

Monthly Digital Assets Market Report

September 2023

ETC Group Digital Assets and Blockchain Equity

UCITS ETF

KOIN

60bps

IE00BMQ8YK98

Product Inception Date: 15/11/2021

ETC Group Global Metaverse

UCITS ETF

METR

65bps

IE000KDY1003

Product Inception Date: 15/03/2022

For Professional Clients Only. Capital at risk.

All data as of 31/08/2023

This report was written by, and is the opinion of, ETC Group.

Blockchain ETF and Metaverse ETF Macro Outlook

Publicly-traded digital asset stocks have been broadly renewed by a series of favourable regulatory decisions in the United States, but none more so than Coinbase (NASDAQ:COIN).

The San Francisco crypto exchange is the largest and most prominent digital asset stock, and was the first major international cryptocurrency business to IPO, in 2021. It is the largest holding in the ETC Group Digital Assets and Blockchain ETF (KOIN).

The company underwent wide-scale restructuring in the wake of the crypto bear market, shedding nearly a third of its workforce, but has been investing heavily in acquisitions and new divisions over the last 12 months.

Testament to its improved confidence, the company raised \$57m as per a September 2023 regulatory filing¹ to open a new division lending crypto assets to large institutions in the United States. A previous attempt to expand into lending crypto to retail players, called Coinbase Lend, led to threats of lawsuits² by the Securities and Exchange Commission (SEC), and the project was shuttered in 2021.

The crypto industry is in the midst of a bear market, but has been granted two major regulatory boosts in the last month. On 13 August, Ripple won³ a partial victory against the SEC's attempt to sue its executives, with courts deciding that sales of the XRP crypto asset did not constitute a sale of securities. Then on 29 August, a three-judge panel ruled that the regulator had showed "arbitrary and capricious" reasoning to deny attempts by the largest Bitcoin investment product, Grayscale's Bitcoin Trust (GBTC), to convert into an ETF. GBTC currently holds 569,894 Bitcoins, worth just over \$16bn.

Coinbase is still some way off its IPO price of \$342, amid the massive crypto bull run of 2021, but reached a zenith at the turn of 2023 and has more than doubled since then, up 130% over the last nine months. For more crypto insights visit <https://www.etc-group.com/blog/>

Sources available upon request. 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.

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Blockchain ETF and Metaverse ETF Performance

As of 31.08.2023

	1M	3M	6M	YTD	12M	SI
ETC Group Digital Assets and Blockchain Equity UCITS ETF	-21.27%	8.68%	27.08%	61.35%	3.06%	-74.90%
<i>Solactive ETC Group Digital Assets and Blockchain Equity Index</i>	<i>-21.24%</i>	<i>8.90%</i>	<i>27.63%</i>	<i>62.33%</i>	<i>3.91%</i>	<i>-74.61%</i>
ETC Group Global Metaverse UCITS ETF	-8.89%	5.89%	19.72%	36.87%	21.38%	8.29%
<i>Solactive ETC Group Global Metaverse Index</i>	<i>-8.82%</i>	<i>6.09%</i>	<i>20.18%</i>	<i>37.57%</i>	<i>22.08%</i>	<i>9.13%</i>

Please note that all performance figures are showing net data. Source: Bloomberg / HANetf. Data as of 31/08/2023. Performance before inception is based on back tested data. Back testing is the process of evaluating an investment strategy by applying it to historical data to simulate what the performance of such 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

Visit the [KOIN Fund Page](#) for more information

Exchange	BBG Code	RIC	ISIN	Valoren	SEDOL	Currency	TER
London Stock Exchange	KOIN LN	KOIN.L	IE00BMQ8YK98	-	BMBTJ46	USD	0.60%
London Stock Exchange	KOIP LN	KOIP.L	IE00BMQ8YK98	-	BN4MYX3	GBP	0.60%
Borsa Italiana	KOIN IM	KOIN.MI	IE00BMQ8YK98	-	BMXR829	EUR	0.60%
Deutsche Boerse Xetra	KO1N GY	KO1N.DE	IE00BMQ8YK98	-	BMXR807	EUR	0.60%
SIX	KOIN SW	KOIN.S	IE00BMQ8YK98	112518685	BMX8DD8	CHF	0.60%
Euronext Paris	KOIN FP	KOIN.PA	IE00BMQ8YK98	-	BMD2GJ7	EUR	0.60%

Visit the [METR Fund Page](#) for more information

Exchange	BBG Code	RIC	ISIN	SEDOL	Currency	TER
London Stock Exchange	METR LN	METR.L	IE000KDY1003	BMV7W41	BMV7W41	0.65%
London Stock Exchange	METP LN	METP.L	IE000KDY1003	BMV7ZZ3	BMV7ZZ3	0.65%
Deutsche Boerse Xetra	M37R GY	M37R.DE	IE000KDY1003	BMCDV18	BMCDV18	0.65%
Borsa Italiana	METR IM	METR.MI	IE000KDY1003	BMCDT28	EUR	0.65%



ETC Group

ETC Group has been created to provide investors with the tools to access the investment opportunities of the digital assets and blockchain ecosystem. United within ETC Group is one of the world's largest electronic market makers and an exceptional team of financial services professionals and entrepreneurs, with experience spanning both the worlds of digital assets and regulated markets. While product quality and safety stand at the core of our product creation approach, we aim at continuously launching best-in-class institutional-grade exchange traded products.

As a company, we have launched the world's first centrally cleared Bitcoin exchange traded product on Deutsche Börse XETRA, the largest ETF trading venue in Europe, and have also launched Europe's first Metaverse ETF together with HANetf. Further information as well as regular digital assets research publications can be found on www.etc-group.com.



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2. HANetf ETC Securities plc, a public limited company incorporated in Ireland, issuing:

- i. the precious metals ETCs under the terms in the base prospectus approved by both the Central Bank of Ireland (“CBI”), the UK Financial Conduct Authority (“FCA”) and the final terms of the precious metals (together, “Metals ETC Prospectuses”);
- 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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