21shares

21shares Active Crypto ETF

TKNS

Quarterly investment commentary | Q3 2026

INCEPTION DATE	May 14, 2026
CUSIP	53656H744
EXCHANGE	Nasdaq

PERFORMANCE SNAPSHOT

(as of Sept 30, 2026)

	MTD	QTD	YTD	1Y	3Y	5Y	SI (Cumulative) as of 9/30/2026
Fund (NAV)	9.83%	45.70%	21.15%	-	-	-	21.06%
Fund (MP)	9.89%	45.89%	21.65%	-	-	-	21.65%
Benchmark	7.66%	47.21%	8.20%	-	-	-	8.20%

The performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For the most recent month-end performance, please call 646-370-6016 or visit the Fund's website at www.21shares.com. Returns for periods less than one year are cumulative and not annualized. Market price returns are based on closing prices reported by the fund administrator. On the inception date, where no closing market price was available, NAV is used as the starting market price. Returns may differ from those calculated using exchange data providers. Returns assume reinvestment of distributions. Benchmark: FTSE Digi50 Index (4pm EST), a FTSE Russell index of the 50 largest digital assets, which defines the Fund's investment universe. It is not possible to invest directly in an index.

MARKET REVIEW

Liquidity remained tight for much of the third quarter. Inflation stayed elevated on the back of the ongoing oil supply shock, bond yields continued to rise, and markets braced for Federal Reserve rate hikes. The turning point came in mid-August, when the U.S. Treasury announced it would double the size of its long-dated bond buybacks, pushing long-term yields lower and easing financial conditions. The Fed followed in September with a 25 basis point hike, its first since 2023, but risk assets held their gains.

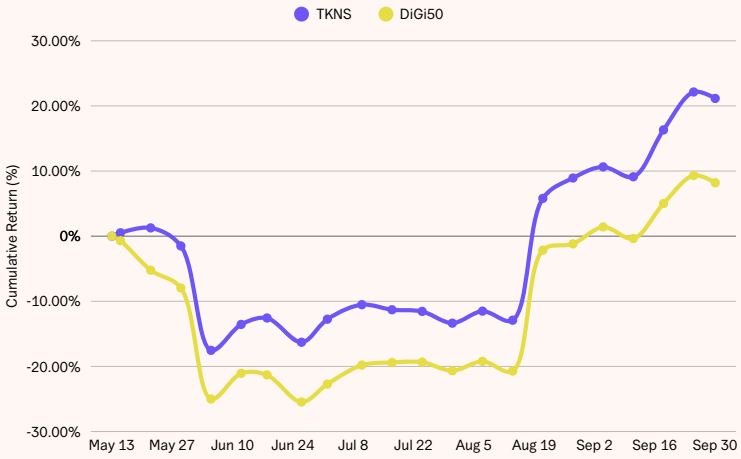
Digital assets staged a strong recovery from the June lows. Bitcoin rallied from roughly $64,000 to above $80,000 in the week following the Treasury announcement and ended September near $84,000, up approximately 43% for its best third quarter since 2017. Institutional demand returned, with U.S. spot Bitcoin ETFs taking in roughly $6.3 billion of net inflows after about $5 billion of outflows in the second quarter.

PORTFOLIO POSITIONING AND ACTIVITY

The Fund launched in mid-May defensively positioned, with its market regime indicator signaling caution. Elevated cash and a Bitcoin anchor helped the Fund decline meaningfully less than its benchmark through the June lows. In August the indicator turned positive as ETF flows recovered, and cash was reduced in stages from 15% to 5%.

Asset selection has been the main driver of outperformance since inception. Hyperliquid (HYPE), which is not held by the benchmark, returned approximately 127% from the Fund's inception through quarter-end and was the largest contributor to relative performance, with NEAR Protocol (NEAR) and AAVE (AAVE) also adding value. These gains were not left unmanaged: the Fund took profits as the positions appreciated, selling more than half of its HYPE position in late August and reallocating the proceeds toward Solana (SOL) and Ethereum (ETH). On the other side, Gram (GRAM, formerly Toncoin) and elevated cash during the summer rally detracted from performance, and the GRAM position was exited in mid-June.

TKNS vs. FTSE Digi50 weekly performance



Source: 21shares. Cumulative NAV performance comparison in percentage points demonstrating TKNS's relative outperformance and downside risk mitigation against the benchmark during Q3 market drawdowns. **Past performance does not guarantee future results.**

TOP HOLDINGS

(as of Sept 30, 2026)

Holding	Fund weight (%)	Benchmark weight (%)	Segment
Bitcoin (BTC)	53.76%	71.93%	Layer 1 / Store of value
Solana (SOL)	15.05%	2.97%	Smart contract platform
Ethereum (ETH)	12.08%	14.16%	Smart contract platform
AAVE (AAVE)	3.45%	0.10%	DeFi Lending
Chainlink (LINK)	3.31%	0.46%	Oracle infrastructure
NEAR Protocol (NEAR)	2.29%	0.30%	Smart Contract platform
Dogecoin (DOGE)	2.02%	0.63%	Payments
Hyperliquid (HYPE)	1.87%	0.00%	Decentralized Derivatives Exchange
Uniswap (UNI)	0.96%	0.24%	Decentralized Exchange
Cash	5.21%	0%	Cash

Holdings are as of the date given and subject to change.

PORTFOLIO MANAGER OUTLOOK

As of September 30, 2026, the Fund's market regime indicator is positive and the portfolio is positioned accordingly, with cash reduced to near its lowest level since launch and a growing allocation beyond Bitcoin. We believe the backdrop for digital assets has improved: ETF flows have turned positive, and the Treasury has shown it has the tools to inject additional liquidity into the market, should it wish to use them. The main risk is further Fed tightening, with the Fed's September projections and futures markets both pointing to one more rate hike by year-end. We remain constructive, but positioning will continue to be driven by the Fund's systematic process rather than by forecast.

FUND FACTS AND CHARACTERISTICS

NAME	21shares Active Crypto ETF
OBJECTIVE	The Fund seeks total return.
TICKER	TKNS
MANAGEMENT FEE	1.05%
TOTAL ANNUAL EXPENSE	1.05%
BENCHMARK	FTSE Digi50 Index (4pm EST)
ASSETS UNDER MANAGEMENT	$295,973.00
NUMBER OF HOLDINGS	10
PORTFOLIO MANAGERS	Andres Valencia, Jad Haj Ali
STRUCTURE	40-Act

Glossary
Basis point: A basis point (bp) is a unit of measure equal to one one-hundredth of one percent (0.01%). 100 basis points equal 1%.

An investor should consider the investment objectives, risks, charges, and expenses of the Fund carefully before investing. The prospectus and, if available, the summary prospectus contain this and other information about the Fund. You may obtain a prospectus and, if available, a summary prospectus by downloading the prospectus from www.21shares.com or calling (646) 370-6016. Please read the prospectus or summary prospectus carefully before investing.

The views and opinions expressed in this commentary are those of the portfolio management team as of September 30, 2026, and are subject to change at any time without notice based on market, economic, or other conditions.

This document may contain forward-looking statements. Forward-looking statements inherently involve risks and uncertainties, and actual results, performance, or events may differ materially from those expressed or implied. There is no guarantee that any forecasts or projections will come to pass, and readers are cautioned not to place undue reliance on these statements. Past performance is no guarantee of future results.

The Fund is a recently organized investment company with a limited operating history. As a result, prospective investors have a limited track record or history on which to base their investment decision.

The underlying Crypto Assets are relatively new investments which have unique and substantial risks and which may be more volatile than other types of investments. The value of an investment in the Fund could decline significantly and without warning. The performance of Crypto Assets, and therefore the performance of the Fund, may differ significantly from the performance of the cryptocurrencies. For more information on the specific risks pertaining to each cryptocurrency, please see the prospectus.

Crypto assets operate without central authority or banks and are not backed by any government. Crypto assets are often referred to as a "virtual asset" or "digital asset," and operate as a decentralized, peer-to-peer financial trading platform and value storage that is used like money. A crypto asset is also not a legal tender. The trading prices of many crypto assets, including the Underlying Crypto Assets, have experienced extreme volatility in and may do so in the future including declines in the trading prices of the Underlying Crypto Assets which could have a material adverse effect on the value of the Fund's shares and the shares could lose all or substantially all of their value. A number of factors affect the price and market for Crypto Assets such as new technology, changes in regulatory environment, and supply and demand.

Market price returns are based on the official closing price of Fund shares as of the close of trading on the exchange and do not represent the returns you would receive if you traded shares at other times. Fund shares may trade at a premium or discount to NAV. Current premium/discount information is available at www.21shares.com.

Diversification does not assure a profit or protect against loss.

There is no guarantee that investment objectives will be achieved or that return expectations will be met.

An investment in the Fund involves risk, including possible loss of principal. ETFs trade like stocks, are subject to investment risk, fluctuate in market value and may trade at prices above or below the ETF's net asset value (NAV), and are not individually redeemable directly with the ETF. Brokerage commissions and ETF expenses will reduce returns. ETFs are subject to specific risks, depending on the nature of the underlying strategy of the Fund. These risks could include Crypto Assets Risk, Derivatives Risk, Counterparty Risk, Subsidiary Risk, Exposure Risk, Calculation Methodology Risk, Clearing Broker Risk, Collateral Securities Risk, Cybersecurity Risk, ETP Risk, Early Close/Trading Halt Risk, Foreign Securities Risk, Intra-Day Investment Risk, Market Risk, Passive Investment Risk, Tax Risk, Tracking Error Risk, Reverse Repurchase Agreements Risk, Valuation Risk, Volatility Risk, Whipsaw Markets Risk, and Crypto-Related Investments Tax Risk. For a complete description of the Fund's principal investment risks, please refer to the prospectus.

Shares of the Funds Are Not FDIC Insured, May Lose Value, and Have No Bank Guarantee. The Fund may not be suitable for all investors.

PINE Distributors LLC is the distributor for the 21shares Active Crypto ETF. Teucrium Investment Advisors, LLC serves as the investment adviser and 21shares US LLC serves as the Subadviser to the 21shares Active Crypto ETF.

PINE Distributors LLC is not affiliated with Teucrium Investment Advisors, LLC or 21shares US LLC.

Learn more about PINE Distributors LLC at FINRA's BrokerCheck.

There is no assurance that the Index Provider, or any agents that act on its behalf, will compile the Index accurately, or that the Index will be determined, maintained, constructed, reconstituted, rebalanced, composed, calculated or disseminated accurately.

The Fund may hold illiquid securities that it may be unable to sell at the preferred time or price and could lose its entire investment in such securities.

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