

ARK 21Shares Blockchain and Digital Economy Innovation ETF

Ticker Symbol: ARKD

(a series of EA Series Trust)

Prospectus

November 6, 2023
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Listed on Cboe BZX, Inc.

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ARK 21SHARES BLOCKCHAIN AND DIGITAL ECONOMY INNOVATION ETF (“ARKD”)

Fund Summary

INVESTMENT OBJECTIVE

ARK 21Shares Blockchain and Digital Economy Innovation ETF (the “Fund”) seeks capital appreciation.

FEES AND EXPENSES

This table describes the fees and expenses that you may pay if you buy, hold, and sell shares of the Fund (“Shares”). **You may also pay brokerage commissions on the purchase and sale of Shares, which are not reflected in the table or example.**

ANNUAL FUND OPERATING EXPENSES (EXPENSES THAT YOU PAY EACH YEAR AS A PERCENTAGE OF THE VALUE OF YOUR INVESTMENT)¹

Management Fee	0.55%
Distribution and/or Service (12b-1) Fees	None
Other Expenses ²	0.00%
Acquired Fund Fees and Expenses ³	<u>0.35%</u>
Total Annual Fund Operating Expenses	0.90%

¹ Empowered Funds, LLC dba EA Advisers (the “Adviser”) (or an affiliate of the Adviser) bears all of the Adviser’s own costs associated with providing advisory services and all expenses of the Fund, except for the fee payment under the investment advisory agreement, payments under the Fund’s Rule 12b-1 Distribution and Service Plan, Acquired Fund Fees and Expenses, brokerage expenses (except that the Adviser will pay any net account or similar fees charged by futures commission merchants), taxes (including tax-related services), interest (including borrowing costs, except that the Adviser will pay net interest expenses incurred in connection with investments in reverse repurchase agreements), litigation expense (including class action-related services), and other non-routine or extraordinary expenses.

² Other Expenses are estimated for the current fiscal year. The Fund cannot accurately estimate anticipated current and deferred tax expenses prior to the commencement of investment operations.

³ Acquired Fund Fees and Expenses are indirect fees and expenses that the Fund incurs from investing in the shares of other investment companies, including the Underlying ETFs (as defined below). Acquired Fund Fees and Expenses are estimated for the current fiscal year.

EXAMPLE

The following example is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. The example assumes that you invest \$10,000 for the time periods indicated and then redeem all of your Shares at the end of those periods. The example also assumes that the Fund provides a return of 5% a year and that operating expenses remain the same. You may also pay brokerage commissions on the purchase and sale of Shares, which are not reflected in the example. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

One Year:	Three Years:
\$92	\$287

PORTFOLIO TURNOVER

The Fund may pay transaction costs, including commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. At the date of this Prospectus, the Fund has not yet commenced operations and therefore portfolio turnover data is not available.

PRINCIPAL INVESTMENT STRATEGIES

The Fund is an actively managed exchange-traded fund. Under normal conditions, the Fund seeks to invest 80% of its net assets (plus any borrowings for investment purposes) in investments that provide exposure to the blockchain and in securities issued by companies principally engaged in the blockchain industry and/or digital economy (the “80% Policy”). The Fund’s Bitcoin Futures Exposure and Ether Futures Exposure (each defined below) are included for purposes of the Fund’s 80% Policy, as well as the Fund’s investment in U.S.- and foreign-listed equity securities of issuers in the blockchain industry and/or involved in the digital economy. The “digital economy” generally refers to economic activity conducted via the internet and through the use of digital intermediaries. Companies in the blockchain industry and/or involved in the digital economy include, but are not limited to, companies involved in the facilitation, trading, exchange, infrastructure, or custody of digital assets, digital asset transactions, and related services incidental or necessary for the functioning of a digital asset protocol or network.

The Fund may invest in the ARK 21Shares Active Bitcoin Futures Strategy ETF and/or the ARK 21Shares Active Ethereum Futures Strategy ETF, both of which are affiliated underlying funds and are managed by the same investment team as the Fund (“Active Bitcoin Futures ETF” and “Active Ethereum Futures ETF,” together the “Underlying ETFs”). The Fund may also invest in Bitcoin Futures and Ether Futures (as defined below) through a subsidiary. Through such subsidiaries, each of the Fund and the Active Bitcoin Futures ETF may invest in standardized, exchange-traded bitcoin futures contracts and the Active Ethereum Futures ETF may invest in standardized, exchange-traded ether futures contracts that are cash settled in U.S. dollars and are traded on, or subject to the rules of, commodity exchanges registered with the Commodity Futures Trading Commission (“CFTC”), such as the Chicago Mercantile Exchange (the “CME”) (“Bitcoin Futures” and “Ether Futures”). **Neither the Fund nor any Underlying ETF invest directly in bitcoin, ether or other digital assets, or maintain direct exposure to “spot” bitcoin or “spot” ether. The Fund may, however, have indirect exposure to bitcoin or ether by virtue of its investments in Bitcoin Futures, Ether Futures or investment companies that hold Bitcoin Futures or Ether Futures.**

The Fund’s sub-adviser, 21Shares US LLC (“21Shares”) will select investments for the Fund that represent 21Shares’ highest-conviction investment ideas by utilizing both qualitative and quantitative measures to determine the percentage of the Fund’s assets that will be allocated to provide exposure to Bitcoin Futures and/or Ether Futures (i.e., through investment in the Underlying ETFs or through a subsidiary) (“Bitcoin Futures Exposure” and “Ether Futures Exposure,” respectively and collectively, “Crypto Asset Futures Exposure”). ARK Investment Management LLC (“ARK”) serves as sub-subadviser to the Fund and provides non-discretionary advice to 21Shares related to the spot bitcoin and spot ether markets and equity markets. 21Shares may, in its sole discretion, consider the advice provided by ARK when making investment decisions for the Fund to the extent 21Shares deems necessary.

For purposes of the Fund’s 80% Policy, companies that derive at least 50% of their revenues, operating income, assets or profits from one or more of the following activities are considered to be principally engaged in the blockchain industry and/or the digital economy:

- development of blockchain or digital economy-related businesses, products, or platforms;
- development of technologies expected to enable digital economy innovation;
- operation of digital payment gateways or facilitation of peer-to-peer payments, digital banking and lending, and E-commerce;
- operation of online brokerage or trading platforms;
- digital market making; or
- manufacturing semi-conductors.

The Fund may also invest in investment-grade fixed-income securities of any duration issued by U.S. and foreign issuers in the blockchain industry and involved in the digital economy for purposes of the Fund’s 80% Policy. The Fund may invest in equity securities of companies of any capitalization, although the Fund will generally invest in

equity securities of companies that are relatively early in their life cycles. The Fund may invest in fixed income and equity securities of emerging market issuers. The Fund may also invest up to 20% of its assets in cash or cash equivalents such as U.S. Treasuries. The Fund may also invest in real estate investment trusts (“REITs”) and securities of companies not included in the Fund’s 80% Policy.

The Fund’s Crypto Asset Futures Exposure and allocation to other assets is driven by the investment team’s views on the relative attractiveness of each asset type in which the Fund may invest. The Fund’s sub-adviser focuses primarily on the attractiveness of specific asset types. It is normally as a result of individual security selection decisions that the Fund may hold a larger percentage of investments focused on a particular asset type. As the sub-adviser’s view of the relative attractiveness of individual securities changes over time, the Fund’s weighting in particular asset types would change over time. For example, 50% of the Fund’s assets allocated to Crypto Asset Futures Exposure and 50% allocated to other assets in which the Fund may invest would be a neutral allocation. The Fund may have up to an 80% allocation to Crypto Asset Futures Exposure or up to an 80% allocation to other assets.

The Fund and the Underlying ETFs are classified as non-diversified funds, which means that the Fund and each Underlying ETF may invest a greater percentage of its assets in investments backed by a particular issuer, or in the case of Bitcoin Futures or Ether Futures, in contracts with a single counterparty or a few counterparties.

What is Bitcoin? Bitcoin is a digital asset also referred to as a crypto asset. Bitcoin, as a digital asset, is a unit of account on the “bitcoin network,” an open source, decentralized peer-to-peer computer network, which is also known as the “Bitcoin Blockchain.” Bitcoin may be held as an investment, may be used to purchase goods and services, or may be exchanged for fiat currency (like U.S. dollars). No single entity owns or operates the bitcoin network and the value of bitcoin is not backed by any government, corporation or other central body. Instead, the value of bitcoin is determined by supply and demand in markets created to facilitate trading and transactions in bitcoin. Because the source code for the bitcoin network is open-source, anyone can contribute to its development. Ownership and transaction records for bitcoin are protected by information technology known as cryptography, which is designed to protect the digital assets and only permits transactions to take place if certain conditions are satisfied. Public-key cryptography, or asymmetric cryptography, is an encryption scheme that uses two mathematically related, but not identical, keys - a public key and a private key. Unlike symmetric key algorithms that rely on one key to both encrypt and decrypt, each key performs a unique function. The public key is used to encrypt, and the private key is used to decrypt.

Transactions in bitcoin that occur on the network are also encrypted, which is designed to prevent anyone from creating counterfeit assets or from spending more money than is in their account. The ultimate supply of bitcoin is finite and currently limited to 21 million “coins.” The amount of bitcoin currently available continues to increase as new bitcoin supplies will be mined until the 21 million current protocol cap is reached. The bitcoin network is operated by a decentralized group of participants who run computer software that validates and records transactions in bitcoin (“miners”), developers who propose changes and improvements to this software, and users who use the software. Periodically, the software used by the bitcoin network is modified, which can result in different versions of bitcoin (“forks”). Although the Fund and Underlying ETF do not invest directly in bitcoin, the value of Bitcoin Futures can be affected by forks.

What are Bitcoin Futures? Bitcoin Futures are futures contracts traded on a commodity exchange registered with the CFTC. Currently, the only Bitcoin Futures contracts in which the Fund will invest are traded on the CME. The Fund and Active Bitcoin Futures ETF may invest in standard Bitcoin Futures and in micro Bitcoin Futures (collectively referred to herein as Bitcoin Futures). These futures contracts are agreements between two parties that are executed on a commodity futures exchange, and that are cleared and margined through a clearing house. Bitcoin Futures are cash-settled, which means that one party agrees to buy a fixed quantity of bitcoin from another party at a future point in time at a price agreed at the initiation of the contract, but instead of taking physical delivery of bitcoin at the later date, settlement occurs using cash. The contractual obligations of a buyer or seller of Bitcoin Futures are generally satisfied by cash settlement at the end of the contract period or by making an offsetting sale or purchase of an identical futures contract before the designated date of delivery.

What is Ether? Ether is a digital asset also known as a crypto asset. Ether, as a digital asset, is a unit of account on the “Ethereum network,” an open source, decentralized peer-to-peer computer network. The Ethereum network is governed by a set of rules that are commonly referred to as the “Ethereum protocol”. Ether may be held as an investment, may be used to purchase goods and services, stored for future use, or may be exchanged for fiat currency (like U.S. dollars). No single entity owns or operates the Ethereum network and the value of ether is not backed by

any government, corporation or other central body. Instead, the value of ether is determined, in part, by supply and demand in markets created to facilitate trading and transactions in ether. Ether is the second largest digital asset by market capitalization behind bitcoin. Because the source code for the Ethereum network is open-source, anyone can contribute to its development. Ownership and transaction records for ether are protected by information technology known as cryptography, which is designed to protect the digital asset and only permits transactions to take place if certain conditions are satisfied. Public-key cryptography, or asymmetric cryptography, is an encryption scheme that uses two mathematically related, but not identical, keys - a public key and a private key. Unlike symmetric key algorithms that rely on one key to both encrypt and decrypt, each key performs a unique function. The public key is used to encrypt, and the private key is used to decrypt.

The Ethereum network is operated by a decentralized group of participants who run computer software that validates and records transactions in ether (“validators”), developers who propose changes and improvements to the Ethereum protocol and the software that enforces the Ethereum protocol, and users who use the Ethereum software. Periodically, the software used by the Ethereum network is modified, which can result in different versions of ether (“forks”). Although the Fund and Active Ethereum Futures ETF do not invest directly in ether, the value of Ether Futures can be affected by forks.

For instance, in June 2016, the Ethereum community faced a divisive choice: whether to reverse a large hack (theft) of ether from a third-party project called “The DAO,” a decentralized autonomous organization that was designed to act as a decentralized, investor-directed venture capital firm operating in the Ethereum ecosystem. While the hack didn’t directly impact the Ethereum protocol itself, it harmed trust in the ecosystem. The majority of the ecosystem chose to reverse the hacked transactions and return the stolen ether to its original holders, while a minority believed that reversing the transactions was the incorrect course. This led to a hard fork in the Ethereum Blockchain, with the smaller of the two communities taking the name Ethereum Classic and running a separate blockchain with its own native crypto asset. Additional forks of the Ethereum Blockchains are possible. A large-scale fork could introduce risk, uncertainty, or confusion into the Ethereum Blockchains, or could fraction the value of the main blockchain and its native crypto asset, which could significantly impact the value of ether, and thereby of the Ether Futures held by the Fund.

What are Ether Futures? Ether Futures are futures contracts traded on a commodity exchange registered with the CFTC. Currently, the only Ether Futures contracts in which the Fund will invest are traded on the CME. The Fund and the Active Ethereum Futures ETF may invest in standard Ether Futures and in micro Ether Futures (collectively referred to herein as Ether Futures). These futures contracts are agreements between two parties that are executed on a commodity futures exchange, and that are cleared and margined through a clearing house. Ether Futures are cash-settled, which means that one party agrees to buy a fixed quantity of ether from another party at a future point in time at a price agreed at the initiation of the contract, but instead of taking physical delivery of ether at the later date, settlement occurs using cash. The contractual obligations of a buyer or seller of Ether Futures are generally satisfied by cash settlement at the end of the contract period or by making an offsetting sale or purchase of an identical futures contract before the designated date of delivery.

Each of the Fund and the Underlying ETFs expect to gain Crypto Asset Futures Exposure by investing in a wholly owned subsidiary of the Fund and each Underlying ETF, respectively, organized under the laws of the Cayman Islands and for which Empowered Funds, LLC dba EA Advisers (the “Adviser”) serves as investment adviser, 21Shares US LLC (“21Shares”) serves as sub-adviser and ARK Investment Management LLC (“ARK”) serves as sub-subadviser. Investing more than 25% of the Fund’s or each Underlying ETF’s assets in a subsidiary could have adverse tax consequences for the Fund or the Underlying ETFs, respectively. See the section entitled “Taxation” in the Statement of Additional Information for more information. There can be no assurance that the Fund or each Underlying ETF will be able to achieve or maintain its target bitcoin and/or ether exposure. References to investments by the Fund or the Underlying ETFs, respectively, should be read to mean investments by either the applicable subsidiary or the Fund or the Underlying ETFs.

Under normal conditions, the Fund invests more than 25% of its total assets in investments that provide exposure to bitcoin and/or Bitcoin Futures and/or the blockchain industry and/or digital economy. Under normal conditions, the Active Bitcoin Futures ETF invests more than 25% of its total assets in investments that provide exposure to bitcoin and/or Bitcoin Futures. Under normal conditions, the Active Ethereum Futures ETF invests more than 25% of its total assets in investments that provide exposure to ether and/or Ether Futures.

Neither the Fund nor any Underlying ETF invest directly in bitcoin, ether or other digital assets, or maintain direct exposure to “spot” bitcoin or “spot” ether. Investors seeking direct exposure to the price of bitcoin or ether should consider an investment other than the Fund. The Fund will, however, have indirect exposure to bitcoin and/or ether by virtue of its investments in Bitcoin Futures and Ether Futures contracts or investment companies that hold such contracts.

The Fund may seek to invest in Bitcoin Futures and Ether Futures with the most attractive combination of cost, liquidity, and other relevant factors, in order to optimize roll yield. Additionally, the Fund may seek to invest in “front month” Bitcoin Futures and/or Ether Futures contracts. “Front month” contracts are the monthly contracts with the nearest expiration date. Typically, the Fund will roll to the next “nearby” Bitcoin Futures or Ether Futures contracts. The “nearby” contracts are those contracts with the next closest expiration date. Rather than roll the futures contracts on a predefined schedule, the Fund will roll to another futures contract at the time that the Fund believes will generate the greatest roll yield. However, there can be no guarantee that such a strategy will produce the desired results.

More Information Regarding the Investment Strategy of the Underlying ETFs

The Bitcoin Futures (with respect to the Active Bitcoin Futures ETF) and Ether Futures (with respect to the Active Ethereum Futures ETF) in which the Underlying ETFs invest generally have monthly or quarterly contract periods. Under normal conditions, the Underlying ETFs will hold their respective Bitcoin Futures or Ether Futures during periods when the value of bitcoin or ether may be rising, falling or flat. In order to maintain its positions in Bitcoin Futures or Ether Futures, the Underlying ETFs will sell Bitcoin Futures and/or Ether Futures contracts as they near expiration, the end of the contract period, and buy new Bitcoin Futures and/or Ether Futures contracts with a later expiration date. This is called “rolling.” Rolling Bitcoin Futures and/or Ether Futures means that an Underlying ETF will incur expenses associated with selling and buying positions.

In addition, the Underlying ETFs’ investments in Bitcoin Futures and/or Ether Futures will be subject to “contango” and “backwardation.” Contango occurs when a futures contract with a longer term to expiration is priced higher than a contract with a shorter term to expiration. This means that it costs more to replace a futures contract as the remaining term of the contract gets shorter. When rolling Bitcoin Futures or Ether Futures contracts in contango, the Underlying ETFs are selling a contract at a lower price and buying a new, longer contract at a relatively higher price. Backwardation occurs when a futures contract with a longer term is less expensive than a futures contract with a shorter term. When rolling Bitcoin Futures or Ether Futures contracts in backwardation, an Underlying ETF is selling a shorter-term contract at a higher price and buying a longer-term contract at a lower price. Whenever an Underlying ETF is buying or selling a Bitcoin Futures or Ether Futures, the Underlying ETFs will incur transaction expenses.

The Underlying ETFs’ Remaining Investments. The Underlying ETFs will generally invest their remaining assets in any one or more of the following types of short-term cash instruments to provide liquidity, serve as margin, or collateralize the Underlying ETFs’ investments in Bitcoin Futures and/or Ether Futures:

- U.S. Treasury securities;
- Money market instruments; and
- repurchase agreements.

The Underlying ETFs may also engage in reverse repurchase agreements or similar transactions for leveraging purposes.

PRINCIPAL RISKS

An investment in the Fund involves risk, including those described below. *There is no assurance that the Fund will achieve its investment objective.* An investor may lose money by investing in the Fund. An investment in the Fund is not a bank deposit and is not insured or guaranteed by the FDIC or any government agency. More detailed risk descriptions are set forth below under the heading “*Additional Information About the Fund’s Risks.*”

Unless expressly noted otherwise, references to the “Fund” in this section refer to the Fund and Underlying ETFs. All references to the “Fund” should be read to include the Underlying ETFs, as applicable.

Bitcoin, Bitcoin Futures, Ether and Ether Futures 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, including to zero. You may lose the full value of your investment within a single day. If you are not prepared to accept significant and unexpected changes in the value of the Fund and the possibility that you could lose your entire investment in the Fund you should not invest in the Fund. The performance of Bitcoin Futures and/or Ether Futures may differ from the performance of bitcoin and ether.

Market and Volatility Risk. The Fund's investments, including its investments in Bitcoin Futures, Ether Futures and the Underlying ETFs, are subject to market risk. Market risk is the risk that the value of an investment will rise or fall, which could occur due to specific factors relating to bitcoin, ether, Bitcoin Futures or Ether Futures, and due to general market or economic conditions or other factors.

Asset Risk. The Fund seeks to maintain managed exposure to bitcoin through its investment in Bitcoin Futures and exposure to ether through its investments in Ether Futures, but the Fund does not invest in bitcoin or ether directly. The price of Bitcoin Futures and/or Ether Futures may vary from the current value or current price of bitcoin or ether in cash markets, which is called the "spot" price. The Fund's performance will diverge from the performance of bitcoin and ether in the spot markets, or from the performance of Bitcoin Futures and/or Ether Futures. The Fund's exposure to Bitcoin Futures and/or Ether Futures will be effected through a wholly-owned subsidiary, and references to the Fund below includes the subsidiary.

Bitcoin Futures Risks. Bitcoin Futures expose the Fund to the following risks:

- Bitcoin and Bitcoin Futures are relatively new assets and bitcoin and the bitcoin network are subject to rapid changes, uncertainty and regulation that may adversely affect the value of the Bitcoin Futures or the nature of an investment in the Fund, and may adversely affect the ability of the Fund to buy and sell Bitcoin Futures or achieve its investment objective.
- Historically, bitcoin and Bitcoin Futures have been subject to significant price volatility. The price of Bitcoin Futures may differ significantly from the spot price of bitcoin and changes in the price of Bitcoin Futures may happen rapidly and without notice.
- The market for Bitcoin Futures is less developed than older, more established futures markets (such as corn or wheat futures) and may be more volatile and less liquid than other futures markets. Although this market has grown since Bitcoin Futures were initially developed, there is no guarantee that the market will continue to develop in ways that support the continued growth and operation of the Fund.
- An exchange or market may close early, close late or issue trading halts on Bitcoin Futures contracts. As a result, the ability to trade Bitcoin Futures contracts may be restricted, which may disrupt the Fund's creation and redemption process, potentially affect the price at which the Fund's shares trade in the secondary market, result in the Fund being unable to trade Bitcoin Futures contracts at all, and/or cause significant deviations in the performance of Bitcoin Futures contracts from spot bitcoin. In these circumstances, the Fund may be unable to rebalance its portfolio, may be unable to accurately price its investments and/or may incur substantial trading losses.
- Increased demand for Bitcoin Futures may cause Bitcoin Futures to become more expensive to acquire and may cause the value of Bitcoin Futures to diverge more significantly from the value of the reference rate. Bitcoin Futures are valued based on the Bitcoin Reference Rate ("BRR"), which is a rate determined by the CME and designed to provide an indicative price for spot bitcoin across a specific set of cash bitcoin trading venues. If demand for bitcoin rises, this could affect the reference rate and the value of Bitcoin Futures.
- In some cases, the near month Bitcoin Futures contract's price can be lower than later expiring contracts' prices ("contango"). If Bitcoin Futures suffer a prolonged period of contango, and absent the impact of rising or falling bitcoin prices, the Fund's net assets value ("NAV") and total return could be adversely affected, and you could suffer a partial or total loss of your investment in the Fund.

- Bitcoin Futures are subject to position limits, accountability limits and dynamic price fluctuation limits that may limit the Fund's ability to invest the proceeds of creation baskets in Bitcoin Futures and may cause the Fund to fail to maintain its target bitcoin exposure or may impair the Fund's ability to meet its investment objective. Bitcoin Futures also are subject to relatively high initial margin requirements that may limit the Fund's ability to achieve its desired investment exposure and may require the Fund to liquidate a position in Bitcoin Futures when it otherwise would not do so.
- When a Bitcoin Futures contract is nearing expiration, the Fund will generally sell it and use the proceeds of the sale to buy a Bitcoin Futures contract with a later expiration date. This is called "rolling." The costs associated with rolling Bitcoin Futures typically are substantially higher than the costs associated with rolling futures contracts for other types of reference assets. Costs associated with rolling Bitcoin Futures contracts may have a significant adverse impact on the Fund's investment performance.
- There may be imperfect correlation between changes in the market value of a Bitcoin Futures contract and the value of its underlying reference asset, the BRR, and this may be exaggerated in times of market stress or volatility. Bitcoin Futures require the Fund to post margin or collateral in a manner that satisfies contractual undertakings. In order to satisfy margin requirements, the Fund may need to sell securities from its portfolio or exit positions at a time when it may be disadvantageous to do so. All of this could, in turn, affect the Fund's ability to fully execute its investment strategies and/or achieve its investment objective.

Bitcoin and the Bitcoin Network Risks. The Fund may be subject to the following risks as a result of its investments in Bitcoin Futures:

- Bitcoin and other digital assets are a relatively new and developing asset subject to both developmental and regulatory uncertainty. Future U.S. or foreign regulatory changes may alter the risks associated with an investment in the Fund, or the Fund's ability to implement its investment strategy.
- Digital assets such as bitcoin were introduced relatively recently, and the medium-to-long term value of bitcoin is subject to a number of factors relating to the capabilities and development of blockchain technologies and to the fundamental investment characteristics of digital assets that are uncertain and difficult to evaluate.
- The value of bitcoin depends on the development and acceptance of the bitcoin network. The slowing or stopping of the development or acceptance of the bitcoin network may adversely affect an investment in the Fund.
- New competing digital assets may pose a challenge to bitcoin's current market position, resulting in a reduction in demand for bitcoin, which could have a negative impact on the price of bitcoin and Bitcoin Futures, and thus a negative impact on the performance of the Fund.
- If one or a coordinated group of miners were to gain control of more than 50% of the bitcoin network, they could have the ability to manipulate transactions, halt payments and fraudulently obtain bitcoin.
- There is no registry showing which individuals or entities own bitcoin or the quantity of bitcoin owned by any particular person or entity. It is possible, and in fact, reasonably likely, that a small group of early bitcoin adopters hold a significant portion of the bitcoin that has thus far been created. There are no regulations in place that would prevent a large holder of bitcoin from selling their bitcoin. Substantial bitcoin sales may adversely affect the price of bitcoin and Bitcoin Futures.
- Although the Fund's investments will be in Bitcoin Futures contracts traded on regulated futures exchanges, bitcoin and bitcoin trading venues may be subject to similar or less regulation. As a result, there is the risk that individuals or groups may engage in fraud or market manipulation and investors may be more exposed to the risk of theft, fraud and market manipulation than when investing in more traditional assets. Over the past several years, a number of bitcoin trading venues have been closed due to fraud, failure or security breaches. Investors in bitcoin may have little or no recourse should such theft, fraud or manipulation occur and could suffer significant losses. Although the Fund's direct investments will be in Bitcoin Futures contracts traded on regulated futures exchanges, to the extent Bitcoin Futures are tracking the spot bitcoin markets, the Fund's investments in Bitcoin Futures could be adversely affected by fraud, failure or security breaches in spot bitcoin markets.

- The market price of bitcoin has been subject to extreme fluctuations. Additionally, the value of bitcoin has been and may continue to be substantially dependent on speculation such that trading and investing in crypto assets generally may not be based on fundamental analysis. If bitcoin markets continue to be subject to sharp fluctuations, the Fund's shareholders may experience losses. In addition, the Fund's performance may be adversely impacted by industry-wide developments beyond its control, including the fallout from the recent insolvency proceedings of digital asset market participants such as digital asset trading venues. Although the Fund has no exposure to any of these market participants, the price of bitcoin and therefore the Fund may be negatively impacted by unfavorable investor sentiment resulting from these recent developments in the broader digital asset industry.
- The open-source nature of the bitcoin network can result in changes to the underlying code of bitcoin, which may result in the creation of new, separate digital assets, commonly called a "fork," or in the release of a large amount of a newly created digital asset, commonly called an "airdrop." A fork or an airdrop could result in significant and unexpected changes in the value of bitcoin on spot markets, which could adversely affect Bitcoin Futures, and the Fund.

Ether Futures Risks. Ether Futures expose the Fund to the following risks:

- Ether and Ether Futures are relatively new assets and ether and the Ethereum network are subject to rapid changes, uncertainty and regulation that may adversely affect the value of Ether Futures or the nature of an investment in the Fund, and may adversely affect the ability of the Fund to buy and sell Ether Futures or achieve its investment objective.
- Historically, ether and Ether Futures have been subject to significant price volatility. The price of Ether Futures may differ significantly from the spot price of ether and changes in the price of Ether Futures may happen rapidly and without notice.
- The market for Ether Futures is less developed than older, more established futures markets (such as corn or wheat futures) and may be more volatile and less liquid than other futures markets. Although this market has grown since Ether Futures were initially developed, there is no guarantee that the market will continue to develop in ways that support the continued growth and operation of the Fund.
- An exchange or market may close early, close late or issue trading halts on Ether Futures contracts. As a result, the ability to trade Ether Futures contracts may be restricted, which may disrupt the Fund's creation and redemption process, potentially affect the price at which the Fund's shares trade in the secondary market, result in the Fund being unable to trade Ether Futures contracts at all, and/or cause significant deviations in the performance of Ether Futures contracts from spot ether. In these circumstances, the Fund may be unable to rebalance its portfolio, may be unable to accurately price its investments and/or may incur substantial trading losses.
- Increased demand for Ether Futures may cause Ether Futures to become more expensive to acquire and may cause the value of Ether Futures to diverge more significantly from the value of the reference rate. Ether Futures are valued based on the CME CF Ether Reference Rate, which is a rate determined by the CME and designed to provide an indicative price for spot ether across a specific set of digital asset trading venues. If demand for ether rises, this could affect the reference rate and the value of Ether Futures.
- In some cases, the near month Ether Futures contract's price can be lower than later expiring contracts' prices. If Ether Futures suffer a prolonged period of contango, and absent the impact of rising or falling ether prices, the Fund's NAV and total return could be adversely affected, and you could suffer a partial or total loss of your investment in the Fund.
- Market conditions and expectations, position limits, accountability limits, availability of counterparties and other factors may limit the Fund's ability to invest the proceeds of creation baskets in Ether Futures and may cause the Fund to fail to maintain its target ether exposure or may impair the Fund's ability to meet its investment objective.

- When an Ether Futures contract is nearing expiration, the Fund will generally sell it and use the proceeds of the sale to buy an Ether Futures contract with a later expiration date. This is called “rolling.” The costs associated with rolling Ether Futures typically are substantially higher than the costs associated with rolling futures contracts for other types of reference assets. Costs associated with rolling Ether Futures contracts may have a significant adverse impact on the Fund’s investment performance.
- There may be imperfect correlation between changes in the market value of an Ether Futures contract and the value of its underlying reference asset and this may be exaggerated in times of market stress or volatility. Ether Futures require the Fund to post margin or collateral in a manner that satisfies contractual undertakings. In order to satisfy margin requirements, the Fund may need to sell securities from its portfolio or exit positions at a time when it may be disadvantageous to do so. All of this could, in turn, affect the Fund’s ability to fully execute its investment strategies and/or achieve its investment objective.

Ether and the Ethereum Network Risks. The Fund may be subject to the following risks as a result of its investments in Ether Futures:

- Ether and other crypto assets are a relatively new and developing asset subject to both developmental and regulatory uncertainty. Future U.S. or foreign regulatory changes may alter the risks associated with an investment in the Fund, or the Fund’s ability to implement its investment strategy.
- Digital assets such as ether were introduced relatively recently, and the medium-to-long term value of ether is subject to a number of factors relating to the capabilities and development of blockchain technologies and to the fundamental investment characteristics of digital assets that are uncertain and difficult to evaluate.
- The value of ether depends on the development and acceptance of the Ethereum network. The slowing or stopping of the development or acceptance of the Ethereum network may adversely affect an investment in the Fund.
- Possession of 33% of staked Ether is the minimum stake that can be used to execute an attack on the Ethereum Blockchain. If one or a coordinated group of miners were to gain control of more than 50% of the Ethereum network, they could have the ability to manipulate transactions, halt payments and fraudulently obtain ether. Any such attacks could alter the blockchain and adversely affect the value of ether, which would adversely affect the Fund’s investments in Ether Futures.
- New competing digital assets may pose a challenge to ether’s current market position, resulting in a reduction in demand for ether, which could have a negative impact on the price of ether and Ether Futures, and thus a negative impact on the performance of the Fund.
- If one or a coordinated group of validators were to gain control of two-thirds of staked ether, they could have the ability to manipulate transactions and fraudulently obtain ether. If such a validator or coordinated group of validators were to gain control of one-third of staked ether, they could have the ability to halt payments.
- There is no registry showing which individuals or entities own ether or the quantity of ether owned by any particular person or entity. There are no regulations in place that would prevent a large holder of ether from selling their ether. Substantial ether sales may adversely affect the price of ether and Ether Futures.
- The market price of ether has been subject to extreme fluctuations. Additionally, the value of ether has been and may continue to be substantially dependent on speculation such that trading and investing in crypto assets generally may not be based on fundamental analysis. If ether markets continue to be subject to sharp fluctuations, the Fund’s shareholders may experience losses. In addition, the Fund’s performance may be adversely impacted by industry-wide developments beyond its control, including the fallout from the recent insolvency proceedings of digital asset market participants such as digital asset trading venues. Although the Fund has no exposure to any of these market participants, the price of ether and therefore the Fund may be negatively impacted by unfavorable investor sentiment resulting from these recent developments in the broader digital asset industry.

- Although the Fund’s investments will be in Ether Futures contracts traded on regulated futures exchanges, ether and digital asset trading venues may be subject to similar or less regulation. As a result, there is the risk that individuals or groups may engage in fraud or market manipulation and investors may be more exposed to the risk of theft, fraud and market manipulation than when investing in more traditional assets. Over the past several years, a number of digital asset trading venues have been closed due to fraud, failure or security breaches. Investors in ether may have little or no recourse should such theft, fraud or manipulation occur and could suffer significant losses. Although the Fund’s direct investments will be in Ether Futures contracts traded on regulated futures exchanges, to the extent Ether Futures are tracking the spot ether markets, the Fund’s investments in Ether Futures could be adversely affected by fraud, failure or security breaches in spot ether markets.
- The open-source nature of the Ethereum network can result in changes to the underlying code of ether, which may result in the creation of new, separate digital assets, commonly called a “fork,” or in the release of a large amount of a newly created digital asset, commonly called an “air drop.” A fork or an air drop could result in significant and unexpected changes in the value of ether on spot markets, which could adversely affect Ether Futures, and the Fund.

Blockchain Industry and Digital Economy Companies Risk. Companies that are developing financial technologies that seek to disrupt or displace established financial institutions generally face competition from much larger and more established firms. Such companies may not be able to capitalize on their disruptive technologies if they face political and/or legal attacks from competitors, industry groups or local and national governments. Laws generally vary by country, creating some challenges to achieving scale. Companies involved in digital assets may face slow adoption rates and be subject to higher levels of regulatory scrutiny in the future, which could severely impact the viability of these companies. Companies in the blockchain industry and digital economy may not currently derive any revenue, and there is no assurance that such companies will derive any revenue from innovative technologies in the future. Additionally, companies in the blockchain industry and digital economy may be adversely impacted by potential rapid product obsolescence, cybersecurity attacks, increased regulatory oversight and disruptions in the technology they depend on.

Fund of Funds Risk. Because it invests significantly in the Underlying ETFs, the Fund’s investment performance largely depends on the investment performance of Underlying ETFs. An investment in the Fund is subject to the risks associated with the Underlying ETFs. The Fund will indirectly pay a proportional share of the expenses of the Underlying ETFs (including operating expenses and management fees).

Liquidity Risk. Liquidity risk is the risk that the Fund might not be able to sell an investment without significantly changing the value of the investment on the Fund’s books. Liquidity risk can be elevated by market disruptions or volatility, and during these periods, it may be difficult or impossible for the Fund to buy or sell an investment, including in Bitcoin Futures and Ether Futures, at a desired price. The market for Bitcoin Futures and Ether Futures is still developing and may experience periods of significant illiquidity. The demand for Bitcoin Futures and Ether Futures and the large size of the positions which the Fund may acquire may increase the risk of illiquidity by making positions more difficult to liquidate, increasing transaction costs, or by increasing the losses incurred while trying to do so. In addition, limits imposed by counterparties, exchanges or other regulatory organizations, such as accountability levels, position limits and daily price fluctuation limits, may contribute to a lack of liquidity and have a negative impact on Fund performance. Developments in the market for spot bitcoin or spot ether could also affect the Fund’s ability to transact in Bitcoin Futures and Ether Futures, including rolling positions. The Fund cannot acquire new investments if 15% of its net assets are held in illiquid securities, so the Fund could be negatively impacted by periods of illiquidity and the NAV and the market price of the Fund’s shares could be adversely affected.

Investment Capacity Risk. The Fund invests in specific types of instruments, Bitcoin Futures and Ether Futures. If the Fund or an Underlying ETF cannot obtain its desired type or amount of Bitcoin Futures or Ether Futures for any reason, including limited liquidity in the Bitcoin Futures or Ether Futures market, additional demand for Bitcoin Futures or Ether Futures, a disruption to the Bitcoin Futures or Ether Futures market, or changes in margin requirements or position limits imposed by the Fund’s futures commission merchants (“FCMs”), the CME, or the CFTC, the Fund may not be able to achieve its investment objective and may experience significant losses. Any disruption in the Fund’s ability to obtain exposure to Bitcoin Futures and Ether Futures contracts will cause the Fund’s performance to deviate from the performance of bitcoin and Bitcoin Futures and ether and Ether Futures. Additionally,

the ability of the Fund to obtain exposure to Bitcoin Futures and Ether Futures contracts is limited by certain tax rules that limit the amount the Fund can invest in the subsidiary.

Counterparty Risk. Investing in futures contracts, derivatives and repurchase agreements involves entering into contracts with third parties (collectively, “counterparties”). Using derivatives and repurchase agreements involves risks that are different from the risks associated with ordinary portfolio securities transactions. The Fund will be subject to credit risk (*i.e.*, the risk that a counterparty is or is perceived to be unwilling or unable to make timely payments or otherwise meet its contractual obligations) with respect to the amount it expects to receive from counterparties to derivatives and repurchase agreements entered into by the Fund. If a counterparty becomes bankrupt or fails to perform its obligations, or if any collateral posted by the counterparty for the benefit of the Fund is insufficient or there are delays in the Fund’s ability to access such collateral, the value of an investment in the Fund may decline.

The counterparty to a listed futures contract, such as Bitcoin Futures or Ether Futures, is the derivatives clearing organization for the listed future. The listed future is held through an FCM acting on behalf of the Fund. Consequently, the counterparty risk on a listed futures contract is the creditworthiness of the FCM and the exchange’s clearing corporation.

Concentration Risk. The Fund may be susceptible to an increased risk of loss, including losses due to adverse events that affect the Fund’s investments more than the market as a whole, to the extent that the Fund’s investments are concentrated in investments that provide exposure to bitcoin and ether.

Leverage Risk. Use of derivative instruments may involve leverage. Leverage is the risk associated with securities or investment practices that multiply small index, market or asset-price movements into larger changes in value. Leverage magnifies the potential for gain and the risk of loss. As a result, a relatively small decline in the value of the underlying investments could result in a relatively large loss. The use of leverage will increase the impact of gains and losses on the Fund’s returns and may lead to significant losses if investments are not successful.

Non-Diversified Risk. The Fund and each Underlying ETF is classified as a “non-diversified” fund under the Investment Company Act. This means that the Fund’s and each Underlying ETF’s assets will be invested in a small number of issuers, or have its assets exposed to a smaller number of counterparties, than a diversified fund. A non-diversified fund may be more volatile than a diversified fund because the gains or losses on a single investment may have a greater impact on the Fund’s NAV and therefore the Fund’s market price as compared to a diversified fund.

Active Management Risk. The Fund is actively managed and its performance is based on the judgments and investment decisions that 21Shares makes for the Fund. The judgments and decisions made by the portfolio manager or 21Shares may not implement the strategy correctly, which may cause the Fund to underperform as compared to investments of similar risk.

Quantitative Investment Selection Risk. Data for some market investors’ holdings or sentiments may be less available and/or less current than data used by other investment advisory firms. 21Shares and ARK use quantitative analyses, and their processes could be adversely affected if erroneous or outdated data is utilized. Moreover, the data utilized to evaluate investor sentiment will reflect data that is collected by regulators and other third-parties. This data may be incomplete or incorrect and therefore could be inaccurate in whole or in part. If the data is incomplete or incorrect, any decisions made in reliance thereon may lead to the inclusion or exclusion of securities that would have been excluded or included had the data been more comprehensive. In addition, investments selected using a quantitative analysis could perform differently from the financial markets as a whole as a result of the characteristics used in the analysis, the weight placed on each characteristic, and changes in the characteristic’s historical trends.

Subsidiary Risk. The Fund seeks to gain its targeted investment exposure through investment in the Fund’s wholly-owned subsidiary, which is organized under the laws of the Cayman Islands. Certain policies and procedures require that the subsidiary be consolidated with the Fund for purposes of testing compliance with applicable tax regulations and investment limitations. Changes in laws in the United States or the Cayman Islands could affect the use of the subsidiary structure, which could adversely affect the Fund’s ability to achieve its investment objective.

Emerging Markets Risk. Investments in securities and instruments traded in developing or emerging markets, or that provide exposure to those securities or markets, can involve additional risks relating to political, economic, or regulatory conditions not associated with investments in U.S. securities and instruments. For example, developing and emerging markets may be subject to (i) greater market volatility, (ii) lower trading volume and liquidity, (iii) greater social, political and economic uncertainty, (iv) governmental controls on foreign investments and limitations on repatriation of invested capital, (v) lower disclosure, corporate governance, auditing and financial reporting standards, (vi) fewer protections of property rights, (vii) restrictions on the transfer of securities or currency, and (viii) settlement and trading practices that differ from those in U.S. markets. Each of these factors may impact the ability of the Fund to buy, sell or otherwise transfer securities, adversely affect the trading market and price for Shares and cause the Fund to decline in value.

Foreign Investment Risk. Returns on investments in foreign securities could be more volatile than, or trail the returns on, investments in U.S. securities. Investments in or exposures to foreign securities are subject to special risks, including risks associated with foreign securities generally. Those special risks may arise due to differences in information available about issuers of securities and investor protection standards applicable in other jurisdictions; capital controls risks, including the risk of a foreign jurisdiction imposing restrictions on the ability to repatriate or transfer currency or other assets; currency risks; political, diplomatic and economic risks; regulatory risks; and foreign market and trading risks, including the costs of trading and risks of settlement in foreign jurisdictions.

Repurchase Agreements Risk. The Fund may enter into repurchase agreements. In a repurchase agreement, a party sells a security, commonly a U.S. government security, and agrees to buy the security back at a specific price at a specified later time. A repurchase agreement exposes the Fund to the risk that the party that sells the security may default on its obligation to repurchase it. The Fund may lose money if it cannot sell the security at the agreed-upon time and price or the security loses value before it can be sold.

Derivatives Risk. The Fund's use of derivatives (in the form of Bitcoin Futures and Ether Futures) presents risks different than investing directly in traditional securities. Using derivatives can lead to losses because of adverse movements in the price or value of the underlying reference asset, which may be magnified by features of the derivatives. Derivative strategies often involve leverage, which may exaggerate a loss, potentially causing the Fund to lose more money than it originally committed to initial margin, and more money than it would have lost had it invested in the underlying reference asset directly. The values of derivatives may move in unexpected ways, especially in unusual market conditions, and may result in increased volatility, among other consequences. There may be imperfect correlation between changes in the market value of a derivative and the value of its underlying reference asset, and this may be exaggerated in times of market stress or volatility. Bitcoin Futures and Ether Futures require the Fund to post margin or collateral in a manner that satisfies contractual undertakings. In order to satisfy margin requirements, the Fund may need to sell securities from its portfolio or exit positions at a time when it may be disadvantageous to do so. All of this could, in turn, affect the Fund's ability to fully execute its investment strategies and/or achieve its investment objective. Using derivatives may also increase the amount of taxes payable by shareholders because changes in government regulation of derivatives could affect the character, timing and amount of the Fund's taxable income or gains. Other risks arise from the Fund's potential inability to terminate or sell derivative positions. A liquid secondary market may not always exist for the Fund's derivative positions at times when the Fund might wish to terminate or exit those positions. Using derivatives also involves the risk of mispricing or improper valuation and changes in the value of the derivative may not correlate perfectly with the underlying reference rate. Derivatives may be subject to changing government regulation that could impact the Fund's ability to use certain derivatives and their cost.

Bond and Fixed Income Risks. The Fund's investments in fixed income securities are subject to one or more of the following risks:

- **Credit Risk.** Bonds are subject to credit risk, which is the possibility that the issuer or guarantor of a security will be unable and/or unwilling to make timely interest payments and/or repay the principal on its debt or to otherwise honor its obligations and/or default completely. Bonds are subject to varying degrees of credit risk, depending on the issuer's financial condition and on the terms of the securities, which may be reflected in credit ratings. The credit rating of a bond may be downgraded after purchase or the perception of an issuer's credit worthiness may decline, which may adversely affect the value of the security.

- **Interest Rate Risk.** Debt securities, including bonds, are also subject to interest rate risk. Interest rate risk refers to fluctuations in the value of a bond resulting from changes in the general level of interest rates. When the general level of interest rates goes up, the prices of most debt securities go down. When the general level of interest rates goes down, the prices of most debt securities go up. Rising interest rates increases the potential for periods of volatility and increased redemptions. In addition, debt securities, such as bonds, with longer durations tend to be more sensitive to interest rate changes, usually making them more volatile than debt securities with shorter durations.
- **U.S. Government Securities Risk.** U.S. government securities are subject to market risk, interest rate risk and credit risk. Securities, such as those issued or guaranteed the U.S. Treasury, that are backed by the full faith and credit of the United States are guaranteed only as to the timely payment of interest and principal when held to maturity and the market prices for such securities will fluctuate. Shorter term U.S. government securities may be more sensitive to rising interest rates than longer term obligations. Notwithstanding that these securities are backed by the full faith and credit of the United States, circumstances could arise that would prevent the payment of interest or principal. This would result in losses the Fund.
- **Inflation Risk.** Inflation rates change frequently and suddenly, based on a variety of factors including changes in global markets and economies. Fixed income securities tend to be more sensitive to changes in inflation rates. The Fund's investments in fixed income securities could be subject to increased volatility or illiquidity events in response to changes in inflation rates.

Real Estate Investment Trusts (REITs) Risk. A REIT is a company that owns or finances income-producing real estate. Through its investments in REITs, the Fund is subject to the risks of investing in the real estate market, including decreases in property revenues, increases in interest rates, increases in property taxes and operating expenses, legal and regulatory changes, a lack of credit or capital, defaults by borrowers or tenants, environmental problems and natural disasters. Investments in REITs may be volatile. REITs are pooled investment vehicles with their own fees and expenses and the Fund will indirectly bear a proportionate share of those fees and expenses.

Tax Risk. The Fund intends to qualify as a registered investment company under Subchapter M of the U.S. Internal Revenue Code of 1986, as amended. In order to qualify as a registered investment company, at least 90% of the Fund's gross income must be "qualifying income", derived from specific types of assets. In addition, the Fund must meet quarterly asset diversification tests and annual distribution requirements. The Fund's investment activities will be limited by the Fund's intention to qualify for such treatment. The Fund may make investments even if the treatment of those investments is unclear. If the Fund fails to qualify for Subchapter M treatment in any year, the Fund would be taxed like an ordinary corporation subject to U.S. federal income tax on all of its income at the fund level, which would reduce the Fund's net assets and the amount of income available for distribution. In addition, in order to requalify for taxation as a registered investment company, the Fund could be required to recognize unrealized gains, pay substantial taxes and interest, and make certain distributions. Please see the section entitled "Taxation" in the Statement of Additional Information for more information.

The Fund invests in Bitcoin Futures and Ether Futures indirectly through a wholly-owned subsidiary because income and gains from such investments if made by the Fund directly would not be treated as qualifying income for purposes of the Fund qualifying as a regulated investment company for federal income tax purposes. Based upon Internal Revenue Service ("IRS") regulations, the Fund expects that income and gains derived from the subsidiary to constitute qualifying income, but future regulations, enforcement, guidance or statutory changes in the U.S. or the Cayman Islands could limit the circumstances in which such income gains would be considered qualifying income or otherwise result in the Fund or the subsidiary or both from operating as intended and cause the Fund to make changes to its operations. Such changes could result in adverse tax consequences or decreased investment returns.

The tax considerations above would apply to each Underlying ETF with respect to its investment in each Underlying ETF's wholly-owned subsidiary.

The rules dealing with U.S. federal income taxation and the rates themselves are constantly under review in the legislative process and by the IRS and the U.S. Treasury Department. Changes in tax laws or regulations or future interpretations of such laws or regulations could adversely affect the Fund and/or the Fund's shareholders.

ETF Risks.

- **Authorized Participants, Market Makers and Liquidity Providers Concentration Risk.** The Fund has a limited number of financial institutions that may act as Authorized Participants (“APs”). In addition, there may be a limited number of market makers and/or liquidity providers in the marketplace. To the extent either of the following events occur, Shares may trade at a material discount to NAV and possibly face delisting: (i) APs exit the business or otherwise become unable to process creation and/or redemption orders and no other APs step forward to perform these services, or (ii) market makers and/or liquidity providers exit the business or significantly reduce their business activities and no other entities step forward to perform their functions.
- **Premium-Discount Risk.** The Shares may trade above or below their net asset value (“NAV”). The market prices of Shares will generally fluctuate in accordance with changes in NAV as well as the relative supply of, and demand for, Shares on the Cboe BZX, Inc. (the “Exchange”) or other securities exchanges. The trading price of Shares may deviate significantly from NAV during periods of market volatility or limited trading activity in Shares.
- **Cost of Trading Risk.** Investors buying or selling Shares in the secondary market will pay brokerage commissions or other charges imposed by brokers as determined by that broker. Brokerage commissions are often a fixed amount and may be a significant proportional cost for investors seeking to buy or sell relatively small amounts of Shares. In addition, secondary market investors will also incur the cost of the difference between the price that an investor is willing to pay for Shares (the “bid” price) and the price at which an investor is willing to sell Shares (the “ask” price). This difference in bid and ask prices is often referred to as the “spread” or “bid/ask spread.” The bid/ask spread varies over time for Shares based on trading volume and market liquidity, and is generally lower if the Fund’s Shares have more trading volume and market liquidity and higher if the Fund’s Shares have little trading volume and market liquidity. Further, increased market volatility may cause increased bid/ask spreads.
- **Trading Risk.** Although the Shares are listed on the Exchange, there can be no assurance that an active or liquid trading market for them will develop or be maintained. In addition, trading in Shares on the Exchange may be halted. In stressed market conditions, the liquidity of the Fund’s Shares may begin to mirror the liquidity of its underlying portfolio holdings, which can be significantly less liquid than the Fund’s Shares, potentially causing the market price of the Fund’s Shares to deviate from its NAV.

Investment in Other Investment Companies Risk. The Fund’s investment in another investment company, including a money market fund, may subject the Fund indirectly to the underlying risks of the investment company. The Fund also will bear its share of the underlying investment company’s fees and expenses, which are in addition to the Fund’s own fees and expenses.

Large Shareholder Risk. To the extent that a large portion of the Shares are held by a small number of shareholders (or a single shareholder), including proprietary accounts of the Adviser, Sub-Advisers or their respective affiliates, the Fund is subject to the risk that those shareholders may purchase or redeem a large amount of Shares. To satisfy such large shareholder redemptions, the Fund may have to sell portfolio securities at times when it would not otherwise do so, which may negatively impact the Fund’s NAV and liquidity. These transactions could adversely affect the ability of the Fund to conduct its investment program.

Investment Risk. When you sell your Shares of the Fund, they could be worth less than what you paid for them. In addition, there are several factors that may cause the returns of the Fund to differ substantially from the returns of an account that held a corresponding amount of bitcoin or ether directly. The Fund could lose money due to short-term market movements and over longer periods during market downturns. Securities may decline in value due to factors affecting securities markets generally or particular asset classes or industries represented in the markets. The value of a security may decline due to general market conditions, economic trends or events that are not specifically related to the issuer of the security or to factors that affect a particular industry or group of industries. During a general downturn in the securities markets, multiple asset classes may be negatively affected. Therefore, you may lose money by investing in the Fund.

Cash Creation Unit Risk. To the extent the Fund effects its creations and redemptions for cash, rather than in-kind securities, the Fund's shares may trade in the market at greater bid-ask spreads or greater premiums or discounts to the Fund's NAV. As a practical matter, only institutions and large investors, such as market makers or other large broker dealers, also known as "authorized participants," create or redeem shares directly through the Fund. Most investors will buy and sell shares of the Fund on an exchange through a broker-dealer. Cash creation and redemption transactions may result in certain brokerage, tax, execution, price movement and other costs and expenses related to the execution of trades resulting from such transactions. To offset these expenses, the Fund will collect fees from the applicable authorized participant to reimburse the Fund for any costs incurred by the Fund that result from a cash creation or redemption. The use of cash for redemptions will limit the tax efficiency of the Fund.

Reverse Repurchase Agreement Risk. A reverse repurchase agreement is the sale by the Fund of a debt obligation to a party for a specified price, with the simultaneous agreement by the Fund to repurchase that debt obligation from that party on a future date at a higher price. Similar to borrowing, reverse repurchase agreements provide the Fund with cash for investment purposes, which creates leverage and subjects the Fund to the risks of leverage. Reverse repurchase agreements also involve the risk that the other party may fail to return the securities in a timely manner or at all. The Fund could lose money if it is unable to recover the securities and/or if the value of collateral held by the Fund, including the value of the investments made with cash collateral, is less than the value of securities.

IPO Risk. The Fund may invest in companies that have recently completed an initial public offering ("IPO"). These companies may be unseasoned and lack a trading history, a track record of reporting to investors, and widely available research coverage. IPOs are thus often subject to extreme price volatility and speculative trading. These stocks may have above-average price appreciation in connection with the IPO prior to the Fund's purchase. The price of stocks selected may not continue to appreciate and the performance of these stocks may not replicate the performance exhibited in the past. In addition, IPOs may share similar illiquidity risks of private equity and venture capital.

Small- and Mid-Capitalization Companies Risk. Investing in securities of small- and mid-capitalization companies involves greater risk than customarily is associated with investing in larger, more established companies. These companies' securities may be more volatile and less liquid than those of more established companies. As a result, a company's share price may be affected by poorly executed trades, even if the underlying business of the company is unchanged. These securities may have returns that vary, sometimes significantly, from the overall securities market. Small- and mid-capitalization companies are sometimes more dependent on key personnel or limited product lines than larger, more diversified companies. Often small- and mid-capitalization companies and the industries in which they focus are still evolving and, as a result, they may be more sensitive to changing market conditions.

New Fund Risk. The Fund is a newly organized, non-diversified management investment company with no operating history. There can be no assurance that the Fund will grow to or maintain an economically viable size, or that an active trading market for the Fund's shares will develop or be maintained.

Portfolio Turnover Risk. The Fund may engage in frequent trading of its portfolio holdings, and the subsidiary may engage in frequent trading of Bitcoin Futures and Ether Futures. Frequent trading results in higher transaction costs, including brokerage commissions, dealer mark-ups and other transaction costs on the sale of the Bitcoin Futures and Ether Futures and on reinvestment of the Fund's assets. High portfolio turnover may also result in higher tax exposure. The Fund's portfolio turnover rate will likely be higher as compared to funds with similar investment risks that do not frequently trade their portfolio securities.

Valuation Risk. Some portfolio holdings, potentially a large portion of the Fund's investment portfolio, may be valued on the basis of factors other than market quotations. This may occur more often in times of market turmoil or reduced liquidity. There are multiple methods that can be used to value a portfolio holding when market quotations are not readily available. The value established for any portfolio holding at a point in time might differ from what would be produced using a different methodology or if it had been priced using market quotations. Portfolio holdings that are valued using techniques other than market quotations, including "fair valued" securities, may be subject to greater fluctuation in their valuations from one day to the next than if market quotations were used. In addition, there is no assurance that the Fund could sell or close out a portfolio position for the value established for it at any time, and it is possible that the Fund would incur a loss because a portfolio position is sold or closed out at a discount to the valuation established by the Fund at that time. The fair value of the Fund's Bitcoin Futures and Ether Futures may be determined by reference, in whole or in part, to the spot bitcoin or spot ether markets. These circumstances may be

more likely to occur with respect to Bitcoin Futures and Ether Futures than with respect to futures on more traditional assets. In addition, the Bitcoin Futures and Ether Futures held by the Fund and bitcoin and ether may be traded in markets on days and at times when the Fund is not open for business. As a result, the value of the Fund's holdings may vary, perhaps significantly, on days and at times when investors are unable to purchase or sell Fund shares.

Geopolitical/Natural Disaster Risk. The Fund's investments are subject to geopolitical and natural disaster risks, such as war, terrorism, trade disputes, political or economic dysfunction within some nations, public health crises and related geopolitical events, as well as environmental disasters, epidemics and/or pandemics, which may add to instability in world economies and volatility in markets. The impact may be short-term or may last for extended periods.

PERFORMANCE

Performance information is not provided below because the Fund has not yet been in operation for one full calendar year. When provided, the information will provide some indication of the risks of investing in the Fund by showing how the Fund's average annual returns compare with a broad measure of market performance. Past performance does not necessarily indicate how the Fund will perform in the future. Performance information is available on the Fund's website at <https://21shares-funds.com/> or by calling the Fund at (215) 882-9983.

INVESTMENT ADVISER, INVESTMENT SUB-ADVISER & INVESTMENT SUB-SUBADVISER

Investment Adviser: Empowered Funds, LLC dba EA Advisers ("Adviser")

Investment Sub-Adviser: 21Shares US LLC ("21Shares")

Investment Sub-Subadviser: ARK Investment Management LLC ("ARK")

PORTFOLIO MANAGERS

Andres Valencia, Vice President of ETP and Trading Operations at 21Shares, and Bart Michalczuk, Head of Portfolio Management at 21Shares, have each served as a portfolio manager of the Fund since November 2023 and are jointly and primarily responsible for the day-to-day management of the Fund.

SUMMARY INFORMATION ABOUT PURCHASES, SALES, TAXES, AND FINANCIAL INTERMEDIARY COMPENSATION

PURCHASE AND SALE OF FUND SHARES

The Fund issues and redeems Shares on a continuous basis only in large blocks of Shares, typically 20,000 Shares, called "Creation Units," and only APs (typically, broker-dealers) may purchase or redeem Creation Units. Creation Units generally are issued and redeemed 'in-kind' for securities and/or in cash. Individual Shares may only be purchased and sold in secondary market transactions through brokers. Once created, individual Shares generally trade in the secondary market at market prices that change throughout the day. Market prices of Shares may be greater or less than their NAV. **Except when aggregated in Creation Units, the Fund's shares are not redeemable securities.**

TAX INFORMATION

The Fund's distributions generally are taxable to you as ordinary income, capital gain, or some combination of both, unless your investment is in an Individual Retirement Account ("IRA") or other tax-advantaged account. However, subsequent withdrawals from such a tax-advantaged account may be subject to federal income tax. You should consult your tax advisor about your specific tax situation.

PURCHASES THROUGH BROKER-DEALERS AND OTHER FINANCIAL INTERMEDIARIES

If you purchase Shares through a broker-dealer or other financial intermediary, the Fund and its related companies may pay the intermediary for the sale of Shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend Shares over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

ADDITIONAL INFORMATION ABOUT THE FUND

How Is the Fund Different From a Mutual Fund?

Redeemability. Mutual fund shares may be bought from, and redeemed with, the issuing fund for cash at NAV typically calculated once at the end of the business day. Shares of the Fund, by contrast, cannot be purchased from or redeemed with the Fund except by or through APs (typically, broker-dealers), and then generally for cash baskets. In addition, the Fund issues and redeems Shares on a continuous basis only in large blocks of Shares (for example, 20,000 Shares) called “Creation Units.”

Exchange Listing. Unlike mutual fund shares, Shares of the Fund will be listed for trading on the Exchange. Investors can purchase and sell Shares on the secondary market through a broker. Investors purchasing Shares in the secondary market through a brokerage account or with the assistance of a broker may be subject to brokerage commissions and charges. Secondary-market transactions do not occur at NAV, but at market prices that change throughout the day, based on the supply of, and demand for, Shares and on changes in the prices of the Fund’s portfolio holdings. The market price of Shares may differ from the NAV of the Fund. The difference between market price of Shares and the NAV of the Fund is called a premium when the market price is above the reported NAV and called a discount when the market price is below the reported NAV, and the difference is expected to be small most of the time, though it may be significant, especially in times of extreme market volatility.

Tax Treatment. The Fund and the Shares have been designed to be tax-efficient, where possible. Specifically, the in-kind creation and redemption feature has been designed to protect Fund shareholders from adverse tax consequences applicable to non-ETF registered investment companies as a result of cash transactions in the non-ETF registered investment company’s shares, including cash redemptions. Nevertheless, to the extent redemptions from the Fund are paid in cash, the Fund may realize capital gains or losses, including in some cases short-term capital gains, upon the sale of portfolio securities to generate the cash to satisfy the redemption. The Fund is generally expected to create and redeem Shares primarily in-kind but may also transact in cash in some situations.

Transparency. The Fund’s portfolio holdings are disclosed on its website daily after the close of trading on the Exchange and prior to the opening of trading on the Exchange the following day. A description of the Fund’s policies and procedures with respect to the disclosure of the Fund’s portfolio holdings is available in the Fund’s Statement of Additional Information (“SAI”).

Premium/Discount Information. Information about the premiums and discounts at which the Fund’s Shares have traded will be available at <https://21shares-funds.com/>.

ADDITIONAL INFORMATION ABOUT THE FUND’S INVESTMENT OBJECTIVE AND STRATEGIES

The Fund seeks capital appreciation. The investment objective is non-fundamental, which means it may be changed by the Board of Trustees of the Trust without approval of the Fund’s shareholders.

Under normal conditions, the Fund seeks to invest 80% of its net assets in investments that provide exposure to digital assets, the blockchain and in securities issued by companies principally engaged in the blockchain industry and/or digital economy. The Fund’s 80% policy is non-fundamental and can be changed without shareholder approval. The Fund will give shareholders 60 days’ notice before implementing a change in the Fund’s 80% policy.

Unless expressly noted otherwise, references to the “Fund” in this section refer to the Fund and Underlying ETFs. All references to the “Fund” should be read to include the Underlying ETFs, as applicable.

Neither the Fund nor Underlying ETFs invest directly in bitcoin or ether.

Bitcoin and the Bitcoin Network

Bitcoin is a digital asset that can be transferred among participants on the “bitcoin network” on a peer-to-peer basis via the Internet. Unlike other means of electronic payments, bitcoin can be transferred without the use of a central administrator or clearing agency. Because a central party is not necessary to administer bitcoin transactions or maintain the bitcoin ledger (also referred to as the “Bitcoin Blockchain”), the term “decentralized” is often used in descriptions of bitcoin.

Bitcoin is based on the decentralized, open-source protocol of a peer-to-peer electronic network. No single entity owns or operates the bitcoin network. Bitcoin is not issued by governments, banks or any other centralized authority. The infrastructure of the bitcoin network is collectively maintained on a distributed basis by the network's participants, consisting of "miners", who run special software to validate transactions, developers, who maintain and contribute updates to the bitcoin network's source code, and users, who download and maintain on their individual computer a full or partial copy of the Bitcoin Blockchain and related software. Anyone can be a user, developer, or miner. The bitcoin network is accessed through software, and software governs bitcoin's creation, movement, and ownership. The source code for the bitcoin network and related software protocol is open-source, and anyone can contribute to its development. The value of bitcoin is in part determined by the supply of, and demand for, bitcoin in the global markets for the trading of bitcoin, market expectations for the adoption of bitcoin as a decentralized store of value, the number of merchants and/or institutions that accept bitcoin as a form of payment, and the volume of peer-to-peer transactions, among other factors.

Records reflecting bitcoin ownership and bitcoin transactions are reflected on the Bitcoin Blockchain. Miners authenticate and bundle bitcoin transactions sequentially into files called "blocks", which requires performing computational work to solve a cryptographic puzzle set by the bitcoin network's software protocol. Because each solved block contains a reference to the previous block, they form a chronological "chain" back to the first bitcoin transaction. Copies of the Bitcoin Blockchain are stored in a decentralized manner on the computers of each individual bitcoin network full node (*i.e.*, any user who chooses to maintain on their computer a full copy of the Bitcoin Blockchain as well as related software). Each bitcoin is associated with a set of unique cryptographic "keys", in the form of a string of numbers and letters, which allow whoever is in possession of the private key to assign that bitcoin in a transfer that the bitcoin network will recognize.

Bitcoin Futures

Futures contracts are agreements between two parties that are executed on a designated contract market ("DCM"), that is, a commodity futures exchange, and that are cleared and margined through a derivatives clearing organization ("DCO"), that is, a clearing house. Bitcoin Futures are cash-settled, which means that one party agrees to buy a fixed quantity of bitcoin from another party at a future point in time at a price agreed at the initiation of the contract, but instead of taking physical delivery of bitcoin at the later date, settlement occurs using cash. In market terminology, a party who purchases a futures contract is long in the market and a party who sells a futures contract is short in the market. The contractual obligations of a buyer or seller may generally be satisfied by cash settlement at the end of the option period or by making an offsetting sale or purchase of an identical futures contract on the same or linked exchange before the designated date of delivery. The difference between the price at which the futures contract is purchased or sold and the price paid for the offsetting sale or purchase, after allowance for brokerage commissions, constitutes the profit or loss to the trader.

If the price of bitcoin increases after the original Bitcoin Futures contract is entered into, the buyer of the Bitcoin Futures contract will generally be able to sell a Bitcoin Futures contract to close out its original long position at a price higher than that at which the original contract was purchased, generally resulting in a profit to the buyer. Conversely, the seller of a Bitcoin Futures contract will generally profit if the price of bitcoin decreases, as it will generally be able to buy a Bitcoin Futures contract to close out its original short position at a price lower than that at which the original contract was sold.

Futures contracts are typically traded on futures exchanges (*i.e.*, DCMs) such as the CME, which provide centralized market facilities in which multiple persons may trade contracts. Members of a particular futures exchange and the trades executed on such exchange are subject to the rules of that exchange. Futures exchanges and their related clearing organizations (*i.e.*, DCOs) are given reasonable latitude in promulgating rules and regulations to control and regulate their members. Trades on a futures exchange are generally cleared by the DCO, which provides services designed to mutualize or transfer the credit risk arising from the trading of contracts on an exchange. The clearing organization effectively becomes the other party to the trade, and each clearing member party to the trade looks only to the clearing organization for performance.

Bitcoin Futures are relatively new. The contracts trading on the CME are based on the BRR and CME CF Bitcoin Real-Time Index ("BRTI"). The contracts are cash settled with each CME standard Bitcoin Futures contract representing five bitcoin and each micro Bitcoin Futures contract representing 1/10th of a bitcoin. The BRR and BRTI

are, respectively, a standardized reference rate and spot price index based on the price of bitcoin on several bitcoin trading venues, including Bitstamp, Coinbase, Gemini, itBit and Kraken. BRR is a daily reference rate of the U.S. dollar price of one bitcoin as of 4 p.m. London time that has been published since November 2016. CME Futures began trading on the CME Globex trading platform on December 15, 2017 under the ticker symbol “BTC” and are cash settled in U.S. dollars.

Ether, the Ethereum Network and the Ethereum Protocol

Ether is a digital asset that can be transferred among participants on the “Ethereum network” on a peer-to-peer basis via the Internet. Ether is based on the decentralized, open-source protocol of a peer-to-peer electronic network. The Ethereum network is governed by a set of rules that are commonly referred to as the “Ethereum protocol”. Ether may be held as an investment, may be used to purchase goods and services, stored for future use, or may be exchanged for fiat currency (like U.S. dollars). No single entity owns or operates the Ethereum network. Ether is not issued by governments, banks or any other centralized authority. The infrastructure of the Ethereum network is collectively maintained on a distributed basis by the network’s participants, consisting of “validators”, who run special software to validate and record transactions, developers, who maintain and contribute updates to the Ethereum network’s source code, and users, who download and maintain on their individual computer a full or partial copy of the Ethereum Blockchain and related software. Validators are compensated in ether, as determined by the Ethereum protocol. Anyone can be a user, developer, or validator. The Ethereum network is accessed through software, and software governs ether’s creation, movement, and ownership. The source code for the Ethereum network and related software protocol is open-source, and anyone can contribute to its development. The value of ether is in part determined by the supply of, and demand for, ether in the global markets for the trading of ether, market expectations for the adoption of ether as a decentralized store of value, the number of merchants and/or institutions that accept ether as a form of payment, and the volume of peer-to-peer transactions, among other factors.

Ether is maintained on a digital transaction ledger commonly known as a “blockchain.” Records reflecting ether ownership and ether transactions are reflected on the Ethereum Blockchain. New ether is created through “staking” of ether by validators. Validators are required to stake ether in order to perform validation activities and then, as a reward, earn newly created ether. Validation activities include verifying transactions, storing data, and adding to the Ethereum blockchain. The Ethereum network provides the ability to execute peer-to-peer transactions to realize, via smart contracts, automatic, conditional transfer of value and information, including money, voting rights, and property. Copies of the Ethereum Blockchain are stored in a decentralized manner on the computers of certain users of the digital asset. Each ether is associated with a set of unique cryptographic “keys”, in the form of a string of numbers and letters, which allow whoever is in possession of the private key to assign that ether in a transfer that the Ethereum network will recognize. The Ethereum Blockchain allows for the creation of decentralized applications that are supported by a transaction protocol referred to as “smart contracts,” which includes the cryptographic operations that verify and secure ether transactions. A smart contract operates by a pre-defined set of rules (i.e., “if/then statements”) that allows it to automatically execute code on the Ethereum network. Actions taken by the pre-defined set of rules are not necessarily contractual in nature but are intended to eliminate the need for a third party to execute code on behalf of users, making the system decentralized and allowing decentralized application developers to create a wide range of applications.

In 2014, the Ethereum Foundation - a Swiss non-profit organization - conducted an initial coin offering (“ICO”) for ether, raising \$18.3 million. Based on its most recent disclosure, as of March 31, 2022, the Ethereum Foundation had \$1.6 billion in assets, including \$1.3 billion in crypto asset holdings, of which 99.1% was in ether. The Ethereum Foundation stated that this represented 0.297% of total ether supply. The Ethereum Foundation is dedicated to the development of the Ethereum Blockchain, and supports its growth by funding developers, projects, and teams that it believes will help the Ethereum Blockchain and its surrounding ecosystem thrive.

The Ethereum protocol is open source and anyone can review the underlying code and suggest changes. Because there is no central authority, proposed updates to the Ethereum protocol may not automatically be adopted by other participants. The modified source code will only be effective for those users and validators who choose to download it. A modification to the source code becomes part of the Ethereum network only if it is accepted by validators that collectively represent two-thirds of the cumulative validations on the Ethereum Blockchain.

In order to facilitate transactions and execute smart contracts, a fee called “gas” is charged. Gas price is often a small fraction of ether, which is denoted in the unit of Gwei (10^9 Gwei = 1 ether). Gas incentivizes validators to process and verify transactions and incentivizes new validators to stake ether. Gas fees are a product of Ethereum network demand relative to the Ethereum network’s capacity.

Ether Futures

Futures contracts are agreements between two parties that are executed on a DCM, that is, a commodity futures exchange, and that are cleared and margined through a DCO, that is, a clearing house. Ether Futures are cash-settled, which means that one party agrees to buy a fixed quantity of ether from another party at a future point in time at a price agreed at the initiation of the contract, but instead of taking physical delivery of ether at the later date, settlement occurs using cash. In market terminology, a party who purchases a futures contract is long in the market and a party who sells a futures contract is short in the market. The contractual obligations of a buyer or seller may generally be satisfied by cash settlement at the end of the option period or by making an offsetting sale or purchase of an identical futures contract on the same or linked exchange before the designated date of delivery. The difference between the price at which the futures contract is purchased or sold and the price paid for the offsetting sale or purchase, after allowance for brokerage commissions, constitutes the profit or loss to the trader.

If the price of ether increases after the original Ether Futures contract is entered into, the buyer of the Ether Futures contract will generally be able to sell an Ether Futures contract to close out its original long position at a price higher than that at which the original contract was purchased, generally resulting in a profit to the buyer. Conversely, the seller of an Ether Futures contract will generally profit if the price of ether decreases, as it will generally be able to buy an Ether Futures contract to close out its original short position at a price lower than that at which the original contract was sold.

Futures contracts are typically traded on futures exchanges (*i.e.*, DCMs) such as the CME, which provide centralized market facilities in which multiple persons may trade contracts. Members of a particular futures exchange and the trades executed on such exchange are subject to the rules of that exchange. Futures exchanges and their related clearing organizations (*i.e.*, DCOs) are given reasonable latitude in promulgating rules and regulations to control and regulate their members. Trades on a futures exchange are generally cleared by the DCO, which provides services designed to mutualize or transfer the credit risk arising from the trading of contracts on an exchange. The clearing organization effectively becomes the other party to the trade, and each clearing member party to the trade looks only to the clearing organization for performance.

Ether Futures are relatively new. The contracts trading on the CME are based on the CME CF Ether Reference Rate, which is a volume-weighted composite of U.S. dollar ether trading activity on the constituent exchanges. Ether Futures began trading on the CME Globex trading platform on February 8, 2021 under the ticker symbol “ETH” and are cash settled in U.S. dollars.

Investment Process:

EA Advisers serves as investment adviser, 21Shares serves as sub-adviser and ARK serves as sub-subadviser to the Fund. 21Shares, in its capacity as the Fund’s sub-adviser, has discretionary responsibility to select the Fund’s investments in accordance with the Fund’s investment objectives, policies and restrictions, subject to the overall supervision and oversight of the Adviser and the Board. As sub-adviser, 21Shares provides trade recommendations to the Adviser and, in turn, the Adviser is responsible for selecting brokers and placing the Fund’s trades. The Adviser has the authority to override 21Shares’ trade recommendations but does not intend to do so unless such recommendations are inconsistent with the Fund’s investment objectives and strategies or otherwise are inconsistent with applicable law.

ARK, as sub-subadviser, provides non-discretionary advice to 21Shares related to the spot bitcoin market, spot ether market and equity markets. 21Shares may, in its sole discretion, consider the advice provided by ARK when making investment decisions for the Fund to the extent 21Shares deems necessary. 21Shares and ARK may use quantitative analyses with respect to the Fund. 21Shares evaluates investor sentiment, market conditions, risks, and other factors using third-party data and internally-generated analyses when making investment decisions. 21Shares will select investments for the Fund that represent 21 Shares’ highest-conviction investment ideas by utilizing both qualitative and quantitative measures to determine the percentage of the Fund’s assets that will be allocated to provide exposure to Bitcoin Futures and Ether Futures (*i.e.*, through investment in the Underlying ETFs or through a subsidiary).

Temporary Defensive Positions. From time to time, the Fund may take temporary defensive positions that are inconsistent with its principal investment strategies in attempting to respond to adverse market, economic, political, or other conditions. In those instances, the Fund may hold up to 100% of its assets in cash; short-term U.S. government securities and government agency securities; investment grade money market instruments; money market mutual funds; investment grade fixed income securities; repurchase agreements; commercial paper; cash equivalents; and exchange-traded investment vehicles that principally invest in the foregoing instruments. As a result of engaging in these temporary measures, the Fund may not achieve its investment objective.

If an Underlying ETF is unable to obtain its target bitcoin or ether exposure for reasons beyond its control, such as because an Underlying ETF is approaching or has exceeded position limits or accountability levels or because of liquidity or other constraints, the Adviser and 21Shares may determine that it is in the Fund's best interest to invest in U.S. listed equity securities of companies that the Adviser and 21Shares believe provide returns that generally correspond, or are closely related, to the performance of bitcoin, ether, Bitcoin Futures or Ether Futures (e.g., U.S. listed companies engaged in digital asset mining or offering digital asset trading platforms) or in U.S. or foreign listed exchange-traded products issued by 21Shares or its affiliates that provide exposure to bitcoin or Bitcoin Futures and ether or Ether Futures (collectively, "bitcoin-related investments" and "ether-related investments" respectively).

ADDITIONAL INFORMATION ABOUT THE FUND'S RISKS

Unless expressly noted otherwise, references to the "Fund" in this section refer to the Fund and Underlying ETFs. All references to the "Fund" should be read to include the Underlying ETFs, as applicable.

Bitcoin and Bitcoin Network Risks. The Fund is subject to the risks and hazards of the bitcoin market because it invests in Bitcoin Futures. The risks and hazards that are inherent in the bitcoin market may cause the price of bitcoin, Bitcoin Futures and the Fund's Shares to fluctuate widely and you could incur a partial or total loss of your investment in the Fund.

Bitcoin Scaling Risk. The bitcoin network faces significant scaling challenges. Currently, the bitcoin network can process, on average, five to seven transactions per second. For several years, participants in the bitcoin ecosystem debated potential approaches to increasing the average number of transactions per second that the bitcoin network could handle. As of August 2017, the bitcoin network was upgraded with a technical feature known as "segregated witness." Segregated witness was intended to increase the transactions per second that can be handled on-chain, although to-date it has not made a meaningful difference in the number of transactions per second. More importantly, segregated witness also enables so-called second layer solutions, such as "Layer 2" networks, including the Lightning Network or payment channels, that could potentially allow greater transaction throughput. Layer 2 networks are separate blockchains built on top of "Layer 1" blockchains like the Bitcoin Blockchain for the purpose of augmenting the throughput of the Layer 1 blockchain, and often, providing lower fees for transaction processing and faster settlement. Layer 2 blockchains introduce certain risks into the bitcoin ecosystem that should be considered. For instance, Layer 2 blockchains are a relatively new and still developing technology. Technological issues – including hacks, bugs, or failures – could introduce risk or harm confidence in the bitcoin ecosystem, which could negatively impact the price of bitcoin. In addition, users may choose to settle an increasing share of transactions on Layer 2 blockchains, which could negatively impact the transaction activity on, and the amount of fee revenue generated by, the Bitcoin Blockchain itself, which could negatively impact the price of bitcoin. Additionally, changes in consumer demographics and public tastes and preferences, including the possibility that market participants may come to prefer other digital assets to bitcoin for a variety of reasons, including that such other digital assets may have features (like different consensus mechanisms) or uses (like the ability to facilitate smart contracts) that bitcoin lacks. If these or other developments negatively impact the price of bitcoin, this would negatively impact the value of the Bitcoin Futures contracts held by the Fund.

An increasing number of wallets and digital asset intermediaries, such as digital asset trading venues, have begun supporting segregated witness and the Lightning Network, or similar technology. However, the Lightning Network does not yet have material adoption. Additionally, the Lightning Network has not yet seen significant use, and there are open questions about Lightning Network services, such as its cost and who will serve as intermediaries.

As the use of digital asset networks increases without a corresponding increase in throughput of the networks, average fees and settlement times can increase significantly. Bitcoin's network has been, at times, at capacity, which has led to increased transaction fees. Increased fees and decreased settlement speeds could preclude certain use cases for bitcoin (e.g., micropayments), and could reduce demand for and the price of bitcoin, which could adversely impact the Fund's investments in Bitcoin Futures.

There is no guarantee that any of the mechanisms in place or being explored for increasing the scale of settlement of transactions in bitcoin will be effective, or how long these mechanisms will take to become effective, which could adversely impact the Fund's investments in Bitcoin Futures.

Miner Collusion Risk. Miners, functioning in their transaction confirmation capacity, collect fees for each transaction they confirm. Miners validate unconfirmed transactions by adding the previously unconfirmed transactions to new blocks in the blockchain. There is no mechanism through which miners are forced to confirm specific transactions, but they are economically incentivized to confirm valid transactions as a means of collecting fees. Miners have historically accepted relatively low transaction confirmation fees. If miners collude to reject low transaction fees, then bitcoin users could be forced to pay higher fees, thus reducing the attractiveness of the bitcoin network. Mining occurs globally, and it may be difficult for authorities to apply antitrust regulations across multiple jurisdictions. Any anti-competitive collusion among miners may adversely impact the attractiveness of the bitcoin network and may adversely impact the Fund's investments in Bitcoin Futures.

Competition from Other Digital Assets Risk. Central banks have introduced digital forms of legal tender, known as central bank digital currencies ("CBDCs"). China's CBDC project, known as Digital Currency Electronic Payment, has reportedly been tested in a live pilot program conducted in multiple cities in China. A recent study published by the Bank for International Settlements estimated that at least 36 central banks have published retail or wholesale CBDC work ranging from research to pilot projects. Whether or not they incorporate blockchain or similar technology, CBDCs, as a form of legal tender in the issuing jurisdiction, could have an advantage in competing with, or replacing, bitcoin and other digital assets as a medium of exchange or store of value. Such competing digital assets may adversely affect the value of bitcoin and the Fund's investments in Bitcoin Futures. Promoters of other digital assets claim that those digital assets have solved certain of the purported drawbacks of the bitcoin network. For example, certain competing digital assets may allow for faster settlement times, reduce mining fees, or reduce the amount of electricity necessary for mining. If these digital assets are successful, such success could reduce demand for bitcoin and adversely affect the value of bitcoin and the Fund's investments in Bitcoin Futures.

Open-Source Risk. The bitcoin network operates based on open-source protocol maintained by a group of core developers. As the bitcoin network protocol is not sold and its use does not generate revenue for development teams, core developers may not be directly compensated for maintaining and updating the bitcoin network protocol. Consequently, developers may lack a financial incentive to maintain or develop the network, and the core developers may lack the resources to adequately address emerging issues with the network. There can be no guarantee that developer support will continue or be sufficient in the future. Additionally, some development and developers are funded by companies whose interests may be at odds with other participants in the network or with investors' interests. To the extent that material issues arise with the bitcoin network protocol and the core developers and open-source contributors are unable or unwilling to address the issues adequately or in a timely manner, the bitcoin network and the Fund's investments in Bitcoin Futures may be adversely affected.

Bitcoin Corporate Governance Risk. Governance of decentralized networks, such as the bitcoin network, is by voluntary consensus and open competition. Bitcoin has no central decision-making body or clear manner in which participants can come to an agreement other than through overwhelming consensus. The lack of clarity on governance may adversely affect bitcoin's utility and ability to grow and face challenges, both of which may require solutions and a directed effort to overcome problems, especially long-term problems. Seemingly simple technical issues have divided the bitcoin community: such as, whether to increase the block size of the blockchain or to implement other change to increase the scalability of bitcoin. Because the resolution of scaling issues has taken several years, some have referred to it as a "governance crisis" for decentralized assets. To the extent lack of clarity in corporate governance of bitcoin leads to ineffective decision-making that slows development and growth, the Fund's investments in Bitcoin Futures may be adversely affected.

Insufficient Mining Reward Risk. Miners generate revenue from both newly created bitcoin, known as the “block reward,” and from fees taken upon verification of transactions. If the aggregate revenue from transaction fees and the block reward is below a miner’s cost, the miner may cease operations. If the award of new units of bitcoin for solving blocks declines and/or the difficulty of solving blocks increases, and transaction fees voluntarily paid by participants are not sufficiently high, miners may not have an adequate incentive to continue mining and may cease their mining operations. The current fixed reward for solving a new block on the bitcoin network is 6.25 bitcoin per block, which decreased from 12.5 bitcoin in May 2020. It will further reduce to 3.125 bitcoin in 2024. This reduction may result in a reduction in the aggregate hash rate of the bitcoin network as the incentive for miners decreases. Miners ceasing operations would reduce the collective processing power on the bitcoin network, which would adversely affect the confirmation process for transactions (*i.e.*, temporarily decreasing the speed at which blocks are added to the blockchain until the next scheduled adjustment in difficulty for block solutions) and make the bitcoin network more vulnerable to malicious actors or botnets (*i.e.*, volunteers or a hacked collection of computers controlled by networked software coordinating the actions of the computers) obtaining sufficient control to alter the blockchain and hinder transactions. Any reduction in confidence in the confirmation process or processing power of the bitcoin network may adversely affect the Fund’s investments in Bitcoin Futures.

Excluded Transactions Risk. To the extent that any miners solve blocks that exclude some or all transactions that have been transmitted to the bitcoin network, such transactions will not be recorded on the blockchain until another miner solves a block that incorporates those transactions. Some in the bitcoin community have suspected that certain technologies enhance speed and reduce electricity use of mining while reducing the number of transactions that are included in mined blocks on the bitcoin network. To the extent that more blocks are mined without transactions, transactions will settle more slowly and fees will increase. This could result in a loss of confidence in the bitcoin network, which could adversely impact an investment in the Fund.

Blockchain “Fork” Risk. From time to time, the developers suggest changes to the bitcoin software. If a sufficient number of users and miners elect not to adopt the changes, a new digital asset, operating on the earlier version of the bitcoin software, may be created. This is often referred to as a “fork.” In August 2017, bitcoin “forked” into bitcoin and a new digital asset, bitcoin cash, as a result of a years-long dispute over how to increase the rate of transactions that the bitcoin network can process. Since then, bitcoin has been forked numerous times to launch new digital assets, including bitcoin gold, bitcoin silver and bitcoin diamond. Additional hard forks of the Bitcoin Blockchain could impact demand for bitcoin or other digital assets and could adversely impact the Fund’s investments in Bitcoin Futures.

In addition, a hard fork can introduce new security risks. For example, when Ethereum and Ethereum Classic split in July 2016, replay attacks, in which transactions from one network were rebroadcast to nefarious effect on the other network, plagued trading venues for several months. A digital asset trading venue announced in July 2016 that it had lost 40,000 ether from the Ethereum Classic network, which was worth about \$100,000 at that time, as a result of replay attacks. Another possible result of a hard fork is an inherent decrease in the level of security. After a hard fork, it may become easier for an individual miner or mining pool’s hashing power to exceed 50% of the processing power of the bitcoin network, thereby making the network more susceptible to attack.

A fork could also be introduced by an unintentional, unanticipated software flaw in the multiple versions of otherwise compatible software users run. Such a fork could adversely affect bitcoin’s viability. However, it is possible that a substantial number of users and miners could adopt an incompatible version of bitcoin while resisting community-led efforts to merge the two chains. This would result in a permanent fork, as in the case of Ethereum and Ethereum Classic, as detailed above.

A fork in the bitcoin network could adversely affect the Fund’s investments in Bitcoin Futures and therefore an investment in the Fund.

Bitcoin “Air Drop” Risk. A substantial giveaway of bitcoin (sometimes referred to as an “air drop”) may also result in significant and unexpected declines in the value of bitcoin, Bitcoin Futures, and, accordingly, the Fund.

“51% Attack” and Bitcoin “Whales” Risks. The bitcoin network is currently vulnerable to a “51% attack” where, if a mining pool were to gain control of more than 50% of the “hash” rate (*i.e.*, the amount of computing and process power being contributed to the network through mining), a malicious actor would be able to gain full control of the network and the ability to manipulate the blockchain, including interrupting the recording of new blocks by preventing other miners from completing blocks. A significant portion of bitcoin is held by a small number of holders sometimes referred to as “whales.” These holders have the ability to manipulate the price of bitcoin.

Bitcoin Cybersecurity Risk. If the source code or cryptography underlying bitcoin proves to be flawed or ineffective, malicious actors may be able to steal bitcoin held by others, which could negatively impact the demand for bitcoin and adversely impact the price of bitcoin. In the past, flaws in the source code for bitcoin have been discovered, including those that resulted in the loss of users' bitcoin. Several errors and defects have been publicly found and corrected, including those that disabled some functionality for users and exposed users' personal information. Discovery of flaws in or exploitations of the source code that allow malicious actors to take or create money in contravention of known network rules have occurred. In addition, the cryptography underlying bitcoin could prove to be flawed or ineffective, or developments in mathematics and/or technology, including advances in digital computing, algebraic geometry and quantum computing, could result in such cryptography becoming ineffective. In any of these circumstances, a malicious actor may be able to steal bitcoin held by others, which could adversely affect the demand for bitcoin and therefore adversely impact the price of bitcoin. Even if the affected digital asset is not bitcoin, any reduction in confidence in the source code or cryptography underlying digital assets generally could negatively impact the demand for bitcoin and therefore adversely affect the Fund's investments in Bitcoin Futures.

Additionally, if a malicious actor or botnet obtains control of more than 50% of the processing power of the bitcoin network, such actor or botnet could alter the blockchain and adversely affect the value of bitcoin, which would adversely affect the Fund's investments in Bitcoin Futures. The bitcoin network is subject to control by entities that capture a significant amount of the network's processing power or a significant number of developers or intermediaries important for the operation and maintenance of the bitcoin network. The bitcoin network is secured by proof of work and depends on the strength of processing power of participants to protect the network. If a malicious actor or botnet obtains a majority of the processing power dedicated to mining on the bitcoin network, it may be able to alter the blockchain on which the network and most transactions rely by constructing fraudulent blocks or preventing certain transactions from being completed in a timely manner, or at all. The malicious actor or botnet could control, exclude or modify the ordering of transactions. However, it would not be able to generate new bitcoin units or transactions using such control. The malicious actor could "double-spend" its own bitcoin units (*i.e.*, spend the same units in more than one transaction) and prevent the confirmation of other users' transactions for so long as it maintained control. To the extent that the malicious actor or botnet did not yield its control of the processing power on the bitcoin network or the network community did not reject the fraudulent blocks as malicious, reversing any changes made to the blockchain may not be possible. Further, a malicious actor or botnet could create a flood of transactions in order to slow down confirmations of transactions on the bitcoin network.

If an exploitation or attack on the bitcoin network occurs, it could result in a loss of public confidence in bitcoin and a decline in the value of bitcoin and, as a result, adversely impact the Fund's investments in Bitcoin Futures.

Internet Disruption Risk. Bitcoin is dependent upon the internet. A significant disruption in internet connectivity could disrupt the bitcoin network's operations until the disruption is resolved and have an adverse effect on the price of bitcoin. In particular, some variants of digital assets have been subjected to a number of denial-of-service attacks, which have led to temporary delays in block creation and in the transfer of the digital assets. While in certain cases in response to an attack, an additional hard fork has been introduced to increase the cost of certain network functions, the relevant network has continued to be the subject of additional attacks. Moreover, it is possible that if bitcoin increases in value, it may become a bigger target for hackers and subject to more frequent hacking and denial-of-service attacks.

Bitcoin is also susceptible to border gateway protocol ("BGP") hijacking. That type of an attack can be an effective way for an attacker to intercept traffic en route to a legitimate destination. BGP hijacking impacts the way different nodes and miners are connected to one another and isolates portions of them from the remainder of the network, which could lead to a risk of the network allowing double spending and other security issues. If BGP hijacking occurs on the bitcoin network, participants may lose faith in the security of bitcoin, which could adversely affect bitcoin's value and consequently the Fund's investments in Bitcoin Futures.

Any future attacks that impact the ability to transfer bitcoin could have a material adverse effect on the price of bitcoin and on the Fund's investments in Bitcoin Futures.

Bitcoin Regulatory Risk. Unlike the exchanges for more traditional assets, such as equity securities and futures contracts, bitcoin and the digital asset trading venues on which they trade may be unregulated and fragmented. It is also possible that a digital asset trading venue could be found to not be operating in compliance with applicable law.

As a result of the lack of regulation, individuals or groups may engage in fraud or market manipulation (including using social media to promote bitcoin and other digital assets in a way that artificially increases the price of bitcoin). Investors may be more exposed to the risk of theft, fraud and market manipulation than when investing in more traditional asset classes. Over the past several years, a number of digital asset trading venues have been closed due to fraud, failure or security breaches. Investors in bitcoin may have little or no recourse should such theft, fraud or manipulation occur and could suffer significant losses. Legal or regulatory changes may negatively impact the operation of the bitcoin network or restrict the use of bitcoin. The Fund may also be negatively impacted by regulatory enforcement actions against the digital asset trading venues upon which bitcoin trades. Such actions could significantly reduce the number of venues upon which bitcoin trades and could negatively impact the Bitcoin Futures contracts held by the Fund that reference the price of bitcoin. In addition, digital asset trading venues, bitcoin miners, and other participants may have significant exposure to other digital assets. Instability in the price, availability or legal or regulatory status of those instruments may adversely impact the operation of the digital asset trading venues and the bitcoin network. The realization of any of these risks could result in a decline in the acceptance of bitcoin and consequently, a reduction in the value of bitcoin, Bitcoin Futures contracts, and shares of the Fund. Such occurrences could also impair the Fund's ability to meet its investment objective pursuant to its investment strategy.

As bitcoin and digital assets have grown in both popularity and market size, the U.S. Congress and a number of U.S. federal and state agencies have been examining the operations of digital asset networks, digital asset users and the digital asset trading market. Many of these state and federal agencies have brought enforcement actions and issued advisories and rules relating to digital asset markets.

Current and future legislation, SEC and CFTC rulemaking, and other regulatory developments may impact the manner in which bitcoin is treated for classification and clearing purposes. In particular, certain transactions in bitcoin may be deemed to be commodity interests under the Commodity Exchange Act of 1936 ("CEA") or bitcoin may be classified by the SEC as a "security" under U.S. federal securities laws. If bitcoin is determined to be a "security" under federal or state securities laws by the SEC or any other agency, or in a proceeding in a court of law or otherwise, it may have material adverse consequences for bitcoin as a digital asset. Ongoing and future regulatory actions with respect to digital assets generally or any single digital asset in particular may alter, perhaps to a materially adverse extent, the nature of an investment in bitcoin and/or the ability of the Fund to continue to operate.

If bitcoin is determined to be a "security" under federal or state securities laws by the SEC or any other agency, or in a proceeding in a court of law or otherwise, it may have material adverse consequences for bitcoin as a digital asset. In the face of such developments, the required registrations and compliance steps may result in extraordinary, nonrecurring expenses to the Trust. If the Sponsor decides to dissolve the Funds in response to the changed regulatory circumstances, the Funds may be dissolved or liquidated at a time that is disadvantageous to shareholders.

Various U.S. federal and state and foreign jurisdictions are developing or adopting laws, regulations or directives that affect the bitcoin network, the bitcoin markets, and their users, particularly digital asset trading platforms and service providers that fall within such jurisdictions regulatory scope. There remains significant uncertainty regarding the U.S. and foreign government and quasi-governmental regulatory actions with respect to digital assets and digital asset trading venue. Foreign laws, regulations or directives may conflict with those of the U.S. and may negatively impact the acceptance of bitcoin by users, merchants and service providers and may therefore impede the growth or sustainability of the bitcoin economy in the European Union, China, South Korea, India and the U.S. and globally, or otherwise negatively affect the value of bitcoin.

The effect of any future regulatory change on the Fund or bitcoin is impossible to predict, but such change could be substantial and adverse to the Fund and the value of the Fund's shares.

Intellectual Property Risk. Third parties may assert intellectual property claims relating to the holding and transfer of bitcoin and its source code. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in long-term viability or the ability of end-users to hold and transfer bitcoin may adversely affect the Fund's investments in Bitcoin Futures. Additionally, a meritorious intellectual property claim could prevent end-users from accessing, holding, or transferring bitcoin, which could force the liquidation of the bitcoin holdings of any pooled investment vehicle in which the Fund invests. As a result, an intellectual property claim against large bitcoin participants could adversely affect the Fund's investments in Bitcoin Futures.

Bitcoin Trading Venues Operational Risk. Venues through which bitcoin trades are relatively new. Bitcoin trading venues are generally subject to different regulatory requirements than venues for trading more traditional assets, and may be subject to limited or no regulation, especially outside the U.S. Furthermore, many such digital asset trading venues, including over-the-counter trading venues, do not provide the public with significant information regarding their ownership structure, management teams, corporate practices or regulatory compliance. Bitcoin trading venues may impose daily, weekly, monthly or customer-specific transaction or distribution limits or suspend withdrawals entirely, rendering the exchange of bitcoin for fiat currency difficult or impossible. Participation in bitcoin trading on some venues requires users to take on credit risk by transferring digital assets from a personal account to a third party's account, which could discourage trading on those venues.

Over the past several years, a number of bitcoin trading venues have been closed due to fraud, failure or security breaches. In many of these instances, the customers of such trading venues were not compensated or made whole for the partial or complete losses of their account balances in such trading venues. For instance, in May 2022, the collapse of the algorithmic stablecoin TerraUSD and its paired crypto asset LUNA destroyed an estimated \$60 billion in value in the crypto ecosystem. Although TerraUSD and LUNA operated on their own blockchain (the "Terra" blockchain), the events nonetheless contributed to a sharp decline in the price of ether and bitcoin, which fell 30% and 16% respectively, from May 1, 2022 to May 31, 2022. As another example, in November 2022, FTX Trading Ltd. – an offshore digital asset trading venue specializing in crypto derivatives – collapsed and filed for bankruptcy. While a small fraction of total global trading volume in ether, bitcoin, and related derivatives took place on FTX-related venues, the company's collapse nonetheless contributed to a significant decline in the price of ether and bitcoin, which fell 18% and 16%, respectively, in November 2022. Additional instability, failures, bankruptcies or other negative events in the digital asset industry, including events that are not necessarily related to the security or utility of the Ethereum blockchain and Bitcoin Blockchain, could similarly negatively impact the price of ether and bitcoin, and thereby the Ether Futures and Bitcoin Futures held by the Fund.

While smaller trading venues are less likely to have the infrastructure and capitalization that make larger trading venues more stable, larger trading venues are more likely to be appealing targets for hackers and "malware" (*i.e.*, software used or programmed by attackers to disrupt computer operation, gather sensitive information or gain access to private computer systems). Bitcoin trading venues that are regulated typically must comply with minimum net worth, cybersecurity, and anti-money laundering requirements, but are not typically required to protect customers to the same extent that regulated securities exchanges or futures exchanges are required to do so.

Furthermore, many bitcoin trading venues lack certain safeguards put in place by exchanges for more traditional assets to enhance the stability of trading on the exchanges and prevent "flash crashes," such as limit-down circuit breakers. As a result, the prices of bitcoin on trading venues may be subject to larger and/or more frequent sudden declines than assets traded on more traditional exchanges.

Operational problems or failures by bitcoin trading venues and fluctuations in bitcoin prices may reduce confidence in these venues or in bitcoin generally, which could adversely affect the price of bitcoin and therefore adversely affect the Fund's investments in Bitcoin Futures.

Political or Economic Crisis Risk. As an alternative to fiat currencies that are backed by central governments, bitcoin is subject to supply and demand forces based upon the desirability of an alternative, decentralized means of buying and selling goods and services, and it is unclear how such supply and demand will be impacted by geopolitical events. Nevertheless, political or economic crises may motivate large-scale acquisitions or sales of bitcoin, either globally or locally. Large-scale sales of bitcoin would result in a reduction in its price and adversely affect the Fund's investments in Bitcoin Futures.

Large Scale Bitcoin Sale Risk. There is no registry showing which individuals or entities own bitcoin or the quantity of bitcoin that is owned by any particular person or entity. It is possible, and in fact, reasonably likely, that a small group of early bitcoin adopters hold a significant proportion of the bitcoin that has been created to date. There are no regulations in place that would prevent a large holder of bitcoin from selling bitcoin it holds. To the extent such large holders of bitcoin engage in large-scale sales or distributions, either on nonmarket terms or in the ordinary course, it could result in a reduction in the price of bitcoin and adversely affect an investment in the Fund.

Bitcoin-Related Investment Risk. If an Underlying ETF is unable to obtain its target bitcoin exposure for reasons beyond its control, such as because an Underlying ETF is approaching or has exceeded position limits or accountability levels or because of liquidity or other constraints, the Adviser and 21Shares may determine that it is in an Underlying ETF's best interest to invest in bitcoin-related investments. There can be no assurance that the returns of bitcoin-related investments will correspond, or be closely-related, to the performance of bitcoin or Bitcoin Futures. Bitcoin-related investments may be impacted by changes in technology, competition, loss or impairment of intellectual property rights, cyclical economic patterns, shifting consumer preferences, evolving industry standards, adverse effects of changes to a network's or software's protocols, a rapidly changing regulatory environment, and dependency on certain key personnel (including highly skilled financial services professionals and software engineers). Bitcoin-related investments may be particularly susceptible to operational and information security risks including those associated with hardware or software failures, interruptions, or delays in service by third party vendors, and security breaches. Certain bitcoin-related investments may be subject to the risks associated with investing directly in digital assets, including crypto assets and crypto tokens.

Environmental Risk. Bitcoin mining currently requires computing hardware that consumes large amounts of electricity. By way of electrical power generation, many bitcoin miners rely on fossil fuels to power their operations. Public perception of the impact of bitcoin mining on climate change may reduce demand for bitcoin and increase the likelihood of regulation that limits bitcoin mining or restricts energy usage by bitcoin miners. Such events could have a negative impact on the price of bitcoin, Bitcoin Futures, and the performance of the Fund.

The supply and demand for bitcoin and the price and market for bitcoin may also be impacted by: (i) the widespread adoption of bitcoin, including the use of bitcoin as a payment; (ii) speculative activity in the market for bitcoin, including by holders of large amounts of bitcoin, which may increase volatility and artificially inflate or deflate the price of bitcoin; and (iii) market fraud and/or manipulation and other fraudulent trading practices such as the intentional dissemination of false or misleading information (*e.g.*, false rumors) can, among other things, lead to a disruption of the orderly functioning of markets, significant market volatility, and cause the value of bitcoin and Bitcoin Futures to fluctuate quickly and without warning.

Bitcoin Futures Risks. Bitcoin Futures expose the Fund to all of the risks associated with bitcoin discussed herein and an investment in Bitcoin Futures may be subject to the following risks specific to Bitcoin Futures. Because the value of the Bitcoin Futures (and therefore the value of an investment in the Fund) may decline significantly or to zero, you should not invest in the Fund if you are unable or unprepared to sustain significant changes in the value of your investment or the loss of your entire investment.

The use of futures contracts involves risks that are in addition to, and potentially greater than, the risks of investing directly in securities or other underlying assets and other more traditional assets. Bitcoin and Bitcoin Futures are relatively new asset classes and bitcoin is subject to rapid changes, uncertainty and regulation that may adversely affect the value of the Bitcoin Futures or the nature of an investment in the Fund, and may adversely affect the ability of the Fund to buy and sell Bitcoin Futures or achieve its investment objective. The market for Bitcoin Futures is less developed than older, more established futures markets (such as corn or wheat futures) and may be more volatile and less liquid. Historically, bitcoin and Bitcoin Futures have been subject to significant price volatility. The price of Bitcoin Futures may differ significantly from the spot price of bitcoin. While the Bitcoin Futures market has grown substantially since Bitcoin Futures commenced trading, there can be no assurance that this growth will continue.

If the Bitcoin Futures market is in a state of "backwardation" (*i.e.*, when the price of bitcoin in the future is expected to be less than the current price), the Fund will buy later to expire contracts for a lower price than the sooner to expire contracts that it sells. Hypothetically, and assuming no changes to either prevailing bitcoin prices or the price relationship between immediate delivery, soon to expire contracts and later to expire contracts, the value of a contract will rise as it approaches expiration. If the Bitcoin Futures market is in "contango," the Fund will buy later to expire contracts for a higher price than the sooner to expire contracts that it sells. Hypothetically, and assuming no other changes to either prevailing bitcoin prices or the price relationship between the spot price, soon to expire contracts and later to expire contracts, the value of a contract will fall as it approaches expiration. All other things being equal, a situation involving prolonged periods of contango may adversely impact the returns of the Fund; conversely a situation involving prolonged periods of backwardation may positively impact the returns of the Fund.

When a Bitcoin Futures contract is nearing expiration, the Fund will generally sell it and use the proceeds to buy a Bitcoin Futures contract with a later expiration date. This is commonly referred to as “rolling”. The costs associated with rolling Bitcoin Futures typically are substantially higher than the costs associated with other futures contracts and may have a significant adverse impact on the performance of the Fund. The Fund may be adversely affected by “negative roll yields” in “contango” markets. Typically, the Fund will “roll” out of one futures contract as the expiration date approaches and into another futures contract on bitcoin with a later expiration date. The “rolling” feature creates the potential for a significant negative effect on the Fund’s performance that is independent of the performance of the spot prices of the bitcoin. The “spot price” of an underlying instrument is the price of that underlying instrument for immediate delivery, as opposed to a futures price, which represents the price for delivery on a specified date in the future. Therefore, if the futures market for a given underlying instrument is in “contango,” then the value of a futures contract on that underlying instrument would tend to decline over time (assuming the spot price remains unchanged), because the higher futures price would fall as it converges to the lower spot price by expiration. The Fund would be expected to experience negative roll yield if Bitcoin Futures prices tend to be greater than the spot price of bitcoin (*i.e.*, in a “contango” market).

Bitcoin Futures are subject to position limits, accountability limits and dynamic price fluctuation limits that will limit the Fund’s ability to invest the proceeds of Baskets in Bitcoin Futures. Position limits, accountability limits and dynamic price fluctuation limits may cause tracking error or may impair the Fund’s ability to meet its investment objective or achieve the desired exposure. Bitcoin Futures also are subject to relatively high initial margin requirements and the FCMs utilized by the Fund may impose margin requirements in addition to those imposed by the exchanges. Margin requirements are subject to change, and may be raised in the future by the exchanges and the FCMs. The CME has established position limits on the maximum number of contracts that may be held or controlled and accountability levels that if reached would allow the CME to exercise greater scrutiny and control over the Fund’s positions. These positions are aggregated across all investment products managed by the Adviser. In addition, an FCM may impose limits on the total amount of exposure to futures contracts the Fund may obtain through such FCM. Such requirements may limit the Fund’s ability to achieve its desired investment exposure and may require the Fund to liquidate its position when it otherwise would not do so. If the Fund is unable to meet its investment objective, the Fund’s returns may be lower than expected.

Bitcoin Futures are a relatively new type of futures contract that may be less developed than more established futures markets (such as the futures markets for corn or wheat). Accordingly, although Bitcoin Futures have traded on the CME since December 2017 and the market for Bitcoin Futures has grown since inception, the market for Bitcoin Futures may be riskier, less liquid, more volatile and more vulnerable to economic, market, industry, regulatory and other changes than more established futures contracts. The liquidity of the market for Bitcoin Futures will depend on, among other things, the supply and demand for Bitcoin Futures, speculative interest in the market for Bitcoin Futures and the potential ability to hedge against the price of bitcoin with Bitcoin Futures.

Ether and Ethereum Network Risks. The Fund is subject to the risks and hazards of the ether market because it invests in Ether Futures. The risks and hazards that are inherent in the ether market may cause the price of ether, Ether Futures and a Fund’s Shares to fluctuate widely and you could incur a partial or total loss of your investment in the Fund.

Ethereum Scaling Risk. The Ethereum network has been, at times, at capacity, which has led to increased transaction fees and decreased settlement speeds. Increased fees and decreased settlement speeds could preclude certain uses for ETH, and could reduce demand for, and the price of, ETH, which could adversely impact the value of the Shares. Certain technological upgrades, known as “segregated witness” were intended to increase the transactions per second that can be handled on-chain, although to-date it has not made a meaningful difference in the number of transactions per second. More importantly, segregated witness also enables so-called second layer solutions, such as “Layer 2” networks, including the Lightning Network or payment channels, that could potentially allow greater transaction throughput.

Layer 2 networks are separate blockchains built on top of “Layer 1” blockchains like the Ethereum Blockchain for the purpose of augmenting the throughput of the Layer 1 blockchain, and often, providing lower fees for transaction processing and faster settlement. Layer 2 blockchains introduce certain risks into the Ethereum ecosystem that should be considered. For instance, Layer 2 blockchains are a relatively new and still developing technology. Technological issues – including hacks, bugs, or failures – could introduce risk or harm confidence in the Ethereum ecosystem, which could negatively impact the price of Ethereum. In addition, users may choose to settle an increasing share of transactions on Layer 2 blockchains, which could negatively impact the transaction activity on, and the amount of fee

revenue generated by, the Ethereum Blockchain itself, which could negatively impact the price of Ethereum. If these or other developments negatively impact the price of Ethereum, this would negatively impact the value of the Ether Futures contracts held by the Fund.

An increasing number of wallets and digital asset intermediaries, such as digital asset trading venues, have begun supporting segregated witness and the Lightning Network, or similar technology. However, the Lightning Network does not yet have material adoption. Additionally, the Lightning Network has not yet seen significant use, and there are open questions about Lightning Network services, such as its cost and who will serve as intermediaries.

As the use of digital asset networks increases without a corresponding increase in throughput of the networks, average fees and settlement times can increase significantly. Ethereum's network has been, at times, at capacity, which has led to increased transaction fees. Increased fees and decreased settlement speeds could preclude certain use cases for Ethereum (e.g., micropayments), and could reduce demand for and the price of Ethereum, which could adversely impact the Fund's investments in Ether Futures.

There is no guarantee that any of the mechanisms in place or being explored for increasing the scale of settlement of transactions in Ethereum will be effective, or how long these mechanisms will take to become effective, which could adversely impact the Fund's investments in Ether Futures.

Competition from Other Digital Assets Risk. Central banks have introduced digital forms of legal tender, known as central bank digital currencies ("CBDCs"). China's CBDC project, known as Digital Currency Electronic Payment, has reportedly been tested in a live pilot program conducted in multiple cities in China. A recent study published by the Bank for International Settlements estimated that at least 36 central banks have published retail or wholesale CBDC work ranging from research to pilot projects. Whether or not they incorporate blockchain or similar technology, CBDCs, as a form of legal tender in the issuing jurisdiction, could have an advantage in competing with, or replacing, ether and other digital assets as a medium of exchange or store of value. Such competing digital assets may adversely affect the value of ether and a Fund's investments in Ether Futures.

Ether Corporate Governance Risk. Governance of decentralized networks, such as the Ethereum network, is by voluntary consensus and open competition. Ether has no central decision-making body or clear manner in which participants can come to an agreement other than through overwhelming consensus. The lack of clarity on governance may adversely affect ether's utility and ability to grow and face challenges, both of which may require solutions and a directed effort to overcome problems, especially long-term problems. To the extent lack of clarity in corporate governance of ether leads to ineffective decision-making that slows development and growth, a Fund's investments in Ether Futures may be adversely affected.

Insufficient Validator Reward Risk. New ether is created when ether validators use their stake on the Ethereum network to participate in the consensus mechanism, which records and verifies every ether transaction on the Ethereum Blockchain. In return for their services, validators are rewarded through receipt of a set amount of ether. If transaction fees voluntarily paid by users are not sufficiently high or if transaction fees increase to the point of being prohibitively expensive for users, validators may not have an adequate incentive to continue validating. Further, if the price of ether or the reward for validating new blocks is not sufficiently high to incentivize validators, validators may cease participating in the consensus mechanism. Validators ceasing operations or participation in the consensus mechanism would reduce the collective processing power on the Ethereum network, which would adversely affect the confirmation process for transactions (i.e., temporarily decreasing the speed at which blocks are added to the blockchain) and make the Ethereum network more vulnerable to malicious actors or botnets (i.e., volunteers or a hacked collection of computers controlled by networked software coordinating the actions of the computers) obtaining sufficient control to alter the blockchain and hinder transactions. Any reduction in confidence in the confirmation process or processing power of the Ethereum network may adversely affect a Fund's investments in Ether Futures. The IRS has taken the position that staking rewards are taxable generally upon receipt.

Blockchain "Fork" Risk. From time to time, the developers suggest changes to the Ethereum software. If a sufficient number of users and validators elect not to adopt the changes, a new digital asset, operating on the earlier version of the Ethereum software, may be created. This is often referred to as a "fork." A fork may be intentional such as the Ethereum 'Merge.' The 'Merge' represents the Ethereum Network's shift from proof-of-work to proof-of-stake. This means that instead of being required to solve complex mathematical problems validators are required to stake ether.

Hard forks of the Ethereum Blockchain could impact demand for ether or other digital assets and could adversely impact a Fund's investments in Ether Futures. In addition, a hard fork can introduce new security risks. For example, when Ethereum and Ethereum Classic split in July 2016, replay attacks, in which transactions from one network were rebroadcast to nefarious effect on the other network, plagued trading venues for several months. A trading venue announced in July 2016 that it had lost 40,000 ether from the Ethereum Classic network, which was worth about \$100,000 at that time, as a result of replay attacks.

A fork could also be introduced by an unintentional, unanticipated software flaw in the multiple versions of otherwise compatible software users run. Such a fork could adversely affect ether's viability. However, it is possible that a substantial number of users and validators could adopt an incompatible version of ether while resisting community-led efforts to merge the two chains. This would result in a permanent fork, as in the case of Ethereum and Ethereum Classic, as detailed above.

A fork in the Ethereum network could adversely affect a Fund's investments in Ether Futures and therefore an investment in the Fund.

Ether "Air Drop" Risk. A substantial giveaway of ether (sometimes referred to as an "air drop") may also result in significant and unexpected declines in the value of ether, Ether Futures, and, accordingly, a Fund.

"51% Attack" and Ether "Whales" Risks. The Ethereum network is currently vulnerable to a "51% attack" where, if malicious actors were to gain control of more than 50% of the network's staked ether, or "aggregate stake", they would be able to gain full control of the network and have the ability to manipulate the blockchain, including interrupting the recording of new blocks by preventing other miners from completing blocks. A significant portion of ether is held by a small number of holders sometimes referred to as "whales." These holders have the ability to manipulate the price of ether.

Ether Cybersecurity Risk. If the source code or cryptography underlying ether proves to be flawed or ineffective, malicious actors may be able to steal ether held by others, which could negatively impact the demand for ether and adversely impact the price of ether. In the past, flaws in the source code for ether have been discovered, including those that resulted in the loss of users' ether. Discovery of flaws in or exploitations of the source code that allow malicious actors to take or create money in contravention of known network rules have occurred. In addition, the cryptography underlying ether could prove to be flawed or ineffective, or developments in mathematics and/or technology, including advances in digital computing, algebraic geometry and quantum computing, could result in such cryptography becoming ineffective. In any of these circumstances, a malicious actor may be able to steal ether held by others, which could adversely affect the demand for ether and therefore adversely impact the price of ether. Even if the affected digital asset is not ether, any reduction in confidence in the source code or cryptography underlying digital assets generally could negatively impact the demand for ether and therefore adversely affect a Fund's investments in Ether Futures.

Possession of 33% of staked Ether is the minimum stake that can be used to execute an attack and that the possession of more than 50% of staked Ether enables more extensive attacks, such as transaction censorship and block reordering. Additionally, if a malicious actor or botnet obtains control of more than 50% of the Ethereum network's aggregate stake, such actor or botnet could alter the blockchain and adversely affect the value of ether, which would adversely affect a Fund's investments in Ether Futures. The malicious actor or botnet could control, exclude or modify the ordering of transactions. However, it would not be able to generate new ether units or transactions using such control. The malicious actor could "double-spend" its own ether units (*i.e.*, spend the same units in more than one transaction) and prevent the confirmation of other users' transactions for so long as it maintained control. To the extent that the malicious actor or botnet did not yield its control of the processing power on the Ethereum network or the network community did not reject the fraudulent blocks as malicious, reversing any changes made to the blockchain may not be possible. Further, a malicious actor or botnet could create a flood of transactions in order to slow down confirmations of transactions on the Ethereum network.

If an exploitation or attack on the Ethereum network occurs, it could result in a loss of public confidence in ether and a decline in the value of ether and, as a result, adversely impact a Fund's investments in Ether Futures.

Internet Disruption Risk. Ether is dependent upon the internet. A significant disruption in internet connectivity could disrupt the Ethereum network's operations until the disruption is resolved and have an adverse effect on the price of ether. In particular, some variants of digital assets have been subjected to a number of denial-of-service attacks, which have led to temporary delays in block creation and in the transfer of the digital assets. While in certain cases in response to an attack, an additional hard fork has been introduced to increase the cost of certain network functions, the relevant network has continued to be the subject of additional attacks. Moreover, it is possible that if ether increases in value, it may become a bigger target for hackers and subject to more frequent hacking and denial-of-service attacks.

Ether is also susceptible to border gateway protocol ("BGP") hijacking. That type of an attack can be an effective way for an attacker to intercept traffic en route to a legitimate destination. BGP hijacking impacts the way different nodes and validators are connected to one another and isolates portions of them from the remainder of the network, which could lead to a risk of the network allowing double spending and other security issues. If BGP hijacking occurs on the Ethereum network, participants may lose faith in the security of ether, which could adversely affect ether's value and consequently a Fund's investments in Ether Futures.

Any future attacks that impact the ability to transfer ether could have a material adverse effect on the price of ether and on a Fund's investments in Ether Futures.

Ether Regulatory Risk. Unlike the exchanges for more traditional assets, such as equity securities and futures contracts, ether and the digital asset trading venues on which it trades are largely unregulated and highly fragmented. There also is a lack of regulation of bitcoin, ether and the trading venues on which they trade. As a result of the lack of regulation, individuals or groups may engage in fraud or market manipulation (including using social media to promote bitcoin in a way that artificially increases the price of ether). Investors may be more exposed to the risk of theft, fraud and market manipulation than when investing in more traditional asset classes. Over the past several years, a number of digital asset trading venues have been closed due to fraud, failure or security breaches. Investors in ether may have little or no recourse should such theft, fraud or manipulation occur and could suffer significant losses. Legal or regulatory changes may negatively impact the operation of the ether network or restrict the use of ether. The Fund may also be negatively impacted by regulatory enforcement actions against the digital asset trading venues upon which ether trades. Such actions could significantly reduce the number of venues upon which ether trades and could negatively impact the Ether Futures contracts held by a Fund that reference the price of ether. In addition, digital asset trading venues, ether miners, and other participants may have significant exposure to other digital assets. Instability in the price, availability or legal or regulatory status of those instruments may adversely impact the operation of the digital asset trading venues and the ether network. The realization of any of these risks could result in a decline in the acceptance of ether and consequently, a reduction in the value of ether, Ether Futures contracts, and shares of a Fund. Such occurrences could also impair the Fund's ability to meet its investment objective pursuant to its investment strategy.

As ether and digital assets have grown in both popularity and market size, the U.S. Congress and a number of U.S. federal and state agencies have been examining the operations of digital asset networks, digital asset users and the digital asset exchange market. Many of these state and federal agencies have brought enforcement actions and issued advisories and rules relating to digital asset markets.

Current and future legislation, SEC and CFTC rulemaking, and other regulatory developments may impact the manner in which ether is treated for classification and clearing purposes. In particular, certain transactions in ether may be deemed to be commodity interests under the CEA or ether may be classified by the SEC as a "security" under U.S. federal securities laws. If ether is determined to be a "security" under federal or state securities laws by the SEC or any other agency, or in a proceeding in a court of law or otherwise, it may have material adverse consequences for ether as a digital asset. Ongoing and future regulatory actions with respect to digital assets generally or any single digital asset in particular may alter, perhaps to a materially adverse extent, the nature of an investment in ether and/or the ability of a Fund to continue to operate.

Ether may be determined to be a security or to be offered and sold as a security under federal or state securities laws. If ether is determined to be a "security" under federal or state securities laws by the SEC or any other agency, or in a proceeding in a court of law or otherwise, it may have material adverse consequences for ether as a digital asset. In the face of such developments, the required registrations and compliance steps may result in extraordinary, nonrecurring expenses to the Trust. If the Sponsor decides to dissolve the Trust in response to the changed regulatory circumstances, the Trust may be dissolved or liquidated at a time that is disadvantageous to Shareholders.

Various U.S. federal and state and foreign jurisdictions are developing or adopting laws, regulations or directives that affect the Ethereum network, the ether markets, and their users, particularly digital asset trading platforms and service providers that fall within such jurisdictions regulatory scope. There remains significant uncertainty regarding the U.S. and foreign government and quasi-governmental regulatory actions with respect to digital assets and digital asset trading venues. Foreign laws, regulations or directives may conflict with those of the U.S. and may negatively impact the acceptance of ether by users, merchants and service providers and may therefore impede the growth or sustainability of the ether economy in the U.S. and globally, or otherwise negatively affect the value of ether.

The effect of any future regulatory change on a Fund or ether is impossible to predict, but such change could be substantial and adverse to the Fund and the value of the Fund's shares.

Intellectual Property Risk. Third parties may assert intellectual property claims relating to the holding and transfer of ether and its source code. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in long-term viability or the ability of end-users to hold and transfer ether may adversely affect the Fund's investments in Ether Futures. Additionally, a meritorious intellectual property claim could prevent end-users from accessing, holding, or transferring ether, which could force the liquidation of the ether holdings of any pooled investment vehicle in which a Fund invests. As a result, an intellectual property claim against large ether participants could adversely affect a Fund's investments in Ether Futures.

Digital Asset Trading Venues Operational Risk. Venues through which ether trades are relatively new. Digital asset trading venues are generally subject to different regulatory requirements than venues for trading more traditional assets, and may be subject to limited or no regulation, especially outside the U.S. Furthermore, many such trading venues, including over-the-counter trading venues, do not provide the public with significant information regarding their ownership structure, management teams, corporate practices or regulatory compliance. Digital asset trading venues may impose daily, weekly, monthly or customer-specific transaction or distribution limits or suspend withdrawals entirely, rendering the exchange of ether for fiat currency difficult or impossible. Participation in digital asset trading on some venues requires users to take on credit risk by transferring digital assets from a personal account to a third party's account, which could discourage trading on those venues.

Over the past several years, a number of digital asset trading venues have been closed due to fraud, failure or security breaches. In many of these instances, the customers of such digital asset trading venues were not compensated or made whole for the partial or complete losses of their account balances in such digital asset trading venues. For instance, in May 2022, the collapse of the algorithmic stablecoin TerraUSD and its paired crypto asset LUNA destroyed an estimated \$60 billion in value in the crypto ecosystem. Although TerraUSD and LUNA operated on their own blockchain (the "Terra" blockchain), the events nonetheless contributed to a sharp decline in the price of ether and bitcoin, which fell 30% and 16% respectively, from May 1, 2022 to May 31, 2022. As another example, in November 2022, FTX Trading Ltd. – an offshore digital asset trading venue specializing in crypto derivatives – collapsed and filed for bankruptcy. While a small fraction of total global trading volume in ether, bitcoin, and related derivatives took place on FTX-related venues, the company's collapse nonetheless contributed to a significant decline in the price of ether and bitcoin, which fell 18% and 16%, respectively, in November 2022. Additional instability, failures, bankruptcies or other negative events in the digital asset industry, including events that are not necessarily related to the security or utility of the Ethereum Blockchain and Bitcoin Blockchain, could similarly negatively impact the price of ether and bitcoin, and thereby the Ether Futures and Bitcoin Futures held by the Fund.

While smaller trading venues are less likely to have the infrastructure and capitalization that make larger trading venues more stable, larger trading venues are more likely to be appealing targets for hackers and "malware" (*i.e.*, software used or programmed by attackers to disrupt computer operation, gather sensitive information or gain access to private computer systems). Digital asset trading venues that are regulated typically must comply with minimum net worth, cybersecurity, and anti-money laundering requirements, but are not typically required to protect customers to the same extent that regulated securities exchanges or futures exchanges are required to do so.

Furthermore, many digital asset trading venues lack certain safeguards put in place by exchanges for more traditional assets to enhance the stability of trading on the exchanges and prevent "flash crashes," such as limit-down circuit breakers. As a result, the prices of ether on trading venues may be subject to larger and/or more frequent sudden declines than assets traded on more traditional exchanges.

Operational problems or failures by digital asset trading venues and fluctuations in ether prices may reduce confidence in these venues or in ether generally, which could adversely affect the price of ether and therefore adversely affect a Fund's investments in Ether Futures.

Political or Economic Crisis Risk. As an alternative to fiat currencies that are backed by central governments, ether is subject to supply and demand forces based upon the desirability of an alternative, decentralized means of buying and selling goods and services, and it is unclear how such supply and demand will be impacted by geopolitical events. Nevertheless, political or economic crises may motivate large-scale acquisitions or sales of ether, either globally or locally. Large-scale sales of ether would result in a reduction in its price and adversely affect a Fund's investments in Ether Futures.

Large Scale Ether Sale Risk. There is no registry showing which individuals or entities own ether or the quantity of ether that is owned by any particular person or entity. It is possible, and in fact, reasonably likely, that a small group of early ether adopters hold a significant proportion of the ether that has been created to date. There are no regulations in place that would prevent a large holder of ether from selling ether it holds. To the extent such large holders of ether engage in large-scale sales or distributions, either on nonmarket terms or in the ordinary course, it could result in a reduction in the price of ether and adversely affect an investment in a Fund.

Ether-Related Investment Risk. If a Fund is unable to obtain its target ether exposure for reasons beyond its control, such as because the Fund is approaching or has exceeded position limits or accountability levels or because of liquidity or other constraints, the Adviser and 21Shares may determine that it is in the Fund's best interest to invest in ether-related investments. There can be no assurance that the returns of ether-related investments will correspond, or be closely-related, to the performance of ether or Ether Futures. Ether-related investments may be impacted by changes in technology, competition, loss or impairment of intellectual property rights, cyclical economic patterns, shifting consumer preferences, evolving industry standards, adverse effects of changes to a network's or software's protocols, a rapidly changing regulatory environment, and dependency on certain key personnel (including highly skilled financial services professionals and software engineers). Ether-related investments may be particularly susceptible to operational and information security risks including those associated with hardware or software failures, interruptions, or delays in service by third party vendors, and security breaches. Certain ether-related investments may be subject to the risks associated with investing directly in digital assets, including crypto assets and crypto tokens.

Ether Futures Risks. Ether Futures expose a Fund to all of the risks associated with ether discussed herein and an investment in Ether Futures may be subject to the following risks specific to Ether Futures. Because the value of the Ether Futures (and therefore the value of an investment in the Fund) may decline significantly or to zero, you should not invest in the Fund if you are unable or unprepared to sustain significant changes in the value of your investment or the loss of your entire investment.

The use of futures contracts involves risks that are in addition to, and potentially greater than, the risks of investing directly in securities or other underlying assets and other more traditional assets. Ether and Ether Futures are relatively new asset classes and ether is subject to rapid changes, uncertainty and regulation that may adversely affect the value of the Ether Futures or the nature of an investment in a Fund and may adversely affect the ability of the Fund to buy and sell Ether Futures or achieve its investment objective. The market for Ether Futures is less developed than older, more established futures markets (such as corn or wheat futures) and may be more volatile and less liquid. Historically, ether and Ether Futures have been subject to significant price volatility. The price of Ether Futures may differ significantly from the spot price of ether. While the Ether Futures market has grown substantially since Ether Futures commenced trading, there can be no assurance that this growth will continue.

If the Ether Futures market is in a state of "backwardation" (*i.e.*, when the price of ether in the future is expected to be less than the current price), a Fund will buy later to expire contracts for a lower price than the sooner to expire contracts that it sells. Hypothetically, and assuming no changes to either prevailing ether prices or the price relationship between immediate delivery, soon to expire contracts and later to expire contracts, the value of a contract will rise as it approaches expiration. If the Ether Futures market is in "contango," a Fund will buy later to expire contracts for a higher price than the sooner to expire contracts that it sells. Hypothetically, and assuming no other changes to either prevailing ether prices or the price relationship between the spot price, soon to expire contracts and later to expire contracts, the value of a contract will fall as it approaches expiration. All other things being equal, a situation involving prolonged periods of contango may adversely impact the returns of a Fund; conversely a situation involving prolonged periods of backwardation may positively impact the returns of the Fund.

When an Ether Futures contract is nearing expiration, a Fund will generally sell it and use the proceeds to buy an Ether Futures contract with a later expiration date. This is commonly referred to as “rolling”. The costs associated with rolling Ether Futures typically are substantially higher than the costs associated with other futures contracts and may have a significant adverse impact on the performance of a Fund. A Fund may be adversely affected by “negative roll yields” in “contango” markets. Typically, a Fund will “roll” out of one futures contract as the expiration date approaches and into another futures contract on ether with a later expiration date. The “rolling” feature creates the potential for a significant negative effect on a Fund’s performance that is independent of the performance of the spot price of ether. The “spot price” of an underlying instrument is the price of that underlying instrument for immediate delivery, as opposed to a futures price, which represents the price for delivery on a specified date in the future. Therefore, if the futures market for a given underlying instrument is in “contango,” then the value of a futures contract on that underlying instrument would tend to decline over time (assuming the spot price remains unchanged), because the higher futures price would fall as it converges to the lower spot price by expiration. A Fund would be expected to experience negative roll yield if Ether Futures prices tend to be greater than the spot price of ether (*i.e.*, in a “contango” market).

Ether Futures are subject to position limits, accountability limits and dynamic price fluctuation limits that will limit a Fund’s ability to invest the proceeds of Baskets in Ether Futures. Position limits, accountability limits and dynamic price fluctuation limits may cause tracking error or may impair the Fund’s ability to meet its investment objective or achieve the desired exposure. Ether Futures also are subject to relatively high initial margin requirements and the FCMs utilized by the Fund may impose margin requirements in addition to those imposed by the exchanges. Margin requirements are subject to change, and may be raised in the future by the exchanges and the FCMs. The CME has established position limits on the maximum number of contracts that may be held or controlled and accountability levels that if reached would allow the CME to exercise greater scrutiny and control over a Fund’s positions. These positions are aggregated across all investment products managed by the Adviser. In addition, an FCM may impose limits on the total amount of exposure to futures contracts a Fund may obtain through such FCM. Such requirements may limit the Fund’s ability to achieve its desired investment exposure and may require a Fund to liquidate its position when it otherwise would not do so. If a Fund is unable to meet its investment objective, the Fund’s returns may be lower than expected.

Ether Futures are a relatively new type of futures contract that may be less developed than more established futures markets (such as the futures markets for corn or wheat). Accordingly, although Ether Futures have traded on the CME since February 2021 and the market for Ether Futures has grown since inception, the market for Ether Futures may be riskier, less liquid, more volatile and more vulnerable to economic, market, industry, regulatory and other changes than more established futures contracts. The liquidity of the market for Ether Futures will depend on, among other things, the supply and demand for Ether Futures, speculative interest in the market for Ether Futures and the potential ability to hedge against the price of ether with Ether Futures.

Blockchain Industry and Digital Economy Companies Risk. Companies that are developing financial technologies that seek to disrupt or displace established financial institutions generally face competition from much larger and more established firms. Such companies may not be able to capitalize on their disruptive technologies if they face political and/or legal attacks from competitors, industry groups or local and national governments. Laws generally vary by country, creating some challenges to achieving scale. Companies involved in digital assets may face slow adoption rates and be subject to higher levels of regulatory scrutiny in the future, which could severely impact the viability of these companies. Companies in the blockchain industry and digital economy may not currently derive any revenue, and there is no assurance that such companies will derive any revenue from innovative technologies in the future. Additionally, companies in the blockchain industry and digital economy may be adversely impacted by potential rapid product obsolescence, cybersecurity attacks, increased regulatory oversight and disruptions in the technology they depend on. To the extent a company uses or supports blockchain technology it can be subject to increased risk as blockchain is new and many of its uses are untested. A lack of expansion in the usage of blockchain technology could adversely affect companies that use or support blockchain technology.

Bond and Fixed Income Risks. The Fund may invest in debt obligations traded in U.S., which are subject to one or more of the following risks:

Credit Risk: Bonds are subject to varying degrees of credit risk, which are often reflected in credit ratings. The value of an issuer’s securities held by the Fund may decline in response to adverse developments with respect to the issuer. In addition, the Fund could lose money if the issuer or guarantor of a bond is unable or unwilling to make timely principal and interest payments or to otherwise honor its obligations.

Interest Rate Risk. The income generated by debt securities owned by the Fund will be affected by changing interest rates. In addition, as interest rates rise the values of fixed income securities held by the Fund are likely to decrease. Securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Falling interest rates may cause an issuer to redeem or “call” a security before its stated maturity, which may result in the Fund having to reinvest the proceeds in lower yielding securities. Rising interest rates across the U.S. financial system may result in fixed-income markets becoming more volatile. A rise in rates tends to have a greater impact on the prices of longer term or duration securities. Interest rates have recently increased suddenly after a long period of historically low rates. The Fund faces a heightened risk that rates may continue to rise.

Liquidity Risk. Liquidity risk exists when particular investments are difficult to purchase or sell. Markets may become illiquid when, for example, there are few, if any, interested buyers or sellers or when dealers are unwilling or unable to make a market for certain securities. As a general matter, dealers recently have been less willing to make markets for fixed income securities. The Fund’s investments in illiquid securities may reduce the return of the Fund because it may be unable to sell such illiquid securities at an advantageous time or price. Illiquid securities may also be difficult to value.

Prepayment. Many types of debt securities, including mortgage securities, are subject to prepayment risk. Prepayment risk occurs when the issuer of a security can repay principal prior to the security’s maturity. Securities subject to prepayment can offer less potential for gains during a declining interest rate environment and similar or greater potential for loss in a rising interest rate environment. In addition, the potential impact of prepayment features on the price of a debt security can be difficult to predict and result in greater volatility.

Issuer-Specific Changes. Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security’s or instrument’s credit quality or value. Entities providing credit support or a maturity-shortening structure also can be affected by these types of changes, and if the structure of a security fails to function as intended, the security could decline in value.

U.S. Government Securities Risk. U.S. government securities are subject to market risk, interest rate risk and credit risk. Securities, such as those issued or guaranteed the U.S. Treasury, that are backed by the full faith and credit of the United States are guaranteed only as to the timely payment of interest and principal when held to maturity and the market prices for such securities will fluctuate. Notwithstanding that these securities are backed by the full faith and credit of the United States, circumstances could arise that would prevent the payment of interest or principal. This would result in losses the Fund.

Cash Creation Unit Risk. To the extent the Fund effects its creations and redemptions for cash, rather than in-kind securities, the Fund’s shares may trade in the market at greater bid-ask spreads or greater premiums or discounts to the Fund’s NAV. As a practical matter, only institutions and large investors, such as market makers or other large broker dealers, also known as “authorized participants,” create or redeem shares directly through the Fund. Most investors will buy and sell shares of the Fund on an exchange through a broker-dealer. Cash creation and redemption transactions may result in certain brokerage, tax, execution, price movement and other costs and expenses related to the execution of trades resulting from such transactions. To offset these expenses, the Fund will collect fees from the applicable authorized participant to reimburse the Fund for any costs incurred by the Fund that result from a cash creation or redemption. The use of cash for redemptions will limit the tax efficiency of the Fund.

Concentration Risk. The Fund may be susceptible to an increased risk of loss, including losses due to adverse events that affect the Fund’s investments more than the market as a whole, to the extent that the Fund’s investments are concentrated in investments that provide exposure to digital assets. The price movements of bitcoin and ether have historically been highly correlated, with the returns of ether generally being more volatile (ether tends to rise more than bitcoin on days when bitcoin and ether rise and tends to fall more than bitcoin on days when bitcoin and ether fall). The high correlation of bitcoin and ether – along with ether’s high volatility relative to bitcoin – suggests that combining instruments that provide exposure to bitcoin and ether into a single portfolio may not convey benefits commonly associated with diversification, including reduced risk and enhanced risk-adjusted returns. Additionally, the high correlation of the two assets means that negative events associated with either asset may impact the price of the other asset as well.

Counterparty Risk. Investing in derivatives and repurchase agreements involves entering into contracts with third parties (called counterparties). The use of derivatives and repurchase agreements involves risks that are different from those associated with ordinary portfolio securities transactions. The Fund will be subject to credit risk (*i.e.*, the risk that a counterparty is or is perceived to be unwilling or unable to make timely payments or otherwise meet its contractual obligations) with respect to the amount it expects to receive from counterparties to derivatives and repurchase agreements entered into by the Fund. If a counterparty becomes bankrupt or fails to perform its obligations, or if any collateral posted by the counterparty for the benefit of the Fund is insufficient or there are delays in the Fund's ability to access such collateral, the value of an investment in the Fund may decline. The counterparty to a listed futures contract is the derivatives clearing organization for the listed future. The listed future is held through an FCM acting on behalf of the Fund. Consequently, the counterparty risk on a listed futures contract is the creditworthiness of the FCM and the exchange's clearing corporation. From time to time, the Fund may only have a small number of FCMs with which it transacts Bitcoin Futures and Ether Futures, which may heighten such risk.

Derivatives Risk. The term "derivatives" covers a broad range of financial instruments, including swap agreements, options, warrants, futures contracts, currency forwards and structured notes, whose values are derived, at least in part, from the value of one or more indicators, such as a security, commodity, asset, index or reference rate.

The use of derivatives presents risks different from, and possibly greater than, the risks associated with investing directly in traditional securities. The use of derivatives can lead to losses because of adverse movements in the price or value of the underlying security, commodity, asset, index or reference rate, which may be magnified by certain features of the derivatives. Derivative strategies often involve leverage, which may exaggerate a loss, potentially causing the Fund to lose more money than it originally committed to initial margin, and more money than it would have lost had it invested in the underlying security. The values of derivatives may move in unexpected ways, especially in unusual market conditions, and may result in increased volatility, among other consequences. There may be imperfect correlation between changes in the market value of a derivative and the value of its underlying reference asset, or in the case of hedging, in the value of the portfolio investment being hedged, and this may be exaggerated in times of market stress or volatility. Many derivatives require the Fund to post margin or collateral in a manner that satisfies contractual undertakings. In order to satisfy margin requirements, the Fund may need to sell securities from its portfolio or exit positions at a time when it may be disadvantageous to do so. All of this could, in turn, affect the Fund's ability to fully execute its investment strategies and/or achieve its investment objective. Changes in government regulation of derivatives could affect the character, timing and amount of the Fund's taxable income or gains. Other risks arise from the Fund's potential inability to terminate or sell derivative positions. A liquid secondary market may not always exist for the Fund's derivative positions at times when the Fund might wish to terminate or sell such positions. The use of derivatives also involves the risk of mispricing or improper valuation and that changes in the value of the derivative may not correlate perfectly with the underlying security, asset, index or reference rate. Derivatives may be subject to changing government regulation that could impact the Fund's ability to use certain derivatives and their cost.

ETF Risks.

- **APs, Market Makers, and Liquidity Providers Concentration Risk.** The Fund has a limited number of financial institutions that may act as APs. In addition, there may be a limited number of market makers and/or liquidity providers in the marketplace. The Fund cannot force APs, market makers or liquidity providers to transact in Fund Shares. To the extent either of the following events occur, Shares may trade at a material discount to NAV and possibly face delisting: (i) APs exit the business or otherwise become unable to process creation and/or redemption orders and no other APs step forward to perform these services, or (ii) market makers and/or liquidity providers exit the business or significantly reduce their business activities and no other entities step forward to perform their functions.
- **Secondary Market Trading Risk.** The Fund's Shares are listed for trading on Cboe BZX, Inc. (the "Exchange") and Shares are bought and sold in the secondary market at market prices on the Exchange. Investors buying or selling Shares in the secondary market pay brokerage commissions or other charges imposed by brokers as determined by that broker. Brokerage commissions are often a fixed amount and may be a significant proportional cost for investors seeking to buy or sell relatively small amounts of Shares. In addition, secondary market investors also incur the cost of the difference between the price that an investor is willing to pay for Shares (the "bid" price) and the price at which an investor is willing to sell Shares (the

“ask” price). This difference in bid and ask prices is often referred to as the “spread” or “bid/ask spread.” The bid/ask spread varies over time for Shares based on trading volume and market liquidity, and is generally lower if the Fund’s Shares have more trading volume and market liquidity and higher if the Fund’s Shares have little trading volume and market liquidity. Further, increased market volatility may cause increased bid/ask spreads.

- **Premium-Discount Risk.** The Shares may trade above or below their NAV. The NAV of the Fund will generally fluctuate with changes in the market value of the Fund’s holdings. The Fund’s NAV is generally calculated once per day, at the end of the day. The market price of a Share on the Exchange could be higher (premium) or lower (discount) than the Fund’s NAV per Share. The market prices of Shares, however, will generally fluctuate in accordance with changes in NAV as well as the relative supply of, and demand for, Shares on the Exchange and other securities exchanges. The trading price of Shares may deviate significantly from NAV during periods of market volatility or limited trading in Shares. The Adviser cannot predict whether Shares will trade below, at or above their NAV. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for Shares will be closely related to, but not identical to, the same forces influencing the prices of the securities held by the Fund. However, given that Shares can be purchased and redeemed in large blocks of Shares, called Creation Units (unlike shares of closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their NAV), and the Fund’s portfolio holdings are fully disclosed on a daily basis, the Adviser believes that large discounts or premiums to the NAV of Shares should not be sustained, but that may not be the case.
- **Active Market Trading Risk.** Although the Shares are listed on the Exchange, there can be no assurance that an active or liquid trading market for them will develop or be maintained. In addition, trading in Shares on the Exchange may be halted due to market conditions or for reasons that, in the view of the Exchange, make trading in Shares inadvisable. When markets are stressed, Fund Shares could suffer erratic or unpredictable trading activity, extraordinary volatility or wide bid/ask spreads, which could cause some market makers and APs to reduce their market activity or “step away” from making a market in ETF shares. This could cause the Fund’s market price to deviate, materially, from the NAV, and reduce the effectiveness of the ETF arbitrage process. Further, trading in Shares on the Exchange is subject to trading halts caused by extraordinary market volatility pursuant to the “circuit breaker” rules, which temporarily halt trading on the Exchange when a decline in the S&P 500 Index during a single day reaches certain thresholds (e.g., 7%, 13% and 20%). There can be no assurance that the requirements of the Exchange necessary to maintain the listing of the Fund will continue to be met or will remain unchanged.

Emerging Markets Risk. Investments in securities and instruments traded in developing or emerging markets, or that provide exposure to those securities or markets, can involve additional risks relating to political, economic, or regulatory conditions not associated with investments in U.S. securities and instruments. For example, developing and emerging markets may be subject to (i) greater market volatility, (ii) lower trading volume and liquidity, (iii) greater social, political and economic uncertainty, (iv) governmental controls on foreign investments and limitations on repatriation of invested capital, (v) lower disclosure, corporate governance, auditing and financial reporting standards, (vi) fewer protections of property rights, (vii) restrictions on the transfer of securities or currency, and (viii) settlement and trading practices that differ from those in U.S. markets. Each of these factors may impact the ability of the Fund to buy, sell or otherwise transfer securities, adversely affect the trading market and price for Shares and cause the Fund to decline in value.

Foreign Investment Risk. The Fund may invest in foreign securities, including non-U.S. dollar-denominated securities traded outside of the United States and U.S. dollar-denominated securities of foreign issuers traded in the United States. Returns on investments in foreign securities could be more volatile than, or trail the returns on, investments in U.S. securities. Investments in foreign securities, including investments in American Depositary Receipts (ADRs), European Depositary Receipts (EDRs) and Global Depositary Receipts (GDRs), are subject to special risks, including the following:

- *Foreign Securities Risk.* Investments in non-U.S. securities involve risks that may not be present with investments in U.S. securities. For example, investments in non-U.S. securities may be subject to risk of loss due to foreign currency fluctuations or to political or economic instability. There may be less information publicly available about a non-U.S. issuer than a U.S. issuer. Non-U.S. issuers may be subject to different

accounting, auditing, financial reporting and investor protection standards than U.S. issuers. Changes to the financial condition or credit rating of foreign issuers may also adversely affect the value of the Fund's securities. Investments in non-U.S. securities may be subject to withholding or other taxes and may be subject to additional trading, settlement, custodial, and operational risks. Because legal systems differ, there is also the possibility that it will be difficult to obtain or enforce legal judgments in some countries. Since foreign exchanges may be open on days when the Fund does not price its Shares, the value of the securities in the Fund's portfolio may change on days when shareholders will not be able to purchase or sell the Fund's Shares. Conversely, Shares may trade on days when foreign exchanges are closed. Investment in foreign securities may involve higher costs than investment in U.S. securities, including higher transaction and custody costs as well as the imposition of additional taxes by foreign governments. Each of these factors can make investments in the Fund more volatile and potentially less liquid than other types of investments.

- *Capital Controls Risk.* Economic conditions, such as volatile currency exchange rates and interest rates, political events and other conditions may, without prior warning, lead to government intervention and the imposition of "capital controls" or expropriation or nationalization of assets. The possible establishment of exchange controls or freezes on the convertibility of currency, or the adoption of other governmental restrictions, might adversely affect an investment in foreign securities. Capital controls include the prohibition of, or restrictions on, the ability to transfer currency, securities or other assets within or out of a jurisdiction. Levies may be placed on profits repatriated by foreign entities (such as the Fund). Capital controls may impact the ability of the Fund to buy, sell or otherwise transfer securities or currency, may adversely affect the trading market and price for Shares of the Fund, and may cause the Fund to decline in value.
- *Currency Risk.* The Fund's NAV is determined on the basis of U.S. dollars; therefore, the Fund may lose value if the local currency of a foreign market depreciates against the U.S. dollar, even if the local currency value of the Fund's holdings goes up. Currency exchange rates may fluctuate significantly over short periods of time. Currency exchange rates also can be affected unpredictably by intervention; by failure to intervene by U.S. or foreign governments or central banks; or by currency controls or political developments in the U.S. or abroad. Changes in foreign currency exchange rates may affect the NAV of the Fund and the price of the Fund's Shares. Devaluation of a currency by a country's government or banking authority would have a significant impact on the value of any investments denominated in that currency.
- *Political and Economic Risk.* The Fund is subject to foreign political and economic risk not associated with U.S. investments, meaning that political events (civil unrest, national elections, changes in political conditions and foreign relations, imposition of exchange controls and repatriation restrictions), social and economic events (labor strikes, rising inflation) and natural disasters occurring in a foreign country could cause the Fund's investments to experience gains or losses. The Fund also could be unable to enforce its ownership rights or pursue legal remedies in countries where it invests.
- *Foreign Market and Trading Risk.* The trading markets for many foreign securities are not as active as U.S. markets and may have less governmental regulation and oversight. Foreign markets also may have clearance and settlement procedures that make it difficult for the Fund to buy and sell securities. The procedures and rules governing foreign transactions and custody (holding of the Fund's assets) also may involve delays in payment, delivery or recovery of money or investments. These factors could result in a loss to the Fund by causing the Fund to be unable to dispose of an investment or to miss an attractive investment opportunity, or by causing Fund assets to be uninvested for some period of time.

Fund of Funds Risk. Because the Fund invests significantly in the Underlying ETFs, the Fund's investment performance largely depends on the investment performance of the Underlying ETFs. An investment in the Fund is subject to the risks associated with the Underlying ETFs. As noted above, the risks described in this prospectus apply to the Fund directly and/or indirectly via its investments in Underlying ETFs. The Fund will indirectly pay a proportional share of the expenses of the Underlying ETFs (including operating expenses and management fees).

If an Underlying ETF fails to maintain its status as a regulated investment company under Subchapter M of the U.S. Internal Revenue Code of 1986, as amended, the Underlying ETF would be liable for federal, and possibly state, corporate taxes on its taxable income and gains. Such failure by an Underlying ETF could substantially reduce the net

assets of the Fund and the amount of income available for distribution to the Fund, which would in turn decrease the total return of the Fund in respect of the Fund's investment in an Underlying ETF, and would result in certain tax asset diversification limitations which would reduce the Fund's investment in an Underlying ETF. See the section entitled "Taxation" in the Statement of Additional Information for more information.

Geopolitical/Natural Disaster Risk. The value of your investment in the Fund is based on the values of the Fund's investments, which may change due to economic and other events that affect markets generally, as well as those that affect particular regions, countries, industries, companies or governments. These events may be sudden and unexpected and could adversely affect the liquidity of the Fund's investments, which may in turn impact valuation, the Fund's ability to sell securities and/or its ability to meet redemptions. The risks associated with these developments may be magnified if certain social, political, economic and other conditions and events (such as war, natural disasters, epidemics and pandemics, terrorism, conflicts, social unrest, recessions, inflation, rapid interest rate changes and supply chain disruptions) adversely interrupt the global economy and financial markets. It is difficult to predict when events affecting the U.S. or global financial markets may occur, the effects that such events may have and the duration of those effects (which may last for extended periods). These events may negatively impact broad segments of businesses and populations and have a significant and rapid negative impact on the performance of the Fund's investments, adversely affect and increase the volatility of the Fund's share price and exacerbate pre-existing risks to the Fund.

Investment Capacity Risk. If the Fund or an Underlying ETF's ability to obtain exposure to Bitcoin Futures or Ether Futures consistent with its investment objective is disrupted for any reason including, for example, limited liquidity in the Bitcoin Futures or Ether Futures market, limited supply of acceptable Bitcoin Futures and/or Ether Futures, a disruption to the Bitcoin Futures and/or Ether Futures market, or as a result of margin requirements or position limits imposed by the Fund's FCMs, the CME, or the CFTC, the Fund may not be able to achieve its investment objective and may experience significant losses. If the Fund is unable for any reason to obtain its desired exposure to Bitcoin Futures or Ether Futures, the Adviser, in its sole discretion, may invest the Fund's assets in debt instruments described above. To the extent the Fund invests in debt instruments, the Fund's performance should be expected to differ from the performance of Bitcoin Futures and Ether Futures and its returns may be lower than expected.

Investment in Other Investment Companies Risk. The Fund's investment in another investment company, including a money market fund, may subject the Fund indirectly to the underlying risks of the investment company. The Fund also will bear its share of the underlying investment company's fees and expenses, which are in addition to the Fund's own fees and expenses.

Investment Risk. When you sell your Shares of the Fund, they could be worth less than what you paid for them. In addition, there are several factors that may cause the returns of the Fund to differ substantially from the returns of an account that held a corresponding amount of bitcoin and ether directly. The Fund could lose money due to short-term market movements and over longer periods during market downturns. Securities may decline in value due to factors affecting securities markets generally or particular asset classes or industries represented in the markets. The value of a security may decline due to general market conditions, economic trends or events that are not specifically related to the issuer of the security or to factors that affect a particular industry or group of industries. During a general downturn in the securities markets, multiple asset classes may be negatively affected. Therefore, you may lose money by investing in the Fund.

IPO Risk. The Fund may invest in companies that have recently completed an initial public offering ("IPO"). These companies may be unseasoned and lack a trading history, a track record of reporting to investors, and widely available research coverage. IPOs are thus often subject to extreme price volatility and speculative trading. These stocks may have above-average price appreciation in connection with the IPO prior to the Fund's purchase. The price of stocks selected may not continue to appreciate and the performance of these stocks may not replicate the performance exhibited in the past. In addition, IPOs may share similar illiquidity risks of private equity and venture capital. The free float shares held by the public in an IPO are typically a small percentage of the market capitalization. The ownership of many IPOs often includes large holdings by venture capital and private equity investors who seek to sell their shares in the public market in the months following an IPO when shares restricted by lock-up are released, causing greater volatility and possible downward pressure during the time that locked-up shares are released.

Large Shareholder Risk. Certain individuals, accounts, funds or institutions, including the Adviser, the Sub-Advisers and their respective affiliates, may from time to time own or control a substantial amount of the Shares. There is no requirement that these entities maintain their investment in the Fund. There is a risk that such large shareholders may redeem all or a substantial portion of their investments in the Fund at any time, which could have a significant negative impact on the Fund's NAV, liquidity, and brokerage costs. Large shareholder redemptions may cause the Fund to have to sell securities at inopportune times or prices. These transactions may adversely affect the Fund's performance and increase transaction costs. In addition, large redemption requests may exceed the cash balance of the Fund and result in credit line borrowing fees and/or overdraft charges to the Fund until the sales of portfolio securities necessary to cover the redemption request settle. To the extent a large shareholder in the Fund is an entity subject to domestic and/or international regulations governing banking or other financial institutions, changes in those regulations (e.g., capital requirements) or in the shareholder's financial status may cause or require the shareholder to redeem its investment in the Fund when it otherwise would not choose to redeem that investment. It is also possible that a significant redemption could result in an increase in Fund expenses on account of being spread over a smaller asset base, and therefore make it more difficult for the Fund to implement its investment strategy. Large redemptions could also result in tax consequences to shareholders.

Leverage Risk. Use of derivative instruments may involve leverage. Leverage is the risk associated with securities or investment practices that multiply small index, market or asset-price movements into larger changes in value. Leverage magnifies the potential for gain and the risk of loss. As a result, a relatively small decline in the value of the underlying investments could result in a relatively large loss. The use of leverage will increase the impact of gains and losses on the Fund's returns, and may lead to significant losses if investments are not successful.

Liquidity Risk. The market for the Bitcoin Futures and Ether Futures is still developing and may be subject to periods of illiquidity. During such times it may be difficult or impossible to buy or sell a position at the desired price. Market disruptions or volatility can also make it difficult to find a counterparty willing to transact at a reasonable price and sufficient size. Illiquid markets may cause losses, which could be significant. The large size of the positions which the Fund may acquire increases the risk of illiquidity, may make its positions more difficult to liquidate, and increase the losses incurred while trying to do so.

Shares of the Fund are intended to be listed and traded on the Exchange. There is no certainty that there will be liquidity available on the Exchange or that the market price will be in line with the NAV at any given time. There is also no guarantee that once the Shares of the Fund are listed or traded on the Exchange that they will remain so listed or traded.

If demand for Shares of the Fund exceeds the availability of the Fund's Bitcoin Futures and Ether Futures and the Fund is not able to secure additional supply, Shares of the Fund may trade at a premium to their underlying value. Investors who pay a premium risk losing such premium if demand for the Shares of the Fund abates or the Adviser is able to source more Bitcoin Futures and Ether Futures. In such circumstances, Shares of the Fund could also trade at a discount.

Management Risk. The Fund is actively-managed and may not meet its investment objective based on 21Shares' success or failure to implement investment strategies for the Fund. The Sub-Adviser's evaluations and assumptions regarding investments may not successfully achieve the Fund's investment objective given actual market trends. In addition, there is the risk that the investment process, techniques and analyses used by the Sub-Advisers will not produce the desired investment results and the Fund may lose value as a result.

Market and Volatility Risk. The value of certain of the Fund's investments, including Bitcoin Futures and Ether Futures, is subject to the risks associated with investing in the securities market, including general economic conditions, sudden and unpredictable drops in value, exchange trading suspensions and closures and public health risks. These risks may be magnified if certain social, political, economic and other conditions and events (such as natural disasters, epidemics and pandemics, terrorism, conflicts and social unrest) adversely interrupt the global economy; in these and other circumstances, such events or developments might affect companies world-wide. Overall securities values could decline generally or could underperform other investments. An investment in the Fund may lose money.

New Fund Risk. The Fund is a recently organized management investment company with limited operating history. As a result, prospective investors have a limited track record or history on which to base their investment decision. There can be no assurance that the Fund will grow to or maintain an economically viable size.

New Sub-Adviser Risk. 21Shares has not previously managed an investment company registered under the Investment Company Act. Accordingly, investors in the Fund bear the risk that 21Shares' inexperience managing a registered investment company may limit its effectiveness and impact the ability of the Fund to achieve its investment objective. In addition, 21Shares relies significantly on certain of its principals. If such individuals were no longer associated with 21Shares, there could be some impact to 21Shares' operations.

Non-Diversified Risk. The Fund and each Underlying ETF is non-diversified. A non-diversified fund may invest a larger portion of its assets in a single issuer, or in transactions with a single counterparty, than a "diversified" fund. A "diversified" fund is required by the Investment Company Act, generally, with respect to 75% of the value of its total assets, to invest not more than 5% of such assets in the securities of a single issuer and not to hold more than 10% of the outstanding voting securities of a single issuer. A non-diversified fund's greater investment in a single issuer, or exposure to a single counterparty, makes the fund more susceptible to financial, economic or market events impacting such issuer. A decline in the value of or default by a single security in the non-diversified fund's portfolio may have a greater negative effect than a similar decline or default by a single security in a diversified portfolio.

Operational Risk. The Fund is exposed to operational risk arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of the Fund's service providers, counterparties or other third parties, failed or inadequate processes and technology or system failures.

Portfolio Turnover Risk. The Fund's portfolio turnover and frequent trading of Bitcoin Futures and Ether Futures may result in higher transaction costs than if the Fund traded less frequently. High portfolio turnover may result in increased transaction costs to the Fund, including brokerage commissions, dealer mark-ups and other transaction costs on the sale of the Bitcoin Futures and Ether Futures and on reinvestment of the Fund's assets. High portfolio turnover may also result in higher taxes at the Fund level and may increase the Fund's current and accumulated earnings and profits, which will result in a greater portion of Fund's distributions being treated as dividends.

Quantitative Investment Selection Risk. Data used by 21Shares and ARK may be less available and/or less current than data used by other investment advisory firms. 21Shares and ARK use quantitative analyses, and their processes could be adversely affected if erroneous or outdated data is utilized. In addition, investments selected using a quantitative analysis could perform differently from the financial markets as a whole as a result of the characteristics used in the analysis, the weight placed on each characteristic, and changes in the characteristic's historical trends. The factors used in such analyses may not be predictive of future value and its effectiveness can change over time. These changes may not be reflected in such analyses. There can be no assurance that quantitative investment selection will enable the Fund to achieve its investment objective.

REIT Risk. Investments in REITs involve unique risks. REITs may have limited financial resources, may trade less frequently and in limited volume, and may be more volatile than other securities. In addition, to the extent the Fund holds interests in REITs, it is expected that investors in the Fund will bear two layers of asset-based management fees and expenses (directly at the Fund level and indirectly at the REIT level). The risks of investing in REITs include risks associated with the direct ownership of real estate and the real estate industry in general. These include risks related to general, regional and local economic conditions; fluctuations in interest rates and property tax rates; shifts in zoning laws, environmental regulations and other governmental action like the exercise of eminent domain; cash flow dependency; increased operating expenses; lack of availability of mortgage funds; losses due to natural disasters; overbuilding; losses due to casualty or condemnation; changes in property values and rental rates; and other factors. In addition to these risks, residential/diversified REITs and commercial equity REITs may be affected by changes in the value of the underlying property owned by the trusts, while mortgage REITs may be affected by the quality of any credit extended. Further, REITs are dependent upon management skills and generally may not be diversified. REITs are also subject to heavy cash flow dependency, defaults by borrowers and self-liquidation. In addition, REITs could possibly fail to qualify for the beneficial tax treatment available to REITs under the Internal Revenue Code of 1986, as amended, or to maintain their exemptions from registration under the Investment Company Act. The Fund expects that dividends received from a REIT and distributed to Fund shareholders generally will be taxable to the shareholder as ordinary income. The above factors may also adversely affect a borrower's or a lessee's ability to meet its obligations to the REIT. In the event of a default by a borrower or lessee, the REIT may experience delays in enforcing its rights as a mortgagee or lessor and may incur substantial costs associated with protecting investments.

Regulatory Risk. Changes in the laws or regulations of the United States, including any changes to applicable tax laws and regulations, could impair the ability of the Fund to achieve its investment objective and could increase the operating expenses of the Fund. Each of the Adviser and 21Shares is registered as a CPO under CEA and the rules of the CFTC and is subject to CFTC regulation with respect to the Fund. The CFTC has adopted rules regarding the disclosure, reporting and recordkeeping requirements that will apply with respect to the Fund as a result of the Adviser's registration as a CPO. Generally, these rules allow for substituted compliance with CFTC disclosure and shareholder reporting requirements, based on the Adviser's and 21Shares' compliance with comparable SEC requirements. This means that for most of the CFTC disclosure and shareholder reporting applicable to the Adviser and 21Shares as the Fund's CPOs, the Adviser's compliance with SEC disclosure and shareholder reporting will be deemed to fulfil the Adviser's and 21Shares' CFTC compliance obligations. However, as a result of CFTC regulation with respect to the Fund, the Fund may incur additional compliance and other expenses. The Adviser and 21Shares are also registered as CTAs but rely on an exemption with respect to the Fund from CTA regulations available for a CTA that also serves as the Fund's CPO. The CFTC has neither reviewed nor approved the Fund, its investment strategies, or this prospectus.

Repurchase Agreements Risk. A repurchase agreement exposes the Fund to the risk that the party that sells the security may default on its obligation to repurchase it. The Fund may lose money if it cannot sell the security at the agreed-upon time and price or the security loses value before it can be sold.

Reverse Repurchase Agreement Risk. A reverse repurchase agreement is the sale by the Fund of a debt obligation to a party for a specified price, with the simultaneous agreement by the Fund to repurchase that debt obligation from that party on a future date at a higher price. Similar to borrowing, reverse repurchase agreements provide the Fund with cash for investment purposes, which creates leverage and subjects the Fund to the risks of leverage, including increased volatility. Reverse repurchase agreements also involve the risk that the other party may fail to return the securities in a timely manner or at all. The Fund could lose money if it is unable to recover the securities and the value of collateral held by the Fund, including the value of the investments made with cash collateral, is less than the value of securities. Reverse repurchase agreements also create Fund expenses and require that the Fund have sufficient cash available to purchase the debt obligations when required. Reverse repurchase agreements also involve the risk that the market value of the debt obligation that is the subject of the reverse repurchase agreement could decline significantly below the price at which the Fund is obligated to repurchase the security. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, the Fund's use of the proceeds from the sale of the securities may be restricted pending a determination by the other party, or its trustee or receiver, whether to enforce the Fund's obligations to repurchase the securities. Reverse repurchase agreements are a form of leverage which also may increase the volatility of the Fund.

Small and Mid-Capitalization Companies Risk. Investing in securities of small- and mid-capitalization companies involves greater risk than customarily is associated with investing in larger, more established companies. These companies' securities may be more volatile and less liquid than those of more established companies. As a result, a company's share price may be affected by poorly executed trades, even if the underlying business of the company is unchanged. These securities may have returns that vary, sometimes significantly, from the overall securities market. Small- and mid-capitalization companies are sometimes more dependent on key personnel or limited product lines than larger, more diversified companies. Often small- and mid-capitalization companies and the industries in which they focus are still evolving and, as a result, they may be more sensitive to changing market conditions.

Tax Risk. The rules dealing with U.S. federal income taxation and the rates themselves are constantly under review in the legislative process and by the IRS and the U.S. Treasury Department. Changes in tax laws or regulations or future interpretations of such laws or regulations that affect the Fund's investments could adversely affect the Fund and/or the Fund's shareholders.

Valuation Risk. Some portfolio holdings, potentially a large portion of the Fund's investment portfolio, may be valued on the basis of factors other than market quotations. This may occur more often in times of market turmoil or reduced liquidity. There are multiple methods that can be used to value a portfolio holding when market quotations are not readily available. The value established for any portfolio holding at a point in time might differ from what would be produced using a different methodology or if it had been priced using market quotations. Portfolio holdings that are valued using techniques other than market quotations, including "fair valued" securities, may be subject to greater fluctuation in their valuations from one day to the next than if market

quotations were used. In addition, there is no assurance that the Fund could sell or close out a portfolio position for the value established for it at any time, and it is possible that the Fund would incur a loss because a portfolio position is sold or closed out at a discount to the valuation established by the Fund at that time. The fair value of the Fund's Bitcoin Futures and Ether Futures may be determined by reference, in whole or in part, to the spot bitcoin or spot ether market, respectively. These circumstances may be more likely to occur with respect to Bitcoin Futures and Ether Futures than with respect to futures on more traditional assets. In addition, the Bitcoin Futures and Ether Futures held by the Fund and bitcoin and ether may be traded in markets on days and at times when the Fund is not open for business. As a result, the value of the Fund's holdings may vary, perhaps significantly, on days and at times when investors are unable to purchase or sell Fund shares.

FUND MANAGEMENT

Investment Adviser

EA Advisers acts as the Fund's investment adviser. The Adviser selects the Fund's sub-adviser(s) and oversees the sub-advisers' management of the Fund. The Adviser also provides trading, execution and various other administrative services and supervises the overall daily affairs of the Funds. The Adviser is located at 19 East Eagle Road, Havertown, PA 19083 and is wholly-owned by Alpha Architect LLC. The Adviser is registered with the Securities and Exchange Commission ("SEC") under the Investment Advisers Act of 1940 and provides investment advisory services solely to the Fund and other exchange-traded funds. The Adviser was founded in October 2013.

The Adviser performs its services to the Fund pursuant to the terms of an investment advisory agreement (the "Advisory Agreement") between the Trust and the Adviser. Because the Fund has not commenced operations prior to the date of this Prospectus, the Adviser did not receive a fee during the last fiscal year. The Adviser is entitled to receive the following Advisory Fee: 0.55%, which is shown as an annual rate as a percentage of average daily net assets.

The Adviser (or an affiliate of the Adviser) bears all of the Adviser's own costs associated with providing these advisory services and all expenses of the Fund, except for the fee payment under the Advisory Agreement, payments under the Fund's Rule 12b-1 Distribution and Service Plan (the "Plan"), Acquired Fund Fees and Expenses, brokerage expenses (except that the Adviser will pay any net account or similar fees charged by futures commission merchants), taxes (including tax-related services), interest (including borrowing costs, except that the Adviser will pay net interest expenses incurred in connection with investments in reverse repurchase agreements), litigation expense (including class action-related services), and other non-routine or extraordinary expenses.

The Advisory Agreement for the Fund provides that it may be terminated at any time, without the payment of any penalty, by the Board or, with respect to the Fund, by a majority of the outstanding shares of the Fund, on 60 days' written notice to the Adviser, and by the Adviser upon 60 days' written notice, and that it shall be automatically terminated if it is assigned.

Investment Sub-Adviser and Investment Sub-Subadviser

Sub-Adviser

The Adviser has retained 21Shares US LLC ("21Shares"), an investment adviser registered with the SEC, to provide sub-advisory services for the Fund. 21Shares is organized as a limited liability company with its principal offices located at 37 West 20th Street, New York, NY 10011, and was founded in June 2021, and became a registered investment adviser in 2023. 21Shares has discretionary responsibility to select the Fund's investments in accordance with the Fund's investment objectives, policies and restrictions., subject to the overall supervision and oversight of the Adviser and the Board. 21Shares will not be responsible for selecting brokers or placing the Fund's trades. Rather, 21Shares will provide trade recommendations to the Adviser and, in turn, the Adviser will be responsible for selecting brokers and placing the Fund's trades.

Pursuant to a sub-advisory agreement (the "Sub-Advisory Agreement"), the Adviser pays 21Shares a fee, which is calculated daily and paid monthly, at an annual rate based on the Fund's average daily net assets as annual rate of 42 basis points (0.42%), which is shown as a percentage of average daily net assets.

Sub-Subadviser

ARK Investment Management LLC (“ARK”), an investment adviser registered with the SEC, serves as investment sub-subadviser to the Fund pursuant to an investment sub-subadvisory agreement between ARK and 21Shares. ARK is organized as a limited liability company with its principal offices located at 200 Central Ave., Suite 220, St. Petersburg, Florida 33701, and was founded in 2013. ARK provides non-discretionary advice to 21Shares related to the spot bitcoin and spot ether markets and equity markets. 21Shares may, in its sole discretion, consider the advice provided by ARK when making investment decisions for the Fund to the extent 21Shares deems necessary. For its services, ARK receives a portion of the sub-advisory fee that the Adviser pays to 21Shares as described above.

Associate Portfolio Managers:

The following individuals serve as associate portfolio managers of the Fund and are not primarily responsible for day-to-day management of the Fund.

Ophelia Snyder is the President of 21Shares and is primarily responsible for oversight of 21Shares. Ms. Snyder began her career working in venture capital and then investment banking which led her into crypto assets. Ms. Snyder is an EY Entrepreneurial Winning Woman EMEA, Forbes 30 Under 30 alum, and was named on Bilanz’s Top 100 Bankers of Switzerland list. She was born and raised in Italy and the United States and attended Stanford University.

Catherine D. Wood is the founder of ARK and is primarily responsible for oversight of ARK. Ms. Wood registered ARK as an investment adviser with the SEC in January 2014. With over 40 years of experience identifying and investing in innovation, Ms. Wood founded ARK to focus solely on disruptive innovation while adding new dimensions to research. Through an open approach that cuts across sectors, market capitalizations, and geographies, Ms. Wood believes that ARK can identify large-scale investment opportunities in the public markets resulting from technological innovations centered around DNA sequencing, robotics, artificial intelligence, energy storage, and blockchain technology. As Chief Investment Officer (“CIO”) and Portfolio Manager of ARK, Ms. Wood led the development of ARK’s philosophy and investment approach and has ultimate responsibility for investment decisions. Prior to ARK, Ms. Wood spent twelve years at AllianceBernstein as CIO of Global Thematic Strategies where she managed over \$5 billion. Ms. Wood joined Alliance Capital from Tupelo Capital Management, a hedge fund she co-founded, which in 2000, managed approximately \$800 million in global thematic strategies. Prior to her tenure at Tupelo Capital, she worked for 18 years with Jennison Associates LLC as Chief Economist, Equity Research Analyst, Portfolio Manager and Director. She started her career in Los Angeles, California at The Capital Group as an Assistant Economist. Ms. Wood received her Bachelor of Science, summa cum laude, in Finance and Economics from the University of Southern California in 1981.

Yassine Elmandjra serves as ARK’s Crypto Lead and joined ARK in July 2018. As ARK’s Crypto Lead, Mr. Elmandjra focuses his research on cryptoasset portfolio allocation, cryptoasset institutionalization, and Bitcoin mining. Prior to ARK, Mr. Elmandjra was a Summer Analyst at Rembrandt Venture Partners, a SaaS focused early stage venture capital firm; and Arena Investors, a registered investment adviser that originates investments with borrowers and other counterparties who need access to financing and are otherwise not able to access conventional sources. Mr. Elmandjra graduated from the University of Pennsylvania with a Bachelor of Science in Economics from Wharton and a Bachelor of Science in Systems Engineering from The School of Engineering.

Fund Sponsor

The Adviser has entered into a fund sponsorship agreement with 21Shares pursuant to which 21Shares is also the sponsor of the Fund (“Fund Sponsor”). Under this arrangement, the Fund Sponsor has agreed to provide financial support to the Fund (as described below) and, in turn, the Adviser has agreed to share with the Fund Sponsor a portion of profits, if any, generated by the Fund’s Advisory Fee (also as described below). Every month, the Advisory Fee, which is a unitary management fee, is calculated and paid to the Adviser.

If the amount of the unitary management fee exceeds the Fund’s operating expenses and the Adviser-retained amount, the Adviser pays the net total to the Fund Sponsor. The amount paid to the Fund Sponsor represents both the fee owed to 21Shares and any remaining profits from the Advisory Fee. During months where there are no profits or the funds are not sufficient to cover the entire sub-advisory fee owed to 21Shares, 21Shares’ fee is automatically waived.

If the amount of the unitary management fee is less than the Fund's operating expenses and the Adviser-retained amount, the Fund Sponsor is obligated to reimburse the Adviser for the shortfall.

APPROVAL OF ADVISORY AGREEMENT & INVESTMENT SUB-ADVISORY AGREEMENTS

A discussion regarding the basis for the Board's approval of the Advisory Agreement and the sub-advisory agreements with respect to the Fund will be made available in the Fund's semi-annual report for the period ended March 31, 2024.

PORTFOLIO MANAGERS

The portfolio managers are jointly and primarily responsible for day-to-day management of the Fund and various functions related to portfolio management, including, but not limited to, making recommendations and implementing trading decisions with respect to the Fund's portfolio, including investing cash inflows, implementing investment strategy, researching and reviewing investment strategy, and overseeing members of the portfolio management team with more limited responsibilities.

Andres Valencia is the Vice President of ETP and Trading Operations at 21Shares. Mr. Valencia joined the Amun Group (an affiliate of 21Shares) in June 2021. Prior to joining the Amun Group, Mr. Valencia was a VP of Operations at JPMorgan as part of the Beta Strategies Group and helped launch and build the company's ETF business. Mr. Valencia has over ten years of experience managing ETFs. Mr. Valencia started his career in Asset Servicing at Bank of New York Mellon covering commodity and currency ETFs.

Bart Michalczuk is the Head of Portfolio Management at 21Shares. Prior to joining the Amun Group in September 2023, Mr. Michalczuk was a trader on DRW Holdings LLC's digital assets desk, and a Partner at crypto hedge fund, Blocklink Ventures. Before shifting his focus to crypto markets in 2017, Mr. Michalczuk spent eight years as a quantitative macro and commodities trader on the buy side at Noble Group and Yannix Capital. Mr. Michalczuk earned a BS from Cornell University and a MA in Financial Economics from Duke University.

The Fund's SAI provides additional information about the portfolio managers, including their respective compensation, other accounts managed by the portfolio managers, and their ownership of Fund Shares.

OTHER SERVICE PROVIDERS

Quasar Distributors, LLC ("Distributor") serves as the distributor of Creation Units (defined above) for the Fund on an agency basis. The Distributor does not maintain a secondary market in Shares.

U.S. Bancorp Fund Services, LLC, doing business as U.S. Bank Global Fund Services, is the administrator, fund accountant, and transfer agent for the Fund.

U.S. Bank National Association is the custodian for the Fund.

Practus LLP, 11300 Tomahawk Creek Parkway, Suite 310, Leawood, Kansas 66211, serves as legal counsel to the Trust.

Tait, Weller & Baker, LLP, 50 South 16th Street, Suite 2900, Philadelphia, PA 19102, serves as the Fund's independent registered public accounting firm. The independent registered public accounting firm is responsible for auditing the annual financial statements of the Fund.

THE EXCHANGE

Shares of the Fund are not sponsored, endorsed or promoted by the Exchange. The Exchange is not responsible for, nor has it participated, in the determination of the timing of, prices of, or quantities of Shares of the Fund to be issued, nor in the determination or calculation of the equation by which the Shares are redeemable. The Exchange has no obligation or liability to owners of the Shares of the Fund in connection with the administration, marketing or trading of the Shares of the Fund. Without limiting any of the foregoing, in no event shall the Exchange have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

BUYING AND SELLING FUND SHARES

Shares will be issued or redeemed by the Fund at NAV per Share only in Creation Units of Shares. Creation Units are generally issued and redeemed for cash. A transaction fee may be imposed on transactions in Creation Units.

Shares will trade on the secondary market, however, which is where most retail investors will buy and sell Shares. It is expected that only a limited number of institutional investors, called Authorized Participants or “APs,” will purchase and redeem Shares directly from the Fund. APs may acquire Shares directly from the Fund, and APs may tender their Shares for redemption directly to the Fund, at NAV per Share only in large blocks, or Creation Units. Purchases and redemptions directly with the Fund must follow the Fund’s procedures, which are described in the SAI.

Except when aggregated in Creation Units, Shares are not redeemable with the Fund.

BUYING AND SELLING SHARES ON THE SECONDARY MARKET

Most investors will buy and sell Shares in secondary market transactions through brokers and, therefore, must have a brokerage account to buy and sell Shares. Shares can be bought or sold through your broker throughout the trading day at market prices like shares of any publicly traded issuer. The Trust does not impose any redemption fees or restrictions on redemptions of Shares in the secondary market. When buying or selling Shares through a broker, you will incur customary brokerage commissions and charges, and you may pay some or all of the spread between the bid and the offered prices in the secondary market for Shares. The price at which you buy or sell Shares (*i.e.*, the market price) may be more or less than the NAV of the Shares. Unless imposed by your broker, there is no minimum dollar amount you must invest in the Fund and no minimum number of Shares you must buy.

Shares of the Fund will be listed on the Exchange under the following symbol:

Fund	Trading Symbol
ARK 21Shares Blockchain and Digital Economy Innovation ETF	ARKD

The Exchange is generally open Monday through Friday and is closed for weekends and the following holidays: New Year’s Day, Martin Luther King, Jr. Day, Presidents’ Day, Good Friday, Memorial Day, Juneteenth Independence Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

For information about buying and selling Shares on the Exchange or in the secondary markets, please contact your broker or dealer.

Book Entry. Shares are held in book entry form, which means that no stock certificates are issued. The Depository Trust Company (“DTC”), or its nominee, will be the registered owner of all outstanding Shares of the Fund and is recognized as the owner of all Shares. Participants in DTC include securities brokers and dealers, banks, trust companies, clearing corporations and other institutions that directly or indirectly maintain a custodial relationship with DTC. As a beneficial owner of Shares, you are not entitled to receive physical delivery of stock certificates or to have Shares registered in your name, and you are not considered a registered owner of Shares. Therefore, to exercise any right as an owner of Shares, you must rely on the procedures of DTC and its participants. These procedures are the same as those that apply to any stocks that you hold in book entry or “street name” through your brokerage account. Your account information will be maintained by your broker, which will provide you with account statements, confirmations of your purchases and sales of Shares, and tax information.

Your broker also will be responsible for distributing income dividends and for ensuring that you receive shareholder reports and other communications from the Fund.

Share Trading Prices. The trading prices of the Fund’s Shares may differ from the Fund’s daily NAV and can be affected by market forces of supply and demand for the Fund’s Shares, the prices of the Fund’s portfolio securities, economic conditions and other factors.

The Exchange through the facilities of the Consolidated Tape Association or another market information provider intends to disseminate the approximate value of the Fund's portfolio every fifteen seconds during regular U.S. trading hours. This approximate value should not be viewed as a "real-time" update of the NAV of the Fund because the approximate value may not be calculated in the same manner as the NAV, which is computed once a day. The quotations for certain investments may not be updated during U.S. trading hours if such holdings do not trade in the U.S., except such quotations may be updated to reflect currency fluctuations. The Fund is not involved in, or responsible for, the calculation or dissemination of the approximate values and makes no warranty as to the accuracy of these values.

Continuous Offering. The method by which Creation Units of Shares are created and traded may raise certain issues under applicable securities laws. Because new Creation Units of Shares are issued and sold by the Fund on an ongoing basis, a "distribution," as such term is used in the Securities Act, may occur at any point. Broker-dealers and other persons are cautioned that some activities on their part may, depending on the circumstances, result in their being deemed participants in a distribution in a manner which could render them statutory underwriters and subject them to the prospectus delivery requirements and liability provisions of the Securities Act. For example, a broker-dealer firm or its client may be deemed a statutory underwriter if it takes Creation Units after placing an order with the Distributor, breaks them down into constituent Shares and sells the Shares directly to customers or if it chooses to couple the creation of a supply of new Shares with an active selling effort involving solicitation of secondary market demand for Shares. A determination of whether one is an underwriter for purposes of the Securities Act must take into account all the facts and circumstances pertaining to the activities of the broker-dealer or its client in the particular case, and the examples mentioned above should not be considered a complete description of all the activities that could lead to a characterization as an underwriter.

Broker-dealer firms should also note that dealers who are not "underwriters" but are effecting transactions in Shares, whether or not participating in the distribution of Shares, are generally required to deliver a prospectus. This is because the prospectus delivery exemption in Section 4(a)(3) of the Securities Act is not available in respect of such transactions as a result of Section 24(d) of the Investment Company Act of 1940, as amended (the "Investment Company Act"). As a result, broker-dealer firms should note that dealers who are not "underwriters" but are participating in a distribution (as contrasted with engaging in ordinary secondary market transactions) and thus dealing with the Shares that are part of an overallotment within the meaning of Section 4(a)(3)(C) of the Securities Act, will be unable to take advantage of the prospectus delivery exemption provided by Section 4(a)(3) of the Securities Act. For delivery of prospectuses to exchange members, the prospectus delivery mechanism of Rule 153 under the Securities Act is only available with respect to transactions on a national exchange.

In addition, certain affiliates of the Fund and the Adviser may purchase and resell fund shares pursuant to this prospectus.

ACTIVE INVESTORS AND MARKET TIMING

The Board has evaluated the risks of market timing activities by the Fund's shareholders. The Board noted that the Fund's Shares can be purchased and redeemed directly from the Fund only in Creation Units by APs and that the vast majority of trading in the Fund's Shares occurs on the secondary market. Because the secondary market trades do not directly involve the Fund, it is unlikely those trades would cause the harmful effects of market timing, including dilution, disruption of portfolio management, increases in the Fund's trading costs and the realization of capital gains. With regard to the purchase or redemption of Creation Units directly with the Fund, to the extent effected in-kind (*i.e.*, for securities), the Board noted that those trades do not cause the harmful effects (as previously noted) that may result from frequent cash trades. To the extent trades are effected in whole or in part in cash, the Board noted that those trades could result in dilution to the Fund and increased transaction costs, which could negatively impact the Fund's ability to achieve its investment objective, although in certain circumstances (*e.g.*, in conjunction with a reallocation of the Fund's investments), such trades may benefit Fund shareholders by increasing the tax efficiency of the Fund. The Board also noted that direct trading by APs is critical to ensuring that the Fund's Shares trade at or close to NAV. In addition, the Fund will impose transaction fees on purchases and redemptions of Shares to cover the custodial and other costs incurred by the Fund in effecting trades. Given this structure, the Board determined that it is not necessary to adopt policies and procedures to detect and deter market timing of the Fund's Shares.

DISTRIBUTION AND SERVICE PLAN

The Fund has adopted the Plan pursuant to Rule 12b-1 under the Investment Company Act. Under the Plan, the Fund may be authorized to pay distribution fees of up to 0.25% of its average daily net assets each year to the Distributor and other firms that provide distribution and shareholder services (“Service Providers”). As of the date of this Prospectus, the maximum amount payable under the Plan is set at 0% until further action by the Board. In the event 12b-1 fees are charged, over time they would increase the cost of an investment in the Fund because they would be paid on an ongoing basis.

NET ASSET VALUE

The NAV of Shares is calculated each business day as of the close of regular trading on the New York Stock Exchange (“NYSE”), generally 4:00 p.m., Eastern time.

The Fund calculates its NAV per Share by:

- Taking the current market value of its total assets,
- Subtracting any liabilities, including tax liabilities, and
- Dividing that amount by the total number of Shares owned by shareholders.

If you buy or sell Shares on the secondary market, you will pay or receive the market price, which may be higher or lower than NAV. Your transaction will be priced at NAV only if you purchase or redeem your Shares in Creation Units.

Equity securities that are traded on a national securities exchange, except those listed on the NASDAQ Global Market® (“NASDAQ”) are valued at the last reported sale price on the exchange on which the security is principally traded. Securities traded on NASDAQ will be valued at the NASDAQ Official Closing Price (“NOCP”). If, on a particular day, an exchange-traded or NASDAQ security does not trade, then the most recent quoted bid for exchange traded or the mean between the most recent quoted bid and ask price for NASDAQ securities will be used. Equity securities that are not traded on a listed exchange are generally valued at the last sale price in the over-the-counter market. If a nonexchange traded security does not trade on a particular day, then the mean between the last quoted closing bid and asked price will be used.

Fixed income investments for which market quotations are readily available are valued at market value, which is ordinarily determined based on official closing prices or the last reported sale prices of an instrument. Where no such closing price or sale price is reported, market value is determined based on quotes obtained from market makers or prices supplied by one or more third-party pricing source (“Pricing Services”), which may include evaluated prices. The types of investments in which the Funds typically invest are generally valued on the basis of evaluated prices provided by Pricing Services. Such prices may be based on a number of factors, including, among other things, information obtained from market makers and estimates based on recent market prices for investments with similar characteristics.

Redeemable securities issued by open-end investment companies are valued at the investment company’s applicable net asset value, with the exception of exchange-traded open-end investment companies which are priced as equity securities.

If a market price is not readily available or is deemed not to reflect market value, the Fund will determine the price of the security held by the Fund based on a determination of the security’s fair value pursuant to policies and procedures approved by the Board.

To the extent the Fund holds securities that may trade infrequently, fair valuation may be used more frequently. Fair valuation may have the effect of reducing stale pricing arbitrage opportunities presented by the pricing of Shares. However, when the Fund uses fair valuation to price securities, it may value those securities higher or lower than another fund would have priced the security. Also, the use of fair valuation may cause the Shares’ NAV performance to diverge from the Shares’ market price and from the performance of various benchmarks used to compare the Fund’s performance because benchmarks generally do not use fair valuation techniques. Because of the judgment involved in fair valuation decisions, there can be no assurance that the value ascribed to a particular security is accurate.

FUND WEBSITE AND DISCLOSURE OF PORTFOLIO HOLDINGS

The Trust maintains a website for the Fund at <https://21shares-funds.com/>. Among other things, the website includes this Prospectus and the SAI, and will include the Fund's holdings, the Fund's last annual and semi-annual reports (when available). The website shows the Fund's daily NAV per share, market price, and premium or discount, each as of the prior business day. The website also shows the extent and frequency of the Fund's premiums and discounts. Further, the website includes the Fund's median bid-ask spread over the most recent thirty calendar days.

Each day the Fund is open for business, the Trust publicly disseminates the Fund's full portfolio holdings as of the close of the previous day through its website at <https://21shares-funds.com/>. A description of the Trust's policies and procedures with respect to the disclosure of the Fund's portfolio holdings is available in the Fund's SAI.

INVESTMENTS BY OTHER INVESTMENT COMPANIES

For purposes of the Investment Company Act, Shares are issued by a registered investment company and purchases of such Shares by registered investment companies and companies relying on Section 3(c)(1) or 3(c)(7) of the Investment Company Act are subject to the restrictions set forth in Section 12(d)(1) of the Investment Company Act, except as permitted by Rule 6c-11, Rule 12d1-4, or an exemptive order of the SEC.

No relief from Section 12(d)(1) is available for investments in the ARK 21Shares Blockchain and Digital Economy Innovation ETF since it expects to invest a minimum of 25% in the Active Bitcoin Futures ETF.

DIVIDENDS, DISTRIBUTIONS, AND TAXES

As with any investment, you should consider how your investment in Shares will be taxed. The tax information in this Prospectus is provided as general information. You should consult your own tax professional about the tax consequences of an investment in Shares.

Unless your investment in Shares is made through a tax-exempt entity or tax-deferred retirement account, such as an IRA plan, you need to be aware of the possible tax consequences when:

- Your Fund makes distributions,
- You sell your Shares listed on the Exchange, and
- You purchase or redeem Creation Units.

Dividends and Distributions

Dividends and Distributions. The Fund intends to qualify each year as a regulated investment company under the Internal Revenue Code of 1986, as amended. As a regulated investment company, the Fund generally pays no federal income tax on the income and gains it distributes to you. The Fund expects to declare and to distribute its net investment income, if any, to shareholders as dividends quarterly. The Fund will distribute net realized capital gains, if any, at least annually. The Fund may distribute such income dividends and capital gains more frequently, if necessary, in order to reduce or eliminate federal excise or income taxes on the Fund. The amount of any distribution will vary, and there is no guarantee the Fund will pay either an income dividend or a capital gains distribution. Distributions may be reinvested automatically in additional whole Shares only if the broker through whom you purchased Shares makes such option available.

Avoid "Buying a Dividend." At the time you purchase Shares of the Fund, the Fund's NAV may reflect undistributed income, undistributed capital gains, or net unrealized appreciation in value of portfolio securities held by the Fund. For taxable investors, a subsequent distribution to you of such amounts, although constituting a return of your investment, would be taxable. Buying Shares in the Fund just before it declares an income dividend or capital gains distribution is sometimes known as "buying a dividend."

Taxes

Tax Considerations. The Fund expects, based on its investment objective and strategies, that its distributions, if any, will be taxable as ordinary income, capital gain, or some combination of both. This is true whether you reinvest your distributions in additional Shares or receive them in cash. For federal income tax purposes, Fund distributions of short-term capital gains are taxable to you as ordinary income. Fund distributions of long-term capital gains are taxable to you as long-term capital gain no matter how long you have owned your Shares. Dividends reported by the Fund are not expected to be qualified dividend income that would be eligible for taxation at long-term capital gain rates. Because the futures contracts in which the Fund invests may be marked-to-market due to current tax rules that apply to the subsidiary's operations, the Fund may distribute taxable dividends in higher amounts in comparison to other funds.

Distributions of short-term capital gains by an ETF (including the Underlying ETFs) in which the Fund invests will be recognized as ordinary income by the Fund and would not be offset by the Fund's capital loss carryovers, if any. The Fund will not be able to offset gains distributed by one ETF in which the Fund invests against losses in another ETF in which the Fund invests. Redemptions of shares in an ETF, including those resulting from changes in the allocation among ETFs, could also cause additional distributable gains to you. A portion of any such gains may be short-term capital gains that would be distributable as ordinary income to you. Further, a portion of losses on redemptions of shares in the ETFs may be deferred indefinitely under the wash sale rules. As a result of these factors, investments in ETFs by the Fund could therefore adversely affect the amount, timing and character of distributions to you.

Taxes on Sales of Shares. A sale or exchange of Shares is a taxable event and, accordingly, a capital gain or loss may be recognized. Currently, any capital gain or loss realized upon a sale of Shares generally is treated as long-term capital gain or loss if the Shares have been held for more than one year and as short-term capital gain or loss if the Shares have been held for one year or less. The ability to deduct capital losses may be limited.

Medicare Tax. An additional 3.8% Medicare tax is imposed on certain net investment income (including ordinary dividends and capital gain distributions received from the Fund and net gains from redemptions or other taxable dispositions of Shares) of U.S. individuals, estates and trusts to the extent that such person's "modified adjusted gross income" (in the case of an individual) or "adjusted gross income" (in the case of an estate or trust) exceeds a threshold amount. This Medicare tax, if applicable, is reported by you on, and paid with, your federal income tax return.

Backup Withholding. By law, if you do not provide the Fund with your proper taxpayer identification number and certain required certifications, you may be subject to backup withholding on any distributions of income, capital gains or proceeds from the sale of your Shares. The Fund also must withhold if the Internal Revenue Service ("IRS") instructs it to do so. When withholding is required, the amount will be 24% of any distributions or proceeds paid.

State and Local Taxes. Fund distributions and gains from the sale or exchange of your Shares generally are subject to state and local taxes.

Taxes on Purchase and Redemption of Creation Units. An AP who exchanges equity securities for Creation Units generally will recognize a gain or a loss. The gain or loss will be equal to the difference between the market value of the Creation Units at the time of purchase and the sum of the exchanger's aggregate basis in the securities surrendered and the cash amount paid. A person who exchanges Creation Units for equity securities generally will recognize a gain or loss equal to the difference between the sum of the exchanger's basis in the Creation Units and the aggregate market value of the securities received and the cash amount received. The IRS, however, may assert that a loss realized upon an exchange of securities for Creation Units cannot be deducted currently under the rules governing "wash sales," or on the basis that there has been no significant change in economic position. Persons exchanging securities should consult their own tax advisor with respect to whether the wash sale rules apply and when a loss might be deductible.

Under current federal tax laws, any capital gain or loss realized upon redemption of Creation Units held as capital assets is generally treated as long-term capital gain or loss if the Shares have been held for more than one year and as a short-term capital gain or loss if the Shares have been held for one year or less.

If the Fund redeems Creation Units in cash, it may recognize more capital gains than it will if it redeems Creation Units in-kind.

Non-U.S. Investors. Non-U.S. investors may be subject to U.S. withholding tax at a 30% or lower treaty rate and U.S. estate tax and are subject to special U.S. tax certification requirements to avoid backup withholding and claim any treaty benefits. An exemption from U.S. withholding tax is provided for capital gain dividends paid by the Fund from long-term capital gains, if any, and for properly reported dividends paid by the Fund from short-term capital gains and from U.S. source interest income. However, notwithstanding such exemptions from U.S. withholding at the source, any such dividends and distributions of income and capital gains will be subject to backup withholding at a rate of 24% if you fail to properly certify that you are not a U.S. person. No assurance can be given as to whether any distributions will be eligible for such exemptions from U.S. withholding tax or, if eligible, will be reported as such by the Fund.

Taxes on Sales of Shares for Non-U.S. Investors. Any capital gain realized by a Non-U.S. investor upon a sale of Shares of the Fund will generally not be subject to U.S. federal income or withholding tax unless the gain is effectively connected with the shareholder's trade or business in the United States, or in the case of a shareholder who is a non-resident alien individual, the shareholder is present in the United States for 183 days or more during the taxable year and certain other conditions are met.

Foreign Account Tax Compliance Act (FATCA). The Fund will be required to withhold a 30% tax on dividends paid by the Fund to certain foreign entities, referred to as foreign financial institutions or non-financial foreign entities, that fail to comply (or be deemed compliant) with extensive reporting and withholding requirements designed to inform the U.S. Department of the Treasury of US-owned foreign investment accounts. The Fund may disclose the information that it receives from its shareholders to the IRS, non-U.S. taxing authorities or other parties as necessary to comply with FATCA. Withholding also may be required if a foreign entity that is a shareholder of the Fund fails to provide the Fund with appropriate certifications or other documentation concerning its status under FATCA.

Possible Tax Law Changes. At the time that this prospectus is being prepared, various administrative and legislative changes to the federal tax laws are under consideration, but it is not possible at this time to determine whether any of these changes will be made or what the changes might entail.

This discussion of “Dividends, Distributions and Taxes” is not intended or written to be used as tax advice. Because everyone’s tax situation is unique, you should consult your tax professional about federal, state, local or foreign tax consequences before making an investment in the Fund.

FINANCIAL HIGHLIGHTS

The Fund is newly organized and therefore has not yet had any operations as of the date of this Prospectus and does not have financial highlights to present at this time.

ANNUAL/SEMI-ANNUAL REPORTS TO SHAREHOLDERS

Additional information about the Fund will be in its annual and semi-annual report to shareholders, when available. The annual report will explain the market conditions and investment strategies affecting the Fund's performance during the last fiscal year.

STATEMENT OF ADDITIONAL INFORMATION

The SAI dated November 6, 2023 (as supplemented on December 12, 2023), which contains more detailed information about the Fund, including its operations and investment policies, is incorporated by reference in its entirety into this Prospectus, which means that it is legally part of this Prospectus.

To receive a free copy of the latest annual or semi-annual report, when available, or the SAI, or to request additional information about the Fund, please contact us as follows:

Call: (215) 882-9983

Write: 19 East Eagle Road
Havertown, PA 19083

Visit: <https://21shares-funds.com/>

PAPER COPIES

Please note that paper copies of the Fund's shareholder reports will generally not be sent, unless you specifically request paper copies of the Fund's reports from your financial intermediary, such as a broker-dealer or bank. Instead, the reports will be made available on the Fund's website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

You may elect to receive all future Fund reports in paper free of charge. Please contact your financial intermediary to inform them that you wish to continue receiving paper copies of Fund shareholder reports and for details about whether your election to receive reports in paper will apply to all funds held with your financial intermediary.

INFORMATION PROVIDED BY THE SECURITIES AND EXCHANGE COMMISSION

Information about the Fund, including its reports and the SAI, has been filed with the SEC. It can be reviewed on the EDGAR database on the SEC's internet site (<http://www.sec.gov>). You can also request copies of these materials, upon payment of a duplicating fee, by electronic request at the SEC's e-mail address (publicinfo@sec.gov) or by calling the SEC at (202) 551-8090.

Investment Company Act File No. 811-22961.