



Investment Thesis

21Shares Future of Crypto Index ETP (FUTR)

Product Type

Thematic basket with sector-based allocations

Product Allocations

Established Sectors	Sector Allocation
Payment Platforms	30%
Smart Contract Platforms	30%

Emerging Sectors	Sector Allocation
Blockchain Accelerators	10%
Decentralized Finance	10%
AI and Data Solutions	10%
Social and Gaming	10%

Product Details

Ticker	FUTR
ISIN	CH1382892102
Fee	1.49%
Exchange Listing	Euronext Amsterdam, Euronext Paris
Listing Date	10.10.2024
Replication Method	Physical
Rebalancing Frequency	Quarterly
Index Provider	MarketVector Indexes

Overview

The 21Shares Future of Crypto Index ETP (FUTR) is designed as a thematic basket with sector-based allocations, capturing the most promising areas within the cryptoasset ecosystem. Utilizing our **Global Crypto Classification Standard (GCCS)** built together with CoinGecko, FUTR provides a structured investment approach that balances exposure across both established and emerging crypto sectors, aiming to capitalize on the evolution of the digital economy. This **dynamic allocation strategy allows FUTR to evolve with market trends**, ensuring it remains at the forefront of innovation while maintaining a stable foundation in the crypto landscape. FUTR's sector-based approach **simplifies crypto investing by offering diversified exposure without the need to predict individual asset performance** or understand the intricacies of the cryptoasset market.

Established Sectors

Payment Platforms: Enabling anyone, anywhere at any time to instantly transfer value without a middleman or permission.

- **What is it?** Payment platforms are the original use case of blockchain technology, enabling decentralized, peer-to-peer value transfers without intermediaries.
- **Value Proposition:** These platforms provide financial inclusion and censorship-resistant transactions, especially crucial in regions with limited banking infrastructure or unstable currencies.
- **Why 30% Allocation?** Reflects their foundational role as the original crypto use case, upon which all other sectors have been built. While Bitcoin has evolved into a store of value, the core utility of digital value transfer remains critical to the ecosystem.

Smart Contract Platforms: Infrastructure for all decentralized business models, fueling limitless innovation.

- **What is it?** Smart contract platforms are the backbone of the decentralized economy, the global app stores that enable more complex transactions, giving rise to the development of decentralized applications (dApps).
- **Value Proposition:** These platforms are the driving force behind innovations across the following sectors, supporting new business models by providing the essential infrastructure to operate without intermediaries.
- **Why 30% Allocation?** Underscores that the growth trajectory of the entire crypto ecosystem is fundamentally linked to the success of smart contract platforms. Investing in this sector is a strategic bet on the sustained expansion of the digital economy, as it continually integrates new business models and advanced use cases that rely on an innovative and adaptable foundation.



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Emerging Sectors

Decentralized Finance (DeFi): Building an open financial ecosystem without banks or intermediaries.

- **What is it?** DeFi is a blockchain-based financial system that redefines traditional financial services, allowing users to engage in lending, borrowing, and trading directly through smart contracts, all without intermediaries.
- **Value Proposition:** Democratizes financial access, reducing costs and increasing transparency, making financial services available to anyone with an internet connection while driving innovation with new financial solutions.
- **Why 10% Allocation?** Reflects DeFi's potential to disrupt global finance. FUTR is overweight to capture its growth potential, balancing this with inherent risks like regulatory risks and technological vulnerabilities, ensuring exposure to innovation while managing volatility.

Blockchain Accelerators: Scaling the blockchain revolution with faster and more cost-efficient solutions.

- **What is it?** Technology focused on enhancing scalability, improving transaction speeds, and reducing costs for existing networks.
- **Value Proposition:** Essential for supporting mass adoption of dApps by overcoming blockchain's scalability limitations, enabling high-volume industries to operate efficiently at a global scale.
- **Why 10% Allocation?** The sector is in its early stages today but will be critical to onboarding the next wave of users. This allocation highlights the vital role of scalability in driving broader blockchain adoption and integrating it into real-world applications.

AI and Data Solutions: Transforming AI with blockchain's trust layer, enabling secure, transparent innovation.

- **What is it?** Using crypto rails to enhance data management, making it more transparent and secure, overcoming privacy concerns of traditional systems.
- **Value Proposition:** Addresses the challenges of data centralization, enabling fairer, more transparent and efficient systems.
- **Why 10% Allocation?** Reflects its high innovation potential despite early stages. Positioned to benefit from AI and blockchain convergence as these technologies gain importance in the digital economy.

Social and Gaming: Redefining digital life with true ownership across gaming and social worlds.

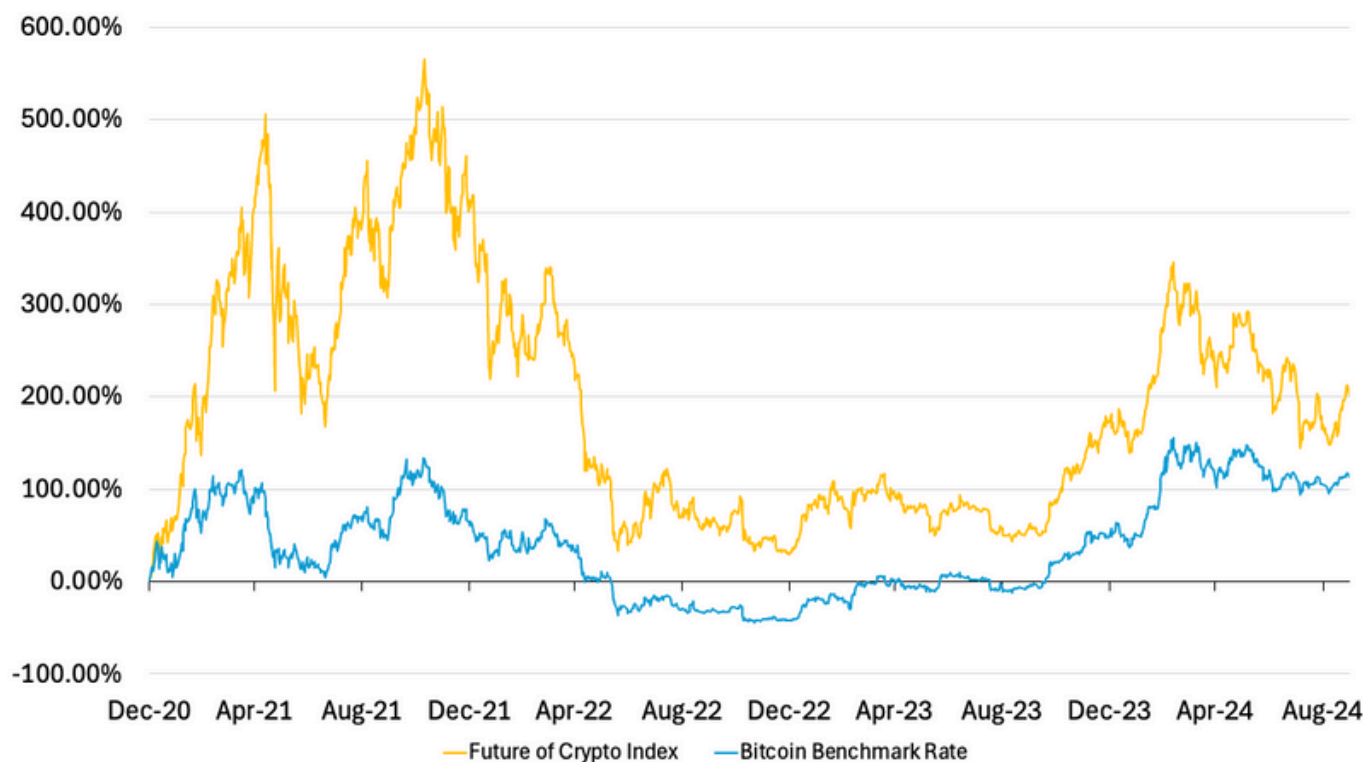
- **What is it?** Leverages blockchain to enable true digital ownership, play-to-earn models, and user-driven economies.
- **Value Proposition:** Transforms traditional gaming and social interactions by allowing users to truly own their digital life — free from centralized constraints and regulations.
- **Why 10% Allocation?** Captures high growth potential and appeal to digital-native generations. Balances innovation excitement with its speculative nature, poised to capitalize on emerging trends.

The 21Shares Future of Crypto Index ETP (FUTR) offers a balanced strategy, combining relative stability in a volatile market, from established sectors paired with dynamic growth from emerging sectors. By allocating strategically to both foundational assets and innovative technologies, FUTR positions investors to capitalize on the evolving landscape of the digital economy, capturing the upside of next-generation blockchain innovations while maintaining a robust base in proven crypto infrastructure.

Index Performance Analysis

The FUTR index has demonstrated strong performance over the backtesting period from **December 31, 2020, to September 30, 2024**, achieving a return of **202%**, significantly outperforming the Bitcoin Benchmark Rate (BBR) at **113%**.

Figure 1: FUTR Index Backtest Performance



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