BeQ Top 5 Blockchain ETF Tradable Index (BEI)

Bridging Markets, Empowering Growth

September 2025

BEQ HOLDINGS
WEALTH FARMING

LOCATIONS

USA
BeQ Holdings INC (US),
200 Continental Drive, Newark, DE 19713,
USA

Singapore
14 Robinson Road #08-01A,
Far East Finance Building,
Singapore (048545)

Vietnam
67 Dinh Thi Thi Street, Hiep Binh Phuoc,
Thu Duc District, Ho Chi Minh City,
Viet Nam 71300

UK
128 City Road, London,
United Kingdom, EC1V 2NX
www.beqholdings.com

Introduction

Background

The current global economic landscape is shaped by a mix of recovery and uncertainty. Macroeconomically, inflation remains a key concern, though central banks in major economies, such as the U.S. Federal Reserve and the European Central Bank, have implemented interest rate hikes to combat rising prices. While inflation is easing in some regions, others, particularly emerging markets, continue to face currency depreciation and external debt pressures. Global GDP growth has slowed due to geopolitical tensions, supply chain disruptions, and energy market volatility, particularly from the Russia-Ukraine conflict. Macroeconomically, businesses are navigating higher input costs, shifting consumer demand, and labor market tightness, leading many to focus on cost-cutting and digital transformation to remain competitive. Despite challenges, sectors like technology, healthcare, and renewable energy show resilience, while households in many regions adjust spending due to rising living costs. Global trade remains fragile, with some regions pursuing nearshoring strategies to reduce dependence on foreign suppliers.

Research Statement

The research problem centers on addressing the challenge faced by investors who seek high returns while maintaining a diversified investment portfolio. Achieving this balance requires identifying investment strategies that optimize risk-adjusted returns across various asset classes. However, macroeconomic factors such as inflation, interest rate fluctuations, and geopolitical risks complicate portfolio diversification. Additionally, microeconomic factors, including industry trends and individual asset performance, further impact investment outcomes. The key question is how investors can construct portfolios that not only capture market opportunities for high returns but also mitigate risks through effective diversification across equities, fixed income, ETFs, commodities, and alternative assets. This underscores the need for innovative allocation strategies and informed decision-making in an increasingly volatile economic environment.

Significance

The research is highly significant in addressing the ongoing challenge for investors to achieve high returns while maintaining a diversified investment portfolio. In today's volatile economic environment, traditional investment strategies may fall short in providing both stability and growth. This underscores the need for exploring alternative solutions such as index-based ETFs, which offer a cost-effective, transparent, and diversified approach to investing.

ETF indexes are particularly relevant because they provide broad market exposure while mitigating risks associated with individual asset selection. By tracking established indexes such as the S&P 500, MSCI World, or sector-specific benchmarks, ETFs allow investors to capture market returns efficiently. Research shows that ETFs often outperform actively managed funds over the long term due to lower fees and reduced turnover. Furthermore, their adaptability to various market conditions and ability to focus on specific themes, industries, or geographies make them an attractive tool for achieving both diversification and high returns.

This research emphasizes how leveraging ETF indexes can be a solution for modern portfolio construction, providing a robust framework to meet investors' dual goals of growth and risk management.

ETF Indexes

Exchange-traded funds (ETFs) are investment vehicles that pool assets and trade on stock exchanges like individual stocks. Unlike actively managed funds, ETFs typically track an underlying index, such as the S&P 500, by replicating its holding. This passive approach results in lower expense ratios compared to actively managed funds, making them an attractive option for cost-conscious investors. ETFs offer diversification benefits by providing exposure to a basket of securities, reducing portfolio risk. Furthermore, their intraday trading feature enhances liquidity and flexibility for investors compared to traditional mutual funds. The price of an ETF fluctuates based on supply and demand, just like the stocks it holds.

ETF Indexes Definition

ETF indexes serve as benchmarks or tradables for Exchange-Traded Funds (ETFs). These indexes, such as the S&P 500 or the Nasdaq 100, represent a specific segment of the market, providing a standardized measure of its performance. ETFs designed to track these indexes aim to replicate their returns, offering investors diversified exposure to a particular market sector or asset class. By following the index's constituents, ETFs provide a passive investment strategy that often results in lower costs compared to actively managed funds.

Benefits

ETF indexes offer key benefits such as broad diversification, low costs due to passive management, and high liquidity since they trade like stocks throughout the day. They provide transparency through daily holdings disclosures and tax efficiency with fewer taxable events. Additionally, index ETFs offer consistent performance tracking, aligning with the benchmark index, and give access to niche markets and strategies like sector rotation or hedging. Their simplicity makes building diversified portfolios easier, and they reduce the risk of human error since they follow a rules-based approach rather than relying on active management decisions.

Disadvantages

ETF indexes have some downsides, including the inability to outperform the market since they simply track an index. They can be highly exposed to market volatility and may suffer from over-concentration in a few large companies in market-cap-weighted indexes. Additionally, they lack flexibility to adjust holdings during downturns, and some may experience slight performance deviations due to tracking errors. Dividend reinvestment is not always automatic, and frequent trading can lead to additional costs. Niche ETFs with low trading volumes may also face liquidity issues, making it harder to execute large trades without affecting prices.

Selection Criteria

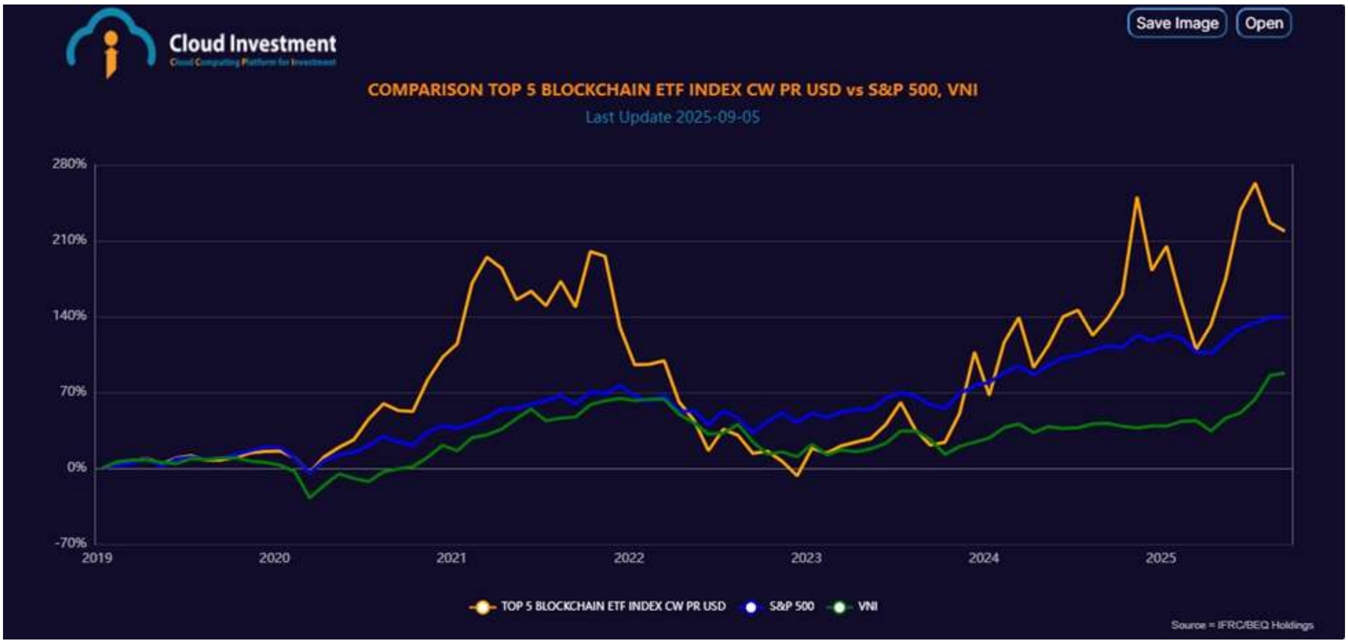
When selecting an ETF index, consider your investment goals (growth, income, or diversification) and the index type (broad market, sector, or thematic). Evaluate the expense ratio to minimize fees, check the ETF's tracking accuracy, and ensure it has high liquidity for lower transaction costs. Look for diversification to avoid over-concentration risks and consider market cap exposure (large-cap, mid-cap, or small-cap). Review dividend yield if seeking income and assess currency and geopolitical risks for international ETFs. Additionally, ensure the ETF has sufficient assets under management (AUM) for stability, a reputable issuer, and a tax-efficient structure for taxable accounts.

Performance of BeQ Top 5 Blockchain ETF Tradable

	Absolute	Excess vs S&P 500
Year to Date (YTD)	**+15.60%**	**+9.84%**
Rolling 1Y Annualized Performance	**+46.64%**	**+31.11%**
Rolling 3Y Annualized Performance	**+35.37%**	**+18.61%**
Rolling 6Y Annualized Performance	**+20.03%**	**+6.13%**

* End of August 2025

Chart



Index Composition

The composition of the BeQ Top 5 Blockchain ETF Tradable Index (BEI) is derived from the following representative sample of publicly traded global exchange operators.

Ticker	Name	Capi Mn$	Weight	Listed in
BLOK	AMPLIFY TRANSFORMATIONAL DATA SHARING	1,059.36	33.04%	NYSE
BITQ	BITWISE CRYPTO INDUSTRY INNOVATORS ETF	22.20	17.81%	NYSE
DAPP	VANECK DIGITAL TRANSFORMATION	22.28	17.34%	NASDAQ
FDIG	FIDELITY CRYPTO INDUSTRY AND DIGITAL PAYMENTS ETF	20.08	16.17%	NASDAQ
BKCH	GLOBAL X BLOCKCHAIN	19.35	15.64%	NASDAQ

*as from August 29, 2025

Calculation & Availability

- **Base Date and Value:** December 31, 2018 (1,000)
- **Frequency:** Calculated daily
- **Versions:** Price Index (tracks capital appreciation), Total Return Index (includes reinvested income/dividends)
- **Currency Conversions:** Available in multiple currencies to support global investors: VND, USD, EUR, GBP, JPY, HKD, CNY, SGD, AUD, CAD, KRW and USDC

This multi-currency support allows investors to evaluate real returns in their local currency, accounting for FX fluctuations.

Key Benefits

- **Diversification:** Exposure to multiple global regions
- **Adaptability:** Quarterly rebalancing ensures responsiveness to market shifts
- **Transparency:** Methodology and components are clearly documented
- **Global Accessibility:** Multi-currency versions support international benchmarking

Factsheet Of BeQ top 5 blockchain ETF tradable index

Specification	Description
Full Name	IFRC/BEQ Top 5 blockchain ETF CW PR USD
Short Name	Top 5 blockchain ETF CW PR USD
Symbol	BEI
Price Or Total Return	Price Index
Currency	USD
Constituents Number	5
Weighting	Free Float Capitalization Weighted (CW) and Capped
Calculation Frequency	End of Day
Capping	35%
Composition Review	Quarterly (3rd Friday of March, June, September, December)
Shares Review	Quarterly (3rd Friday of March, June, September, December)
Free Float Review, Banding	Round up 5%
Base Date	2018-12-31
Base Value	1,000
History Since	2018-12-31
Launching Date	2023-03-22
Internal Code	INDETFBLKCHN05CWPRUSD

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USA
BeQ Holdings INC (US),
200 Continental Drive, Newark, DE 19
13,
USA

Vietnam
67 Dinh Thi Thi Street, Hiep Binh
Phuoc,
Thu Duc District, Ho Chi Minh City,
Viet Nam 71300

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