

3iQ SOLANA STAKING ETF

Interim Management Report of Fund Performance

For the period from the commencement of operations on April 16, 2025 to June 30, 2025

Forward-Looking Statements (“FLS”)

The annual Management Report of Fund Performance may contain forward-looking statements (“FLS”). FLS means disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action and includes any future-oriented financial information (“FOFI”) with respect to prospective results of operations, financial position or cash flows that is presented either as a forecast or a projection. FOFI is FLS about prospective results of operations, financial position or cash flows, based on assumptions about future economic conditions and courses of action.

FLS can be identified by the use of forward-looking terminology such as “may”, “will”, “should”, “expect”, “anticipate”, “target”, “project”, “estimate”, “intend”, “continue” or “believe”, or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking information and statements. Material risk factors that could affect actual results are identified under the heading “Risk Factors” in the Fund’s Prospectus. Investors are also cautioned that FLS is based on several factors and assumptions, including the Fund’s current plans, estimates, opinions and analysis made in light of its experience, current conditions and expectations of future developments, as well as other relevant factors. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

Disclosure

This annual Management Report of Fund Performance contains financial highlights but does not contain the complete interim financial statements of the Fund. You can get a copy of the interim financial statements at your request, at no cost, by calling 1-416-639-2130, by writing to us at 2700 – 161 Bay St, Toronto, Ontario, M5J 2S1 or by visiting our website www.3iq.ca or SEDAR+ at www.sedarplus.ca.

Securityholders may also contact us using one of these methods to request a copy of the Fund’s proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

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MANAGEMENT REPORT OF FUND PERFORMANCE

(Expressed in United States dollars)

Management Discussion of Fund Performance for the six month period ended June 30, 2025

This Management Report of Fund Performance represents the portfolio management team's view of the significant factors and developments affecting the Fund's performance and outlook for the six month period ended June 30, 2025. Every effort has been made to ensure the information contained in this Management Report of Fund Performance is accurate and complete, however, the Fund cannot guarantee the accuracy or the completeness of this material. For more information, please refer to the Fund's prospectus ("Prospectus"). In this report, "Manager", refers to 3iQ Corp., the manager of the Fund. The "Fund" refers to 3iQ Solana Staking ETF. In addition, "net asset value" or "NAV" refers to the value of the Fund as calculated for transaction purposes, on which the discussion of Fund performance is based.

Investment Objective and Strategies

The investment objectives of the Fund are to seek to provide unitholders of the Fund with exposure to the digital asset solana ("solana") and the daily price movements of the United States dollar price of solana, and the opportunity for long-term capital appreciation. To achieve its investment objectives, the Fund invests in long-term holdings of solana, purchased from reputable solana trading platforms and OTC counterparties, in order to provide investors with a convenient, safer alternative to a direct investment in solana. The Fund does not speculate with regard to short-term changes in solana prices.

Risk

The risks associated with investing in the Fund remain as discussed in the Prospectus. The Fund is suitable for investors looking for long-term capital appreciation of solana and those who have the capacity to absorb a loss on their investment. The NAV of the units will vary according to the value of solana included in the Fund's portfolio. The value of the solana will be influenced by factors which are not within the control of the Fund or the Manager. The Fund was created to invest in solana and is not expected to have exposure to any other investments or assets. Other than cash or cash equivalents, the Fund will invest substantially all of its assets in solana. The NAV per unit may be more volatile than the value of a more broadly diversified portfolio and may fluctuate substantially over short periods of time. This may have a negative impact on the NAV of the units.

For the six month period ended June 30, 2025, there were no changes affecting the overall level of risk associated with an investment in the Fund. Therefore, the overall level of Fund risk and investor risk tolerance remains as stated in the Prospectus.

Results of Operations

During the six month period ended June 30, 2025, units of the Fund returned 20.5%.

The net asset value of the Fund was \$115.0 million as at June 30, 2025. Changes since April 16, 2025, were composed of net redemption of units of \$12.5 million, net subscription of units of \$114.0 million and net income from operations of \$13.5 million for the six month period ended June 30, 2025.

Market and Fund Performance Review

CME CF Solana-Dollar Reference Rate – New York Variant ("SOLUSD_NY") maintained by CF Benchmarks is used to source the data, with returns calculated net of fees by the Manager.

During the six month period ended June 30, 2025, solana moved from \$130 to \$157 a return of 22.7%. The Fund's NAV performance over the same period was 23.3%. The Fund's market price return performance was 20.5%.

The Solana Network saw greatly increased activity throughout the first half of 2025. As of June 30, 2025, the average daily count of active addresses regularly exceeded four million addresses per day, making it among the most active blockchains in the world. In addition, the average daily number of transactions often surpassed 80 – 100 million transactions per day, dwarfing essentially all other public blockchains. Alongside the impressive throughput, the Solana Network also saw 100% uptime in the trailing 16-months. In January 2025, some periods of high network activity helped it break several records, including the highest activity for any blockchain in history.

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Management Discussion of Fund Performance for the six month period ended June 30, 2025

Other notable developments in the first half of 2025 include the ongoing adoption of the Frankendancer client, which was a hybrid validator client developed to help boost client diversity alongside the widely-used Agave client. The Frankendancer client reportedly had around 7% of the network stake as of April 2025. The Solana Foundation also teased the Alpenglow consensus algorithm and possible “slashing” (stake penalties for malicious or faulty behaviour), as well as testing the DoubleZero high-bandwidth validator network.

The launch of the CME SOL Futures in March 2025 was another significant event for the solana token. Regulated futures markets are critical pieces of financial infrastructure which are generally required prior to the launch of spot-based solana ETFs in North America.

Nine U.S.-based asset managers have filed for spot solana ETFs in the U.S. This includes major issuers such as VanEck, Fidelity, Grayscale and Bitwise, with BlackRock noticeably absent. Meanwhile, in Canada, four separate issuers including 3iQ, CI, Purpose, and Evolve launched spot solana ETFs on April 16, 2025, which collectively amassed approximately \$198 million CAD as of June 30, 2025. In addition to U.S. and Canadian-based issuers, other international asset managers in Brazil and Europe continue to see inflows into their spot-based solana products.

For the six month period ended June 30, 2025, the Fund earned revenue from staking activities of 10,215.1 solana valued at \$1,597,155.

The Fund's units occasionally traded on the Toronto Stock Exchange at prices that differed from the Fund's NAV per unit from commencement of operations on April 16, 2025 to June 30, 2025. Based on closing market prices, the lowest discount was (1.3)% and the largest premium was 1.6%. These variances reflect normal supply and demand dynamics for ETF units in the secondary market and are not indicative of a limit on the number of units available, as new units can be created or redeemed and there is no limit on the number of units that may be issued.

Related Party Transactions

Expenses absorbed by the Manager:

In its discretion, the Manager may pay certain expenses of the Fund out of its own monies but any such payments shall not oblige the Manager to make similar payments in the future, and the Manager's payment of such expenses may be discontinued at any time, without notice to unitholders.

During the six month period ended June 30, 2025, the Manager absorbed \$36,435 of the Fund's expenses.

Management fees:

The Manager is responsible for managing and directing the undertaking, operations and affairs of the Fund, including managing and directing the investments. The Fund pays an annual management fee to the Manager amounting to 0.15% of the Fund's net asset value calculated daily and payable monthly, plus applicable taxes, in respect of each of the units of the Fund.

The Manager waived management fees from April 16, 2025, to April 15, 2026. Consequently, there were no management fees payable by the Fund as at June 30, 2025.

Staking service fees:

The Manager of the Fund is entitled to receive 40% of the revenue earned from the staking activities as a staking service fee. The staking service fees are calculated and paid monthly, in arrears, plus applicable taxes, and is intended to compensate the Manager for the additional work required to administer the staking of solana held in the Fund. The staking service fees are payable in solana.

The Manager's portion of the staking service fees for the six month period ended June 30, 2025, was 4,086.02 solana valued at \$636,474.

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(Expressed in United States dollars)

Financial Highlights

The following table shows selected key financial information about the units of the Fund and is intended to help you understand the Fund's financial performance for the six month period ended June 30, 2025.

	June 30, 2025*
The Fund's Net Asset Value (NAV) per unit ⁽¹⁾⁽²⁾	
Net assets per unit, beginning of period	\$ 10.00
Increase (decrease) from operations	
Total revenue	0.21
Total expenses	(0.11)
Realized gains	0.12
Unrealized gain (loss)	1.60
Total increase (decrease) from operations ⁽²⁾	1.82
Total distributions	—
Net asset value, end of period ⁽³⁾	\$ 12.33
Ratios and Supplemental Data	
Total net asset value ⁽³⁾	\$114,979,890
Number of shares outstanding ⁽³⁾	9,325,000
Management expense ratio ⁽⁴⁾	4.15%
Management expense ratio without staking fees ⁽⁴⁾	0.46%
Trading expense ratio ⁽⁵⁾	0.00%
Fund expense ratio ⁽⁶⁾	4.15%
Portfolio turnover rate ⁽⁷⁾	8.73%
Net asset value per unit	\$ 12.33
Closing market price ⁽³⁾	\$ 12.37

Notes:

- (1) This information is derived from the Fund's interim financial statements for June 30, 2025, and is not a reconciliation of beginning and ending net assets per unit.
- (2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period.
- (3) This information is provided as at June 30, 2025.
- (4) Management expense ratio is based on total expenses (excluding distributions, commissions, and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of average daily NAV during the period. Per its Statement of Comprehensive Income, the Fund earned revenue from staking activities of \$1,597,155 and incurred staking service fees of \$703,166, amounting to a net increase of \$893,989 (0.8% of the Fund's net asset value as at June 30, 2025) to the Fund's total net asset value for the period.
- (5) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of average daily NAV during the year.
- (6) The fund expense ratio represents total fund expenses expressed as an annualized percentage of daily average NAV during the period. It is the sum of the management expense ratio and the trading expense ratio, inclusive of performance fees and net of any fee waivers, rebates or absorptions.
- (7) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in the period, the greater the trading costs payable by a fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

* For the period April 16, 2025 to June 30, 2025.

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Financial Highlights

Past performance of the Fund

There were no distributions made by the Fund in the periods shown. The performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. The performance of the Fund in the past does not necessarily indicate how it will perform in the future.

Summary of Investment Portfolio as at June 30, 2025

The following table shows selected key financial information about the Fund.

Portfolio Composition		All Holdings	
Sector Allocation	% of Net Assets Value	Issuer	% of Net Assets Value
Digital assets	100.27	Solana	100.27
		Cash	0.05
		Other assets and liabilities, net	(0.32)
Total Portfolio Allocations	100.27		
Total Net Asset Value (in millions)	\$ 114.98		100.00

The Investment Portfolio may change due to ongoing portfolio transactions of the Fund. Quarterly updates of the Investment Portfolio are available within 60 days of each quarter end.