

Monthly Future of Finance Report

April 2023

HANetf & Grayscale Investments®

Grayscale Future of Finance UCITS ETF

GFOF

70 bps

IE000TVPSR11

Product Inception Date: 13/05/2022

For Professional Clients Only. Capital at risk.

All data as of 31/03/2023

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

Key Takeaways

- March was, in many ways, a tale of two halves for the Grayscale Future of Finance UCITS ETF. Taking the performance results for the month at face value, one might assume March was a quiet month for Future of Finance companies. Under the hood, it was likely one of the more memorable months in financial markets and for the theme in recent history. All said and done, the Grayscale Future of Finance UCITS ETF did underperform notable broad-market equity benchmarks, but the recovery from March 10th lows (where it experienced a monthly drawdown of over 15%) has created positive momentum moving into April.
- Much ink has been spilled about the events that transpired in early March centred around the banking industry as we witnessed failures resulting in receiverships across several major banking institutions. Notable names included Silicon Valley Bank and Signature Bank, the latter being a Future of Finance company. Over the month of March, and as a result of the activity across some Financials names, we saw two key banking and liquidity solutions that were widely utilized across many Future of Finance companies come offline or lose scale: the Silvergate Exchange Network (Silvergate Capital) and the Signet Platform (Signature Bank). It remains to be seen who or how these gaps in service will be filled, but in a vacuum, these two institutions within the Asset Management sub-theme saw their equity values suffer tremendously through the month.
- With the exception of the Asset Management sub-theme, the Mining, Exchanges, and Payment Platforms sub-themes all delivered positive performance results throughout March. Mining companies were a standout, delivering average returns of over 13% across the 10 companies. We continue to highlight the sensitivity this group of Future of Finance companies carries to the prices of digital assets, which is critical to their business models today.

Source of all performance data: Grayscale / Bloomberg. Data as of 31/03/2023. **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

From a technical perspective, the Grayscale Future of Finance UCITS ETF closed March by reclaiming its 100D simple moving average, which bodes well for momentum going into the month of April. Despite the strong close to the end of the month, the Fund sits near the middle of widely followed momentum indicators such as the Relative Strength Index, suggesting it is neither overbought nor oversold at current levels.

We continue to keep an eye on both macro and micro drivers for risk assets and in particular, the Future of Finance theme. The market reaction (and policy reaction) to the volatility and uncertainty stemming from the Financials sector in March was very notable. Risk assets, and even those that represent longer duration or that once commanded relatively higher multiples, were stark beneficiaries of positive performance, and market participants may even go as far to point out some of the rotations that occurred throughout the latter half of March are suggestive of heightened risk appetites. Here in the U.S., the last 15 days of March saw net new inflows into exposures like the Nasdaq-100, Mega Cap Growth, International Growth, Technology at the expense of exposures like Short-Duration Bonds, Value, and more Defensive

sectors such as Healthcare and Industrials. To be fair, financials sector exposures (broad and industry specific) exposures were among the most redeemed exposures over the same period. We believe that the fund flows are suggestive of notable shift in risk appetite looking into April.

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

Future of Finance Performance

As of 31/03/2023

	1M	3M	6M	YTD	12M	SI
Grayscale Future of Finance UCITS ETF	-0.48%	39.82%	-9.51%	39.82%	NA	-27.83%
<i>Bloomberg Grayscale Future of Finance Index</i>	-0.48%	39.80%	-9.55%	39.80%	-60.15%	-28.06%

Please note that all performance figures are showing net data. Source: Bloomberg / HANetf. Data as of 31/03/2023. 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	GFOF LN	GFOF.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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