EVOLVE ETFs

Evolve Cryptocurrencies

June 17, 2025

TSX **XRP**

Evolve XRP ETF

OVERVIEW

XRP is a digital asset designed to facilitate fast and cost-effective cross-border payments and serves as the native cryptocurrency of the XRP Ledger (XRPL), an open-source, decentralized blockchain platform.

Unlike many cryptocurrencies, XRP was created to work within the traditional financial system, aiming to enhance international money transfers by providing liquidity and bridging different currencies.[1]

HISTORY & DEVELOPMENT

The development of the XRP Ledger began in 2011 by engineers David Schwartz, Jed McCaleb, and Arthur Britto. They sought to create a more efficient alternative to Bitcoin, focusing on faster transaction times and reduced energy consumption.[2]

INVESTMENT CASE

Investors are drawn to XRP due to its utility in facilitating rapid and low-cost international payments. Its adoption by various financial institutions as a bridge currency enhances its value proposition.

USES

XRP is primarily used to facilitate cross-border payments by acting as a bridge currency between different fiat currencies, enabling faster and more cost-effective international transactions. Beyond payments, XRP is utilized in various applications, including:

- **Remittances**: Providing a quick and affordable method for individuals to send money internationally.
- **Microtransactions**: Enabling small-value transactions due to its low transaction fees.
- **Decentralized Finance (DeFi)**: Serving as collateral and liquidity in emerging DeFi platforms.

These use cases leverage XRP's speed and efficiency to improve financial services.

SUPPLY & ISSUANCE

XRP was pre-mined with a total supply of 100 billion tokens at its inception. A significant portion of this supply was allocated to Ripple Labs, with the remaining distributed among founders and through various giveaways and incentives. To manage the release of XRP into the market and maintain price stability, Ripple placed 55 billion XRP into an escrow account, releasing up to 1 billion XRP per month as needed. Unutilized XRP from these monthly releases are returned to escrow.[3]

TECHNICAL FEATURES

The XRP Ledger employs a unique consensus mechanism known as the Ripple Protocol Consensus Algorithm (RPCA), which differs from Proof-of-Work (PoW) and Proof-of-Stake (PoS) systems. In RPCA, independent validators agree on the order and outcome of XRP transactions every few seconds, resulting in rapid transaction finality and low energy consumption.[4] This design allows the XRP Ledger to process transactions efficiently, with typical settlement times of 3-5 seconds and the capacity to handle up to 1,500 transactions per second.[5]

GOVERNANCE & DECENTRALIZATION

The XRP Ledger operates as a decentralized network of independent validators who maintain the ledger and validate transactions. While Ripple Labs contributes to the development and promotion of XRP, it does not control the XRP Ledger. The network's consensus mechanism relies on a diverse set of validators to ensure decentralization and security.

ADOPTION & INSTITUTIONAL INTEREST

A well-known company that uses XRP is American Express, which leverages RippleNet to enable real-time cross-border payments for corporate clients. Through its partnership with Ripple, American Express uses XRP indirectly via Ripple's infrastructure to facilitate faster and more transparent transactions between the U.S. and international markets, helping businesses move money efficiently and reduce settlement times from days to seconds[6]

SOURCE

1. https://ripple.com/xrp/
2. https://xrpl.org/about/history
3. https://messari.io/project/xrp-ledger/profile
4. https://xrpl.org/docs/concepts/consensus-protocol
5. https://xrpl.org/about/xrp
6. https://www.fintechfutures.com/blockchain-crypto-digital-assets/all-aboard-the-amex-blockchain-payments-express

DISCLAIMER

Evolve Funds Group Inc. is the investment fund manager and portfolio manager. Evolve XRP ETF ("XRP") is offered by Evolve Funds Group Inc., and distributed through authorized dealers.

The information contained herein is a general description and is not intended to be specific investment advice to any particular investor nor intended to be investment or tax advice. You should not act or rely on the information contained herein without seeking the advice of an appropriate professional advisor. The information contained herein is intended for informational purposes as a summary only, does not constitute an offer to sell any securities or a legally binding obligation, it is qualified entirely by, and should be read in conjunction with, the more detailed information appearing in the prospectuses found on the Evolve Funds Group Inc website at https://evolveetfs.com/

The unpredictable nature of the cryptoassets can lead to loss of funds.

Commissions, management fees and expenses all may be associated with exchange traded funds (ETFs). Please read the prospectus before investing. ETFs are not guaranteed, their values change frequently and past performance may not be repeated.

Certain statements in this document are forward-looking. Forward-looking statements ("FLS") are statements that are predictive in nature, depend upon or refer to future events or conditions, or that include words such as "may," "will," "should," "could," "expect," "anticipate," "intend," "plan," "believe," or "estimate," or other similar expressions. Statements that look forward in time or include anything other than historical information are subject to risks and uncertainties, and actual results, actions or events could differ materially from those set forth in the FLS. FLS are not guarantees of future performance and are by their nature based on numerous assumptions. Although the FLS contained herein are based upon what Evolve Funds Group Inc. and the portfolio manager believe to be reasonable assumptions, neither Evolve Funds Group Inc. nor the portfolio manager can assure that actual results will be consistent with these FLS. The reader is cautioned to consider the FLS carefully and not to place undue reliance on FLS. Unless required by applicable law, it is not undertaken, and specifically disclaimed that there is any intention or obligation to update or revise FLS, whether as a result of new information, future events or otherwise.

Certain information contained in this document is obtained from third parties. Evolve Funds Group Inc. believes such information to be accurate and reliable as of the date hereof, however, we cannot guarantee that it is accurate or complete or current at all times. The information provided is subject to change without notice.

Evolve ETFs

TD Canada Trust Tower, 161 Bay Street, Suite 1210, Toronto ON M5J 2S1

416.214.4884 | 1.844.370.4884 | www.evolveetfs.com