

Monthly Future of Finance Report

May 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 30/04/2023

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

Key Takeaways

April resulted in another month of outperformance for the Grayscale Future of Finance UCITS ETF relative to broader markets such as the MSCI ACWI, S&P 500, and Russell 2000 Small Cap Index. GFOF also outperformed traditional equity sectors such as the S&P Information Technology and S&P Financials Indexes, continuing to show the distinct performance and behavioural characteristics that thematic investments representing long-term structural change, such as the Future of Finance, can provide to investors – even over shorter time horizons.

The Future of Finance theme is the confluence of Finance, Technology, and Digital assets; it seeks to capture companies that sit at the intersection of all three core pillars. The nature of the theme is such that the definitions for those pillars transcend traditional sector classifications. It also transcends traditional make-ups and allocations across the globe. The Grayscale Future of Finance UCITS ETF continues to evolve relative to that third pillar of Digital Assets as well – businesses continue to mature and adapt to a fast-moving backdrop for Future of Finance companies. More household names like PayPal (NASDAQ: PYPL) and Block (NASDAQ: SQ) are expanding into secondary lines of business (relative to their own cores) to cover needs in the digital economy. In April, PayPal announced their Digital Asset Transfer Service powered by Venmo, and Block announced that they are developing their own custom ASICs (application specific integrated circuits) and hardware geared for mining needs.

The mining sub-theme continues to show unique, and largely positive, behaviour relative to other sub-theme exposures on the back of more stable digital asset prices, especially for Bitcoin. We believe there is further potential for this tailwind to persist, especially if there is another tick higher in the prices of digital assets – the benefit for Mining equities continues to be driven by the still compressed multiples (especially relative to 12 – 15 months ago) that many Mining companies carry.

Source of all performance data: Grayscale / Bloomberg. Data as of 30/04/2023. **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 April near the top of its range over the past few months, reclaiming some of its longer-term moving averages such as the 50D and 100D. Since its lows in February, GFOF has continued to mark higher highs and higher lows, which is supportive of continued momentum as we enter the middle of 2023.

We continue to keep an eye on both macro and micro drivers for Future of Finance companies. In May, we will be keenly watching earnings results from all the Future of Finance companies (and even adjacent ones) as they report quarterly results over the course of the month. We are specifically looking for stability and “better than expectations” – especially on the bottom lines and especially for Mining companies who have been dealing with

debt or thin margins in calendar year 2022. Broadly, we are looking for how new products and services are developing and their roadmaps to delivering revenue contribution and growth. An early look suggests that earnings may look better than market expectations, despite the still fluid and uncertain backdrop.

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

Future of Finance Performance

As of 30/04/2023

	1M	3M	6M	YTD	12M	SI
Grayscale Future of Finance UCITS ETF	4.86%	0.34%	-4.01%	46.62%	NA	-24.32%
<i>Bloomberg Grayscale Future of Finance Index</i>	4.79%	0.31%	-3.96%	46.50%	-40.63%	-24.61%

Please note that all performance figures are showing net data. Source: Bloomberg / HANetf. Data as of 30/04/2023
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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