

Monthly Future of Finance Report

February 2023

HANetf & Grayscale Investments®

Grayscale Future of Finance UCITS ETF

GFOF

70 bps

IE000TVPSRI1

Product Inception Date: 13/05/2022

For Professional Clients Only. Capital at risk.

All data as of 31/01/2023

This report was written by, and is the opinion of, Grayscale Investments®.

Key Takeaways

- January 2022 was characterized by a significant turnaround in both sentiment and performance for the Grayscale Future of Finance UCITS ETF, and it was the best performing month (by far) for the Fund since its inception in May 2022. The basket of Future of Finance companies that spans sub-themes such as Financial Foundations, Payment Platforms, and Miners outperformed broad market indexes such as the S&P 500, Nasdaq-100, and MSCI ACWI by 35 to 40% over the course of the month. It was a true standout amongst traditional sectors and industries and even relative to other thematic exposures covering disruptive technologies.
- We saw the positive performance supported by improvement in both the macro and micro narratives surrounding risk assets in January. Specifically to Future of Finance companies, the price of digital assets saw significant recovery, and the markets received some clarity and relief from the events that transpired back in November of last year. We also saw companies take steps to clean up balance sheets, focus on efficiencies, and focus on their core businesses. As a result, the Grayscale Future of Finance UCITS ETF saw positive performance attribution from three out of the four sub-themes represented in the basket, with Miners leading the way with an average return of over 75% for the month of January.
- From a technical perspective, the Grayscale Future of Finance UCITS ETF has re-claimed both its 50D and 100D simple moving averages, sitting 4% and 20% above those trend lines, respectively. Well known measures of trend and momentum continue to read positively, even as the last week of January was more range-bound relative to the rest of the month. These measures are not suggestive that the ETF is best utilized for short-term opportunities, but to say that we are seeing continued support and momentum for the theme into February.

Source of all performance data: Grayscale / Bloomberg. Data as of 31/01/2023. **Please remember that all performance figures are showing net data.** Past performance is not indicative of future performance and when you invest in ETFs your capital is at risk.

Macro Outlook

While it may be a narrative that is overwhelmingly omnipresent with investors today, Federal Reserve policy and the resulting environment for interest (discount) rates will continue to play a key role for risk assets in 2023. Its potential impact on longer duration, growth-centric exposures such as the Future of Finance theme will certainly be critical. That said, we continue to see structural growth and maturation in the theme over shorter time horizons that support the idea of its potential to deliver long-term revenue and earnings potential to investors' portfolios.

On a more micro level, the Mining sub-theme was a stark leader among Future of Finance companies in January, and they may continue to play a large role for the theme in the near term. Miners remain (among the sub-themes) the most tied to digital asset performance given the nature of the business today, and the price

of digital assets have been extremely supportive for their outperformance. We continue to see companies across the Mining sub-theme prioritize re-organizations and establishing operational efficiencies (through infrastructure, cost structures, added financial support, etc.), but January also resulted in increased production for many miners. We view the combination of these factors as significant tailwinds going forward.

Sources available upon request. When you invest in ETFs your capital is at risk.

Future of Finance Performance

As of 31/01/2023

	1M	3M	6M	YTD	12M	SI
Grayscale Future of Finance UCITS ETF	46.13%	-4.33%	-17.48%	46.13%	NA	-24.57%
<i>Bloomberg Grayscale Future of Finance Index</i>	46.05%	-4.26%	-17.56%	46.05%	-55.64%	-24.84%

Please note that all performance figures are showing net data. Source: Bloomberg / HANetf. Data as of 31/01/2023. Performance before inception is based on back-tested data. Backtesting is the process of evaluating an investment strategy by applying it to historical data to simulate what the performance of such a strategy would have been. Back-tested data does not represent actual performance and should not be interpreted as an indication of actual or future performance. Past performance for the index is in USD. Past performance is not an indicator for future results and should not be the sole factor of consideration when selecting a product. Investors should read the prospectus of the Issuer ("Prospectus") before investing and should refer to the section of the Prospectus entitled 'Risk Factors' for further details of risks associated with an investment in this product. When you invest in ETFs and ETCs your capital is at risk.

Product Details

Grayscale Future of Finance UCITS ETF seeks to provide exposure to the transformative companies that are, and could be, building the future of finance and our digital economy. The companies are categorised across three core pillars: Financial Foundations, Technology Solutions, and Digital Asset Infrastructure.

Companies are further categorised across thematic exposures and business segments such as Payment Platforms, Exchanges, Miners, Asset Management, and Blockchain Technology. We believe that these are the sectors that will characterise, and shape, the future of the financial world.

The fund tracks the Bloomberg Grayscale Future of Finance Index (BGFOFN Index).

Visit the [GFOF fund page](#) for more information.

Exchange	Ticker	RIC	SEDOL	ISIN	Valoren	WKN	CCY	Listing Date
LSE	GFOF LN	GFOF.L	BP6LTB5	IE000TVPSR11	-	-	USD	17/05/2022
LSE	GFOP LN	GFOP.L	BP6LTD7	IE000TVPSR11	-	-	GBP	17/05/2022
Borsa Italiana	GFOF IM	GFOF.MI	BNDB2Y8	IE000TVPSR11	-	-	EUR	20/05/2022
Xetra	GFOF GY	GFOF.DE	BNDB2Z9	IE000TVPSR11	-	A3DJZD	EUR	17/05/2022

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 - ii. the carbon securities ETCs under the terms in the base prospectus approved by the UK Financial Conduct Authority (“FCA”) and the relevant final terms of the carbon securities (together, “FCA Carbon ETC Prospectus”); and
 - iii. the carbon securities ETCs under the terms in the base prospectus approved by the Central Bank of Ireland (“CBI”) and the final terms of the carbon securities (together, “CBI Carbon ETC Prospectus”).

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The ETF Prospectus, Metals ETC Prospectus, FCA Carbon ETC Prospectus, CBI Carbon ETC Prospectus and Cryptocurrency Prospectus can all be downloaded from www.hanetf.com.

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