

The Alerian Galaxy Global Blockchain and Cryptocurrency-Focused Blockchain Index Family

The ABCDs of the Alerian Galaxy Blockchain and Cryptocurrency Indexes

About the Partnership

Alerian is a leading independent index provider focused on building innovative, index-based investment strategies. Galaxy Fund Management is the funds platform of Galaxy Digital (TSX: GLXY), a leading financial services and investment management innovator in the digital asset, cryptocurrency, and blockchain technology sectors. Together, we are delivering thoughtfully constructed suites of Global Blockchain and Cryptocurrency-Focused Blockchain Indexes to market.

The Alerian/Galaxy partnership strengthens our joint organizations' mission of bringing institutional-grade solutions to market, delivering value to our clients.

Blockchain and Cryptocurrency Space

Decentralized Finance (DeFi) has skyrocketed in popularity over the past few years, with \$6.6bn USD worldwide spent on blockchain solutions in 2021 alone (May 2021, Statista). Investing in this space has grown in part due to:

- Broad acceptance of decentralized finance worldwide as investors desire more financial security and transparency
- Increased institutional investment in cryptocurrencies and widespread media coverage
- Low correlation to traditional assets, which could allow cryptocurrencies to serve as an inflation hedge
- The digitalization megatrend, which creates an opportunity for blockchain to enhance cybersecurity, efficiency, and transparency across multiple industries
- A differentiated approach for investing that fosters deep enthusiasm among participants, a need for ongoing education, and a growing number of investment options

Creating the Indexes

Index-based investing is continuously evolving and expanding into new asset classes—these exposures are needed to support the ever-evolving demand from investors. These indexes intelligently create a rules-based, transparent index methodology that covers the breadth of DeFi and gives investors a way to get exposure to crypto and blockchain without owning it directly. Benefits include:

- Passive, rules-based, transparent suite of index families designed to cover the full breadth of the blockchain and crypto space, including cryptocurrency miners, cryptocurrency enabling technologies, cryptocurrency buyers, and blockchain users¹
- Differentiated approach to capturing the market:
 - » Monthly rebalancing schedule
 - » Equally weighted, creating a truly diversified portfolio to represent the ecosystem
 - » Comprehensive high conviction portfolio seeking pure play exposure to the broadened marketplace including offering a miner's segment and OTC exchanges
 - » Pure play opportunity providing 80% weight deriving more than 50% of performance from business activities²
- Select opportunities to capture the entirety of the blockchain and crypto ecosystem that extend not only to operating companies and business activities, but also to products that are currently traded on the open markets and futures (CME)

1. Blockchain user component is relevant only for The Alerian Galaxy Global Blockchain Index family

2. Applicable to The Alerian Galaxy Global Cryptocurrency-Focused Blockchain Index family

Delivering Value to Market

Our indexes were thoughtfully constructed through research and comprehensive analysis. They were designed to offer the marketplace a proxy to the price of crypto without owning crypto. The suite of indexes allows investors:

- Options – various ways to invest in the growing DeFi ecosystem that operates digitally on a shared infrastructure
- Simplicity – buy one fund for diversified exposure, non-emotional investing, and no hassle: being crypto’s direct means wallet identification, sometimes multiple wallet transfers with fees, wait periods, gas fees, and no insurance backing
- Accessibility – get it right on brokerage, ease of account transfer, quick ownership
- Security – stock exchange listing means better stability and security—crypto, on the other hand, is not regulated
- Capture the growing institutional acceptance of crypto/digital assets, including the launch of crypto trusts/funds, and investments by endowments and pension plans

Suite of Indexes

These rules-based families cover the full breadth of DeFi. The difference between the index families is that the blockchain family includes a blockchain segment of companies that are utilizing technology not tied to crypto.

The **Alerian Galaxy Global Blockchain Index** family includes:

- The Alerian Galaxy Global Blockchain Equity Index (BLKCHN)
- The Alerian Galaxy Global Blockchain Equity and Futures Index (BLKCNF)
- The Alerian Galaxy Global Blockchain Equity, Trusts & ETPs Index (BCHAIN)
- The Alerian Galaxy Global Blockchain Index (BLKCNP)

The **Alerian Galaxy Global Cryptocurrency-Focused Blockchain Index** family includes:

- The Alerian Galaxy Global Cryptocurrency-Focused Blockchain Equity Index (CRYPTE)
- The Alerian Galaxy Global Cryptocurrency-Focused Blockchain Equity and Futures Index (CRYPTF)
- The Alerian Galaxy Global Cryptocurrency-Focused Blockchain Equity, Trusts & ETPs Index (CRYPTO)
- The Alerian Galaxy Global Cryptocurrency-Focused Blockchain Index (CRYPTP)

Providing exposure to public companies and select investment vehicles that are actively engaged in the growing global blockchain and cryptocurrency sectors, the new suite of Alerian Galaxy Global Blockchain Indexes and Alerian Galaxy Global Cryptocurrency-Focused Blockchain Indexes allow advisors options of how to invest in the growing DeFi ecosystem that operates digitally on a shared infrastructure.

For more information, please visit www.alerianandsnet.com.

© Copyright 2021 Alerian and S-Network Global Indexes, Inc. (Collectively, the “Companies”).

The Companies do not endorse, manage, promote, sell, or sponsor any investment fund or other vehicle that is offered by third parties and that seeks to provide an investment return linked to or based on the returns of any one of the Companies’ indexes.

Neither of the Companies are investment advisors, and they make no representation regarding the advisability of investing in any investment fund or other vehicle. This document should not be construed as providing advice of any kind, including, but not limited to, investment, tax or legal.

Alerian

alerian.com
 info@alerian.com | 972.957.7700
 3625 N. Hall St., Suite 1200, Dallas, TX 75219

S-Network Global Indexes

snetworkglobalindexes.com
 info@snetworkinc.com | 972.957.7700
 267 Fifth Avenue, Suite 508, New York, NY, 10016