

Global Digital Asset-Based Exchange Traded Products AUM Shows 77% YTD Growth Despite Q2 Drop

London, UK, July 5, 2024 – Fineqia International Inc. (the "Company" or "Fineqia") (CSE: FNQ) (OTC: FNQQF) (Frankfurt: FNQA), a leading digital asset and fintech investment business, announces that its analysis of global Exchange Traded Products (ETPs) with digital assets as underlying collateral revealed Assets Under Management (AUM) year-to-date (YTD) increased to \$87.9 billion, marking a 77% increase from \$49.5 billion at the beginning of 2024.

In June, the AUM of ETPs holding digital assets as underlying decreased 8%, from \$95.4 billion recorded at the end of May. During the same time, the digital assets market cap dropped by 9.1% to \$2.43 trillion, from \$2.68 trillion recorded at the end of May. In Q2, total AUM of ETPs holding digital assets as underlying decreased by 6.9% from \$94.4 billion recorded at the end of Q1.

The growth in ETPs' AUM has outpaced the increase in the value of underlying crypto assets YTD by approximately 108%. ETPs' AUM saw a 77% increase, compared to a 37.3% rise in the digital assets market cap. This premium growth persisted in Q2, after a strong Q1, despite a market downturn. In Q2, the AUM of ETPs holding digital assets decreased by 6.9%, while the total market cap of digital assets dropped by 13.7%.

The significant premium is still attributed to the approval of BTC Spot ETFs, which began trading on 11th January and saw a cumulative net inflow of around \$14.5 billion in Q1 and Q2. Market participants are now anticipating the launch of Ethereum (ETH) Spot ETFs, expected in July. This could lead to additional net inflows and pave the way for broader adoption of altcoins wrapped into financial products.

"With the launch of ETH Spot ETFs, we're witnessing the second wave of the digital asset revolution." said Fineqia's CEO Bundeep Singh Rangar. "BTC Spot ETFs cracked open the door, and now ETH is set to swing it wide open, inviting a surge of new investors into the crypto landscape."

In June, the price of BTC dropped by 8.4%, to \$61,850 from \$67,550 at the end of May. During the same time, the AUM of ETPs with BTC as the underlying asset saw a 7.9% decrease, dropping to \$67.5 billion from \$73.3 billion recorded at the end of May. This data indicates a neutral flow into BTC ETPs for June.

In Q2, the AUM of ETPs holding BTC as underlying, recorded a 7.3% decrease from \$72.8 billion at the end of Q1 2024. During the same time, BTC price dropped 11.2% to \$61,850 from \$69,650 recorded at the beginning of Q2. These statistics underscore the significant impact of the BTC Spot ETFs launch on the premium growth for ETPs holding digital assets.

During June, Ethereum (ETH) decreased 9.9% in value to \$3,409 from \$3,784 recorded at the end of May. In the same period, the AUM of ETPs holding ETH as underlying dropped 8.2%, to \$14 billion from \$15.3 recorded at the end of May. In Q2, ETH price decreased 2.8% from \$3,508 at the end of Q1. During the same time, ETH-denominated ETPs AUM decreased 1.9% from \$14.3 recorded at the beginning of Q2.

The data indicate a slight premium for ETPs holding ETH as the underlying asset following the announcement of ETH Spot ETF approval in the US. However, this premium is expected to significantly increase once the ETFs start trading, resulting in additional inflows.

ETPs representing an index of alternative coins dropped 10% in AUM during June, to \$3.23 billion, from \$3.36 billion recorded at the end of May. During Q2, the drop was 17.2% from \$3.9 billion at the end of Q1.

ETPs representing a diversified basket of cryptocurrencies decreases by 4.9% in June, to \$3.09 billion from \$3.25 billion recorded at the end of May. In Q2, the total drop was 7.9% from \$3.36 billion at the end of Q1.

ETPs include Exchange Traded Funds (ETFs) and Exchange Traded Notes (ETNs). Fineqia Research's AUM calculation factors in the launch or closure of ETPs during any stated period. The number of tracked ETPs stood at 194 as of the end of June.

All references to price are quoted in USD, and the cryptocurrency prices are sourced from CoinMarketCap and CoinGecko.

The ETP and ETF AUM data referenced in this announcement were compiled from reputable sources, including 21Shares AG, Grayscale Investment LLC, VanEck Associates Corp., Morningstar, Inc., and TrackInSight SAS, by Fineqia's dedicated in-house research department.

About Fineqia International Inc.

Fineqia (www.fineqia.com) is a digital asset business that builds and targets investments in early and growth stage technology companies that will be part of the next generation of the Internet. Publicly listed in Canada (CSE: FNO) with quoted symbols on the Nasdaq and the Frankfurt Stock Exchange, Fineqia's portfolio of investments includes businesses at the forefront of tokenization, blockchain technology, NFTs, AI, and fintech. Fineqia's VC fund in formation, Glass Ventures, backs category-defining Web 3.0 and Web 4.0 companies built by world-class entrepreneurs. <https://twitter.com/FineqiaPlatform> and <https://www.linkedin.com/company/fineqia/>.

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