



ARK CRYPTOASSET STRATEGY



WHY INVEST IN ARK'S CRYPTOASSET STRATEGY?

ARK's cryptoasset strategy is measured against the Bitwise 10 Large Cap Crypto Index and invests across the entire market capitalization spectrum of liquid cryptoassets. During times of market stress and volatility, the strategy has the ability to maintain relative "cash-like" positions in bitcoin.



Actively Managed, High-Conviction Portfolio: Aims for a portfolio of crypto-assets that are relevant to major themes identified by ARK, including Smart Contract Networks, Decentralized Finance, Web3, and Infrastructure & Scaling.



Exposure to Financial and Internet Innovation: Aims for broader exposure to what we believe are the cryptoassets best positioned to lead and enable new forms of coordination across finance and the internet.



Growth Potential: Aims to capture long-term growth of financial and internet innovation powered by cryptoassets.



Research-Driven: Combines top-down and bottom-up research in its portfolio management to dimension major themes, and size individual cryptoasset market opportunities and their market cycles.

DETAILS

As of September 30, 2022

Type	Active SMA
Universe	Cryptoasset
Inception Date	10/17/22
Expense Ratio	2.15%
Typical Number of Hold-	8-20
Weighted Avg. Market	-
Median Market Cap.	-
Strategy AUM	-
Benchmark	Bitwise 10 Large Cap Crypto Index
Portfolio Manager	Catherine D. Wood
Advisor	ARK Investment Management LLC
Platform	Eaglebrook Digital Asset Management Platform
Firm AUM	\$23.1 Billion

CRYPTOASSETS: A FINANCIAL AND INTERNET REVOLUTION

In addition to providing the foundation for digital money, public blockchains are powering novel forms of coordination across finance and the internet. By decentralizing institutions with open-source software, public blockchains minimize the need to trust centralized authorities. In finance, cryptoassets issued on public blockchains are facilitating the coordination of financial services and contracts outside the purview of traditional financial institutions. On the internet, cryptoassets issued on public blockchains are facilitating the coordination of identity, reputation, and data outside the purview of traditional media conglomerates and big tech. These forms of coordination are likely to impact all asset classes. Just as the internet turned information into packets online, we believe public blockchains are likely to turn all assets into transactions on-chain.

THE CRYPTOASSET INVESTMENT OPPORTUNITY

In our view, capital allocators should consider the opportunity cost that will be associated with ignoring crypto as a new asset class.

We believe that as financial services move "on-chain", public blockchains are likely to take share from existing financial intermediaries. The beneficiaries of this shift include smart contracting blockchains and the applications built on top of them. Used as collateral to power "decentralized finance" (DeFi) applications, the base assets of smart contracting platforms have the potential to capture a portion of the estimated \$122 trillion global money supply (M2), as of 2020.

Furthermore, now that consumers are spending more time and resources on the internet, the importance of digital assets is likely to increase considerably as consumer spending shifts to virtual environments. By 2030 and according to our research, "Web3" will depress annual offline consumption by \$7.3 trillion, boosting direct online expenditures at an annual rate of 28%, from \$1.4 trillion today to \$12.5 trillion.

THEMATIC BREAKDOWN

For periods ended September 30, 2022

Smart Contract Networks	55%
Decentralized Finance	12%
Web3	6%
Infrastructure & Scaling	9%
"Cash-like"	18%

MARKET CAPITALIZATION

For periods ended September 30, 2022

Mega (\$100B+)	63%
Large (\$10 - \$100B)	10%
Medium (\$2 - \$10B)	7%
Small (\$300M - \$2B)	17%
Micro (\$50 - \$300M)	3%

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STRATEGY PERFORMANCE

For periods ended September 30, 2022

	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception
• ARK Cryptoasset SMA						
• Bitwise 10 Large Cap Crypto Index						

N/A

Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. The investment return and principal will fluctuate so that an investment when redeemed may be worth more or less than the original cost. Returns for less than one year are not annualized. The performance is daily and net-of-fees, and reflects the reinvestment of dividends and other earnings as well as forks and airdrops. ARK Investment Management LLC ("ARK") is a registered investment adviser with the U.S. Securities & Exchange Commission ("SEC"). The performance data quoted represents past performance of ARK's Cryptoasset Strategy. There are significant differences between client accounts and the indices/benchmarks referenced including, but not limited to, risk profile, liquidity, volatility and asset composition. Please see index description on page 2. The comparative performance contained herein reflects annualized and calendar returns of specific time periods, are net of all fees, are not indicative of actual returns, and may not be relied upon for investment decisions.

HOLDINGS

As of September 30, 2022

	CRYPTOASSET NAME	WEIGHT
1	Ether (ETH)	45%
2	Bitcoin (BTC)	18%
3	Solana (SOL)	10%
4	Aave (AAVE)	4%
5	Maker (MKR)	4%
6	Uniswap (UNI)	4%
7	The Graph (GRT)	3%
8	Lido (LIDO)	3%
9	Polygon (MATIC)	3%
10	ApeCoin (APE)	2%
11	Decentraland (MANA)	2%
12	The Sandbox (SAND)	2%
		100%

Holdings are subject to change. Portfolio holdings should not be considered as investment advice or a recommendation to buy, sell or hold any particular cryptoasset. The cryptoassets identified do not represent all of the cryptoassets purchased, sold or recommended for client accounts. It should not be assumed that an investment in the cryptoassets identified was or will be profitable.

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Cryptoasset Risk: Cryptoassets are digital/virtual in their nature, and do not possess physical characteristics (e.g. unlike banknotes or coins). As such, they are typically transferred, stored and traded electronically. Cryptoassets are an immature asset class given the lack of standardization and constant evolution. Certain cryptoassets have exhibited a high degree of volatility, and present risks, including liquidity risk; credit risk; market risk; operational risk (including fraud and cyber risks); money laundering and terrorist financing risk; and legal and reputation risks. Decentralized Finance ("DeFi") is a fast-emerging sector, providing financial services using both unbacked cryptoassets and stablecoins. Moreover, a relatively small number of cryptoasset trading platforms aggregate multiple types of services and activities, including lending and custody. Some of these platforms operate outside of a jurisdiction's regulatory perimeter or are not in compliance with applicable laws and regulations. This presents the potential for concentration of risks and underscores the potential lack of transparency on their activities. **Cryptocurrency Risk.** Cryptocurrency, often referred to as "virtual currency" or "digital currency," operates as a decentralized, peer-to-peer financial exchange and value storage that is used like money. The strategy may have exposure to bitcoin and ethereum, both cryptocurrencies. The market price of bitcoin and ethereum has been subject to extreme fluctuations. The price could fall sharply (potentially to zero) for various reasons, including, but not limited to, regulatory changes, issues impacting the respective networks, events involving entities that facilitate transactions in bitcoin and ethereum, or changes in user preferences in favor of alternative cryptocurrencies. Furthermore, events that impact one cryptocurrency may lead to a decline in the value of other cryptocurrencies, including bitcoin and ethereum. Cryptocurrency operates without central authority or banks and is not backed by any government. Cryptocurrency is also not legal tender. Federal, state or foreign governments may restrict the use and exchange of cryptocurrency, and regulation in the U.S. is still developing. Cryptocurrency exchanges may stop operating or permanently shut down due to fraud, technical glitches, hackers or malware. **Cryptocurrency Tax Risk.** Many significant aspects of the U.S. federal income tax treatment of investments in bitcoin and other cryptocurrencies are uncertain and still evolving.

Index Descriptions: The Bitwise 10 Large Cap Crypto Index ("The Index") captures the 10 largest eligible crypto assets by free-float-adjusted market capitalization as calculated by Bitwise Index Services, LLC ("Index Provider"). Based in San Francisco, the Index Provider is known for managing the world's largest crypto index fund and pioneering products spanning Bitcoin, Ethereum, Decentralized Finance, and crypto-focused equity indexes. The Index has a public, formal methodology that includes eligibility rules meant to screen out certain critical risks around custody, liquidity, regulation, and other concerns. The Index is rebalanced monthly.

Glossary: Smart Contract Networks: Distributed computing networks providing the core infrastructure on which crypto-native apps are built. **Decentralized Finance:** Global, transparent, and interoperable financial services deployed via smart contracts. **Web3:** Community-owned and user-generated networks forming the next generation of internet and culture. **Infrastructure & Scaling:** Essential tooling and utilities required to scale crypto-networks to billions of users.

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