

LUNA ETP Updated FAQs

14 June 2022

Please also refer to the LUNA FAQs dated 12 May 2022 or the [Collapse and Rebirth of Terra](#) (7 June 2022) for a primer on the full situation with LUNA. Both documents can be found on the LUNA product page on 21Shares.com: <https://21shares.com/en-CH/product/luna>

Updates on LUNA since previous FAQs (from 10 June 2022)

- There are no significant new developments to report on the underlying blockchain, Terra Classic. The price of the native token, now known as Luna Classic (LUNC), continues to trade at very low prices, close to zero.
- 21Shares continues to work with the product's custodian to confirm the details of how the airdrop will be processed.
 - The ETP's custodian, Copper, has now confirmed that it expects to be able to support the airdrop.
 - Copper expects to drop the new LUNA tokens related to the ETP's post-attack holdings in the 21Shares Terra Classic ETP account before the end of June.
 - The tokens cannot be dropped immediately because the custodian must build out the capability to support the new LUNA token since it represents a new protocol.
 - Please note that while the above reflects the latest update from Copper, 21Shares cannot guarantee any dates or the airdrop.
 - Investors should note that the total value of the airdrop based on post-attack holdings is de minimus at current market values and also partially subject to a cliff (30 percent of the airdrop is available now; delivery of the remaining 70 percent will not begin until approximately November 2022).
 - Due to the way the TerraForm Labs has structured the airdrop, any tokens related to the product's pre-attack LUNC holdings are subject to a 1-year cliff, meaning the product will not receive any tokens until approximately May 2023.
 - Please see below for additional discussion on the airdrop. 21Shares will continue to provide updates as further details emerge.

The FAQs below have been refreshed as of 13 June 2022:

What Is Terra 2.0?

- On 28 May 2022, Terraform Labs launched a new blockchain, Terra 2.0. Unlike the former Terra network, this new blockchain does not involve an algorithmic stable coin. The native token of Terra 2.0 is a new token called LUNA, which will be limited to total issuance of 1 billion units.
- In conjunction with the launch of the new blockchain, the previously existing blockchain (which had been known as Terra) has been renamed Terra Classic and the previously existing token, LUNA, has been renamed LUNA Classic or LUNC.

What is the current status of 21Shares Terra Classic ETP (LUNA ETP)?

- Both trading in, and creations and redemptions by Authorised Participants of, LUNA ETP have been suspended since 13 May. The current NAV of the LUNA ETP is \$0.00001629 per share (as at close of business on Monday 13 June 2022).
- LUNA ETP remains suspended from trading with no immediate plans to lift the suspension or to reallocate creations and redemptions.
- In summary, the product remains suspended from trading but there are no current plans to de-list or liquidate the ETP.

Did the name of the ETP change?

- Effective Monday 6 June 2022, the name of Luna ETP changed as follows:
 - **FROM:** 21Shares Terra ETP
 - **TO:** 21Shares Terra **Classic** ETP
- The name change reflects the decision to rename the existing network Terra Classic which the LUNA ETP continues to track.

Did the ETP's ticker or ISIN change in conjunction with the name change?

- No, the ticker remains LUNA (USLB on Xetra) and the ISINs did not change.

Will trading in the ETP be re-introduced? If so, when?

- As described above, LUNA ETP currently has a NAV of \$0.00001629 per share (as at close of business on Monday 13 June 2022). The drop in the ETP price is in line with the prices on the underlying asset. Given the minimum tick size on the different exchanges where the ETP is admitted to trading is 0.0001, trading on the ETP is not possible with the current underlying market price. Any future re-introduction of trading will depend on the developments with the Terra Classic network and the LUNA Classic token.
- 21Shares reserves the right to maintain the suspended status of the product or to terminate the product at any time.

Will the product be liquidated? If so, how will this be communicated?

- 21Shares will continue closely monitoring the developments with the Terra Classic network and the LUNA Classic token to determine how to best serve investors. Any changes to the LUNA ETP that will impact Investors will be communicated by appropriate notice via the 21Shares website and standard communication channels.
- There are no immediate plans to liquidate or de-list the product.

What is the timeline for decisions on the product?

- Decisions on the product are contingent upon developments with the Terra blockchain and the LUNA Classic token and the timing is therefore uncertain.

Will LUNA ETP benefit from the airdrop of new LUNA tokens?

- The ETP's custodian, Copper, has now confirmed that it expects to be able to support the airdrop.
 - Copper expects to drop the new LUNA tokens related to the ETP's post-attack holdings in the 21Shares Terra Classic ETP account before the end of June.
 - The tokens cannot be dropped immediately because the custodian must build out the capability to support the new LUNA token since it represents a new protocol.
 - Investors should note that the total value of the airdrop based on post-attack holdings is de minimus at current market values and also partially subject to a cliff (30 percent of the airdrop is available now; delivery of the remaining 70 percent will not begin until approximately November 2022).
 - Due to the way the Luna Foundation has structured the airdrop, any tokens related to the product's pre-attack LUNC holdings are subject to a 1-year cliff, meaning the product will not receive any tokens until approximately May 2023.
- It is important to note that the airdrop has been structured by the TerraForm Labs such that (with the exception of wallets holding fewer than 10,000 units of LUNA as of 6 May 2022) there is a 1-year cliff and either a 2-year or 4-year vesting period that applies. 21Shares will provide an update once additional information is available.

How will Investors be notified of developments?

- 21Shares will provide regular updates via social media as well as on the 21Shares website. In addition, we will be making official notices as warranted.
- The FAQs will be updated regularly. Please feel free to reach out to us via email at etp@21shares.com if you have additional questions.

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