



3iQ XRP ETF

Interim Management Report of Fund Performance

For the six month period ended June 30, 2026

Forward-Looking Statements (“FLS”)

The interim 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 interim 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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(Expressed in United States dollars)

Management Discussion of Fund Performance for the six month period ended June 30, 2026

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, 2026. 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 XRP 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 XRP ("XRP") and the daily price movements of the United States dollar price of XRP, and the opportunity for long-term capital appreciation. To achieve its investment objectives, the Fund invests in long-term holdings of XRP, purchased from reputable XRP trading platforms and OTC counterparties, in order to provide investors with a convenient, safer alternative to a direct investment in XRP. The Fund does not speculate with regard to short-term changes in XRP 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 XRP 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 XRP included in the Fund's portfolio. The value of the XRP will be influenced by factors which are not within the control of the Fund or the Manager. The Fund was created to invest in XRP 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 XRP. 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, 2026, 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, 2026, units of the Fund returned (43.0)% (2025 – 4.0%).

The net asset value of the Fund was \$54.6 million as at June 30, 2026 (December 31, 2025 – \$97.5 million). Changes since January 1, 2026, were composed of net redemption of units of \$16.6 million, net subscription of units of \$13.6 million and net loss from operations of \$(39.9) million (2025 – net income of \$2.3 million) for the six month period ended June 30, 2026.

Market and Fund Performance Review

CME CF XRP-Dollar Reference Rate – New York Variant ("XRPUSD_NY") index 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, 2026, XRP moved from \$1.82 to \$1.04 a return of (42.7)%. The Fund's NAV performance over the same period was (43.0)%. The Fund's market price return performance was (43.9)%.

XRP and the XRP Ledger (XRPL) continued to attract institutional attention in the first half of 2026, supported by regulatory clarity following the resolution of Ripple's long-running SEC litigation in 2025 and continued build-out of Ripple's payments and custody business. Flows into U.S. XRP ETFs totaled approximately \$326 million USD in the first half of 2026. In Canada, XRP ETFs saw net outflows of approximately \$7.5 million CAD.

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On the business development side, Ripple continued expanding its enterprise payments and custody footprint in the first half of 2026, building on its acquisitions and partnerships from 2025 including prior moves into prime brokerage, custody infrastructure, and stablecoin issuance. Ripple's institutional payments network, RippleNet/Ripple Payments, continued to add financial institution partners, reinforcing the network's positioning as a cross-border settlement rail distinct from XRPL's broader smart-contract ambitions.

Stablecoin activity on the XRP Ledger was a growing theme in the first half of 2026. Ripple's own USD-denominated stablecoin, RLUSD, continued to scale following its late-2024 launch, with total issuance reaching approximately \$1.56 billion USD by mid-2026, a significant increase from the ~\$455 million issued at the same time last year. The prospective advancement of the Digital Asset Market Clarity Act's Senate companion continued to be cited as a potential catalyst for broader stablecoin adoption on XRPL, particularly given Ripple's existing relationships with banks and payment providers.

On the protocol side, XRPL development continued to push toward greater smart-contract functionality in the first half of 2026, building on the rollout of the XRPL EVM-compatible sidechain that entered broader use in 2025, aimed at enabling Ethereum-compatible smart contracts and DeFi applications to run alongside XRPL's native payment functionality. Native XRPL features such as the on-ledger AMM (automated market maker) and multi-purpose tokens also continued to see incremental development, positioning the ledger to compete more directly with smart-contract-first platforms for tokenization and DeFi use cases, an area where Ripple has emphasized real-world asset (RWA) tokenization as a strategic priority.

The Fund's units occasionally traded on the Toronto Stock Exchange at prices that differed from the Fund's NAV per unit. Based on closing market prices, the lowest discount was (0.9)% and the largest premium was 1.3%. 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, 2026, the Manager absorbed \$66,479 (2025 – 18,486) 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 0.59% 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, at its sole discretion, may rebate a portion of the management fee.

The Manager waived management fees from June 18, 2025, to December 17, 2025. Management fees were reinstated on December 18, 2025. Management fees payable as at June 30, 2026 were \$28,383 (December 31, 2025 – \$25,188).

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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, 2026.

	June 30, 2026	December 31, 2025*
The Fund's Net Asset Value (NAV) per unit ⁽¹⁾⁽²⁾		
Net assets per unit, beginning of period	\$ 8.25	\$ 10.00
Increase (decrease) from operations		
Total revenue	—	—
Total expenses	(0.04)	(0.04)
Realized gains	(0.69)	(0.63)
Unrealized gain (loss)	(2.87)	(4.55)
Total increase (decrease) from operations ⁽²⁾	(3.60)	(5.22)
Total distributions	—	—
Net asset value, end of period ⁽³⁾	\$ 4.70	\$ 8.25
Ratios and Supplemental Data		
Total net asset value ⁽³⁾	\$ 54,617,266	\$ 97,541,486
Number of shares outstanding ⁽³⁾	11,625,000	11,825,000
Management expense ratio ⁽⁴⁾	1.08%	0.65%
Trading expense ratio ⁽⁵⁾	0.00%	0.00%
Fund expense ratio ⁽⁶⁾	1.08%	0.65%
Portfolio turnover rate ⁽⁷⁾	18.55%	24.67%
Net asset value per unit	\$ 4.70	\$ 8.25
Closing market price ⁽³⁾	\$ 4.66	\$ 8.31

Notes:

- (1) This information is derived from the Fund's interim financial statements for June 30, 2026, and audited annual financial statements for year ended December 31 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, 2026 and December 31 of each year.
- (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.
- (5) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of average daily NAV during the period.
- (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 June 18, 2025 to December 31, 2025.

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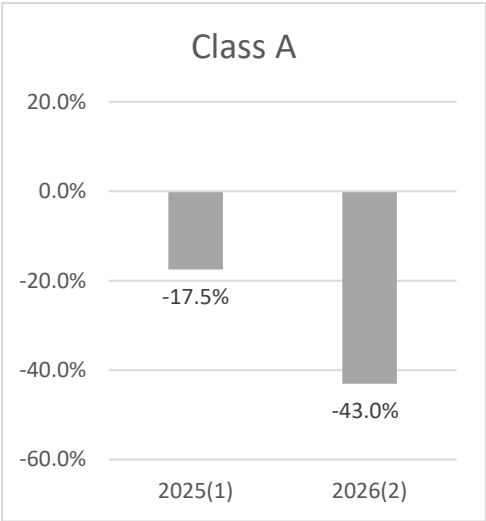
(Expressed in United States dollars)

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.

Year-by-Year Returns

The following bar chart represents the performance of units of the Fund. The bar chart shows, in percentage terms, how much an investment made on the first day of each period would have increased or decreased by the last day of each such period.



⁽¹⁾ Total return for the period from commencement of operations June 18, 2025 to December 31, 2025.
⁽²⁾ Total return for the period from January 1, 2026 to June 30, 2026.

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Summary of Investment Portfolio as at June 30, 2026

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	100.00	XRP	100.00
		Cash	0.10
		Other assets and liabilities, net	(0.10)
Total Portfolio Allocations	100.00		
Total Net Asset Value (in millions)	\$ 54.62		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.