the energy transition space. Capital is rotating toward subsectors with clearer economic moats, such as nuclear and grid infrastructure.
- **Healthcare Innovation** ETFs recorded the second-worst net flows at -\$279 million. The drawdown reflects investor caution around legacy biotech firms with uncertain drug pipelines and reimbursement risks. Interest is shifting toward AI-driven healthcare platforms offering faster innovation cycles and more scalable business models.
- **Electric Vehicles and Battery Tech** ETFs ranked third-worst with -\$203 million in net flows. Investor enthusiasm has cooled amid subsidy rollbacks and plateauing EV demand in major markets. Persistent concerns around battery raw materials and production bottlenecks have further weighed on the theme.

Comparative Study: 2024 vs. 2025

- **Thematics Are Back:** After a weak 2024, investor appetite for thematic risk has returned in force with H1 2025 total net inflows reaching +\$8.73 billion. That's a sharp reversal from -\$791 million in H2 2024 and only +\$483 million in H1 2024. The rotation is clear: capital is moving back into forward-looking themes with stronger earnings visibility.
- **Defence Is Now A Structural Trade:** Global and Europe Defence saw a combined \$7.87 billion in inflows in H1 2025 and \$1.59 billion in June alone. This continues a multi-quarter surge as geopolitical tensions, rising military budgets, and renewed industrial policy drive long-term allocations. Defence is no longer a tactical trade, it's becoming a core exposure.
- **AI Inflows Normalise, But Conviction Remains:** Artificial Intelligence ETFs drew \$904 million in H1 2025, following \$1.47 billion in H1 2024. Inflows may be slowing, but investor conviction is holding firm, and with earnings delivery now catching up to narrative, AI remains a centrepiece of thematic portfolios.
- **Cybersecurity Shows Signs Of Stabilisation:** After brutal outflows in 2024 (-\$311 million in H1, -\$260 million in H2), cybersecurity ETFs finally saw inflows with \$318 million in H1 2025, including \$67 million in June. This rebound suggests investors are once again prioritising digital resilience in an AI-driven world.
- **Infrastructure Themes Are Quietly Regaining Traction:** Global and Europe Infrastructure ETFs pulled in \$284 million in H1 2025, following modest gains in H2 2024. While not headline-grabbing, infrastructure is benefiting from government stimulus, defence modernisation, and the reshoring trade.





- **Uranium's Steady Climb Continues:** \$253 million in H1 2025, after \$216 million in H2 2024 and \$67 million in June alone. Indeed, the \$67 million in June alone nearly matches the \$66 million pulled in during the entirety of H1 2024. This showcases a rare clean energy theme that's bucking the downtrend, reflecting growing recognition of nuclear as a pragmatic decarbonisation solution.
 - **Clean Energy Sentiment Is So bad, It Might Be Investable:** Outflows across all periods represent -\$307 million in H1 2025, -\$505 million in H2 2024, and -\$409 million in H1 2024, with June 2025 seeing a mere -\$8 million. Sentiment is arguably as negative as it's ever been, yet structural drivers remain in place meaning the setup for a contrarian rebound is building.
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About The Author



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Rahul joined ARK in September 2023 following ARK's acquisition of Rize ETF (now ARK Invest Europe), of which he was co-founder and director. Rahul is a managing director and global head of index in Europe as well as director on the board of the ARK Invest UCITS ICAV. An expert strategist in thematic and sustainable investments, Rahul is responsible for spearheading global systematic (self-indexed) strategies, overseeing European UCITS product strategy and implementation, and leading investment research alongside managing our product specialist team. His research focus includes the energy transition, food sustainability, and the digital economy.

Prior to ARK Invest Europe, Rahul served as Co-Head of ETF Investment Strategies at Legal & General Investment Management (LGIM), a platform LGIM acquired from ETF Securities in 2018.



IV. Innovation Accelerates Despite Volatility

1. Q2 2025 Market Overview: From Whiplash To Recovery

Turbulence, tariff turmoil, and turnaround defined the second quarter of 2025, demanding conviction in the face of chaos. While monthly returns would suggest a relatively muted period, the path between the quarter's start and finish was anything but smooth. Markets swung sharply in response to renewed geopolitical tensions and a sweeping round of U.S.-imposed tariffs targeting key trading partners. Those measures triggered a wave of uncertainty in April, as investors assessed the potential for long-term economic dislocation.

While fears of irreversible damage dominated headlines, sentiment recovered in May and June as the policy posture softened, and signals of constructive negotiation emerged. Pure-play innovation stocks, with their typically higher beta and longer duration earnings profiles, were caught up in the initial selloff despite having relatively limited exposure to the physical goods and supply chains directly targeted by the tariffs. Those names saw a swift recovery, driven by:

- The scope of the tariffs proved narrower than initially feared, with carve-outs for strategic sectors like semiconductors and energy technologies. As negotiations progressed, it became increasingly clear that Trump's bold declarations were calibrated more as leverage than fixed policy, helping to ease market concerns around lasting disruption.
- The Federal Reserve maintained a data-dependent stance, choosing not to overreact to headline risk. With tariff fears yet to translate into material inflationary pressure, expectations for further rate hikes diminished, providing relief to duration-sensitive innovation assets.
- Corporate earnings, especially from AI-exposed firms, surpassed expectations, with strength concentrated in infrastructure, model platforms, and enterprise adoption. That earnings resilience helped to re-anchor investor confidence in secular growth stories, despite macro crosswinds.
- Technology continued to drive market leadership, particularly in AI and national security applications. Defence-related AI investments expanded in visibility, with governments signalling long-term support for autonomous systems, threat modelling, and strategic compute infrastructure—further validating commercial leaders with crossover capabilities.
- Regulatory momentum accelerated across key innovation verticals, from increased FDA clarity on gene-editing and cell therapies to bipartisan interest in digital asset frameworks. Developments around stablecoin regulation, crypto custody, and AI governance signalled a more coordinated policy approach, enhancing investor visibility into the paths ahead for disruptive technologies.

Growth sectors led the rebound, with technology, AI, and biotech bouncing back as capital rotated back into high-conviction innovation themes. The market has welcomed the passage of the Big Beautiful Bill, but enthusiasm is beginning to taper as the August 1st tariff deadline looms and recent announcements inject fresh uncertainty.



2. ARKK: Disruptive Innovation Positioned For A Rally

2.1 Performance Spotlight

The ARK Innovation UCITS ETF (ARKK) finished Q2 at \$150 million with a 44% return*, recovering strongly in the back half of the quarter. To underscore the ferocity of this rally, the strategy returned over 74% from the trough on 08 April through 30 June as compared to 33% for the Nasdaq 100 Index.* While April's volatility weighed on early performance, ARK's active approach enabled us to capitalise on depressed valuations, emerging trends, and key developments to position the portfolio for recovery.

2.2 Digital Asset Innovation And Regulatory Momentum Fuels Rally

Within blockchain technology, regulatory progress, product innovation, and positioning at the intersection of crypto infrastructure and traditional financial services drove performance. Digital asset disruptors were the largest contributors to performance as Coinbase, Robinhood, and Circle Internet Group contributed 20% to the fund's return. Coinbase and Robinhood are two longstanding, high-conviction ARK holdings that rallied because of strategic product execution and infrastructure expansion, while Circle represented an exciting new addition to the portfolio:

- **Coinbase (COIN)** secured a MiCA license from Luxembourg, enabling crypto services across all EU member states, and announced a \$2.9 billion acquisition of Deribit, the world's largest crypto options exchange by open interest. Its Layer 2 network, Base, was selected by JPMorgan to support its USD deposit token, while partnerships with Shopify and Stripe brought USDC payments to merchants globally. Coinbase's privileged agreement with Circle further reinforced investor confidence.
- **Robinhood (HOOD)** beat expectations with 50% year-over-year revenue growth and demonstrated impressive product velocity. At a dedicated crypto event, it launched tokenised U.S. stocks and ETFs for E.U. customers, introduced 24/5 commission-free trading, and unveiled plans for a proprietary Layer 2 blockchain built on Arbitrum to support tokenised assets. The platform also rolled out crypto staking for Ethereum and Solana in the U.S., amongst other initiatives.
- **Circle (CRCL)** was added to the flagship strategy based on ARK's conviction in the stablecoin ecosystem, Circle's pivotal role in its development, and ARK's ability to secure attractive access. Circle IPO'd on June 5th, surging from ~\$31 to ~\$90 on the day and finishing the quarter at \$181, reflecting a major sentiment shift toward crypto-native public companies. As the sole publicly traded pure-play stablecoin issuer, Circle benefited from institutional enthusiasm and strong positioning. **ARK was the sole cornerstone investor, expressing interest in up to \$150 million in IPO shares at the offer price.** Despite ARK's long-term conviction, **the portfolio team aggressively trimmed the stock's weight by roughly 40% to lock in profits after a period of extreme strength and the resultant change to the name's valuation scoring metric within ARK's bottom-up stock selection process.**

**This return reflects the ARK Innovation UCITS ETF in GBP (ARXK GR). Returns will vary based on share class and currency given the heavy fluctuation in foreign exchange rates thus far experienced in 2025. Source: Bloomberg as of June 30, 2025.*



2.3 Beyond The Blockchain: Autonomy In Motion

Despite the noise surrounding Tesla (TSLA), including concerns over a slowdown in EV sales, Tesla launched its robotaxi service for a limited group of users through an invite-only robotaxi app. Its commercialisation puts Tesla on track to tap into ARK's expected ~\$8-10 trillion⁵ market opportunity in global robotaxi revenue in 2030. The rollout focused on safety, with operations limited to a region in Austin with safety monitors in the passenger seat. Powered by two unique advantages, its end-to-end AI autonomous solution and vertically integrated manufacturing, Tesla is likely to scale more quickly and cost-effectively than competitors. If Tesla offers robotaxi service in many cities by the end of the year, those competitive advantages should deliver a premium service at a lower cost, undercutting the competition.

2.4 Portfolio Positioning Through Active Management

During this period of volatility, ARK's investment team managed the portfolio actively by reallocating to existing high conviction names whose long-term theses remained intact. For example:

- ARK trimmed exposure to Palantir (PLTR) from a beginning weight of 4.4% to 3.4% (despite the name remaining as a top holding) to reallocate gains to Tesla (TSLA) after the name drew down substantially because of brand perception.
- Another example of this active approach was the strategy's exit from Prime Medicine (PRME).⁶ We used market volatility to consolidate into more developed, yet similarly dislocated, names within the CRISPR-Cas9 and base editing space, such as Crispr Therapeutics (CRSP).
- ARK trimmed nearly all exposure to UiPath (PATH), which experienced a slowdown in government spending and uncertainty around its ability to execute a new agentic strategy, in favour of other players across the AI value chain that were underweighted when their valuations were higher.

ARK added five new names to the portfolio, including the re-entrance to Nvidia (NVDA), which reached its least expensive levels since 2018 on a forward EV to EBITDA basis, and Taiwan Semiconductor (TSM).

- We believe Nvidia can continue to achieve stellar revenue growth, even with increased competition from AMD and in-house efforts from hyperscalers. The company has seen headwinds because of what may be overstated concerns that efficient new AI models from China could reduce future demand for compute. Cost declines are in line with our belief that the cost of training and inferencing models will continue to fall, and that the proliferation of inexpensive and efficient AI will drive demand.
- ARK's team also used this period to enter Taiwan Semiconductor in the flagship strategy, a name which we have held in our AI & Robotics strategy since inception. TSM is positioned to be a prime beneficiary in the AI revolution, providing best-in-class foundry capabilities to most of the leading semiconductor names in AI.



3. ARKI: The Enduring Strength Of Artificial Intelligence

3.1 Performance Spotlight

AI once again was a bright spot for markets, our flagship strategy, and the ARK Artificial Intelligence & Robotics UCITS ETF (ARKI). Despite broader market stress, AI platform companies reported robust top-line growth, reflecting a deepening wave of enterprise adoption and model development. The ARK Artificial Intelligence & Robotics UCITS ETF (ARKI)—our UCITS strategy launched exclusively in Europe in April of 2024—surpassed \$100 million in assets during the quarter with a 35.9% return, reflecting a 12-month return of 69.5% relative to a peer group of 8.5%.⁷

3.2 The Race For AI Dominance Accelerates

Key developments included the sovereign race to increase AI capabilities. In the second quarter of 2025, Saudi Arabia significantly escalated its AI initiatives, leading to a notable surge in global AI demand. That momentum was driven primarily by the LEAP 2025 technology conference in Riyadh, where the Kingdom announced over \$14.9 billion in AI investments. Crown Prince Mohammed bin Salman launched Humain, a state-backed AI company under the Public Investment Fund (PIF). Humain secured significant deals with major U.S. technology companies. Notably, Nvidia (NVDA) agreed to supply at least 18,000 of its advanced GPUs to support Saudi Arabia's AI initiatives. Additionally, Advanced Micro Devices (AMD) committed to a \$10 billion investment in joint AI infrastructure projects within the Kingdom.

Capital expenditures from hyperscalers and chip providers reaffirmed the durability of AI infrastructure spending. For example, Meta Platforms (META) intensified its pursuit of artificial general intelligence (AGI) by establishing the Meta Superintelligence Labs. To attract elite AI talent, the company reportedly offered compensation packages exceeding \$100 million and invested \$14.3 billion to acquire a 49% stake in Scale AI, enhancing its AI infrastructure capabilities. Those AI developments positioned CoreWeave (CRWV) as a prominent player in the AI infrastructure landscape, a name that ARK added to its portfolio that attracted significant investor interest during the quarter returning over 300% since its March IPO.

Importantly, AI software (namely Platform-as-a-Service companies) also appreciated meaningfully in this environment. As governments, agencies, and enterprises scrambled to apply AI to their missions and objectives (especially in a time of chaos and confusion) names like Palantir (PLTR) continued to gain traction.



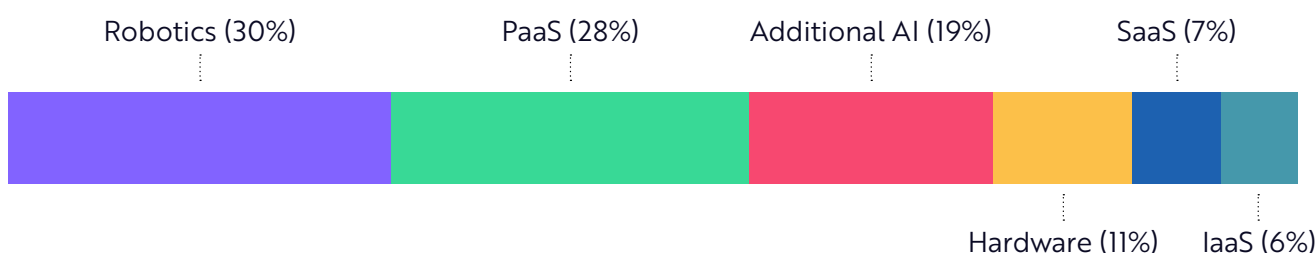
3.3 Portfolio Positioning That Differs From Peers

The attribution table for the quarter, shown below, illustrates how these names contributed to the fund's total return:⁸

Notable Contributors	Starting Weight (%)	Ending Weight (%)	Total Return (%)	Contribution (%)
Palantir Technologies	8.1	7.9	61.5	5.3
Roblox	4.6	5.8	80.5	3.7
Coreweave	1.3	2.4	339.8	3.7
Tesla	9.2	8.9	22.6	2.4
Aerovironment	1.6	2.7	139.1	2.1
Kratos Defense & Security	3.4	3.9	56.4	1.9
Meta Platforms	6.3	5.3	28.2	1.6
Rocket Lab	1.6	2.3	100.1	1.6
Cloudflare	2.1	2.6	73.8	1.5
Archer Aviation	2.5	3.2	52.6	1.4
Joby Aviation	1.9	2.4	75.2	1.3
Advanced Micro Devices	2.8	3.6	38.1	1.2
Crowdstrike	2.5	2.6	44.5	1.2
Taiwan Semiconductor	3.2	3.1	36.9	1.1
Spotify Technology	2.5	2.5	39.5	1.0
Symbotic	0.9	1.3	92.2	0.8
Nvidia	1.6	2.2	45.8	0.8

As is evident, ARK has positioned the ARK Artificial Intelligence & Robotics UCITS ETF to overweight platform-as-service names, which benefited the portfolio meaningfully. In our view, this has not been a one-quarter phenomenon but a continuing trend of value accrual across the AI tech stack. Over the last 12 months, the ARK Artificial Intelligence & Robotics UCITS ETF had an average weight of 30% to "Software Services"; it was the larger driver of returns based on GICS Industry grouping, contributing 37.2% of the fund's 69.5% one-year return.⁹ Despite that outsized contribution, ARK's exposure to the AI value chain is well diversified and inclusive of a dedicated robotics exposure, a high conviction innovation platform that benefited the portfolio.

ARKI's Exposure To The AI Value Chain And Robotics¹⁰





4. ARKG: Regulatory Clarity Drives Biotech Rebound

4.1 Performance Spotlight

During the second quarter, the U.S. Food and Drug Administration (FDA) introduced long-awaited updates that helped to lift sentiment across the Genomics sector after a difficult Q1. The ARK Genomic Revolution UCITS ETF returned 9.5% for the quarter, bringing the fund's performance into positive territory for year-to-date performance through June end. Stocks associated with the genomic revolution had mixed performance, given the longer duration profile of those companies in a period of heightened volatility. ARK's investment team continues to view health sciences as the most undervalued part of the stock market.

4.2 Pro-Innovation Signals Drive Increased Investor Optimism

Despite early investor scepticism toward RFK Jr., fuelled by his outsider status and unorthodox stances on public health, the quarter delivered a series of pro-innovation signals from the FDA that helped ease concerns and support sentiment. Key developments included:

- In April, the FDA Commissioner Marty Makary indicated in an interview¹¹ that the agency is exploring a new regulatory pathway for expediting the approval of rare disease treatments. If implemented, rare disease drugs would receive conditional approval based on demonstration of a scientifically plausible mechanism of action and sound physiological rationale, even without the traditional randomised controlled trials that often are infeasible in the development of treatments for rare diseases.
- During April, the FDA also announced a significant policy shift by initiating the phase-out of mandatory animal testing for monoclonal antibody therapies and other drugs. The move allows developers to utilise New Approach Methodologies (NAMs), such as AI-based computational models, human cell lines, and organ-on-a-chip systems, in place of traditional animal studies.
- In our view, it is clear the FDA is entering a new era—data-driven, faster, and more demanding. With Dr. Vinat Prasad, appointed in early May as new Director at the Center for Biologics Evaluation and Research and known for his contrarian stance and scientific rigor, the agency is shifting from passive oversight to active engagement with industry to deliver meaningful breakthroughs, putting patients first by demanding better, not just more, health care solutions.
- These regulatory tailwinds for innovative health sciences were further underscored by the FDA's appointment of its first Chief AI Officer in May, signalling a commitment to internal transformation. Already, its first generative AI pilot test cut the review of regulatory documents from three days to six minutes. The FDA's goal is to integrate generative AI into all its divisions by the end of June.

These moves should reinvent the FDA as a catalyst for curative, not just palliative, medicine, setting the foundation for faster approvals, more standardisation, and higher standards for innovation that impacts patients.



4.3 Portfolio Positioning Through Active Management

ARK utilised the market volatility to concentrate the portfolio into high conviction holdings. The portfolio composition across technologies remained intact across the quarter, demonstrating ARK's active approach to maintaining diversified exposure in genomics across top holdings.

Technology Breakdown	March	April	May	June
Multiomic Technologies	43.0%	42.2%	45.1%	45.2%
Precision Therapies	29.2%	30.7%	29.9%	30.4%
Programmable Biology	14.2%	13.3%	12.0%	11.6%
Neural Networks	8.0%	8.1%	7.7%	7.2%
Next Gen Cloud	3.0%	1.8%	3.0%	2.9%
Humanoid Robots	1.8%	1.8%	1.5%	1.5%
Intelligent Devices	0.9%	0.8%	0.9%	0.6%

ARK maintained its top two positions in the ARK Genomic Revolution Fund month-over-month, which drove portfolio returns.

- Shares of **Tempus AI (TEM)**, a precision medicine company leveraging artificial intelligence and machine learning to enhance healthcare, surged with the AI tailwinds. Despite a short-seller piece that briefly shook the stock, the name ended the quarter up 31.7% and remained a top 1-2 position of ARKG. During the quarter, the company launched Fuses, its AI-driven initiative to create a comprehensive suite of algorithmic diagnostic tests using its vast multimodal dataset. Tempus also expanded Tempus One, its generative AI clinical assistant, with direct electronic health record integration to enhance oncology workflows and improve clinical decision making.
- Shares of **CRISPR Therapeutics (CRSP)** contributed to fund performance through the stock's absolute return of 42.9%. The rally followed additional positive Phase 1 clinical data for the company's gene therapy (CTX-310) for cardiovascular disease, which demonstrated significant reductions in LDL cholesterol and triglycerides. The company was also recognized in TIME's 100 Most Influential Companies list, highlighting its success with Casgevy, its strategic partnerships, and its expanding therapeutic focus.

ARK also leaned into top names that experienced downside volatility despite positive developments:

- **Beam Therapeutics (BEAM)**, for example, was one of the flagship's primary detractors, which remained a top 10 holding in our specialised ARK Genomic Revolution Fund. Despite encouraging clinical updates in alpha-1 antitrypsin deficiency (AATD) and sickle cell disease, the stock remained under pressure—reflecting the inherent volatility of clinical-stage biotech companies and broader market dynamics. Additional data will be important to assess the long-term durability of Beam's therapies. On a positive note, Beam received multiple regulatory designations this quarter, including Regenerative Medicine Advanced Therapy and Orphan Drug Designation for its AATD programme, which could help streamline its regulatory pathway.



- Twist Bioscience (TWST) is another name that detracted from fund performance this quarter following its Q2 FY2025 earnings report, which showed a revenue increase of 23% year-over-year and operational growth through new hires and collaborations. However, the spin-out of its DNA data storage division into Atlas Data Storage, along with a significant cash inflow from that transaction, indicates a strategic focus on core business areas. That said, those developments did not translate into positive stock performance during the period. Twist remained a top-three holding throughout the quarter.


5. Looking Ahead: Innovation Accelerates Despite Volatility

As we enter Q3, we believe disruptive innovation remains a source of differentiation and long-term alpha. In our view, the headwinds that have weighed on innovation are shifting into structural tailwinds. Broadening market participation, policy shifts supporting emerging technologies like crypto, AI, and healthcare, potential fiscal catalysts like tax cuts, and a normalisation of valuation premiums (where innovation now trades closer to market parity than historical norms) are setting the stage for durable equity gains. With inflation surprising to the downside and interest rates poised to follow, we see a favourable macroeconomic backdrop that can sustain momentum through H2 2025 and beyond. As always, ARK's research-driven, active approach seeks to capitalise on these structural shifts ahead of the curve.

About The Author



Thomas H-Boyce, CFA
Client Portfolio Manager

 @THBoyce

Thomas Hartmann-Boyce joined ARK in June 2021. As Client Portfolio Manager, Thomas works directly with ARK's investment team to communicate in-depth knowledge of investment-level detail to internal and external clients.

Prior to ARK, Thomas was Vice President, Lead Portfolio Manager within the multi-asset solutions business at Goldman Sachs Asset Management for over five years where he managed customized portfolios for institutional clients. Prior to joining Goldman Sachs in 2015, Thomas held various client-facing positions at MSCI Inc. over the span of four years, with a key emphasis on business development within the exchange-traded funds team. Thomas is a CFA charterholder, and earned his Bachelor of Arts in International Affairs and Management & Business from Skidmore College.



V. Turning Point: Clean Energy's Momentum In 2025

The International Energy Agency just published its latest *World Energy Investment* report.¹² While the details vary across regions and technologies, the broad takeaway is clear: the shift toward clean energy is holding strong. Solar, battery storage, and EVs continue to lead and reinforce the direction of travel for the global energy system. Here are the insights that stood out from the report:

- **Clean Energy Spending Tops \$2 Trillion:** Global investment in clean energy has surpassed \$2 trillion and continues to rise. The bulk of this capital is flowing into renewables, EVs, and grid infrastructure.
- **The Grid is the Bottleneck:** While investment in generation capacity has accelerated, spending on grid infrastructure hasn't kept pace. This imbalance is the primary constraint on scaling and decarbonising the power sector.
- **China's Expanding Lead:** Rather than a shift toward more diversified supply chains, China has only deepened its dominance, especially in critical minerals. Domestic overcapacity is a growing reality, but so is China's influence across the value chain.
- **Coal's Persistent Role:** Despite global decarbonisation goals, coal isn't disappearing. China has increased new coal plant approvals dramatically, though many are expected to operate primarily as backup capacity. India is building fewer, but its coal plants are likely to run harder to meet rising demand.
- **Industrial AI Can Slash Energy Use:** AI-driven optimisation in industrial settings has the potential to cut over 2,000 TWh of energy consumption over the next decade—nearly half of the U.S.'s current annual electricity usage. At today's prices, that's an \$80 billion savings opportunity.

The findings align with several themes we cover at ARK Invest. The combination of declining cost curves and China's manufacturing scale continues to drive consistent growth in solar and battery storage adoption. We're also beginning to see distributed energy storage in action. Recently, Tesla's Virtual Power Plant (VPP) in California made up of thousands of Powerwall batteries, dispatching 345 MW of power to the grid during evening peak demand. That's equivalent to a natural gas peaker plant. It's clear that distributed energy storage is a dispatchable resource. It responds to grid signals, delivers capacity when needed most, and strengthens reliability from the grid edge. As policymakers, regulators, and system operators plan for a clean and resilient grid, VPPs should be treated as what they are: real, scalable, flexible infrastructure.

Indeed, one of the most overlooked opportunities is the grid. It's now the main constraint in getting additional power to where it's needed, especially for hyperscalers who are less sensitive to price and more focused on securing supply. Examples would be Meta's recent deal with **Tennessee Valley Authority (TVA)** and Microsoft's latest lock-up of **Brookfield Renewable**.

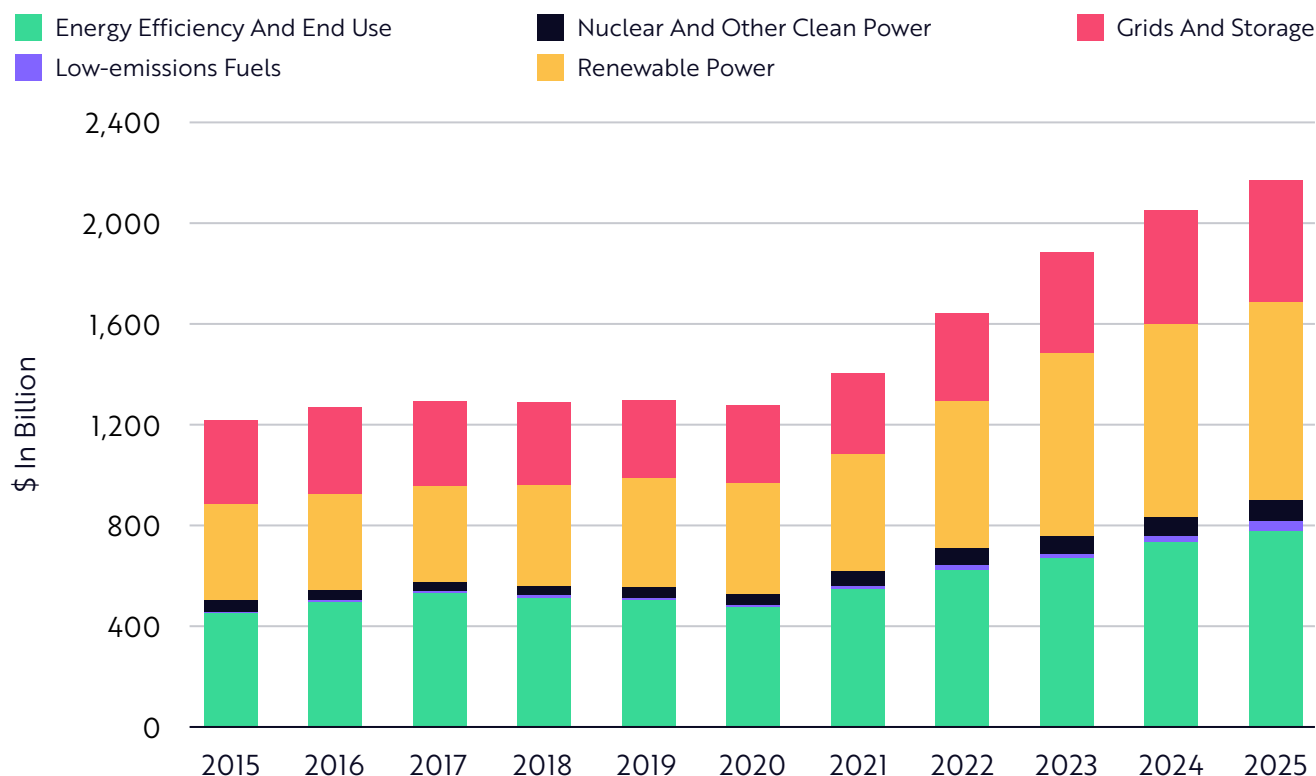
Lastly, the convergence of AI with real-world infrastructure and industrial systems is shaping up to be a major area of innovation and investment.



1. Energy Generation

Spending on the global shift to cleaner energy is projected to hit \$2.2 trillion this year, an increase of nearly \$1 trillion compared to 5 years ago.

Global Investment In Energy Sources, From 2015 To 2025¹³



The surge in clean energy investment has been fuelled primarily by solar. Over the past 5 years, capital allocated to low-emission power sources has nearly doubled, with solar PV leading the charge. By 2025, combined spending on rooftop and utility-scale solar is projected to hit \$450 billion, making it the single largest category of energy investment globally.

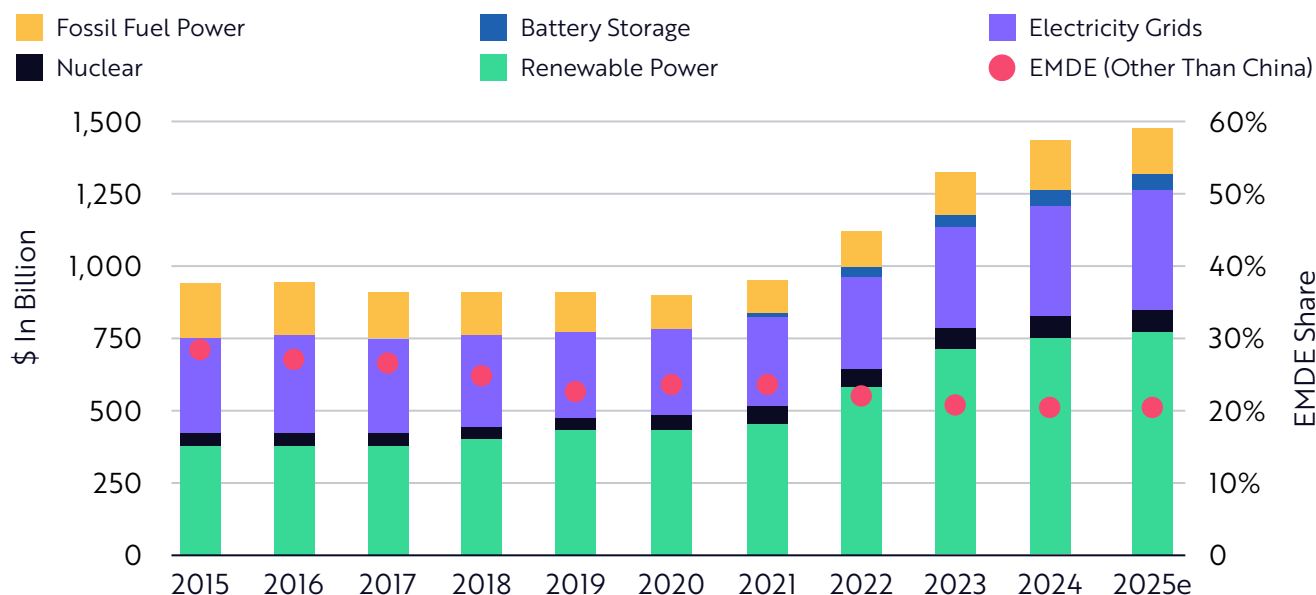
Meanwhile, solar and wind have become the dominant forces in power generation growth, together accounting for 98% of the increase in electricity generation investment over the last 10 years.

Over the past decade, investment in new power generation has grown far more rapidly than spending on grid infrastructure. Back in 2016, \$0.60 cents were allocated to grid development for every dollar spent on adding generation capacity. Now, that figure has dropped below \$0.40, despite the falling costs of renewable technologies and rising prices for essential grid components like transformers and cables.

Today, clean electricity generation, energy storage, and transmission networks together make up 90% of all investment flowing into the power sector.



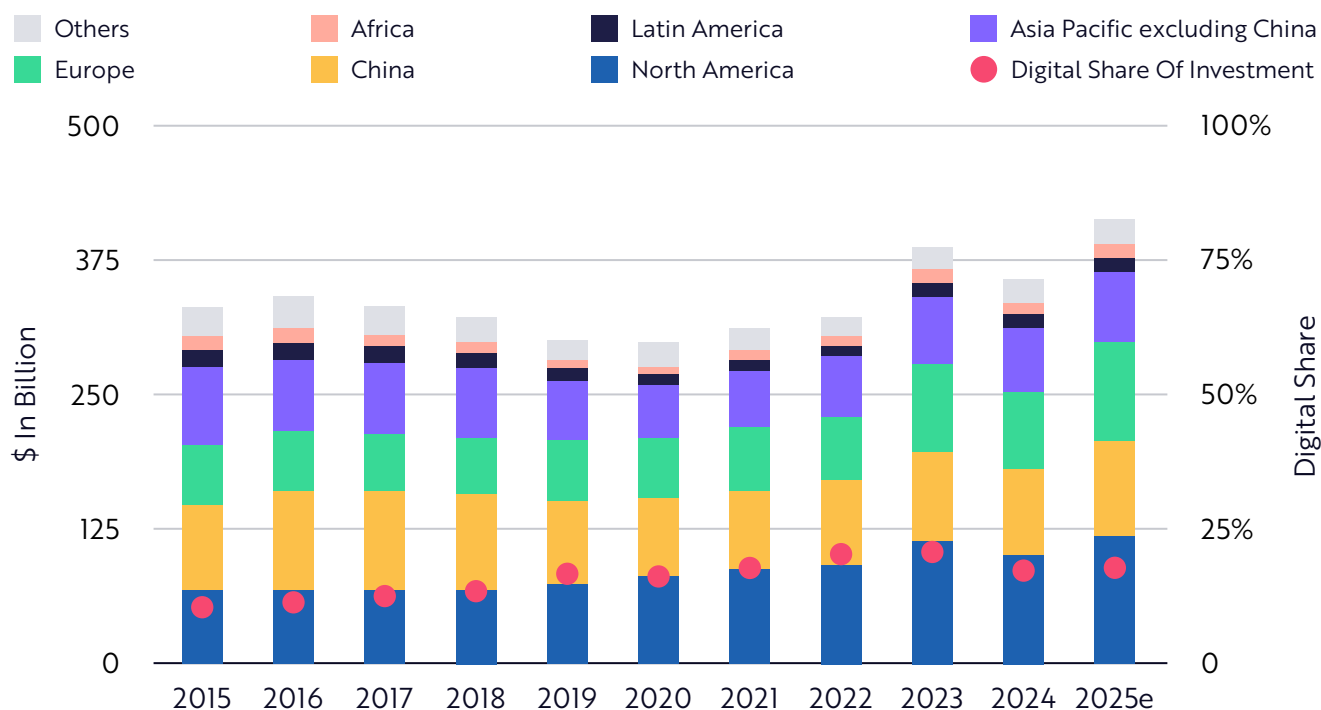
Global Annual Investment In the Power Sector By Category And EMDE Share, From 2015 To 2025¹⁴



2. The Grid

Spending on grid infrastructure is beginning to increase, with annual investment now approaching \$400 billion. This renewed attention to the grid comes as energy access becomes critical, particularly for data centres. More than 90% of data centre operators identify power availability as their leading concern, and nearly half view upgrading grid infrastructure as the most important way to address it.

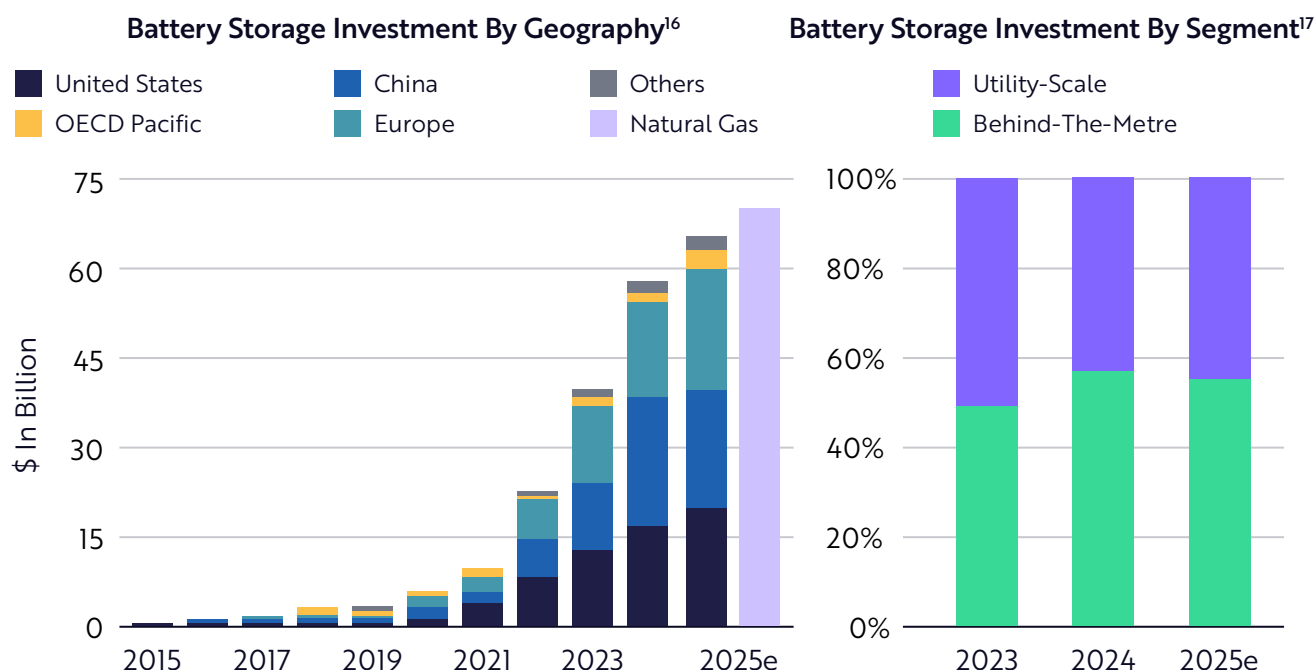
Investment In Power Grid Infrastructure And Share That Is Digital, From 2015 To 2025¹⁵





3. Battery Storage

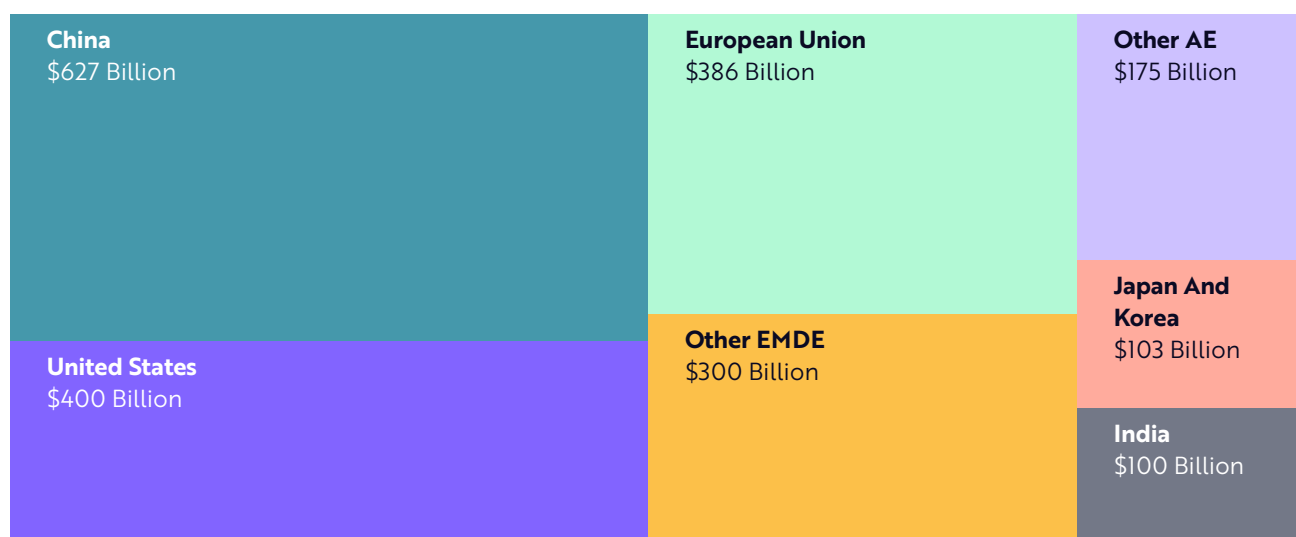
Investment in battery storage is growing quickly and is projected to match spending on natural gas infrastructure this year.



4. China

China remains the largest investor in clean energy, having increased its share of global clean energy investment from 25% to around 33% over the past decade.

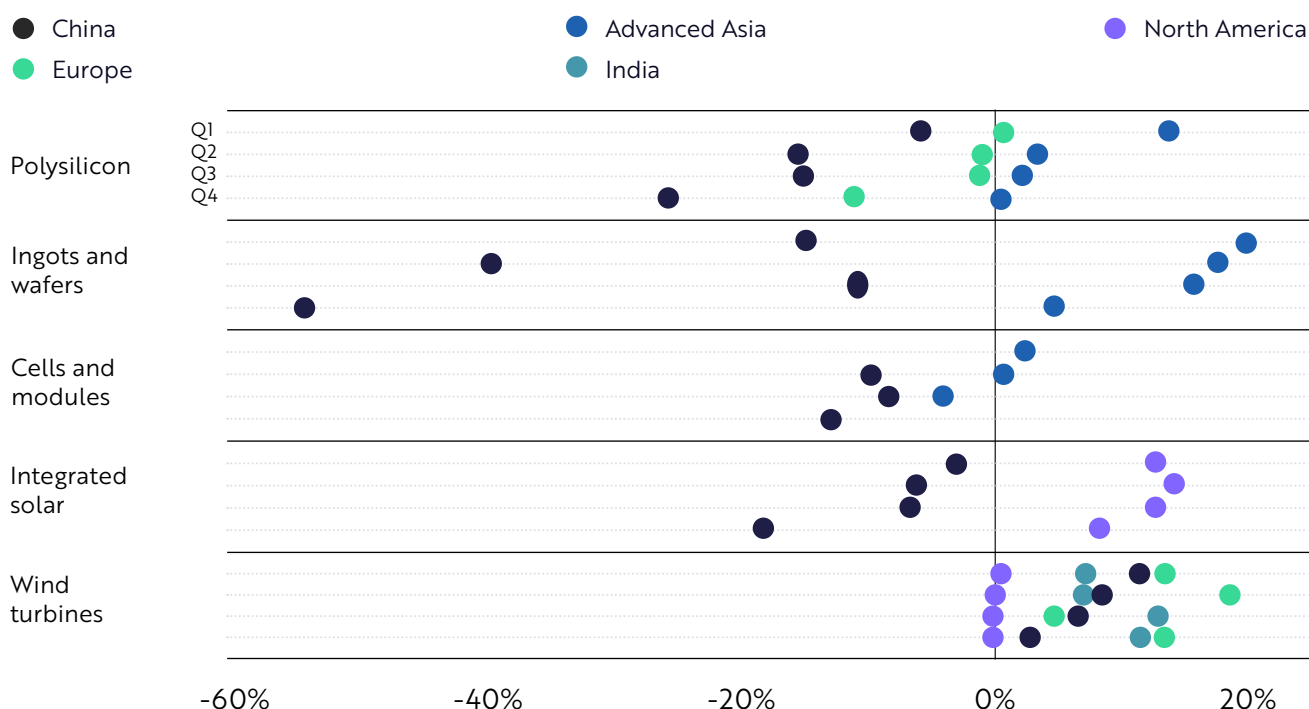
Clean Energy Investments By Region, 2025¹⁸





China's rapid expansion of clean energy manufacturing is continuing to drive striking cost reductions in established technologies. Over the past 2 years, prices for Chinese solar panels and wind turbines have fallen by 60% and 50%, respectively. However, a portion of that decline appears to be the result of intense, and likely unsustainable, competition stemming from significant overcapacity. A quick look at the profit margins of Chinese solar firms reveals that there are virtually no strong performers operating above break-even.

Weighted Average Quarterly Profit Margins For Selected Solar And Wind Manufacturers By Country Of Headquarter, Q1 To Q4 2024¹⁹



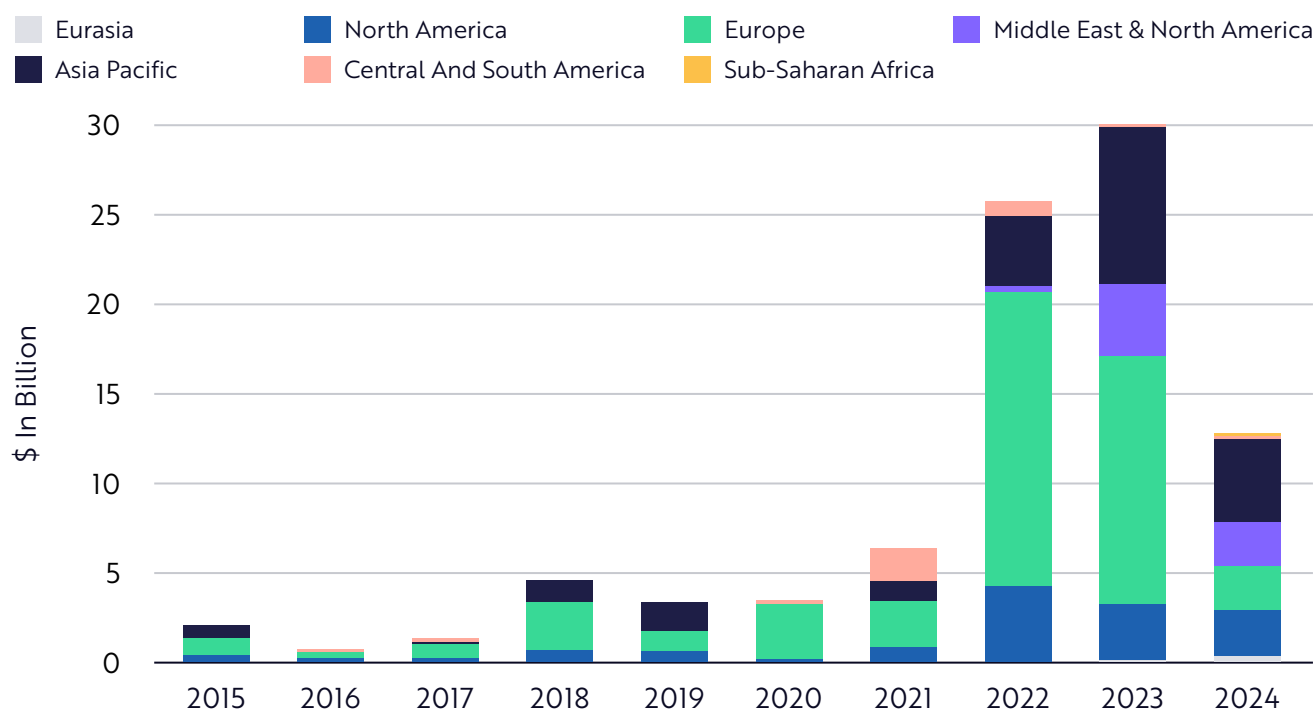
China's manufacturing overcapacity is creating new opportunities for EMs to pursue low-carbon development. In 2024, Pakistan alone imported 19 GW of Chinese solar equipment and is rapidly increasing battery adoption. Across the board, 44% of China's solar equipment exports by value went to emerging and developing economies, up from 33% just 2 years earlier.

China is also far ahead of its own EV targets. EV sales in the country nearly doubled between 2022 and 2024. To keep that growth on track, the government has extended its vehicle trade-in policy through 2025. As a result, ~60% of new car sales in China are expected to be electric next year—a milestone initially targeted for 2035 in China's 2020 strategy.

Meanwhile, Chinese manufacturers are expanding aggressively into global markets. Over the past 5 years, Chinese EV and battery firms have announced approximately \$80 billion in new investment to build or scale production in key regions such as Indonesia, Thailand, Brazil, Mexico, and Türkiye. Solar manufacturers, already well-established in Southeast Asia, also are evaluating overseas opportunities in regions like the Middle East. This growing international presence presents a significant challenge to domestic carmakers, particularly in Europe.



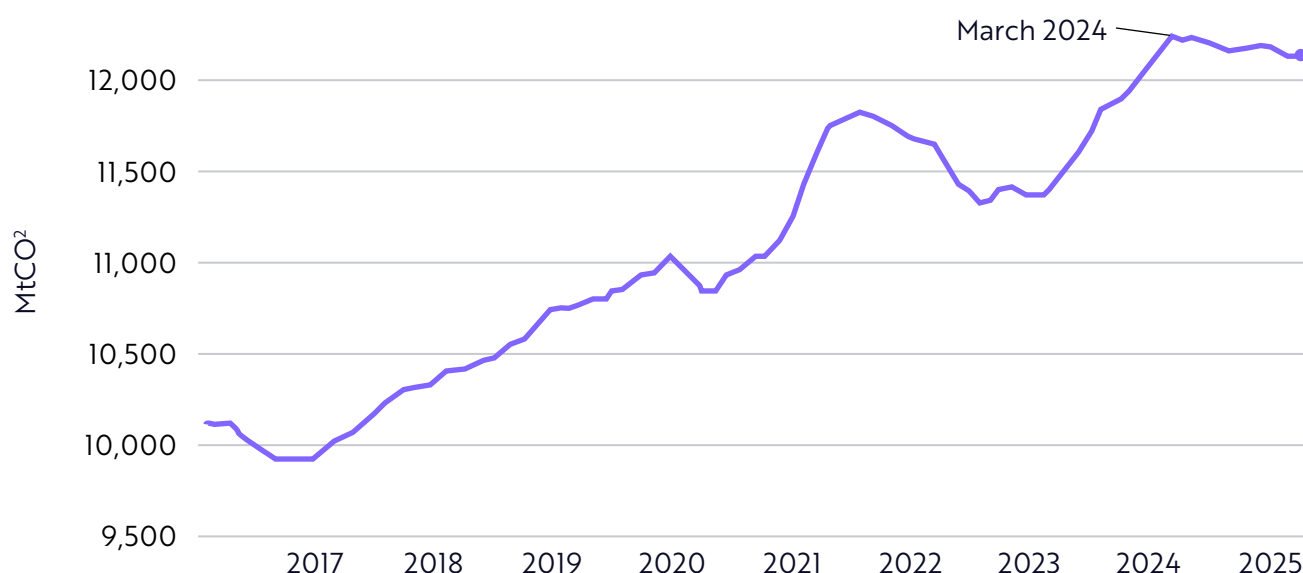
Announced Chinese EV-Related Foreign Direct Investment By Region, From 2015 To 2024²⁰



We are nearing a pivotal moment at which the expansion of low-carbon electricity generation could, for the first time, surpass the growth in overall power demand.

China's CO₂ Emissions Drop Due To Clean Energy For First Time²¹

Emissions from fossil fuels and cement, rolling 12-month totals.

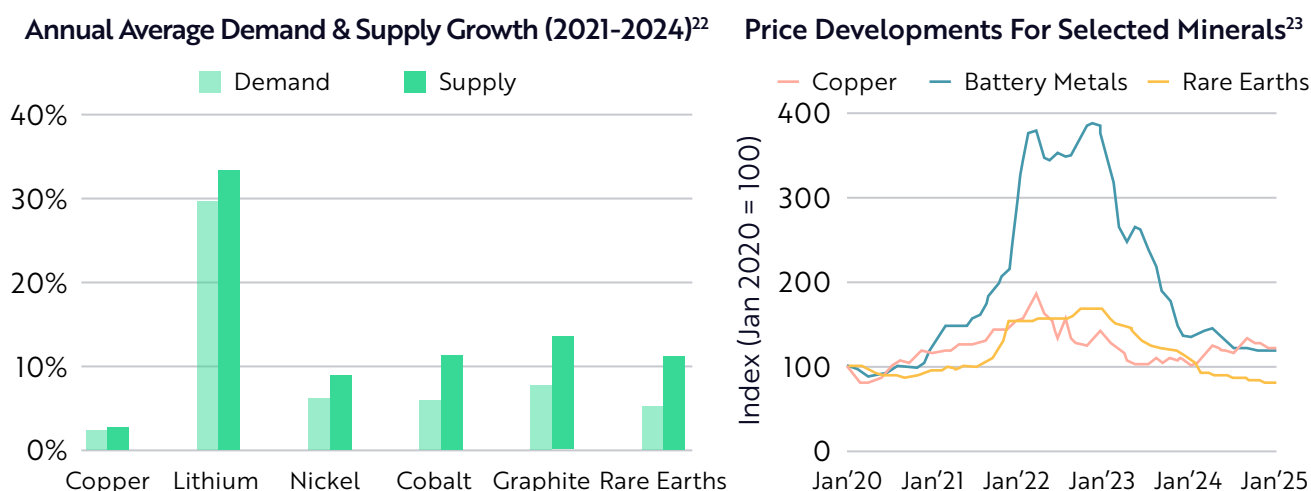


Low-carbon deployment is expected to continue gaining pace from this point onward, although some of the recent surge could reflect projects being brought forward ahead of new market reforms. These changes, which introduce market-based pricing, apply to projects commissioned after 1 June.



5. Critical Materials

The familiar saying that high commodities prices tend to correct themselves has been clearly reflected in battery metals over the past few years. In addition to increased supply, improvements in battery chemistry and manufacturing have reduced the need for raw materials and have led to a broad transition from nickel-manganese-cobalt (NMC) batteries to lithium iron phosphate (LFP) alternatives.

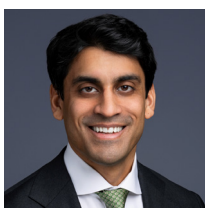


Companies developing critical minerals projects in Europe and the U.S. may need to depend on geopolitical support to gain commercial momentum, particularly given the ample supply of refined minerals coming from China, whose dominance in this area has only grown in recent years.

6. Conclusion

Overall, the data point to strong and sustained momentum in clean energy adoption, driven by solar, battery storage, and China's manufacturing scale. While challenges remain around grid capacity, domestic innovation outside China and the U.S., and policy coordination, there is growing recognition of the bottlenecks, as well as early signs of action. The second half of the year will be an opportunity to build on that progress and lay the groundwork for a more resilient and sustainable energy system.

About The Author



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Rahul joined ARK in September 2023 following ARK's acquisition of Rize ETF (now ARK Invest Europe), of which he was co-founder and director. Rahul is a managing director and global head of index in Europe as well as director on the board of the ARK Invest UCITS ICAV. An expert strategist in thematic and sustainable investments, Rahul is responsible for spearheading global systematic (self-indexed) strategies, overseeing European UCITS product strategy and implementation, and leading investment research alongside managing our product specialist team. His research focus includes the energy transition, food sustainability, and the digital economy.

Prior to ARK Invest Europe, Rahul served as Co-Head of ETF Investment Strategies at Legal & General Investment Management (LGIM), a platform LGIM acquired from ETF Securities in 2018.



VI. Our Range of ETFs - Market Commentaries And Performance Highlights

Fund Name	Code	ISIN	AUM (\$ million)	MSCI ESG Rating	SFDR Classification	Inception Date
ARK Genomic Revolution UCITS ETF	ARKG	IE000O5M6XO1	15.3	BBB	Article 8	12/04/2024
ARK Artificial Intelligence & Robotics UCITS ETF	ARKI	IE0003A512E4	111.8	BBB	Article 8	12/04/2024
ARK Innovation UCITS ETF	ARKK	IE000GA3D489	161.3	BBB	Article 8	12/04/2024
Rize Cybersecurity and Data Privacy UCITS ETF	CYBR	IE00BJXRZJ40	125.3	A	Article 8	12/02/2020
Rize Circular Economy Enablers UCITS ETF	CYCL	IE000RMSPY39	1.8	A	Article 9	24/05/2023
Rize Environmental Impact 100 UCITS ETF	LIFE	IE00BLRPRR04	77.4	AA	Article 9	14/07/2021
Rize Global Sustainable Infrastructure UCITS ETF	NFRA	IE000PY7F8J9	106.5	A	Article 9	17/08/2023
Rize Sustainable Future of Food UCITS ETF	FOOD	IE00BLRPQH31	84.3	AA	Article 9	27/08/2020
Rize USA Environmental Impact UCITS ETF	LUSA	IE000QUCVEN9	10.4	A	Article 9	17/08/2023

Source: Bloomberg as of close 30 June 2025.

About The Author



Tom Barker, CAIA
Senior Product Specialist

Tom Barker, CAIA joined ARK in October 2021. As a Director and Product Specialist, Tom works closely with clients and the sales team to promote an understanding of the ARK product range.

Prior to ARK, Tom was an ETF Product Strategist at Invesco and worked at Jupiter Asset Management as well as holding a Senior Analyst position at alternative assets data provider Preqin. Tom is a CAIA charter holder and a graduate of Newcastle University with a Bachelor of Arts in Economics.

@Tbarks



ARKK
ARK INNOVATION UCITS ETF

Market Commentary

Sources: ARK Invest, Bloomberg, June 2025.

In Q2 2025, innovation-oriented equities rebounded sharply after a volatile April to close the quarter with strong performance. Equities initially sold off due to negative economic growth data for Q1 2025 and adverse trade policy announced by the Trump Administration, but recovered swiftly and meaningfully driven by the administration's pause and reversal of some of the broad-based reciprocal tariffs; significant improvements in the US inflation outlook and the outlook for US interest rates; the prospect of improved US fiscal policy via the passage of the new tax bill, which should corporate investment and a recovery in sluggish consumer spending; and earnings from AI and tech leaders that exceeded expectations.

Companies focused on digital assets benefited from accelerating product innovation and improving regulatory clarity, while April's stock price volatility created opportunities for differentiated performance through active management and disciplined stock selection.

Performance Highlights

Sources: Business Insider, Yahoo Finance, Silicon Angle, June 2025.

The ARK Innovation UCITS ETF returned +47.63% in Q2 2025.

The best performing stock was Robinhood, returning +124.96%, as the trading platform's shares soared on the back of expanding offerings and revived retail enthusiasm. Robinhood rolled out tokenised stock trading in Europe and other new products, while rising interest income and active user growth helped it achieve a dramatic rebound.

The worst performing stock was PagerDuty, returning -16.37%, after the cloud software firm issued a softer revenue outlook that fell below expectations, tempering its growth narrative and causing its stock to decline modestly despite otherwise solid results

Q2 2025 Stock Returns

Source: Bloomberg as of close 30 June 2025.

Top 5 Performers	Avg. Weight	Returns	Bottom 5 Performers	Avg. Weight	Returns
Robinhood	6.55%	+124.96%	Twist Bioscience	2.70%	-6.29%
Circle	1.17%	+117.82%	Veracyte	1.27%	-8.84%
Coinbase	8.08%	+103.50%	Prime Medicine	0.04%	-10.55%
Roblox	7.72%	+80.48%	Beam Therapeutics	2.17%	-12.90%
Nvidia	0.95%	+61.82%	PagerDuty	2.32%	-16.37%



ARKI

ARK ARTIFICIAL INTELLIGENCE & ROBOTICS UCITS ETF

Market Commentary

Sources: ARK Invest, Bloomberg, June 2025.

AI and robotics companies were a bright spot in markets despite the chaotic nature of the second quarter. AI infrastructure and software platforms outperformed broader markets, bolstered by rising global demand for compute and sovereign-scale investment, particularly from Saudi Arabia's \$14.9 billion AI initiative. Meta's formation of Superintelligence Labs and CoreWeave's post-IPO surge further validated that various parts of the AI stack were in high demand.

The quarter also proved constructive for AI companies aligned with national security and defence priorities. Names in this arena benefited from heightened geopolitical tensions, increased public sector interest in battlefield and intelligence automation, and growing recognition of the strategic imperative to secure domestic AI capabilities. Demand for dual-use technologies (those with both civilian and military applications) continued to rise, positioning national security-linked AI platforms as critical enablers of next-generation defence infrastructure. This dynamic reinforced the broader narrative that AI is not only a commercial growth engine, but also a core pillar of national competitiveness.

Performance Highlights

Sources: Reuters, AvidXchange, June 2025.

The ARK Artificial Intelligence & Robotics UCITS ETF returned +37.92% in Q2 2025.

The best performing stock was CoreWeave, returning +339.75%. CoreWeave delivered a strong Q2 driven by surging demand for its AI-optimised cloud infrastructure, as enterprises and model developers sought alternatives to hyperscalers for high-performance GPU access. The momentum was further amplified by its successful IPO and expanded partnerships across sovereign and enterprise AI workloads.

The worst performing stock was Aurora Innovation, returning -22.08%. Shares of Aurora Innovation detracted from performance during the quarter despite the company announcing the launch of its commercial driverless trucking service in Texas. Sentiment was weighed down by Uber's exchangeable senior note offering tied to ~36% of its stake in Aurora, the departure of co-founder Sterling Anderson, and a short report from Bleecker Street Research. Importantly, Uber's transaction is non-dilutive, involving only existing shares. Later, Aurora disclosed that PACCAR requested a person in the driver's seat due to prototype parts, though this does not impact the company's driverless development plans.

Q2 2025 Stock Returns

Source: Bloomberg as of close 30 June 2025.

Top 5 Performers	Avg. Weight	Returns	Bottom 5 Performers	Avg. Weight	Returns
CoreWeave	2.02%	+339.75%	Adobe	0.57%	-0.87%
Aerovironment	1.89%	+139.07%	Gitlab	2.50%	-4.02%
Rocket Lab	1.86%	+100.06%	Byd	1.12%	-4.35%
Symbotic	1.02%	+92.23%	Tesla	1.97%	-6.53%
Roblox	5.33%	+80.48%	Aurora Innovation	1.31%	-22.08%



ARKG

ARK GENOMICS REVOLUTION UCITS ETF

Market Commentary

Sources: ARK Invest, Bloomberg, June 2025.

Genomics-oriented stocks rebounded in the second quarter, buoyed by a series of pro-innovation signals from the U.S. Food and Drug Administration (FDA) that helped catalyse renewed investor interest in the space. Key regulatory developments included greater flexibility in the approval pathways for gene and cell therapies, the phased elimination of animal testing requirements for monoclonal antibody trials, and the appointment of new leadership at the agency with a mandate to modernize and accelerate data-driven oversight. These shifts underscored a growing institutional willingness to embrace technological advancement and streamline the development pipeline for breakthrough therapies.

Leaders in the genomics space, particularly those at the intersection of biotechnology and artificial intelligence—were among the primary beneficiaries. Companies leveraging AI to enhance target discovery, optimise trial design, or personalise therapeutic delivery stood out as emblematic of the next generation of disruptive healthcare platforms. While some clinical-stage firms remained vulnerable to episodic volatility due to binary trial outcomes or funding concerns, the broader sector benefited from a constructive re-rating as sentiment improved and the policy backdrop turned more innovation-friendly. As a result, the genomics segment is increasingly viewed not only as a long-duration growth story, but also as a near-term beneficiary of regulatory tailwinds and technological convergence.

Performance Highlights

Sources: BioSpace, Reuters, June 2025.

The ARK Genomic Revolution UCITS ETF returned +17.26% in Q2 2025.

The best performing stock was Personalis, returning +86.89%, as the cancer genomics company's stock price surged on positive developments. Personalis reported a 52% sequential jump in test volumes and presented compelling clinical data for its MRD (minimal residual disease) test, reinforcing its growth prospects and exciting investors.

The worst performing stock was Regeneron Pharmaceuticals, returning -17.10%, following a setback in its pipeline, a highly anticipated experimental lung disease drug produced mixed Phase 3 trial results (one trial failed to meet its endpoint), delaying its commercialisation and casting uncertainty over Regeneron's post-Dupixent growth strategy, which led to a notable pullback in the stock.

Q2 2025 Stock Returns

Source: Bloomberg as of close 30 June 2025.

Top 5 Performers	Avg. Weight	Returns	Bottom 5 Performers	Avg. Weight	Returns
Personalis	3.12%	+86.89%	Veracyte	3.52%	-8.84%
Quantum-Si	1.26%	+63.33%	Amgen	1.85%	-9.60%
908 Devices	1.54%	+59.15%	Butterfly Network	1.63%	-12.28%
Adaptive Biotechnologies	4.23%	+56.80%	Beam Therapeutics	3.96%	-12.90%
Crispr Therapeutics	8.60%	+42.93%	Regeneron Pharmaceuticals	0.98%	-17.10%



CYBR

RIZE CYBERSECURITY AND DATA PRIVACY UCITS ETF

Market Commentary

Sources: CM Alliance, SentinelOne, June 2025.

Cybersecurity stocks are enjoying stellar returns this year, notably outperforming major market indices like the S&P 500 and Nasdaq 100. A series of high-profile cyber incidents in Q2 2025 have highlighted the vital importance of investing in this sector, driving investors to buy up cybersecurity stocks.

In Europe, a massive cyber-attack on UK retailer Marks & Spencer grabbed headlines and left shelves unstocked, as hacking group "DragonForce" rampaged through the retail sector—also hitting names like Harrods and the Co-op with aggressive attacks. Even supply chains were targeted as a breach at supplier Peter Green Chilled impacted multiple supermarket chains.

Crypto exchange Coinbase revealed a brazen ransomware plot in which insiders were bribed to assist hackers; the CEO's response was to refuse the ransom and offer a \$20 million bounty to identify the perpetrators. These events came as SentinelOne reported a surge in attack frequency—global cyber attacks jumped ~30% year-over-year, as of mid-2024—and the emergence of AI-enhanced threats, reinforcing that organisations must bolster their defences continually.

For investors, the quarter's news highlighted cybersecurity as a non-discretionary expenditure. Rising threats and regulatory pressures are driving sustained demand for security solutions and services to protect critical assets. An exposure to this theme that prioritises pureplay cybersecurity companies should capture the growth of the sector with minimal overlap to other tech themes and big tech companies.

Performance Highlights

Sources: Investor Observer, Advfn, June 2025.

The Rize Cybersecurity & Data Privacy UCITS ETF returned +15.55% in Q2 2025.

The best performing stock was Cloudflare, returning +73.78%, driven by enthusiasm for its pivotal role in AI and cloud security. Investors piled into Cloudflare, as it emerged as a "connective tissue" for AI services and announced new partnerships.

The worst performing stock was GB Group, returning -13.23%, after the digital identity verification firm issued a cautious outlook despite improved profits, prompting a share pullback as investors reacted nervously to its future guidance.

Q2 2025 Stock Returns

Source: Bloomberg as of close 30 June 2025.

Top 5 Performers	Avg. Weight	Returns	Bottom 5 Performers	Avg. Weight	Returns
Cloudflare	5.70%	+73.78%	Tenable	3.38%	-3.43%
Zscaler	5.29%	+58.22%	Ziff Davis	0.15%	-3.69%
Crowdstrike	5.42%	+44.45%	Okta	5.86%	-4.99%
Radware	1.04%	+36.17%	Rapid7	2.76%	-12.75%
Varonis Systems	3.90%	+25.46%	GB Group	0.47%	-13.23%



CYCL

RIZE CIRCULAR ECONOMY ENABLERS UCITS ETF

Market Commentary

Sources: Alternative Proteins, New Food Magazine, The Verge, The Consilium, June 2025.

Q2 2025 saw meaningful moves toward a more circular economy, from corporate innovation to government regulation. On the industry side, battery recycling leader Redwood Materials launched a new division in June to repurpose retired electric vehicle batteries into modular energy storage units, which the company says cost substantially less than new batteries. Rather than fully breaking down every used battery for raw materials, Redwood's approach gives second life to batteries that still have around 50 percent capacity, turning them into low-cost, large-scale storage systems for the grid. This not only reduces waste but also helps meet booming demand for energy storage with recycled inputs.

In the policy arena, the EU took a major step by approving stricter end-of-life vehicle regulations. In mid-June, European ministers adopted a position requiring auto manufacturers to design new vehicles for easier reuse and recycling; they also introduced binding targets for recycled material content—at least 15 percent of recycled plastic in cars within six years of implementation, for example. These developments highlight growing momentum behind circular economy principles.

For investors, the takeaway is that companies innovating in recycling, reuse, and materials efficiency are increasingly positioned to benefit not only from cost savings but also from favourable policies that demand more sustainable product lifecycles. It is not just environmental drivers that support this theme; it is also the economic ones.

Performance Highlights

Source: Yahoo Finance, June 2025.

The Rize Circular Economy Enablers UCITS ETF returned +9.38% in Q2 2025.

The best performing stock was Verbio, returning +51.65%, as the bioenergy producer's resilient results and optimistic outlook sparked a rebound. Management noted early signs of recovery in carbon credit prices and reiterated that policy actions against cheap imports could bolster biofuel demand and drive the stock sharply higher.

The worst performing stock was Energy Recovery, returning -19.57%, after the cleantech equipment maker missed earnings expectations. Its quarterly sales plunged by about a third year-over-year, reflecting weaker demand and execution challenges, which led to a notable selloff.

Q2 2025 Stock Returns

Source: Bloomberg as of close 30 June 2025.

Top 5 Performers			Bottom 5 Performers		
	Avg. Weight	Returns		Avg. Weight	Returns
Verbio	0.53%	+51.65%	Sonoco Products	3.13%	-7.78%
Umicore	1.83%	+42.56%	Automob Participacoes	0.16%	-12.27%
Badger Meter	4.06%	+28.93%	Copart	3.33%	-13.29%
Kurita Water Industries	3.67%	+28.56%	Graphic Packaging	3.17%	-18.41%
Metso	4.63%	+28.09%	Energy Recovery	1.85%	-19.57%



LIFE

RIZE ENVIRONMENTAL IMPACT 100 UCITS ETF

Market Commentary

Sources: Ember Energy, Electrek, Green Alpha Advisors, June 2025.

Independent energy think tank Ember released its “Global Electricity Review 2025” report in April, illustrating that in 2024 clean energy (renewables plus nuclear) provided 40.9% of the world’s electricity. It is the first time clean energy has surpassed the 40% threshold in the modern era, with solar power alone expanding by 29% and doubling its output over the past three years. The momentum has been buoyed by the rapid electrification of transport. Despite negative news flow surrounding electric vehicles (“EVs”), global sales are set to reach new highs this year, with 1.6 million EVs sold in May and 7.2 million year-to-date (a 28% increase over the same period in 2024).

At the same time, innovation has advanced the frontier of clean technology and continued to drive cost curve declines, which are essential for widespread adoption. For example, researchers achieved a 26.4% efficiency milestone with a flexible tandem solar cell published in Nature in June, pointing to future cost and performance gains in photovoltaics.

All these developments strengthen the investment case for environmental solutions worldwide: clean power and transport are scaling exponentially, and industry experts project that growth in renewable generation will eventually outpace AI-fuelled demand growth, potentially catalysing the longer-term structural decline in fossil fuel use.

Performance Highlights

Source: Satellite Today, June 2025.

The Rize Environmental Impact 100 UCITS ETF returned +16.13% in Q2 2025.

The best performing stock was Planet Labs, returning +80.47%, as the satellite imaging company secured a \$230 million multi-year contract—its largest to date—and delivered record revenue growth, which boosted investor optimism.

The worst performing stock was XPeng, returning -11.63%, as Chinese EV makers faced intense price competition and softer demand in China’s auto market.

Q2 2025 Stock Returns

Source: Bloomberg as of close 30 June 2025.

Top 5 Performers	Avg. Weight	Returns	Bottom 5 Performers	Avg. Weight	Returns
Planet Labs	0.63%	+80.47%	Ha Sustainable Infrastructure	0.92%	-6.71%
NFI	1.01%	+60.84%	Samsung	1.08%	-7.30%
GE Vernova	1.17%	+59.64%	Afry	0.87%	-9.46%
Melexis	0.91%	+57.68%	Weyerhaeuser	0.91%	-11.55%
Atkinsrealis	1.10%	+47.38%	XPeng	1.52%	-11.63%



NFRA

RIZE GLOBAL SUSTAINABLE INFRASTRUCTURE UCITS ETF

Market Commentary

Source: CBRE Investment Management, June 2025.

Sustainable Infrastructure has continued its remarkable run this year, offering investors a defensive and stable economic growth profile that has performed well in a challenging market environment. The asset class, which invests in listed infrastructure operators, is not only outperforming the MSCI World index but also doing so with materially lower volatility.

Q2 2025 reinforced sustainable infrastructure as a resilient and attractive theme with some notable developments in private assets. Investors poured M&A capital into clean energy projects and related projects at record levels, renewable energy accounting for roughly one-third of global infrastructure deal volume in early 2025. A notable transaction was the \$1.74 billion acquisition of National Grid's U.S. renewable portfolio (solar, wind, battery storage), highlighting confidence in long-term returns from green assets. Even as broader M&A activity slowed, new project development surged and fully offset the decline. From grid expansions to utility-scale batteries and EV charging networks, greenfield investment in infrastructure aligned with the energy transition is accelerating.

While these trends reinforce sustainable infrastructure as a defensive growth play, it remains essential for investors to be selective in their exposure. Assessing the financial robustness of companies is particularly critical in infrastructure, where long-term capital commitments, high up-front costs, and extended payback periods can expose weaker balance sheets. The quarter's developments—strong deal flow, continued policy support across multiple regions, and the pressing need to modernise energy, transport, and digital systems—all strengthen the case for sustainable infrastructure, particularly in a smart-indexed exposure that assesses financial strength, as a long-term growth opportunity with durable, secular demand drivers.

Performance Highlights

Sources: Cogent Co, Yahoo Finance, Tip Ranks, June 2025.

The Rize Global Sustainable Infrastructure UCITS ETF returned +12.31% in Q2 2025.

The best performing stock was Cogent Communications, returning +25.07%, boosted by steady fundamentals and income appeal. The telecom operator continued to grow its customer base and even raised its quarterly dividend again, reinforcing confidence in its post-acquisition strategy and attracting investors with its nearly 8% yield.

The worst performing stock was Yuexiu Transport Infrastructure, returning -7.93%, as the Chinese toll road operator saw declines in traffic volumes and toll revenues amid China's economic slowdown, which together with regulatory uncertainties kept pressure on its shares.

Q2 2025 Stock Returns

Source: Bloomberg as of close 30 June 2025.

Top 5 Performers	Avg. Weight	Returns	Bottom 5 Performers	Avg. Weight	Returns
Cogent Communications	1.02%	+25.07%	Waste Management	1.76%	-5.01%
Ryman Healthcare	0.57%	+24.01%	Jiangsu Express	1.00%	-5.31%
Sabesp	1.59%	+15.70%	Santos Brasi	1.89%	-5.59%
Firstgroup	0.43%	+15.20%	Infratil	0.66%	-6.20%
Acciona	1.97%	+14.43%	Yuexiu Transport Infrastructure	0.30%	-7.93%



FOOD

RIZE SUSTAINABLE FUTURE OF FOOD UCITS ETF

Market Commentary

Sources: New Food Magazine, Ibid, Ibid, Green Queen, Alinvest, June 2025.

The second quarter of 2025 saw encouraging developments for sustainable food technologies, even as the sector recalibrated after recent volatility. In Europe, innovation and investment continued: Finnish startup Volare secured €26 million to build an insect protein plant, which will convert food waste into animal feed protein; and BlueNalu, the cultivated seafood pioneer, expanded its partnership with Nomad Foods (Birds Eye's parent) to bring cell-based fish to the UK market.

Regulatory support also advanced, with the UK's Food Standards Agency launching a £1.4 million precision fermentation hub to help novel protein companies navigate approvals. While overall funding in alternative proteins has cooled from its 2021 peak—Q1 2025 investment was down ~28% year-over-year amid investor caution—the quarter's highlights, including major financing for fermentation platforms like Formo's €35 million European Investment Bank loan, point to a more positive longer-term outlook. Companies focusing on efficient, scalable protein alternatives are making tangible progress in cutting resource use and emissions, reinforcing the investment case for sustainable food as the world seeks climate-friendly ways to feed a growing population.

Performance Highlights

Sources: PR Newswire, NeoGen, June 2025.

The Rize Sustainable Future of Food UCITS ETF returned +4.36% in Q2 2025.

The best performing stock was Ardagh Metal Packaging, returning +45.69%, propelled by robust quarterly results. Global can shipments rose over 6% and Adjusted EBITDA jumped double-digits, prompting management to raise full-year growth and profit guidance amid strong demand for sustainable beverage cans.

The worst performing stock was Neogen, returning -44.87%, as the food and animal safety firm announced a significant net loss—over \$456 million due to a goodwill impairment—and lowered its sales outlook, overshadowing its modest core revenue growth and rattling investors.

Q2 2025 Stock Returns

Source: Bloomberg as of close 30 June 2025.

Top 5 Performers	Avg. Weight	Returns	Bottom 5 Performers	Avg. Weight	Returns
Ardagh Metal Packaging	1.36%	+45.69%	Ocado	2.62%	-14.43%
Eurofins Scientific	2.01%	+34.91%	Graphic Packaging	2.48%	-18.41%
Sensient Technologies	2.89%	+32.94%	Americold	2.85%	-21.44%
Halma	1.94%	+31.58%	Lineage	2.82%	-24.87%
O-I Glass	3.81%	+28.51%	Neogen	1.32%	-44.87%



LUSA

RIZE USA ENVIRONMENTAL IMPACT UCITS ETF

Market Commentary

Sources: Electrek, Review Energy, June 2025.

While recent headlines have focused on challenges facing the U.S. clean energy industry, there is growing momentum beneath the surface. Consider some of these facts:

- During the first four months of 2025, wind and solar together produced over 20% of U.S. electricity.
- In April, the total share of renewables (including hydro and others) climbed to a record 32.8% of generation, nearly matching natural gas at 35.1%!
- 10.8 GW of new solar capacity was installed during Q1—solar plus battery storage made up 82% of all new power additions—and an additional 8.6 GW of domestic module manufacturing capacity came online in one of the biggest quarterly expansions ever.

For some time now, significant policy uncertainty has followed the dismantling of the Inflation Reduction Act, which catalysed growth in environmental technologies during the Biden administration, as well as warnings from the industry that the removal of subsidies and tax credits would “halt America’s manufacturing boom”. Yet, it appears the new administration has taken a pragmatic approach in signing the One Big Beautiful Bill Act into law on July 4.

Performance Highlights

Sources: Wall Street Zen, AMSC, Energy Sage, June 2025.

The Rize USA Environmental Impact UCITS ETF returned +13.05% in Q2 2025.

The best performing stock was American Superconductor, returning +102.26%, after the energy technology company shocked the market with a return to profitability and surging growth. Revenue jumped nearly 59% year-over-year and new orders drove upbeat guidance, fuelling a short-term doubling of its share price.

The worst performing stock was Sunnova Energy International, returning -95.97%, collapsing as the residential solar provider warned of severe financial distress; Sunnova issued a “going concern” warning that it may not remain solvent beyond 2025 because of high debt and weak demand, leading its stock to plummet and face potential bankruptcy.

Q2 2025 Stock Returns

Source: Bloomberg as of close 30 June 2025.

Top 5 Performers	Avg. Weight	Returns	Bottom 5 Performers	Avg. Weight	Returns
American Superconductor	0.84%	+102.26%	Energy Recovery	1.08%	-19.57%
Purecycle Technologies	0.89%	+97.98%	Aris Water Solutions	1.16%	-20.42%
Planet Labs	1.42%	+80.47%	Enphase Energy	0.84%	-36.10%
GE Vernova	1.74%	+73.47%	Wolfspeed	0.35%	-86.50%
Willdan	1.34%	+53.51%	Sunnova Energy International	0.05%	-95.97%



VII. References

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An investment in the Fund involves significant risk and is subject to the volatility of companies involved in the renewable energy, energy efficiency, electric vehicles, water, waste and recycling sectors and associated technologies and emerging market political and economic risks. 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