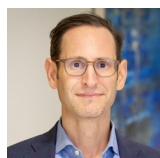
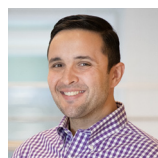


Ethereum Price Prediction: \$11.8k by 2030



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We provide an updated Ethereum price target and a detailed valuation methodology using cash flow projections and fully diluted valuation (FDV) calculations.

Please note that VanEck has a position(s) in the Ethereum token described below.

In light of Ethereum’s recent hard fork, which allows users to withdraw staked ETH and, in our view, creates a major new competitor to US T-bills, we revisited our Ethereum estimates with a more rigorous valuation model.

We now see ETH network revenues rising from an annual rate of \$2.6B to \$51B in 2030. Assuming ETH takes a 70% market among smart contract protocols, this implies a token price of \$11.8k in 2030, which we discount to \$5.3k today at a 12% cost of capital derived from ETH’s recent beta. This analysis offers a clear valuation methodology for Ethereum, considering transaction fees, MEV, and “Security as a Service.” We assess market capture across key sectors and explore Ethereum’s potential as a store-of-value asset in the evolving crypto landscape.

Ethereum Valuation Methodology: Cash Flow Projections & FDV Calculation

We value Ethereum by estimating cash flows for the year that ended on 4/30/2030. We project Ethereum revenues, deduct a global tax rate and a validator revenue cut and arrive at a cashflow figure. We then apply multiple estimates by applying a long-term estimated cash flow yield of 7% minus the long-term crypto growth rate of 4%. We then arrive at the fully diluted valuation (“FDV”) in 2030, divide the total by the expected number of tokens in circulation, and then discount the result by 12% to 4/20/2023. You can see our revenue estimates and price targets in the table below with more detailed assumptions in the Ethereum Valuation Scenarios table.

Ethereum Revenue and Price Targets

	Today	Base 2030	Bear 2030	Bull 2030
Ethereum Total Revenue	\$2,539	\$50,985	\$2,564	\$136,771
Transactions	\$1,991	\$29,337	\$1,271	\$83,839
Finance, Banking, Payments	\$929	\$10,370	\$444	\$26,666
Metaverse, Social and Gaming	\$834	\$13,068	\$700	\$42,004
Infrastructure	\$228	\$5,899	\$126	\$15,170
MEV – Block Builder Revenue	\$497	\$19,665	\$1,175	\$48,078
Ethereum Security as a Service	\$0	\$1,983	\$118	\$4,854
ETH Price Target	\$1,900	\$11,849	\$343	\$51,006

Source: VanEck Research as of 4/30/2023. Past performance is no guarantee of future results. The above is not intended as financial advice or any call to action, a recommendation to buy or sell Ethereum, or as a projection of how Ethereum will perform in the future. There may be risks or other factors not accounted for in the above scenarios that may impede the performance of Ethereum. These are solely the results of a simulation based on our research, and are for illustrative purposes only. Please conduct your own research and draw your own conclusions.

Ethereum's Business Model: A Digital Mall, Validators, & On-Chain Commerce

To properly unpack our valuation approach to Ethereum, it is important first to understand what Ethereum is, how it works, and why it is valuable. At the most basic level, one can think of Ethereum as a mall that lives on the internet and provides a secure place for internet commerce to take place. Users interact inside Ethereum's mall by means of wallets, and Ethereum's mall businesses are made up of batches of smart contract code. The Ethereum software determines the structure and rules of the mall, while validators ensure that the rules are followed, secure the mall, and maintain a ledger of all economic events that occur within the mall. Ethereum also apportions the limited space within the mall by charging users for conducting business and exchanging value.

Ethereum is free software that is hosted on computers distributed throughout the globe. It employs an array of logic, called a protocol, to create a unified understanding of ownership, commercial activity, and business logic. This allows users to engage in commerce without the need to trust any of its participants or counterparties. Ethereum code creates verifiable and unambiguous rules that assign clear, strong property rights to create a platform for unrestrained business formation and free exchange.

The computers that run Ethereum software, called *validators*, receive inflationary rewards and a portion of the fees remitted by users performing activity on Ethereum. Businesses are created on Ethereum by deploying a series of smart contracts. Smart contracts are computer code libraries that autonomously execute functions when called upon by users without any intermediary. Using smart contracts, developers can build logic that replicates the function of businesses like banks, auction houses, social media companies, video games platforms, cloud computing services, and commodities exchanges. Using Ethereum, a business can keep its treasury entirely on Ethereum and enable smart contract disbursements to employees, vendors, contractors, and suppliers who can also have wallets on Ethereum.

For users to perform on-chain actions to exchange value or interact with on-chain businesses, they incur fees paid to Ethereum. These fees are relative to the computational intensity and spot demand for computation on the Ethereum network. Curiously, unlike most enterprises where businesses pay the overhead of rent, electricity, and the rest, users directly pay the overhead costs of interacting with the on-chain business to that on-chain business's host and chief vendor – Ethereum. Thus, users pay both the costs of hosting the business and the costs of Ethereum computation, on behalf of on-chain businesses, through their transactions.

The principal medium of exchange on the Ethereum network is the ETH token. For users to conduct activity on Ethereum, they must pay for the cost of performing their actions in ETH, just like at Dave & Busters, where one must buy "gaming points" to play video games. To do anything on Ethereum, a user of Ethereum must utilize ETH tokens. Additionally, validators must post value, in the form of ETH, as collateral against their honesty. If a validator cheats, the ETH is seized. Considering that ETH tokens are the currency used to pay validators (who are selling ETH to cover costs), this marries demand with supply – Ethereum users buy tokens to use Ethereum, and Ethereum validators sell tokens to "supply" Ethereum.

What does it mean to "supply" Ethereum? In essence, it means participating in the consensus mechanism of Ethereum that verifies value transfers, allows for the deployment of smart contract code, or enables calls to Ethereum's software. All business logic and exchange of assets occur as ledger entries on blocks. Blocks are simply the "to-do list" for the Ethereum computer to complete, and every twelve seconds, the table of actions is executed. The list directs Ethereum to perform an action or a series of actions on behalf of the users. These directions could be as simple as sending value or as complex as buying and selling dozens of tokens simultaneously across dozens of different Ethereum-based token exchanges. Users gain inclusion on the block for their actions by paying a base fee and an inclusion fee. If there is a lot of demand for Ethereum's "to-do list," users can increase their inclusion fee, called a "tip," to ensure their request is fulfilled. Additionally, Ethereum has created a marketplace to auction off the right to order (and add transactions to) the action list on each of Ethereum's blocks. This is done because there is immense value in ordering the transactions. These two activities currently represent Ethereum's core business – selling blockspace and selling the right of others to order it. Distilled, Ethereum is selling secure, immutable blockspace that facilitates internet commerce.

Ethereum Revenue Recognition: Exploring Transaction Fees, MEV, and Security as a Service

Because Ethereum is not really a business, we identify revenue as an activity where tokens are used in Ethereum's core business – the provision of immutable, decentralized computing through *the sale of blockspace*. As a result, we count transaction fees, both the base fee and the tip fee, as a revenue line. Other analysts only count the base fee because it is burned, which impacts all ETH holders, while omitting the tip because it only is remitted to each leadership slot validator. In their construct, only staked ETH on validators receives the tip fee. However, we count both tip and base fees in addition to base fees as each reflects economic activity on Ethereum related to the *sale of blockspace*. Therefore, the economic value of those actions flows through to Ethereum as a business.

Additionally, we subtract ETH burned from the base fee from the ETH total supply and derive token value from the end-year, reduced supply total. Admittedly, unlike other components of our analysis, the yearly trajectory of ETH usage significantly influences today's token valuation through total token supply reduction. Additionally, we do not count inflationary security issuance as a revenue item as it does not relate directly to an outside entity buying blockspace.

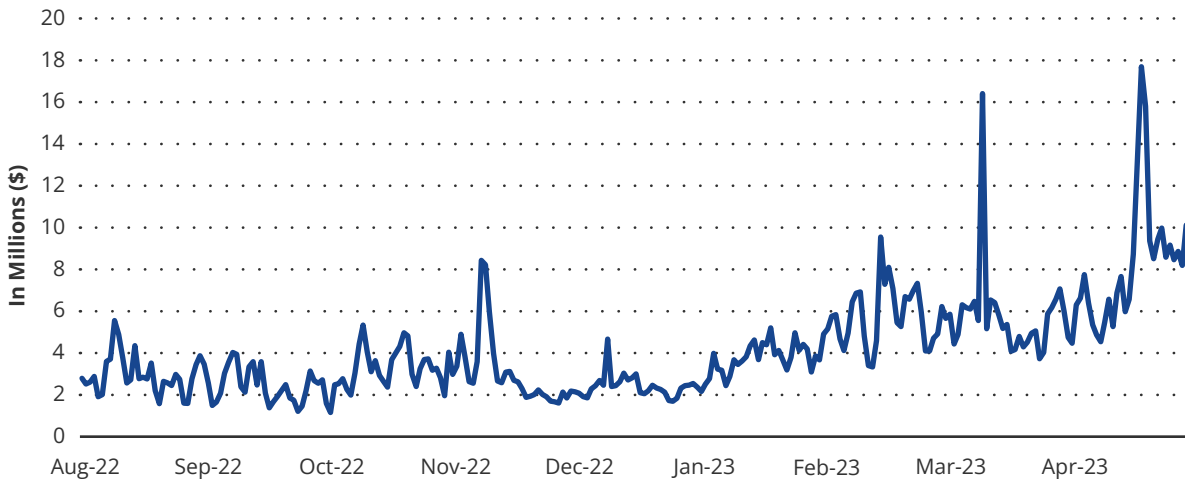
Not only do we recognize the transaction fees of the system, but we also recognize MEV as a revenue item to ETH. With entities like Flashbots auctioning off blockspace to builders, a portion of the MEV will accrue to ETH stakers, passed on by validators. Similar to tip fees given to validators, we also believe block-building fees should be included in Ethereum's revenue calculations as they are economic activity related to the sale of blockspace.

Finally, we assert that ETH is evolving beyond a transactional currency or a consumable commodity like oil or natural gas. We believe that ETH, while not a complete store of value like Bitcoin due to Ethereum's demonstrated mutability of code and an evolving social consensus focused on utility, will nevertheless become a store-of-value asset for state actors looking to maximize human capital (vs. Bitcoin, which maximizes for stranded energy). Importantly, in this model update, due to smart contract programmability on Ethereum combined with maturing cross-chain messaging technology, we introduce a novel revenue item called "Security as a Service" (SaaS).

Conceptually, ETH's value can be used both within Ethereum and outside of it to secure applications, protocols, and ecosystems. Using projects such as Eigenlayer, ETH can be used to back entities such as Oracles, Sequencers, Validators, bridges, contractual agreements, and perhaps novel entities yet to be discovered. The result is that ETH approximates a Layer 0 asset like Bitcoin or Polkadot's DOT and Cosmos's ATOM claim. These Layer 0 assets can be used to back and bootstrap new blockchains. Since ETH is a bearer asset, ETH can be locked behind some business or protocol's guarantees to act honestly. If that honesty is violated, that value can be seized to penalize malicious or irresponsible parties and/or compensate affected parties. This can be thought of as a performance bond or collateral that ensures a damaged party recovers losses while a lousy actor pays for its malice.

Stepping back, this business type relies upon the value of ETH as a token and the safety and persistence of Ethereum's software. Thus, as Ethereum's security can be exported, ETH holders who participate in SaaS should be rewarded at some multiple to the summed value of priority fees, tips, block-building fees, and ETH inflationary issuance – the ETH holder's opportunity cost multiplied by risk. This multiple reflects the average security risks and investment risks involved in offboarding ETH as a security provision asset.

Ethereum Daily Fees



Source: VanEck, Token Terminal as of 4/30/2023. Past performance is no guarantee of future results. Not intended as a recommendation to buy or sell any securities named herein.

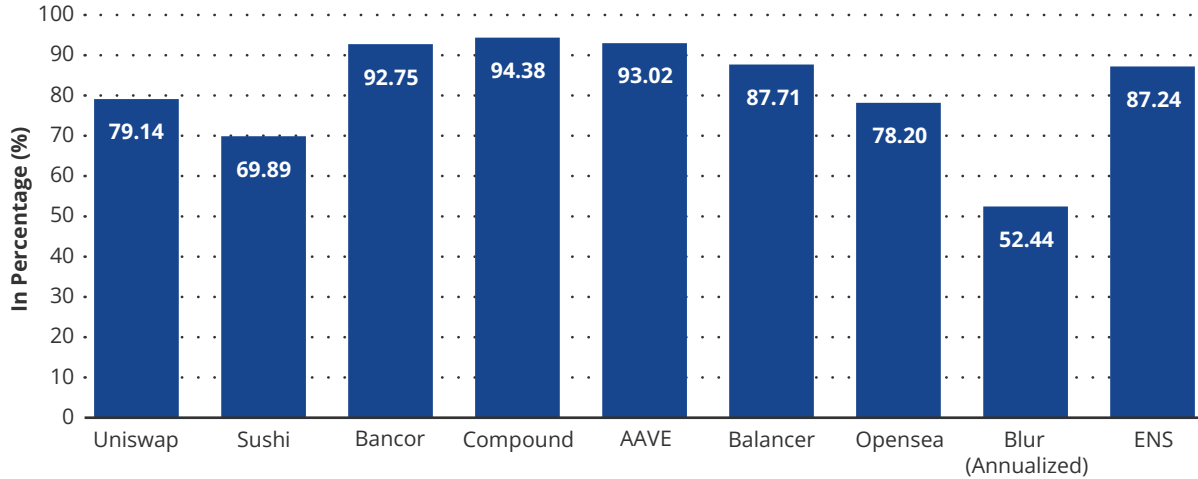
Ethereum Transaction Revenue: Assessing Market Capture, Business Categories, & Value Accrual

The base of our projections comes from the smart contract platform “market capture.” This is the percentage of each business category’s economic activity that we believe will utilize, be derived from, or reside on public smart contract platforms like Ethereum. Our main categories are Finance, Banking, and Payments (FBP), Metaverse, Social and Gaming (MSG), and Infrastructure (I). FBP encompasses financial activity, including consumer and business payments, banking services, and exchanges of value. MSG includes software and internet businesses that revolve around online social media, gathering, gaming, and virtual/online world value creation. Infrastructure encompasses the provision of cloud computing, server space, and distributed storage, as well as telecommunication and the internet. We assume that 5%, 20%, and 10% of finance, metaverse/media, and tech infrastructure activity, respectively, move on-chain. (Our relatively high estimates for metaverse/media contemplate the recent acceleration in information censorship in countries like Brazil, India & Ireland and the high number of open-source social networks currently under development).

Since the precise value accrual from a business deployed to a blockchain is uncertain, we assume a take rate on the business economic activity derived from blockchain deployment. This is not without precedent, as many blockchain-native businesses are currently deployed to smart contract platforms. The businesses themselves do not directly pay fees to Ethereum for the usage of their businesses. The users do. However, over the long run, to simplify the user experience, businesses deployed to blockchain will likely pay fees on behalf of their customers. For example, a coffee roaster whose website is hosted on AWS does not make a customer pay for both the coffee purchase and the roaster’s website costs at check out. Instead, the coffee store abstracts those costs and makes the customer only directly pay for the purchase items. In the future, blockchain-reliant and blockchain-based businesses will likely gravitate towards similar dynamics.

Looking at the cost breakdown to the user for using a blockchain business can inform our estimates of blockchain value capture over the long run. Right now, a user who wants to secure a loan using AAVE on Ethereum will pay both fees to AAVE and Ethereum for this business transaction. Of course, on the flip side, these fees to a user represent revenues to AAVE and Ethereum. If such a transaction occurred in real life, it would look like someone going to a Sharper Image at the mall and paying for his “laser pointer blowtorch back-scratcher” in addition to a portion of the Sharper Images’ monthly rent at checkout. We can see the breakdown of this ratio by examining the gas costs users pay to interact with an on-chain business’s smart contracts (Ethereum’s revenue) versus the costs the user pays directly to the business (AAVE’s revenues) from the same transaction. These ratios vary greatly depending on the type of on-chain business.

On-Chain Business Margin as a Percentage of Total Fees Paid by Users (Annual)



Source: VanEck, Token Terminal as of 4/30/2023. Past performance is no guarantee of future results. Not intended as a recommendation to buy or sell any securities named herein.

We can infer from the above chart that over the past year, the average cost split between platform and business for a user of AAVE is shared 6.98% to the platform (Ethereum) and 93.02% to AAVE (application and its lenders). Drawing back to focus on value accrual to smart contract platforms like Ethereum, we feel this relationship will shift over time as off-chain businesses deploy on-chain to reduce costs and seek new revenue. In our model, we assume application take rates will vary between 90% to 97% of revenue depending on the end market, with ETH share falling between 3% and 10% depending on the business category.

We think approximating this take rate is essential because “transactions revenue” is not an ideal mechanism to describe future blockchain value capture. Going by our earlier assertion that the transactions are a “to-do list” of items for Ethereum to compute, many uses of the blockchain cannot be best described as “transactions.” Blockspace is the more fitting unit of measurement and description of the product sold by smart contract blockchains like Ethereum. It is possible that smart contract blockchains package blockspace into a “service level agreement” to other parties to guarantee some present or future amount of compute or transaction activity. This activity will create complex, liquid blockspace futures markets that mirror commodities futures dynamics. However, we will stick with “Transaction Revenue” to keep in line with current conventions.

To deduce future ETH supply reductions from ETH base fee burns that occur from blockspace usage, we begin by applying past Ethereum burn/fee ratios. We employ a figure of 80% for the percent of burned transaction fees. In ETH terms, we then estimate a transaction cost average for both Ethereum and Layer 2 platforms with a very significant cost decline rate of roughly 60%. We speculate that the cost differential for L2s will be 1/100th that of Ethereum. After that, we calculate future MAUs on Ethereum as a function of end-market business MAUs and Ethereum’s capture of those MAUs. Ethereum capture rate of those MAUs is determined by Ethereum’s take rate of those underlying business categories’ economic activity (between 5% and 20%, depending on the end market). We do not project transactions and then extrapolate a revenue assumption from them. We simply assume a declining transaction cost in ETH and project a yearly burn amount from the base fee burn. Again, this burn amount is subtracted from the total running supply of Ethereum and significantly impacts token value as Ethereum’s FDV is spread across fewer tokens.

MEV Revenue: Exploring Transaction Ordering, On-Chain Activity, & Long-term Projections

MEV is considered a “bogyman” of blockchain that many entities seek to stop, distribute and/or suppress MEV. MEV is simply the profits that can be made by ordering transactions within each produced block. In reality, MEV can be limited but cannot be destroyed. We see MEV playing an integral role in securing (paying the validators and stakers) blockchains over the long run because of MEV’s immense value. A corollary of its certain persistence is shelf space at a supermarket. There will always be more valuable shelf space (that at “eye level”), and someone will be willing to pay to occupy that space at the expense of others. Likewise, there will always be value in ordering transactions, and there is immense value to be gained by monetizing that ordering.

Because MEV is highly correlated with on-chain activity, it is difficult to predict. For our estimate, we assume that MEV is directly related to the value of all assets hosted on Ethereum. This gives us a “management fee” for keeping value on Ethereum. Currently, we estimate yearly MEV value approximates ~2.0% of on-chain TVL on Ethereum (not the value of all assets on chain) for the past year. Long term, we assume that MEV as a percentage of assets will shrink as protocols and applications act to reduce its impact, the turnover rate of on-chain assets declines, and applications remit some of its value back to users. Therefore, we see the MEV take rate dwindling to 0.15%. We assume the total value of on-chain assets relates to the total value of all hosted assets on the blockchain, and this value is derived from the share of the FBP that blockchains retain and Ethereum’s market share.

L2 Settlement Dynamics: Scaling Solutions, Revenue Distribution, & Future Margin Projections

As L2 settlement represents the long-term scaling solution for executing transactions on Ethereum, it’s assumed to be the most important business line for Ethereum going forward. L2 settlement represents the line item of the transaction batches being posted to Ethereum. We predict settlement revenue as a function of L2 revenue and the margin relationship between “profits” and the cost of security to send batches to Ethereum. In our projections, we assume L2 revenue to be simply composed of MEV and transaction revenues which are both estimated by using the Ethereum framework. We then assume that L2s pay a portion of those revenues as security fees to Ethereum. We have seen the L2 “margins” fluctuate between 15% - 40% depending upon gas costs of Ethereum. Over the long run, we assert that most revenue from the L2 will still accrue to Ethereum, *including MEV on the L2*. We assume this to be the case because we project there will be thousands of L2s competing for blockspace on Ethereum and margins. We assert a long-term margin rate of 10% for the L2s versus the current range of 15% - 40%. This estimate is admittedly arbitrary, but we expect that as thousands of competing chains emerge to compete for Ethereum blockspace, margins for L2s will shrink dramatically. In terms of the value split, we assume that 98% of all transactions are executed on the L2s while 50% of the total value of assets rest on L2s. We assert that Ethereum will still host half of the ecosystem’s value because some assets and transactions may necessitate extreme security, composability, and atomicity levels.

Ethereum's Emerging Security as a Service Model

We define Ethereum's SaaS business as the revenues received from exporting ETH token value to back outside ecosystems, applications, and protocols. This is a burgeoning and uncertain use case for ETH that is hard to predict. To speculate on what percentage of ETH will be exported to gain fees for security provision, we look to current and past examples of bridged assets. Currently, the total percentage of ETH that is bridged off Ethereum is 0.47%, while the total supply of ATOM off-chain is around 0.5%. In the past, BTC wrapped and exported to other chains was as high as 1.7%, and during the peak of bridging activity on Ethereum, more than 15% of Ethereum's USDC supply was bridged off the chain. As a starting point, we assume that 10% of ETH is used to provide security off-chain and that for a risk premium, it should command a 2x premium to ETH on-chain.

Ethereum Price and Revenue Targets: Our Base, Bear, & Bull Case Scenarios

In our Base Case, we assume that Ethereum will achieve \$51B in annual revenue in the year ending 4/30/2030. We deduct a validator fee from this total, 1%, and a global tax rate of 15%, and we arrive at cash flows of \$42.90B to Ethereum.

Assuming an FCF multiple of 33x, 120.7M token, we come to a **Base Case 2030 Price Target of \$11,848 per token.**

To determine a valuation in today's dollars, we discount Ethereum at 12% despite finding, through CAPM, an 8.74%. We use this elevated figure to reflect increased uncertainty around the future of Ethereum. As a result, we find today's discounted price to be \$5,359.71 in our Base Case.

We base these estimates on the thesis that Ethereum becomes the dominant open-source global settlement network that hosts substantial portions of the commercial activity of business sectors with the highest potential to gain from moving their business functions to public blockchains. In a portfolio of similar smart contract platforms, we assume to own a collection of call options, with the dominant platform likely to take a majority market share.

Ethereum Valuation Scenarios

	Base	Bear	Bull
ETH Price Estimate			
Ethereum Terminal Smart Contract Market Share	70.00%	15.00%	90.00%
Estimated Revenue 2030 (M)	\$50,985	\$2,564	\$136,771
Global Tax Rate on Crypto	15.00%	15.00%	15.00%
Validator Cut	1.00%	1.00%	1.00%
Value to Tokenholders in 2030 (M)	\$42,904	\$2,157	\$115,093
FCF Yield	7.00%	7.00%	7.00%
Real Yield	6.00%	6.00%	6.00%
Long Term Revenue Growth over GDP	100.00%	100.00%	100.00%
Long Term GDP Growth	2.00%	2.00%	2.00%
Long Term Crypto Revenue Growth	4.00%	2.00%	5.00%
FCF Terminal Multiple	33	20	50
ETH FDV (M)	\$1,430,118	\$43,146	\$5,754,655
ETH Supply in 2030 (M)	120.70	125.68	112.82
Discount Rate	12.00%	12.00%	12.00%
ETH Price 2030	\$11,848.62	\$343.29	\$51,006.28
Discounted Token Price	\$5,359.71	\$155.29	\$23,072.65
Crypto Terminal Market Share			
Finance, Banking, Payments	5.00%	1.00%	15.00%
Metaverse, Social, and Gaming	20.00%	5.00%	50.00%
Infrastructure	10.00%	1.00%	20.00%
Ethereum Value Capture of End Market Revenue			
Finance, Banking, Payments	3.00%	3.00%	3.00%
Metaverse, Social, and Gaming	10.00%	10.00%	10.00%
Infrastructure	5.00%	5.00%	5.00%
MEV Revenue			
MEV LT Take Rate	0.10%	0.10%	0.10%
MEV Value Accrual to Token	90.00%	90.00%	90.00%
L2 Projections			
L2 Usage of Ethereum Block Space	95.00%	95.00%	95.00%
Transaction Percentage on L2	98.00%	98.00%	98.00%
Ecosystem TVL Layer 2	50.00%	50.00%	50.00%
L2 Revenue Capture of Total (Split to L2)	10.00%	10.00%	10.00%
Ethereum Security as a Service			
Percent Supply of ETH	10.00%	10.00%	10.00%
ETH Opportunity Cost Multiple	2.00	2.00	2.00
Tokenomics			
Burn Ratio	80.00%	80.00%	80.00%
L2 Transaction Cost	1.00%	1.00%	1.00%
Terminal Staking Rate of Tokenholders	30.00%	30.00%	30.00%

Source: VanEck Research as of 4/30/2023. Past performance is no guarantee of future results. Not intended as a recommendation to buy or sell any securities named herein. The above is not intended as financial advice or any call to action, a recommendation to buy or sell Ethereum, or as a projection of how Ethereum will perform in the future. There may be risks or other factors not accounted for in the above scenarios that may impede the performance of Ethereum. These are solely the results of a simulation based on our research, and are for illustrative purposes only. Please conduct your own research and draw your own conclusions.

Disclosures

ETH Model Sources: Morgan Stanley, US Federal Reserve, World Bank Group, Mckinsey, SIFMA, Alliance Bernstein, Mckinsey, Statista, Morgan Stanley, Macquarie, Deloitte, Gartner, PWC, Deloitte, IoT Analytics.

Coin Definitions

Bitcoin (BTC) is a decentralized digital currency, without a central bank or single administrator, that can be sent from user to user on the peer-to-peer bitcoin network without the need for intermediaries.

Ethereum (ETH) is a decentralized, open-source blockchain with smart contract functionality. Ether is the native cryptocurrency of the platform. Amongst cryptocurrencies, Ether is second only to Bitcoin in market capitalization.

Aave (AAVE) is an open-source and non-custodial protocol to earn interest on deposits and borrow assets with a variable or stable interest rate.

Risk Considerations

This is not an offer to buy or sell, or a solicitation of any offer to buy or sell any of the digital assets mentioned herein. The information presented does not involve the rendering of personalized investment, financial, legal, or tax advice. Certain statements contained herein may constitute projections, forecasts and other forward looking statements, which do not reflect actual results. Information provided by third-party sources are believed to be reliable and have not been independently verified for accuracy or completeness and cannot be guaranteed. Any opinions, projections, forecasts, and forward-looking statements presented herein are valid as of the date of this communication and are subject to change without notice. The information herein represents the opinion of the author(s), but not necessarily those of VanEck.

Past performance is not an indication, or guarantee, of future results. Hypothetical or model performance results have certain inherent limitations. Unlike an actual performance record, simulated results do not represent actual trading, and accordingly, may have undercompensated or overcompensated for the impact, if any, of certain market factors such as market disruptions and lack of liquidity. In addition, hypothetical trading does not involve financial risk and no hypothetical trading record can completely account for the impact of financial risk in actual trading (for example, the ability to adhere to a particular trading program in spite of trading losses). Hypothetical or model performance is designed with benefit of hindsight.

Investments in digital assets and Web3 companies are highly speculative and involve a high degree of risk. These risks include, but are not limited to: the technology is new and many of its uses may be untested; intense competition; slow adoption rates and the potential for product obsolescence; volatility and limited liquidity, including but not limited to, inability to liquidate a position; loss or destruction of key(s) to access accounts or the blockchain; reliance on digital wallets; reliance on unregulated markets and exchanges; reliance on the internet; cybersecurity risks; and the lack of regulation and the potential for new laws and regulation that may be difficult to predict. Moreover, the extent to which Web3 companies or digital assets utilize blockchain technology may vary, and it is possible that even widespread adoption of blockchain technology may not result in a material increase in the value of such companies or digital assets.

Digital asset prices are highly volatile, and the value of digital assets, and Web3 companies, can rise or fall dramatically and quickly. If their value goes down, there's no guarantee that it will rise again. As a result, there is a significant risk of loss of your entire principal investment.

Digital assets are not generally backed or supported by any government or central bank and are not covered by FDIC or SIPC insurance. Accounts at digital asset custodians and exchanges are not protected by SPIC and are not FDIC insured. Furthermore, markets and exchanges for digital assets are not regulated with the same controls or customer protections available in traditional equity, option, futures, or foreign exchange investing.

Digital assets include, but are not limited to, cryptocurrencies, tokens, NFTs, assets stored or created using blockchain technology, and other Web3 products.

Web3 companies include but are not limited to, companies that involve the development, innovation, and/or utilization of blockchain, digital assets, or crypto technologies.

All investing is subject to risk, including the possible loss of the money you invest. As with any investment strategy, there is no guarantee that investment objectives will be met and investors may lose money. Diversification does not ensure a profit or protect against a loss in a declining market.

Past performance is no guarantee of future performance.

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