

21SHARES

Comparison of Different Crypto Structures

	21Shares ETPs	ETFs	ETNs	Certificates	Crypto Hedge Funds
Listed on Regulated Market	Yes	Yes	No	No	No
Listed on MTF	Yes	Some	Yes	Some	No
Credit Risk of Issuer	Yes, but reduced due to 100% collateralization of the SPV	Yes, limited to UCITS with issuers risk of 10%	Yes, 100% due to assets on balance sheet of issuer	Yes, 100% due to assets on balance sheet of issuer	Yes, 100%
Overcollateralization	Sometimes	Sometimes with Swaps	Potentially, but it is not transparent	No	At the issuer's discretion
Independence from Swap CP	Yes	Some, depending on synthetic or physical replication	No	No	No
Independent and Regulated Custodian	Yes	Yes	No	No	Some
Transparency Through Prospectus	Yes	Yes	Mostly	No	No
Independent Administrator and Trustees	Yes	Yes	If advertised	No	Yes
Creation/Redemption Mechanism	Yes	Yes	Many do not	No	No
Open-ended	Yes	Yes	Depends on the structure	No	No



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	21Shares ETPs	Other crypto ETPs, tracker certificates and structured products
Listing	ABTC is listed on Deutsche Boerse's Xetra and SIX Exchange. It was the first to be admitted on a regulated segment in 2019 as the world's first Bitcoin ETP. Investors have access to large pool of liquidity through its main Apps as well as high regulators framework such as central clearing counterparty. It is approved by a Home Country regulator part of the EU and is passported throughout Europe.	Other structures are listed on regional exchanges, some of which are harder for investors to access due to the broker limitation of the venues. Our ETPs are listed in 4 currencies: USD / GBP / EUR / CHF
CCP	ABTC has been trading since March 2019 with mostly Swiss counterparties on a bilateral agreement with very strict binding rules for settlements. It has been a seamless process until today but thanks to the admission to Xetra it is now also cleared through its Eurex entity which allows centrally cleared system and reduces even more the country risk.	Bilateral clearing/settlement is typically more common on smaller exchanges and used by many ETN/ Tracker certificates.
Liquidity	ABTC benefits from world class traditional ETF market makers. It is listed on many exchanges making it today the most sought after, locally listed ETP with our market maker partners including Flow Traders, Lang & Schwarz and Jane Street. Today, it is listed on many exchanges making it one of the most sought after, locally listed ETPs. ABTC trades at NAV due to its creation/redemption process at 1.0% official spread set by Xetra.	Existing products have fewer liquidity providers increasing the likelihood of premiums/discounts by limiting price competition. Many have had volatility interruptions which creates an auctioning in the market and prevents live trading.
Creation/ Redemption	All of the 21Shares products have a T+1 creation/redemption processes which allows the structure to be completely open ended.	Very few products support the in kind mechanism. This can result in higher costs, higher spreads and lower liquidity in the product.
Issuer Risk	Through the SPV, 21Shares is set up solely for the purpose of issuing financial products. All of the 21Shares ETPs are fully (100%) collateralised by crypto assets. For all outstanding issued units on the secondary market, there is a corresponding amount of assets through a regulated custodian. This is all in a process to reduce and minimise counter party risk to investors.	Many structures are unregulated and are in the form of a tracker certificate, which bear a counterparty risk towards the issuer. Also due to the less transparent structures, many are not fully collateralised and replicate a synthetic model which could use proxy hedging.
Custody	We use regulated custodian services that have robust technical solutions and long track records of custodying crypto in cold storage. We take extra care when it comes to safe keeping of assets and we regularly monitor and supervise the deposits processed with our partners. All custodians on the platform carry robust insurance policies to safe guard private keys.	Other Bitcoin ETPs use a variety of different custody arrangements with different custodians, some with internal wallets, some with external. Not all of these custodians are regulated or insured and cannot offer equally high standards of protection to investors.
Forks	Forked assets which meet the inclusion criteria (i.e. of significant size and value with sufficient technical reliability) will be included in the products. If the infrastructure is insufficient to support trading in the products themselves, proceeds from the forks are credited to investors in the ETPs as a special payment out of the ETPs in fiat.	Forks are handled at the discretion of the issuer. Unless such an announcement is made informing the market of such participation, the newly-forked asset should be considered ineligible.
EU Passport	21Shares has received approval through its European prospectus to passport in all European jurisdictions.	Other products do not cover all of Europe, some are only in Germany, Italy and Scandinavian markets.