UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2026
or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 001-42529

FRANKLIN CRYPTO INDEX ETF
A SERIES OF FRANKLIN CRYPTO TRUST

SPONSORED BY FRANKLIN HOLDINGS, LLC

(Exact name of registrant as specified in its charter)

Delaware	**99-6871401**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

One Franklin Parkway
San Mateo, CA 94403
(650) 312-2000
(**Address of principal executive offices, telephone number, including area code)**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Franklin Crypto Index ETF Shares	**EZPZ**	**Cboe BZX Exchange, Inc.**

Securities registered or to be registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer”, “accelerated filer”, “smaller reporting company”, and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☐	Accelerated Filer	☐
Non-Accelerated Filer	☒	Smaller Reporting Company	☒
Emerging Growth Company	☒		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

The registrant had 850,000 outstanding Shares as of November 2, 2026.

Documents Incorporated by Reference: None

STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q includes statements which relate to future events or future performance. In some cases, you can identify such forward-looking statements by terminology such as “may,” “should,” “could,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential” or the negative of these terms or other comparable terminology. All statements (other than statements of historical fact) included in this report that address activities, events or developments that may occur in the future, including such matters as changes in commodity prices and market conditions for Digital Assets, and the Shares, the Fund’s operations, the Sponsor’s plans and references to the Fund’s future success and other similar matters are forward-looking statements. These statements are only predictions. Actual events or results may differ materially. These statements are based upon certain assumptions and analyses made by the Sponsor on the basis of its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. Whether or not actual results and developments will conform to the Sponsor’s expectations and predictions, however, is subject to a number of risks and uncertainties, including the special considerations discussed in this report, general economic, market and business conditions, changes in laws or regulations, including those concerning taxes, made by governmental authorities or regulatory bodies, and other world economic and political developments. All of the forward-looking statements made in this report are qualified by these cautionary statements, and there can be no assurance that the actual results or developments the Sponsor anticipates will be realized or, even if substantially realized, will result in the expected consequences to, or have the expected effects on, the Fund’s operations or the value of the Shares. None of the Trust, the Fund, the Sponsor, or the Trustee or their respective affiliates is under a duty to update any of the forward-looking statements to conform such statements to actual results or to a change in the Sponsor’s expectations or predictions, other than as required by applicable laws.

EMERGING GROWTH COMPANY STATUS

The Trust is an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act (the “JOBS Act”). For as long as the Trust is an emerging growth company, the Trust may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies,” including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes–Oxley Act of 2002 (the “Sarbanes-Oxley Act”), reduced disclosure obligations regarding executive compensation in the Fund’s periodic reports and audited financial statements in its prospectus, exemptions from the requirements of holding advisory “say-on-pay” votes on executive compensation and shareholder advisory votes on “golden parachute” compensation and exemption from any rules requiring mandatory audit firm rotation and auditor discussion and analysis and, unless otherwise determined by the SEC, any new audit rules adopted by the Public Company Accounting Oversight Board.

Under the JOBS Act, the Trust will remain an emerging growth company until the earliest of:

- the last day of the fiscal year during which the Trust has total annual gross revenues of $1.235 billion or more;
- the last day of the fiscal year following the fifth anniversary of the completion of its initial public offering;
- the date on which the Trust has, during the previous three-year period, issued more than $1 billion in non-convertible debt; or
- the date on which the Trust is deemed to be a “large accelerated filer” (generally, an issuer that (1) has more than $700 million in outstanding equity held by non-affiliates and (2) has been subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) for at least 12 calendar months and has filed at least one annual report on Form 10-K.)

The JOBS Act also provides that an emerging growth company can utilize the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended (the “Securities Act”) for complying with new or revised accounting standards.

FRANKLIN CRYPTO INDEX ETF
FRANKLIN CRYPTO TRUST

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Part I. FINANCIAL INFORMATION

Item 1. Unaudited Financial Statements of the Trust and the Fund

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FRANKLIN CRYPTO TRUST
COMBINED STATEMENTS OF ASSETS AND LIABILITIES (Unaudited)

	September 30, 2026	December 31, 2025
Assets		
Investments in Digital Assets, at fair value[(a)]	$ 17,027,480	$ 10,216,868
Total Assets	17,027,480	10,216,868
Liabilities		
Sponsor's fee payable	2,616	1,477
Total liabilities	2,616	1,477
Commitments and contingencies (Note 7)		
Net Assets	$ 17,024,864	$ 10,215,391
Shares issued and outstanding[(b)]	800,000	450,000
Net asset value per Share	$ 21.28	$ 22.70

(a) Cost of investments in Digital Assets: $16,583,491 at September 30, 2026 and $11,421,283 at December 31, 2025.
(b) No par value, unlimited amount authorized.

See accompanying notes to the unaudited combined financial statements.

FRANKLIN CRYPTO TRUST
COMBINED SCHEDULES OF INVESTMENTS (Unaudited)

September 30, 2026

Digital Assets	Quantity	Cost	Fair Value	Fair Value as a % of Net assets
Bitcoin	155.3730	$ 12,729,811	$ 13,004,293	76.39%
Ether	806.4596	2,013,824	2,172,505	12.76%
XRP	609,573.7670	978,257	914,361	5.37%
Solana	5,396.5714	534,047	639,979	3.76%
Dogecoin	1,502,200.6472	163,187	143,730	0.84%
Cardano	373,963.5206	110,884	93,809	0.55%
Stellar Lumens	257,432.2473	53,481	58,803	0.35%
Total investments in Digital Assets		$ 16,583,491	$ 17,027,480	100.02%
Less liabilities			(2,616)	(0.02)%
Net assets			$ 17,024,864	100.00%

December 31, 2025

Digital Assets	Quantity	Cost	Fair Value	Fair Value as a % of Net assets
Bitcoin	87.3467	$ 8,649,292	$ 7,639,607	74.79%
Ether	474.4721	1,503,444	1,409,918	13.80%
XRP	330,323.8883	666,712	603,733	5.91%
Solana	2,694.9332	342,923	336,139	3.29%
Dogecoin	749,351.1329	101,660	88,273	0.86%
Cardano	213,170.9930	83,168	70,709	0.69%
Chainlink	3,233.4330	40,342	39,244	0.38%
Stellar Lumens	144,668.9849	33,742	29,245	0.29%
Total investments in Digital Assets		$ 11,421,283	$ 10,216,868	100.01%
Less liabilities			(1,477)	(0.01)%
Net assets			$ 10,215,391	100.00%

See accompanying notes to the unaudited combined financial statements.

FRANKLIN CRYPTO TRUST
COMBINED STATEMENTS OF OPERATIONS (Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended	For the period February 20, 2025 (Date of commencement of operations) through
	2026	2025	September 30, 2026	September 30, 2025
Expenses				
Sponsor's fee	$ 7,243	$ 2,750	$ 17,192	$ 5,053
Less waiver	-	(1,741)	-	(4,044)
Total expenses	7,243	1,009	17,192	1,009
Net investment loss	(7,243)	(1,009)	(17,192)	(1,009)
Net realized and change in unrealized gain (loss) on investment in Digital Assets				
Net realized gain (loss) from Digital Assets sold for the redemption of Shares, sold to pay expenses and sold for rebalancing	(94,156)	116	(135,238)	315
Net change in unrealized appreciation (depreciation) on investments in Digital Assets	5,765,858	459,814	1,648,404	1,028,699
Net realized and change in unrealized appreciation (depreciation) on investments in Digital Assets	5,671,702	459,930	1,513,166	1,029,014
Net increase (decrease) in net assets resulting from operations	$ 5,664,459	$ 458,921	$ 1,495,974	$ 1,028,005
Net increase (decrease) in net assets per Share(a)(b)	$ 6.64	$ 2.40	$ 2.24	$ 6.32

(a) Net increase (decrease) in net assets per Share based on average Shares outstanding during the period.
(b) The change in Financial highlights may not agree with Net increase (decrease) in net assets per Share because of the timing of transactions in the Fund's shares in relation to fluctuating market values for the Fund's underlying investment.

See accompanying notes to the unaudited combined financial statements.

FRANKLIN CRYPTO TRUST
COMBINED STATEMENTS OF CASH FLOWS (Unaudited)

	For the Nine Months Ended September 30, 2026	For the period February 20, 2025 (Date of commencement of operations) through September 30, 2025
Cash Flows from Operating Activities		
Net increase (decrease) in net assets resulting from operations	$ 1,495,974	$ 1,028,005
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:		
Purchases of Digital Assets for creations	(7,295,569)	(4,044,659)
Purchases of Digital Assets for rebalancing	(95,193)	(26,917)
Sales of Digital Assets for the redemption of Shares and to pay expenses	1,998,123	–
Sales of Digital Assets for rebalancing	95,193	26,917
Net realized (gain) loss from Digital Assets sold for the redemption of Shares and sold to pay expenses	96,895	(315)
Net realized (gain) loss from Digital Assets sold for rebalancing	38,343	–
Net change in unrealized (appreciation) depreciation on investments in Digital Assets	(1,648,404)	(1,028,699)
Change in operating assets and liabilities:		
Sponsor's fee payable	1,139	1,009
Net cash provided by (used in) operating activities	$ (5,313,499)	$ (4,044,659)
Cash Flows from Financing Activities		
Proceeds from issuance of Shares	7,295,474	4,044,659
Payments on Shares redeemed	(1,981,975)	–
Net cash provided by (used in) financing activities	$ 5,313,499	$ 4,044,659
Cash		
Net increase (decrease) in cash	$ –	$ –
Cash, beginning of period	–	–
Cash, end of period	$ –	$ –

See accompanying notes to the unaudited combined financial statements.

FRANKLIN CRYPTO TRUST
COMBINED STATEMENTS OF CHANGES IN NET ASSETS (Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended	For the period February 20, 2025 (Date of commencement of operations) through
	2026	2025	September 30, 2026	September 30, 2025
Net assets, beginning of period	$ 11,733,692	$ 4,066,210	$ 10,215,391	$ 2,513,378^
Net investment income (loss)	(7,243)	(1,009)	(17,192)	(1,009)
Net realized gain (loss) from Digital Assets sold for the redemption of Shares, sold to pay expenses and rebalancing	(94,156)	116	(135,238)	315
Net change in unrealized appreciation (depreciation) on investments in Digital Assets	5,765,858	459,814	1,648,404	1,028,699
Net increase (decrease) in net assets resulting from operations	5,664,459	458,921	1,495,974	1,028,005
Increase (decrease) in net assets from capital share transactions:				
Contributions for Shares issued	1,608,688	3,060,911	7,295,474	4,044,659
Distributions for Shares redeemed	(1,981,975)	-	(1,981,975)	-
Net increase (decrease) in net assets from capital share transactions	(373,287)	3,060,911	5,313,499	4,044,659
Net assets, end of period	$ 17,024,864	$ 7,586,042	$ 17,024,864	$ 7,586,042

^ On January 22, 2025, Franklin Resources, Inc. (the “Seed Capital Investor”), an affiliate of the Sponsor, subject to conditions, purchased 4,000 Shares at a per-Share price equal to $25.00 (the “Initial Seed Shares”). Delivery of the Initial Seed Shares was made on January 22, 2025. Total proceeds to the Fund from the sale of the Initial Seed Shares were $100,000. On February 10, 2025, the Initial Seed Shares were redeemed for $100,000, and the Seed Capital Investor purchased two Creation Units in a cash transaction comprised of a total of 100,000 Shares at a per-Share price based on 11.06240875 bitcoin and 61.7774073 ether per Creation Unit, for a total of 22.1248175 bitcoin and 123.5548146 ether (the “Seed Creation Units”). The cash proceeds to the Fund from the sale of the Seed Creation Units were used by the Fund to purchase 22.1248175 bitcoin at the price of $97,227.80 per bitcoin and 123.5548146 ether at the price of $2,665.23 per ether on February 10, 2025 (exclusive of transaction and other costs incurred in connection with the conversion of the cash proceeds to bitcoin and ether respectively, which were paid by the Seed Capital Investor). Thus, the ultimate total proceeds to the Fund from the sale of the Seed Creation Units were $2,480,449.33 (an amount representing 22.1248175 bitcoin and 123.5548146 ether) representing 100,000 shares at a per-Share price equal to $24.80. Further, the transaction and other costs incurred in connection with the Seed Creation Units were paid by the Seed Capital Investor and not borne by the Fund.

See accompanying notes to the unaudited combined financial statements.

FRANKLIN CRYPTO TRUST
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Unaudited)

1. ORGANIZATION

The Franklin Crypto Trust (the "Trust") was formed as a Delaware statutory trust on August 13, 2024, and is governed by the provisions of the Second Amended and Restated Agreement and Declaration of Trust dated as of February 4, 2025 (the "Declaration of Trust"). The Trust is not registered as an investment company under the Investment Company Act of 1940, as amended (the "Investment Company Act") and is not a commodity pool for purposes of the Commodity Exchange Act ("CEA"). The accompanying financial statements relate to the Trust, as registrant, and the one series that it currently offers, the Franklin Crypto Index ETF (the "Fund") presented on a combined basis. Separate, series-level financial statements are provided for the Fund in another section of this report. The Trust had no operations prior to the Fund's launch, other than matters relating to its organization and the registration of the Fund under the Securities Act of 1933, as amended (the "Securities Act"). The Sponsor of the Trust and the Fund (the "Sponsor") is Franklin Holdings, LLC. The Sponsor is a Delaware limited liability company formed on July 21, 2021. The Sponsor is not subject to regulation by the U.S. Commodity Futures Trading Commission ("CFTC") as a commodity pool operator or a commodity trading advisor with respect to the Fund. The Fund issues Shares (the "Shares"), which represent units of fractional undivided beneficial interest in and ownership of the Fund. The Shares of the Fund are listed on the Cboe BZX Exchange, Inc. ("Cboe BZX Exchange" or the "Exchange").

The Fund generally seeks to reflect the price of the digital assets included in the CF Institutional Digital Asset Index – US–Settlement Price (the "Underlying Index"). As of September 30, 2026, the Underlying Index's only constituent Digital Assets are Bitcoin ("BTC"), Ether ("ETH"), XRP, Solana ("SOL"), Dogecoin ("DOGE"), Cardano ("ADA"), and Stellar Lumens ("XLM") (collectively, the "Digital Assets"). The Fund's investment objective is to seek to provide investment results that closely correspond, before Fund expenses and liabilities, to the performance of the Underlying Index. The Fund seeks to achieve its investment objective by investing in the Digital Assets in approximately the same weights as they represent in the Underlying Index. Because the Fund's investment objective is to seek to track the price of the Underlying Index, changes in the price of the Shares may vary from changes in the underlying Digital Assets' prices. The Fund is a passive investment vehicle and is not a leveraged product. The Sponsor, using a "passive" or indexing investment approach, seeks to provide investment results that closely correspond, before Fund expenses and liabilities, to the performance of the Underlying Index.

The Bank of New York Mellon ("BNYM") serves as the Fund's Administrator, Transfer Agent and the Cash Custodian. The Administrator is generally responsible for the day-to-day administration of the Fund, including the calculation of the Fund's net asset value ("NAV") per Share. The Digital Asset Custodian is responsible for safekeeping the Digital Assets owned by the Fund. The Digital Asset Custodian is Coinbase Custody Trust Company, LLC ("Coinbase Custody"). Coinbase Inc., an affiliate of the Digital Asset Custodian, is the Fund's Prime Broker. CSC Delaware Trust Company, a subsidiary of the Corporation Service Company (the "Trustee"), is the sole trustee of the Trust. Franklin Distributors, LLC is the marketing agent of the Fund (the "Marketing Agent").

The Fund issues and redeems Shares only to certain eligible financial institutions called Authorized Participants and only in one or more blocks of 50,000 Shares ("Creation Units"). Creation Units are directly redeemable only by Authorized Participants. Creation Units are issued and redeemed in exchange for Digital Assets and/or cash. The Shares are listed and traded on the Exchange under the ticker symbol "EZPZ." The market price of the Shares may be different than the Fund's NAV per Share. The Fund issues and redeems Shares in Creation Units on a continuous basis at the applicable NAV per Share on the creation or redemption order date. Except when aggregated in Creation Units, the Shares are not redeemable securities.

The Trust, as registrant with respect to the Fund, is an "emerging growth company" as that term is used in the Jumpstart Our Business Startups Act, subject to reduced public company reporting requirements.

On January 22, 2025, Franklin Resources, Inc. (the "Seed Capital Investor"), an affiliate of the Sponsor, subject to conditions, purchased 4,000 Shares at a per-Share price equal to $25.00 (the "Initial Seed Shares"). Delivery of the Initial Seed Shares was made on January 22, 2025. Total proceeds to the Fund from the sale of the Initial Seed Shares were $100,000. On February 10, 2025, the Initial Seed Shares were redeemed for $100,000, and the Seed Capital Investor purchased two Creation Units in a cash transaction comprised of a total of 100,000 Shares at a per-Share price based on 11.06240875 bitcoin and 61.7774073 ether per Creation Unit, for a total of 22.1248175 bitcoin and 123.5548146 ether (the "Seed Creation Units"). The cash proceeds to the Fund from the sale of the Seed Creation Units were used by the Fund to purchase 22.1248175 bitcoin at the price of $97,227.80 per bitcoin and 123.5548146 ether at the price of $2,665.23 per ether on February 10, 2025 (exclusive of transaction and other costs incurred in connection with the conversion of the cash proceeds to bitcoin and ether respectively, which were paid by the Seed Capital Investor). Thus, the ultimate total proceeds to the Fund from the sale of the Seed Creation Units were $2,480,449.33 (an amount representing 22.1248175 bitcoin and 123.5548146 ether) representing 100,000 Shares at a per-Share price equal to $24.80. Further, the transaction and other costs incurred in connection with the Seed Creation Units were paid by the Seed Capital Investor and not borne by the Fund.

The accompanying Combined Statements of Assets and Liabilities and Combined Schedules of Investments at September 30, 2026 and December 31, 2025 and the Combined Statements of Operations, Combined Statements of Cash Flows, and Combined Statements of Changes in Net Assets for the three months ended September 30, 2026 and September 30, 2025, the nine months ended September 30, 2026 and for the period from February 20, 2025 (Date of commencement of operations) to September 30, 2025, have been prepared on behalf of the Trust, as registrant, combined with its one currently offered series, the Fund, and for the Fund separately (included below in a separate section of this report), and are unaudited. In the opinion of management of the Sponsor of the Trust, all adjustments (which include only normal recurring adjustments) necessary to state fairly the financial position and results of operations for all periods stated have been made. In addition, interim period results are not necessarily indicative of results for a full-year period. These financial statements and the notes thereto should be read in conjunction with the Trust's and the Fund's financial statements included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

The fiscal year end of the Trust and the Fund is December 31.

2. SIGNIFICANT ACCOUNTING POLICIES

In preparing financial statements in conformity with accounting principles generally accepted in the United States ("GAAP"), management of the Sponsor makes estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amount of revenue and expenses reported during the period. Actual results could differ from these estimates.

The accompanying unaudited financial statements were prepared in accordance with GAAP for interim financial information and with the instructions for Form 10-Q and the rules and regulations of the U.S. Securities and Exchange Commission ("SEC").

The following is a summary of significant accounting policies followed by the Trust and the Fund.

2.1. Basis of Presentation

The Sponsor has determined that the Trust and the Fund fall within the scope of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 946, Financial Services—Investment Companies, and has concluded that solely for accounting purposes, the Trust is classified as an Investment Company as defined in ASC 946.

The accompanying financial statements are presented for the Trust, as the registrant, combined with the Fund. Individual, series-level financial statements for the Fund are presented separately within this report. For the periods presented, there were no balances or activity for the Trust except for the Fund's operations, as its sole series. These notes to the combined financial statements relate to the Trust, as the registrant, combined with the Fund. The debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to the Fund are enforceable only against the assets of the Fund and not against the assets of the Trust generally or any other series that the Trust may establish.

2.2. Calculation of NAV and NAV per Share

The Sponsor has the exclusive authority to determine the Fund's net asset value ("NAV"). The Sponsor has delegated to the Administrator the responsibility to calculate the NAV of the Fund, based on a pricing source selected by the Sponsor. In determining the Fund's NAV, the Administrator values the Digital Assets held by the Fund based on the CF Reference Rates (defined below), unless the Sponsor in its sole discretion determines that such reference rates are unreliable. The Underlying Index values its Digital Assets based on the value of each applicable Digital Asset as measured by the corresponding CME CF Reference Rate–New York Variant for the U.S. Dollar trading pair (each a "CF Reference Rate", and together, the "CF Reference Rates"), each of which are produced by the Index Provider. The CF Reference Rates shall constitute the primary Digital Asset pricing sources for the Underlying Index, unless one or more of the CF Reference Rates are not available or the Sponsor in its sole discretion determines one or more of the CF Reference Rates unreliable as a pricing source for the Fund and therefore determines not to use the CF Reference Rates to value the Digital Assets held by the Fund. If the CF Reference Rates are not available or the Sponsor determines, in its sole discretion, that one or more of the CF Reference Rates are unreliable (together a "Fair Value Event"), the Fund's holdings may be fair valued by the Sponsor. Additionally, the Administrator will monitor for unusual prices, and escalate to the Sponsor if detected. The Digital Assets included in the Underlying Index are weighted based on their free float market capitalization as determined by the Index Provider.

As of September 30, 2026, the Digital Assets in the Underlying Index and their weightings were as follows:

Constituent	Weight
Bitcoin-BTC	76.58%
Ether-ETH	12.69%
XRP	5.35%
Solana-SOL	3.75%
Dogecoin-DOGE	0.76%
Cardano-ADA	0.53%
Stellar Lumens-XLM	0.34%

As of September 30, 2025, the Digital Assets in the Underlying Index and their weightings were as follows:

Constituent	Weight
Bitcoin-BTC	83.408%
Ether-ETH	16.592%

On each Business Day, as soon as practicable after 4:00 p.m. Eastern Time ("ET"), the Administrator evaluates the Digital Assets held by the Fund as reflected by the CF Reference Rates and determines the NAV of the Fund. For purposes of making these calculations, a Business Day means any day other than a day when the Cboe BZX Exchange is closed for regular trading. The Trust's periodic financial statements may not utilize this NAV of the Fund to the extent the methodology used to calculate the Underlying Index is deemed not to be consistent with GAAP.

2.3. Valuation of Digital Assets

The Trust's and the Fund's financial statements are prepared in accordance with GAAP for interim financial information. The Trust determines the fair value of Digital Assets based on the price provided by the Digital Assets market that the Trust considers its "Principal Market" as of 11:59:59PM ET on the valuation date. This fair value price is referred to as "Principal Market Price". With respect to the Fund's Digital Asset holdings, the Trust follows the provisions of the Financial Accounting Standards Board Accounting Standards Codification Topic 820, "Fair Value Measurements and Disclosures" ("ASC Topic 820") and utilizes an exchange-traded price from the Fund's Principal Market (or in the absence of a Principal Market, the most advantageous market) for Digital Assets as of the Fund's financial statement measurement date.

ASC 820 established a hierarchy that prioritized inputs to valuation techniques used to measure fair value. The three levels of inputs are:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not considered to be active, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means; and

Level 3: Inputs that are unobservable for the asset or liability, including the Fund's assumptions used in determining the fair value of investments.

On September 30, 2026 and December 31, 2025, the values of the Digital Assets held by the Fund were categorized as Level 1.

2.4. Fees, Expenses, and Realized Gains (Losses)

The Fund's only ordinary recurring expense is the Sponsor's fee. In exchange for the Sponsor's fee, the Sponsor has agreed to assume the ordinary fees and expenses incurred by the Fund, including but not limited to the following: fees charged by the Administrator, the Marketing Agent, the Custodians (the Cash Custodian and Digital Asset Custodian, collectively) and the Trustee, Cboe BZX Exchange listing fees, Index Provider Fees, typical maintenance and transaction fees of the DTC, SEC registration fees, printing and mailing costs, tax reporting fees, audit fees, license fees and expenses, and up to $500,000 per annum in ordinary legal fees and expenses. The Sponsor paid the costs of the Trust's and the Fund's organization and the initial offering costs and may not seek reimbursement of such costs. Digital Assets transactions are accounted for on a trade date basis. Realized gains or losses from the sale or disposition of Digital Assets are determined on a specific identification basis and recognized in the Combined Statements of Operations in the period in which the sale or disposition occurs.

The Sponsor's fee, which is compensation for the Sponsor's services rendered to the Fund, is calculated and accrued daily at an annualized rate equal to 0.19% (i.e., 0.19%/365 days) of the net asset value of the Fund and is payable at least quarterly in arrears in U.S. dollars. The Sponsor may, at its sole discretion and from time to time, waive all or a portion of the Sponsor's fee for stated periods of time. The Sponsor is under no obligation to waive any portion of its fees and any such waiver shall create no obligation to waive any such fees during any period not covered by the waiver.

The Fund will sell Digital Assets as needed to pay the Sponsor's fee and will buy and sell Digital Assets to adjust the Fund's investments to correspond with a rebalancing and/or reconstitution of the Underlying Index (including, in the case of a rebalancing, trading one or more Digital Assets for other Digital Assets). The Fund bears transaction costs, including any Digital Asset network fees or other similar transaction fees, in connection with any sales of Digital Assets necessary to pay the Sponsor's fee, as well as other Fund expenses (if any) that are not assumed by the Sponsor (expenses assumed by the Sponsor are specified above), or in connection with any purchases or sales of Digital Assets to adjust the Fund's investments to correspond with a rebalancing and/or reconstitution of the Underlying Index. Any Digital Asset network fees and similar transaction fees incurred in connection with the creation or redemption of Creation Units are borne by the Authorized Participant.

For the period from February 20, 2025 (the day the Shares were initially listed on the Exchange) to August 29, 2025, the Sponsor agreed to waive the entire Sponsor's fee on the first $10.0 billion of the Fund's assets. For the quarter ended September 30, 2026, the Fund accrued the Sponsor's fee of $7,243 and nine months ended September 30, 2026, the Fund accrued the Sponsor's fee of $17,192.

The Sponsor is not required to pay any extraordinary or non-routine expenses. Extraordinary expenses are fees and expenses which are unexpected or unusual in nature, such as legal claims and liabilities and litigation costs or indemnification or other unanticipated expenses. Extraordinary fees and expenses also include material expenses which are not currently anticipated obligations of the Fund. The Fund will be responsible for the payment of such expenses to the extent any such expenses are incurred. Routine operational, administrative and other ordinary expenses are not deemed extraordinary expenses. In addition, the Fund may incur certain other non-recurring expenses that are not assumed by the Sponsor (expenses assumed by the Sponsor are described above), including but not limited to, taxes and governmental charges, any applicable brokerage commissions, Digital Asset network fees and similar transaction fees that qualify as extraordinary or non-routine expenses as described above, financing fees, expenses and costs of any extraordinary services performed by the Sponsor (or any other service provider) on behalf of the Fund to protect the Fund or the interests of Shareholders (including, for example, in connection with any fork of the Digital Asset blockchain, any Incidental Rights and any IR Virtual Currency); any indemnification of the Cash Custodian, Digital Asset Custodian, Prime Broker, Administrator or other agents, service providers or counterparties of the Trust or the Fund and extraordinary legal fees and expenses, including any legal fees and expenses incurred in connection with litigation, regulatory enforcement or investigation matters or legal expenses in excess of $500,000 per year. The Sponsor may determine in its sole discretion to assume legal fees and expenses of the Fund in excess of the $500,000 per annum stipulated in the Sponsor Agreement. There are no set circumstances in which the Sponsor has determined to assume legal fees and expenses in excess of the amount stipulated in the Sponsor Agreement, but such expenses may be assumed by the Sponsor, for example, to help the Fund achieve scale. To the extent that the Sponsor does not voluntarily assume such fees and expenses, they will be the responsibility of the Fund. Additionally, there is no cap on the aggregate amount of expenses that could be assumed by the Sponsor each year, except as otherwise described herein. The Trust's and Fund's organizational and offering costs are borne by the Sponsor and, as such, are the sole responsibility of the Sponsor. The Sponsor may not seek reimbursement or otherwise require the Fund, the Trust, the Trustee, or any Shareholder to assume any liability, duty or obligation in connection with any such organizational and offering costs. Because the Fund does not have any income, it will need to sell Digital Assets to cover the Sponsor's fee and expenses not assumed by the Sponsor, if any. Fund expenses not assumed by the Sponsor shall accrue daily and be payable by the Fund to the Sponsor at least quarterly in arrears. The Fund may also be subject to other liabilities (for example, as a result of litigation) that have also not been assumed by the Sponsor. The only source of funds to cover those liabilities will be sales of Digital Assets held by the Fund. Even if there are no expenses other than those assumed by the Sponsor, and there are no other liabilities of the Fund, the Fund will still need to sell Digital Assets to pay the Sponsor's fee. The result of these sales is a decrease in the amount of Digital Assets represented by each Share.

There have been no extraordinary or non-routine expenses during the periods presented.

To cover the Sponsor's fee and expenses not assumed by the Sponsor, the Sponsor or its delegate will cause the Fund to convert Digital Assets into U.S. dollars generally at the price available through the Prime Broker's Coinbase Prime service (less applicable trading fees) through the Trading Platform which the Sponsor is able to obtain using commercially reasonable efforts. The number of Digital Assets represented by a Share will decline each time the Fund pays the Sponsor's fee or any Fund expenses not assumed by the Sponsor by transferring or selling Digital Assets. The quantity of Digital Assets to be sold to permit payment of the Sponsor's fee or Fund expenses not

assumed by the Sponsor, will vary from time to time depending on the level of the Fund’s expenses and the value of Digital Assets held by the Fund.

2.5. Digital Assets Receivable and Payable

Digital assets receivable or payable represents the quantity of digital assets covered by contractually binding orders for the creation or redemption of Shares respectively, where the digital asset has not yet been transferred to or from the Fund's account. Generally, ownership of the Digital Assets is transferred within one business day of the trade date (referred to as "T+1").

2.6. Income Taxes

The Trust is organized and operated as a statutory trust in accordance with the provisions of the Declaration of Trust and applicable Delaware law. The Fund is treated as a partnership for U.S. federal income tax purposes. The Fund does not record a provision for U.S. federal, U.S. state or local income taxes because the Shareholders report their share of the Fund's income or loss on their income tax returns. The Fund files annual partnership returns, and each U.S. Shareholder is required to report on its U.S. federal income tax return its allocable share of the income, gain, loss, deductions and credits reflected on such partnership returns.

The Fund is required to determine whether its tax positions are more likely than not to be sustained on examination by the applicable taxing authority, based on the technical merits of the position. Tax positions not deemed to meet a more likely than not threshold would be recorded as a tax expense in the current year. As of September 30, 2026 and December 31, 2025, the Trust and the Fund have determined that no provision for income taxes is required and no liability for unrecognized tax benefits has been recorded. However, the Trust's and the Fund's conclusions may be subject to review and adjustment at a later date based on factors including, but not limited to, the nexus of income among various tax jurisdictions; compliance with U.S. federal, U.S. state, and other tax laws of jurisdictions in which the Trust and the Fund operate; and changes in the administrative practices and precedents of the relevant authorities. The Fund is required to analyze all open tax years. Open tax years are those years that are open for examination by the relevant income taxing authority.

2.7. Creation and Redemption of Shares

The Fund issues and redeems Creation Units on a continuous basis. Creation Units are issued or redeemed in exchange for an amount of Digital Assets and/or cash as determined by the Administrator on each day that Cboe BZX Exchange is open for regular trading.

For creation transactions conducted in cash, the amount of cash required to be delivered to the Fund will equal the amount of cash needed to purchase the amount of Digital Assets represented by the Creation Unit(s) being created, as calculated by the Administrator, plus applicable fees, costs and adjustments. For redemption transactions conducted in cash, the Sponsor will arrange for the Digital Assets represented by the Creation Unit(s) being redeemed to be sold and the cash proceeds, after applicable fees, costs and adjustments, distributed. No Shares are issued until the corresponding amount of Digital Assets have been received in the Fund's Trading Balance. Creation Units may be created or redeemed only by Authorized Participants, who pay (1) a transaction fee for each order to create or redeem Creation Units; (2) transfer, processing and other transaction costs charged by the Digital Asset Custodian in connection with the issuance or redemption of Creation Units for such order; and (3) any other expenses, taxes, charges or adjustments.

Creation Units will be sold at a per-Share offering price that will vary depending on, among other things, the price of Digital Assets and the trading price of the Shares on the Cboe BZX Exchange, Inc. at the time of the offer. Shares offered at different times may have different offering prices. Prior to the commencement of the Fund's investment operations on February 20, 2025, there was no public market for the Shares.

Changes in the Shares for the quarter from July 1, 2026 to September 30, 2026 are as follows:

	Shares	Amount[#]
Balance at July 1, 2026	800,000	$ 17,410,859
Creation of Shares	100,000	1,608,688
Redemption of Shares	(100,000)	(1,981,975)
Balance at September 30, 2026	800,000	$ 17,037,572

Changes in the Shares for the quarter from July 1, 2025 to September 30, 2025 are as follows:

	Shares	Amount[#]
Balance at July 1, 2025	150,000	$ 3,464,197
Creation of Shares	100,000	3,060,911
Redemption of Shares	–	–
Balance at September 30, 2025	250,000	$ 6,525,108

Changes in the Shares for the nine months from January 1, 2026 to September 30, 2026 are as follows:

	Shares	Amount[#]
Balance at January 1, 2026	450,000	$ 11,724,073
Creation of Shares	450,000	7,295,474
Redemption of Shares	(100,000)	(1,981,975)
Balance at September 30, 2026	800,000	$ 17,037,572

Changes in the Shares for the period from February 20, 2025 (Date of commencement of operations) to September 30, 2025 are as follows:

	Shares	Amount[#]
Balance at February 20, 2025	100,000	$ 2,480,449^
Creation of Shares	150,000	4,044,659
Redemption of Shares	–	–
Balance at September 30, 2025	250,000	$ 6,525,108

Dollar amount of balance represents the cumulative fair value of creation of Shares less the redemption of Shares, at the time of the specific creation or redemption.

^ On January 22, 2025, Franklin Resources, Inc. (the "Seed Capital Investor"), an affiliate of the Sponsor, subject to conditions, purchased 4,000 Shares at a per-Share price equal to $25.00 (the "Initial Seed Shares"). Delivery of the Initial Seed Shares was made on January 22, 2025. Total proceeds to the Fund from the sale of the Initial Seed Shares were $100,000. On February 10, 2025, the Initial Seed Shares were redeemed for $100,000, and the Seed Capital Investor purchased two Creation Units in a cash transaction comprised of a total of 100,000 Shares at a per-Share price based on 11.06240875 bitcoin and 61.7774073 ether per Creation Unit, for a total of 22.1248175 bitcoin and 123.5548146 ether (the "Seed Creation Units"). The cash proceeds to the Fund from the sale of the Seed Creation Units were used by the Fund to purchase 22.1248175 bitcoin at the price of $97,227.80 per bitcoin and 123.5548146 ether at the price of $2,665.23 per ether on February 10, 2025 (exclusive of transaction and other costs incurred in connection with the conversion of the cash proceeds to bitcoin and ether respectively, which were paid by the Seed Capital Investor). Thus, the ultimate total proceeds to the Fund from the sale of the Seed Creation Units were $2,480,449.33 (an amount representing 22.1248175 bitcoin and 123.5548146 ether) representing 100,000 shares at a per-Share price equal to $24.80. Further, the transaction and other costs incurred in connection with the Seed Creation Units were paid by the Seed Capital Investor and not borne by the Fund.

3. INVESTMENT IN DIGITAL ASSETS

The following represents the changes in quantity of Digital Assets held and the respective fair value during the quarter from July 1, 2026 to September 30, 2026:

	Quantity of Bitcoin	Amount in US$
Beginning balance at July 1, 2026	155.4365	$ 9,186,529
Bitcoin purchased for the creation of Shares	19.4299	1,256,943
Bitcoin purchased for the rebalancing of Digital Assets	-	-
Bitcoin sold for the redemption of Shares	(19.4203)	(1,521,654)
Bitcoin sold for the rebalancing of Digital Assets	-	-
Principal on bitcoin sales to pay expenses	(0.0731)	(4,974)
Net realized gain (loss) from bitcoin sold for the redemption of Shares and to pay expenses	-	(72,387)
Net realized gain (loss) from bitcoin sold for rebalancing	-	-
Net change in unrealized appreciation (depreciation) on investment in bitcoin	-	4,159,836
Balance at September 30, 2026	155.3730	$ 13,004,293

	Quantity of Ether	Amount in US$
Beginning balance at July 1, 2026	806.8154	$ 1,285,265
Ether purchased for the creation of Shares	100.8278	188,637
Ether purchased for the rebalancing of Digital Assets	-	-
Ether sold for the redemption of Shares	(100.8043)	(250,861)
Ether sold for the rebalancing of Digital Assets	-	-
Principal on ether sales to pay expenses	(0.3793)	(781)
Net realized gain (loss) from ether sold for the redemption of Shares and to pay expenses	-	(1,035)
Net realized gain (loss) from ether sold for rebalancing	-	-
Net change in unrealized appreciation (depreciation) on investment in ether	-	951,280
Balance at September 30, 2026	806.4596	$ 2,172,505

	Quantity of XRP	Amount in US$
Beginning balance at July 1, 2026	609,842.6656	$ 639,908
XRP purchased for the creation of Shares	76,212.1900	84,104
XRP purchased for the rebalancing of Digital Assets	-	-
XRP sold for the redemption of Shares	(76,194.4277)	(108,165)
XRP sold for the rebalancing of Digital Assets	-	-
Principal on XRP sales to pay expenses	(286.6609)	(334)
Net realized gain (loss) from XRP sold for the redemption of Shares and to pay expenses	-	(14,245)
Net realized gain (loss) from XRP sold for rebalancing	-	-
Net change in unrealized appreciation (depreciation) on investment in XRP	-	313,093
Balance at September 30, 2026	609,573.7670	$ 914,361

	Quantity of Solana	Amount in US$
Beginning balance at July 1, 2026	5,398.9017	$ 406,915
Solana purchased for the creation of Shares	674.7520	51,546
Solana purchased for the rebalancing of Digital Assets	-	-
Solana sold for the redemption of Shares	(674.5447)	(69,713)
Solana sold for the rebalancing of Digital Assets	-	-
Principal on solana sales to pay expenses	(2.5376)	(214)
Net realized gain (loss) from solana sold for the redemption of Shares and to pay expenses	-	2,920
Net realized gain (loss) from solana sold for rebalancing	-	-
Net change in unrealized appreciation (depreciation) on investment in solana	-	248,525
Balance at September 30, 2026	5,396.5714	$ 639,979

	Quantity of Dogecoin	Amount in US$
Beginning balance at July 1, 2026	1,502,862.6388	$ 108,567
Dogecoin purchased for the creation of Shares	187,813.7500	13,603
Dogecoin purchased for the rebalancing of Digital Assets	-	-
Dogecoin sold for the redemption of Shares	(187,769.3416)	(15,909)
Dogecoin sold for the rebalancing of Digital Assets	-	-
Principal on dogecoin sales to pay expenses	(706.4000)	(53)
Net realized gain (loss) from dogecoin sold for the redemption of Shares and to pay expenses	-	(4,513)
Net realized gain (loss) from dogecoin sold for rebalancing	-	-
Net change in unrealized appreciation (depreciation) on investment in dogecoin	-	42,035
Balance at September 30, 2026	1,502,200.6472	$ 143,730

	Quantity of Cardano	Amount in US$
Beginning balance at July 1, 2026	374,121.9642	$ 55,818
Cardano purchased for the creation of Shares	46,760.1993	7,820
Cardano purchased for the rebalancing of Digital Assets	-	-
Cardano sold for the redemption of Shares	(46,742.6923)	(9,694)
Cardano sold for the rebalancing of Digital Assets	-	-
Principal on cardano sales to pay expenses	(175.9506)	(32)
Net realized gain (loss) from cardano sold for the redemption of Shares and to pay expenses	-	(4,187)
Net realized gain (loss) from cardano sold for rebalancing	-	-
Net change in unrealized appreciation (depreciation) on investment in cardano	-	44,084
Balance at September 30, 2026	373,963.5206	$ 93,809

	Quantity of Stellar Lumens	Amount in US$
Beginning balance at July 1, 2026	257,543.7911	$ 52,473
Stellar lumens purchased for the creation of Shares	32,187.3300	6,035
Stellar lumens purchased for the rebalancing of Digital Assets	-	-
Stellar lumens sold for the redemption of Shares	(32,177.8060)	(5,979)
Stellar lumens sold for the rebalancing of Digital Assets	-	-
Principal on stellar lumens sales to pay expenses	(121.0678)	(22)
Net realized gain (loss) from stellar lumens sold for the redemption of Shares and to pay expenses	-	(709)
Net realized gain (loss) from stellar lumens sold for rebalancing	-	-
Net change in unrealized appreciation (depreciation) on investment in stellar lumens	-	7,005
Balance at September 30, 2026	257,432.2473	$ 58,803

The following represents the changes in quantity of Digital Assets held and the respective fair value during the quarter July 1, 2025 to September 30, 2025:

	Quantity of Bitcoin	Amount in US$
Beginning balance at July 1, 2025	33.2484	$ 3,609,446
Bitcoin purchased for the creation of Shares	22.1644	2,598,294
Bitcoin purchased for the rebalancing of Digital Assets	0.0028	304
Bitcoin sold for the rebalancing of Digital Assets	-	-
Principal on bitcoin sales to pay expenses	-	-
Net realized gain (loss) from bitcoin sold for rebalancing and the redemption of Shares	-	-
Net change in unrealized appreciation (depreciation) on investment in bitcoin	-	121,693
Balance at September 30, 2025	55.4156	$ 6,329,737

	Quantity of Ether	Amount in US$
Beginning balance at July 1, 2025	182.6830	$ 456,764
Ether purchased for the creation of Shares	121.7607	462,617
Ether purchased for the rebalancing of Digital Assets	-	-
Ether sold for the rebalancing of Digital Assets	(0.0711)	(304)
Ether sold for the redemption of Shares	-	-
Principal on ether sales to pay expenses	-	-
Net realized gain (loss) from ether sold for rebalancing and the redemption of Shares	-	116
Net change in unrealized appreciation (depreciation) on investment in ether	-	338,121
Balance at September 30, 2025	304.3726	$ 1,257,314

The following represents the changes in quantity of Digital Assets held and the respective fair value during the nine months from January 1, 2026 to September 30, 2026:

	Quantity of Bitcoin	Amount in US$
Beginning balance at January 1, 2026	87.3467	$ 7,639,607
Bitcoin purchased for the creation of Shares	87.3647	5,672,121
Bitcoin purchased for the rebalancing of Digital Assets	0.2344	16,831
Bitcoin sold for the redemption of Shares	(19.4203)	(1,521,654)
Bitcoin sold for the rebalancing of Digital Assets	-	-
Principal on bitcoin sales to pay expenses	(0.1525)	(12,396)
Net realized gain (loss) from bitcoin sold for the redemption of Shares and to pay expenses	-	(74,383)
Net realized gain (loss) from bitcoin sold for rebalancing	-	-
Net change in unrealized appreciation (depreciation) on investment in bitcoin	-	1,284,167
Balance at September 30, 2026	155.3730	$ 13,004,293

	Quantity of Ether	Amount in US$
Beginning balance at January 1, 2026	474.4721	$ 1,409,918
Ether purchased for the creation of Shares	460.5949	844,614
Ether purchased for the rebalancing of Digital Assets	-	-
Ether sold for the redemption of Shares	(100.8043)	(250,861)
Ether sold for the rebalancing of Digital Assets	(26.8788)	(54,001)
Principal on ether sales to pay expenses	(0.9243)	(2,013)
Net realized gain (loss) from ether sold for the redemption of Shares and to pay expenses	-	(1,444)
Net realized gain (loss) from ether sold for rebalancing	-	(25,915)
Net change in unrealized appreciation (depreciation) on investment in ether	-	252,207
Balance at September 30, 2026	806.4596	$ 2,172,505

	Quantity of XRP	Amount in US$
Beginning balance at January 1, 2026	330,323.8883	$ 603,733
XRP purchased for the creation of Shares	338,714.8921	411,761
XRP purchased for the rebalancing of Digital Assets	17,407.8747	23,259
XRP sold for the redemption of Shares	(76,194.4277)	(108,165)
XRP sold for the rebalancing of Digital Assets	-	-
Principal on XRP sales to pay expenses	(678.4604)	(890)
Net realized gain (loss) from XRP sold for the redemption of Shares and to pay expenses	-	(14,420)
Net realized gain (loss) from XRP sold for rebalancing	-	-
Net change in unrealized appreciation (depreciation) on investment in XRP	-	(917)
Balance at September 30, 2026	609,573.7670	$ 914,361

	Quantity of Solana	Amount in US$
Beginning balance at January 1, 2026	2,694.9332	$ 336,139
Solana purchased for the creation of Shares	2,922.2463	218,382
Solana purchased for the rebalancing of Digital Assets	459.8864	40,141
Solana sold for the redemption of Shares	(674.5447)	(69,713)
Solana sold for the rebalancing of Digital Assets	-	-
Principal on solana sales to pay expenses	(5.9498)	(510)
Net realized gain (loss) from solana sold for the redemption of Shares and to pay expenses	-	2,824
Net realized gain (loss) from solana sold for rebalancing	-	-
Net change in unrealized appreciation (depreciation) on investment in solana	-	112,716
Balance at September 30, 2026	5,396.5714	$ 639,979

	Quantity of Dogecoin	Amount in US$
Beginning balance at January 1, 2026	749,351.1329	$ 88,273
Dogecoin purchased for the creation of Shares	813,162.3558	69,270
Dogecoin purchased for the rebalancing of Digital Assets	129,068.0000	12,845
Dogecoin sold for the redemption of Shares	(187,769.3416)	(15,909)
Dogecoin sold for the rebalancing of Digital Assets	-	-
Principal on dogecoin sales to pay expenses	(1,611.4999)	(142)
Net realized gain (loss) from dogecoin sold for the redemption of Shares and to pay expenses	-	(4,537)
Net realized gain (loss) from dogecoin sold for rebalancing	-	-
Net change in unrealized appreciation (depreciation) on investment in dogecoin	-	(6,070)
Balance at September 30, 2026	1,502,200.6472	$ 143,730

	Quantity of Cardano	Amount in US$
Beginning balance at January 1, 2026	213,170.9930	$ 70,709
Cardano purchased for the creation of Shares	211,308.4759	43,406
Cardano purchased for the rebalancing of Digital Assets	2,381.1200	548
Cardano sold for the redemption of Shares	(46,742.6923)	(9,694)
Cardano sold for the rebalancing of Digital Assets	(5,732.5933)	(1,598)
Principal on cardano sales to pay expenses	(421.7827)	(94)
Net realized gain (loss) from cardano sold for the redemption of Shares and to pay expenses	-	(4,215)
Net realized gain (loss) from cardano sold for rebalancing	-	(637)
Net change in unrealized appreciation (depreciation) on investment in cardano	-	(4,616)
Balance at September 30, 2026	373,963.5206	$ 93,809

	Quantity of Chainlink	Amount in US$
Beginning balance at January 1, 2026	3,233.4330	$ 39,244
Chainlink purchased for the creation of Shares	1,077.2271	9,732
Chainlink purchased for the rebalancing of Digital Assets	-	-
Chainlink sold for the redemption of Shares	-	-
Chainlink sold for the rebalancing of Digital Assets	(4,309.4432)	(38,673)
Principal on Chainlink sales to pay expenses	(1.2169)	(50)
Net realized gain (loss) from Chainlink sold for the redemption of Shares and to pay expenses	-	(3)
Net realized gain (loss) from Chainlink sold for rebalancing	-	(11,348)
Net change in unrealized appreciation (depreciation) on investment in Chainlink	-	1,098
Balance at September 30, 2026	-	$ -

	Quantity of Stellar Lumens	Amount in US$
Beginning balance at January 1, 2026	144,668.9849	$ 29,245
Stellar lumens purchased for the creation of Shares	144,767.4958	26,283
Stellar lumens purchased for the rebalancing of Digital Assets	6,310.8000	1,569
Stellar lumens sold for the redemption of Shares	(32,177.8060)	(5,979)
Stellar lumens sold for the rebalancing of Digital Assets	(5,849.5845)	(921)
Principal on stellar lumens sales to pay expenses	(287.6429)	(53)
Net realized gain (loss) from stellar lumens sold for the redemption of Shares and to pay expenses	-	(717)
Net realized gain (loss) from stellar lumens sold for rebalancing	-	(443)
Net change in unrealized appreciation (depreciation) on investment in stellar lumens	-	9,819
Balance at September 30, 2026	257,432.2473	$ 58,803

The following represents the changes in quantity of Digital Assets held and the respective fair value for the period from February 20, 2025 (Date of commencement of operations) to September 30, 2025:

	Quantity of Bitcoin	Amount in US$
Beginning balance at February 20, 2025	22.1248	$ 2,173,344^
Bitcoin purchased for the creation of Shares	33.1851	3,464,155
Bitcoin purchased for the rebalancing of Digital Assets	0.1889	19,797
Bitcoin sold for the rebalancing of Digital Assets	(0.0832)	(7,120)
Principal on bitcoin sales to pay expenses	-	-
Net realized gain (loss) from bitcoin sold for rebalancing and the redemption of Shares	-	(976)
Net change in unrealized appreciation (depreciation) on investment in bitcoin	-	680,537
Balance at September 30, 2025	55.4156	$ 6,329,737

	Quantity of Ether	Amount in US$
Beginning balance at February 20, 2025	123.5548	$ 340,034^
Ether purchased for the creation of Shares	185.2175	580,504
Ether purchased for the rebalancing of Digital Assets	3.3590	7,120
Ether sold for the rebalancing of Digital Assets	(7.7587)	(19,797)
Ether sold for the redemption of Shares	-	-
Principal on ether sales to pay expenses	-	-
Net realized gain (loss) from ether sold for rebalancing and the redemption of Shares	-	1,291
Net change in unrealized appreciation (depreciation) on investment in ether	-	348,162
Balance at September 30, 2025	304.3726	$ 1,257,314

^ On January 22, 2025, Franklin Resources, Inc. (the “Seed Capital Investor”), an affiliate of the Sponsor, subject to conditions, purchased 4,000 Shares at a per-Share price equal to $25.00 (the “Initial Seed Shares”). Delivery of the Initial Seed Shares was made on January 22, 2025. Total proceeds to the Fund from the sale of the Initial Seed Shares were $100,000. On February 10, 2025, the Initial Seed Shares were redeemed for $100,000, and the Seed Capital Investor purchased two Creation Units in a cash transaction comprised of a total of 100,000 Shares at a per-Share price based on 11.06240875 bitcoin and 61.7774073 ether per Creation Unit, for a total of 22.1248175 bitcoin and 123.5548146 ether (the “Seed Creation Units”). The cash proceeds to the Fund from the sale of the Seed Creation Units were used by the Fund to purchase 22.1248175 bitcoin at the price of $97,227.80 per bitcoin and 123.5548146 ether at the price of $2,665.23 per ether on February 10, 2025 (exclusive of transaction and other costs incurred in connection with the conversion of the cash proceeds to bitcoin and ether respectively, which were paid by the Seed Capital Investor). Thus, the ultimate total proceeds to the Fund from the sale of the Seed Creation Units were $2,480,449.33 (an amount representing 22.1248175 bitcoin and 123.5548146 ether) representing 100,000 shares at a per-Share price equal to $24.80. Further, the transaction and other costs incurred in connection with the Seed Creation Units were paid by the Seed Capital Investor and not borne by the Fund.

4. RELATED PARTIES

The Sponsor of the Trust is Franklin Holdings, LLC. The Sponsor is responsible for establishing the Trust and for the registration of the Shares. The Sponsor generally oversees the performance of the Fund’s principal service providers but does not exercise day-to-day oversight over such service providers. The Sponsor, with assistance and support from the Administrator, is responsible for preparing and filing periodic reports on behalf of the Trust and the Fund with the SEC and will provide any required certification for such reports. The Sponsor has designated the independent registered public accounting firm of the Trust on behalf of the Fund and may from time to time employ legal counsel for the Fund.

Franklin Distributors, LLC serves as the Marketing Agent of the Fund. The Sponsor and the Marketing Agent are affiliates, and each is considered to be a related party to the Trust and the Fund. Franklin Templeton, Inc. (formerly, Franklin Resources, Inc.) is the ultimate parent company of the Sponsor and the Marketing Agent. Franklin Templeton, Inc. is the holding company for various subsidiaries that together are referred to as Franklin Templeton.

The Sponsor is a related party of the Trust and the Fund. The Fund pays the Sponsor a unitary fee for services performed pursuant to the Sponsor Agreement. The Marketing Agent is an affiliate of the Sponsor. Expenses payable to the Marketing Agent, if any, are paid through the Sponsor’s fee.

The Trust also considers Franklin Templeton, Inc., the ultimate parent company of the Sponsor, to be a related party of the Trust and the Fund. As of September 30, 2026, no Shares of the Fund were held by a related party.

5. CONCENTRATION OF RISK

The Fund holds only Digital Assets and cash, which creates a concentration risk associated with fluctuations in the price of Digital Assets. Accordingly, a decline in the price of Digital Assets will have an adverse effect on the value of the Shares of the Fund. The trading prices of Digital Assets have experienced extreme volatility in recent periods and may continue to fluctuate significantly. Extreme volatility in the future, including substantial, sustained, or rapid declines in the trading prices of Digital Assets, could have a material adverse effect on the value of the Shares and the Shares could lose all or substantially all of their value. Factors adversely impacting the value of Digital Assets and the Shares may include an increase in the global Digital Assets supply or a decrease in global Digital Assets demand; market conditions of, and overall sentiment towards, the Digital Assets and blockchain technology industry; trading activity on Digital Asset platforms, which may be unregulated or subject to regulation by a relevant jurisdiction but potentially non-compliant with such regulations or may be subject to manipulation; the adoption of Digital Assets as a medium of exchange, store-of-value or other consumptive asset and the maintenance and development of the open-source software protocol of the Digital Asset network, and their ability to meet user demands; manipulative trading activity on Digital Asset platforms; and forks in the Digital Asset network, among other things.

6. COMBINED FINANCIAL HIGHLIGHTS

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	For the period February 20, 2025 (Date of commencement of operations) through September 30,
	2026	2025	2026	2025
Net asset value per Share, beginning of period	$ 14.67	$ 27.11	$ 22.70	$ 25.13[a]
Net investment loss[b]	(0.01)	(0.01)	(0.03)	(0.01)
Net realized and unrealized gain (loss) on investment in Digital Assets	6.62	3.24	(1.39)	5.22
Net increase (decrease) in net assets from operations[c]	6.61	3.23	(1.42)	5.21
Net asset value per Share, end of period	$ 21.28	$ 30.34	$ 21.28	$ 30.34
Total return, at net asset value[d]	45.06%	11.91%	(6.26)%	20.73%
Ratio to average net assets[e]				
Net investment loss	(0.19)%	(0.07)%	(0.19)%	(0.04)%
Gross expenses	0.19%	0.19%	0.19%	0.19%
Net expenses	0.19%	0.07%[f]	0.19%	0.04%[f]

(a) On January 22, 2025, Franklin Resources, Inc. (the "Seed Capital Investor"), an affiliate of the Sponsor, subject to conditions, purchased 4,000 Shares at a per-Share price equal to $25.00 (the "Initial Seed Shares"). Delivery of the Initial Seed Shares was made on January 22, 2025. Total proceeds to the Fund from the sale of the Initial Seed Shares were $100,000. On February 10, 2025, the Initial Seed Shares were redeemed for $100,000, and the Seed Capital Investor purchased two creation units in a cash transaction comprised of a total of 100,000 Shares at a per-Share price based on 11.06240875 bitcoin and 61.7774073 ether per Creation Unit, for a total of 22.1248175 bitcoin and 123.5548146 ether (the "Seed Creation Units"). The cash proceeds to the Fund from the sale of the Seed Creation Units were used by the Fund to purchase 22.1248175 bitcoin at the price of $97,227.80 per bitcoin and 123.5548146 ether at the price of $2,665.23 per ether on February 10, 2025 (exclusive of transaction and other costs incurred in connection with the conversion of the cash proceeds to bitcoin and ether respectively, which were paid by the Seed Capital Investor). Thus, the ultimate total proceeds to the Fund from the sale of the Seed Creation Units were $2,480,449.33 (an amount representing 22.1248175 bitcoin and 123.5548146 ether) representing 100,000 Shares at a per-Share price equal to $24.80. Further, the transaction and other costs incurred in connection with the Seed Creation Units were paid by the Seed Capital Investor and not borne by the Fund.

(b) Calculated using average Shares outstanding.

(c) The amount shown for a Share outstanding may not agree with the change in the aggregate gains and losses on investment for the period because of the timing of transactions in the Fund's Shares in relation to fluctuating market values for the Fund's underlying investment.

(d) Total Return at NAV is calculated assuming an initial investment made at the NAV at the beginning of the period, and redemption of Shares at NAV on the last day of the period. Total Return at NAV as shown above includes adjustments in accordance with U.S. GAAP. Total return for periods of less than a year are not annualized.

(e) Annualized.

(f) From February 20, 2025 (the day the Shares were initially listed on the Exchange) to August 29, 2025, the Sponsor agreed to waive the entire Sponsor's fee on the first $10.0 billion of the Fund's assets.

7. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Trust, on behalf of the Fund, may enter into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred.

8. INDEMNIFICATION

Under the Trust's organizational documents, the Sponsor and its shareholders, members, directors, affiliates, officers, employees and subsidiaries are indemnified by the Trust against certain liabilities. The Fund has also agreed to indemnify certain of its other service providers, including the Administrator, the Marketing Agent, the Custodians and the Trustee (including its officers, affiliates, directors, employees, and agents), for certain liabilities incurred by such parties in connection with their respective agreements to provide services for the Fund.

The Sponsor will not be liable to the Trust, the Trustee or any Shareholder for any action taken or for refraining from taking any action in good faith, or for errors in judgment or for depreciation or loss incurred by reason of the sale of any Digital Assets or other assets of the Fund or the Trust. However, the preceding liability exclusion will not protect the Sponsor against any liability resulting from its own gross negligence, bad faith, or willful misconduct.

The Sponsor and each of its shareholders, members, directors, officers, employees, affiliates and subsidiaries will be indemnified by the Trust and held harmless against any losses, liabilities or expenses incurred in the performance of its duties under the Declaration of Trust without gross negligence, bad faith, or willful misconduct. The Sponsor may rely in good faith on any paper, order, notice, list, affidavit, receipt, evaluation, opinion, endorsement, assignment, draft or any other document of any kind prima facie properly executed and submitted to it by the Trustee, the Trustee's counsel or by any other person for any matters arising under the Declaration of Trust. The Sponsor shall in no event be deemed to have assumed or incurred any liability, duty, or obligation to any Shareholder or to the Trustee other than as expressly provided for in the Declaration of Trust. Such indemnity includes payment from the Trust of the costs and expenses incurred in defending against any indemnified claim or liability under the Declaration of Trust.

The Trustee will not be liable or accountable to the Trust or any other person or under any agreement to which the Trust or any series of the Trust is a party, except for the Trustee's breach of its obligations pursuant to the Declaration of Trust or its own willful misconduct, bad faith or gross negligence. The Trustee and each of the Trustee's officers, affiliates, directors, employees, and agents will be indemnified by the Trust from and against any losses, claims, taxes, damages, reasonable expenses, and liabilities incurred with respect to the creation, operation or termination of the Trust, the execution, delivery or performance of the Declaration of Trust or the transactions contemplated thereby; provided that the indemnified party acted without willful misconduct, bad faith or gross negligence.

9. OPERATING SEGMENTS

The Fund, which is the sole series of the Trust, and the Trust operate as a single operating segment, which is an investment portfolio. Executive officers of the Fund's Sponsor perform the functions of the Chief Operating Decision Maker ("CODM"), evaluating fund-wide results and performance under a unified investment strategy. The CODM uses these measures to assess fund performance and allocate resources effectively. Internal reporting provided to the CODM aligns with the accounting policies and measurement principles used in the financial statements.

For information regarding segment assets, segment profit or loss, and significant expenses, refer to the Combined Statements of Assets and Liabilities and the Combined Statements of Operations, along with the related Notes to the Combined Financial Statements. The Combined Schedules of Investments provide details of the Fund's investments that generate returns such as realized and unrealized gains or losses. Performance metrics and expense ratios are disclosed in the Combined Financial Highlights.

10. SUBSEQUENT EVENTS

On October 6, 2026, the IRS released Rev. Proc. 2026-20 establishing new conditions to rely on a safe harbor for certain trusts that qualify as grantor trusts under applicable regulations, which includes the Fund, that allows staking of the trust's digital assets without jeopardizing tax status as investment trusts and grantor trusts for federal income tax purposes. The new guidance supersedes prior IRS guidance regarding staking within the grantor trust structure and provides a six-month implementation compliance period for an existing qualifying trust. The Sponsor is evaluating the impact of this guidance on the Trust and the Fund.

The Trust and the Fund have evaluated subsequent events through the issuance of the financial statements and determined that no such events other than the foregoing have occurred that require disclosure.

FRANKLIN CRYPTO INDEX ETF
A SERIES OF FRANKLIN CRYPTO TRUST
STATEMENTS OF ASSETS AND LIABILITIES (Unaudited)

	September 30, 2026	December 31, 2025
Assets		
Investments in Digital Assets, at fair value[(a)]	$ 17,027,480	$ 10,216,868
Total Assets	17,027,480	10,216,868
Liabilities		
Sponsor's fee payable	2,616	1,477
Total liabilities	2,616	1,477
Commitments and contingencies (Note 7)		
Net Assets	$ 17,024,864	$ 10,215,391
Shares issued and outstanding[(b)]	800,000	450,000
Net asset value per Share	$ 21.28	$ 22.70

(a) Cost of investments in Digital Assets: $16,583,491 at September 30, 2026 and $11,421,283 at December 31, 2025.
(b) No par value, unlimited amount authorized.

See accompanying notes to the unaudited financial statements.

FRANKLIN CRYPTO INDEX ETF
A SERIES OF FRANKLIN CRYPTO TRUST
SCHEDULES OF INVESTMENTS (Unaudited)

September 30, 2026

Digital Assets	Quantity	Cost	Fair Value	Fair Value as a % of Net assets
Bitcoin	155.3730	$ 12,729,811	$ 13,004,293	76.39%
Ether	806.4596	2,013,824	2,172,505	12.76%
XRP	609,573.7670	978,257	914,361	5.37%
Solana	5,396.5714	534,047	639,979	3.76%
Dogecoin	1,502,200.6472	163,187	143,730	0.84%
Cardano	373,963.5206	110,884	93,809	0.55%
Stellar Lumens	257,432.2473	53,481	58,803	0.35%
Total investments in Digital Assets		$ 16,583,491	$ 17,027,480	100.02%
Less liabilities			(2,616)	(0.02)%
Net assets			$ 17,024,864	100.00%

December 31, 2025

Digital Assets	Quantity	Cost	Fair Value	Fair Value as a % of Net assets
Bitcoin	87.3467	$ 8,649,292	$ 7,639,607	74.79%
Ether	474.4721	1,503,444	1,409,918	13.80%
XRP	330,323.8883	666,712	603,733	5.91%
Solana	2,694.9332	342,923	336,139	3.29%
Dogecoin	749,351.1329	101,660	88,273	0.86%
Cardano	213,170.9930	83,168	70,709	0.69%
Chainlink	3,233.4330	40,342	39,244	0.38%
Stellar Lumens	144,668.9849	33,742	29,245	0.29%
Total investments in Digital Assets		$ 11,421,283	$ 10,216,868	100.01%
Less liabilities			(1,477)	(0.01)%
Net assets			$ 10,215,391	100.00%

See accompanying notes to the unaudited financial statements.

FRANKLIN CRYPTO INDEX ETF
A SERIES OF FRANKLIN CRYPTO TRUST
STATEMENTS OF OPERATIONS (Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended	For the period February 20, 2025 (Date of commencement of operations) through
	2026	2025	September 30, 2026	September 30, 2025
Expenses				
Sponsor's fee	$ 7,243	$ 2,750	$ 17,192	$ 5,053
Less waiver	-	(1,741)	-	(4,044)
Total expenses	7,243	1,009	17,192	1,009
Net investment loss	(7,243)	(1,009)	(17,192)	(1,009)
Net realized and change in unrealized gain (loss) on investment in Digital Assets				
Net realized gain (loss) from Digital Assets sold for the redemption of Shares, sold to pay expenses and rebalancing	(94,156)	116	(135,238)	315
Net change in unrealized appreciation (depreciation) on investments in Digital Assets	5,765,858	459,814	1,648,404	1,028,699
Net realized and change in unrealized appreciation (depreciation) on investments in Digital Assets	5,671,702	459,930	1,513,166	1,029,014
Net increase (decrease) in net assets resulting from operations	$ 5,664,459	$ 458,921	$ 1,495,974	$ 1,028,005
Net increase (decrease) in net assets per Share[(a)(b)]	$ 6.64	$ 2.40	$ 2.24	$ 6.32

(a) Net increase (decrease) in net assets per Share based on average Shares outstanding during the period.
(b) The change in Financial highlights may not agree with Net increase (decrease) in net assets per Share because of the timing of transactions in the Fund's shares in relation to fluctuating market values for the Fund's underlying investment.

See accompanying notes to the unaudited combined financial statements.

FRANKLIN CRYPTO INDEX ETF
A SERIES OF FRANKLIN CRYPTO TRUST
STATEMENTS OF CASH FLOWS (Unaudited)

	For the Nine Months Ended September 30, 2026	For the period February 20, 2025 (Date of commencement of operations) through September 30, 2025
Cash Flows from Operating Activities		
Net increase (decrease) in net assets resulting from operations	$ 1,495,974	$ 1,028,005
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:		
Purchases of Digital Assets for creations	(7,295,569)	(4,044,659)
Purchases of Digital Assets for rebalancing	(95,193)	(26,917)
Sales of Digital Assets for the redemption of Shares and to pay expenses	1,998,123	–
Sales of Digital Assets for rebalancing	95,193	26,917
Net realized (gain) loss from Digital Assets sold for the redemption of Shares and sold to pay expenses	96,895	(315)
Net realized (gain) loss from Digital Assets sold for rebalancing	38,343	–
Net change in unrealized (appreciation) depreciation on investments in Digital Assets	(1,648,404)	(1,028,699)
Change in operating assets and liabilities:		
Sponsor's fee payable	1,139	1,009
Net cash provided by (used in) operating activities	$ (5,313,499)	$ (4,044,659)
Cash Flows from Financing Activities		
Proceeds from issuance of Shares	7,295,474	4,044,659
Payments on Shares redeemed	(1,981,975)	–
Net cash provided by (used in) financing activities	$ 5,313,499	$ 4,044,659
Cash		
Net increase (decrease) in cash	$ –	$ –
Cash, beginning of period	–	–
Cash, end of period	$ –	$ –

See accompanying notes to the unaudited financial statements.

FRANKLIN CRYPTO INDEX ETF
A SERIES OF FRANKLIN CRYPTO TRUST
STATEMENTS OF CHANGES IN NET ASSETS (Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended	For the period February 20, 2025 (Date of commencement of operations) through
	2026	2025	September 30, 2026	September 30, 2025
Net assets, beginning of period	$ 11,733,692	$ 4,066,210	$ 10,215,391	$ 2,513,378^
Net investment income (loss)	(7,243)	(1,009)	(17,192)	(1,009)
Net realized gain (loss) from Digital Assets sold for the redemption of Shares, sold to pay expenses and rebalancing	(94,156)	116	(135,238)	315
Net change in unrealized appreciation (depreciation) on investments in Digital Assets	5,765,858	459,814	1,648,404	1,028,699
Net increase (decrease) in net assets resulting from operations	5,664,459	458,921	1,495,974	1,028,005
Increase (decrease) in net assets from capital share transactions:				
Contributions for Shares issued	1,608,688	3,060,911	7,295,474	4,044,659
Distributions for Shares redeemed	(1,981,975)	-	(1,981,975)	-
Net increase (decrease) in net assets from capital share transactions	(373,287)	3,060,911	5,313,499	4,044,659
Net assets, end of period	$ 17,024,864	$ 7,586,042	$ 17,024,864	$ 7,586,042

^ On January 22, 2025, Franklin Resources, Inc. (the “Seed Capital Investor”), an affiliate of the Sponsor, subject to conditions, purchased 4,000 Shares at a per-Share price equal to $25.00 (the “Initial Seed Shares”). Delivery of the Initial Seed Shares was made on January 22, 2025. Total proceeds to the Fund from the sale of the Initial Seed Shares were $100,000. On February 10, 2025, the Initial Seed Shares were redeemed for $100,000, and the Seed Capital Investor purchased two Creation Units in a cash transaction comprised of a total of 100,000 Shares at a per-Share price based on 11.06240875 bitcoin and 61.7774073 ether per Creation Unit, for a total of 22.1248175 bitcoin and 123.5548146 ether (the “Seed Creation Units”). The cash proceeds to the Fund from the sale of the Seed Creation Units were used by the Fund to purchase 22.1248175 bitcoin at the price of $97,227.80 per bitcoin and 123.5548146 ether at the price of $2,665.23 per ether on February 10, 2025 (exclusive of transaction and other costs incurred in connection with the conversion of the cash proceeds to bitcoin and ether respectively, which were paid by the Seed Capital Investor). Thus, the ultimate total proceeds to the Fund from the sale of the Seed Creation Units were $2,480,449.33 (an amount representing 22.1248175 bitcoin and 123.5548146 ether) representing 100,000 shares at a per-Share price equal to $24.80. Further, the transaction and other costs incurred in connection with the Seed Creation Units were paid by the Seed Capital Investor and not borne by the Fund.

See accompanying notes to the unaudited financial statements.

FRANKLIN CRYPTO INDEX ETF
A SERIES OF FRANKLIN CRYPTO TRUST
NOTES TO FINANCIAL STATEMENTS (Unaudited)

1. ORGANIZATION

The Franklin Crypto Trust (the "Trust") was formed as a Delaware statutory trust on August 13, 2024, and is governed by the provisions of the Second Amended and Restated Agreement and Declaration of Trust dated as of February 4, 2025 (the "Declaration of Trust"). The Trust is not registered as an investment company under the Investment Company Act of 1940, as amended (the "Investment Company Act") and is not a commodity pool for purposes of the Commodity Exchange Act ("CEA"). The accompanying financial statements relate to the one series that the Trust currently offers, the Franklin Crypto Index ETF (the "Fund"). Separate financial statements and accompanying notes are provided for the Trust, as registrant, on a combined basis with the Fund in another section of this report. The Trust had no operations prior to the Fund's launch, other than matters relating to its organization and the registration of the Fund under the Securities Act of 1933, as amended (the "Securities Act"). The Sponsor of the Trust and the Fund (the "Sponsor") is Franklin Holdings, LLC. The Sponsor is a Delaware limited liability company formed on July 21, 2021. The Sponsor is not subject to regulation by the U.S. Commodity Futures Trading Commission ("CFTC") as a commodity pool operator or a commodity trading advisor with respect to the Fund. The Fund issues Shares (the "Shares"), which represent units of fractional undivided beneficial interest in and ownership of the Fund. The Shares of the Fund are listed on the Cboe BZX Exchange, Inc. ("Cboe BZX Exchange" or the "Exchange").

The Fund generally seeks to reflect the price of the digital assets included in the CF Institutional Digital Asset Index – US–Settlement Price (the "Underlying Index"). As of September 30, 2026, the Underlying Index's only constituent Digital Assets are Bitcoin ("BTC"), Ether ("ETH"), XRP, Solana ("SOL"), Dogecoin ("DOGE"), Cardano ("ADA"), and Stellar Lumens ("XLM") (collectively, the "Digital Assets"). The Fund's investment objective is to seek to provide investment results that closely correspond, before Fund expenses and liabilities, to the performance of the Underlying Index. The Fund seeks to achieve its investment objective by investing in the Digital Assets in approximately the same weights as they represent in the Underlying Index. Because the Fund's investment objective is to seek to track the price of the Underlying Index, changes in the price of the Shares may vary from changes in the underlying Digital Assets' prices. The Fund is a passive investment vehicle and is not a leveraged product. The Sponsor, using a "passive" or indexing investment approach, seeks to provide investment results that closely correspond, before Fund expenses and liabilities, to the performance of the Underlying Index.

The Bank of New York Mellon ("BNYM") serves as the Fund's Administrator, Transfer Agent and the Cash Custodian. The Administrator is generally responsible for the day-to-day administration of the Fund, including the calculation of the Fund's net asset value ("NAV") per Share. The Digital Asset Custodian is responsible for safekeeping the Digital Assets owned by the Fund. The Digital Asset Custodian is Coinbase Custody Trust Company, LLC ("Coinbase Custody"). Coinbase Inc., an affiliate of the Digital Asset Custodian, is the Fund's Prime Broker. CSC Delaware Trust Company, a subsidiary of the Corporation Service Company (the "Trustee"), is the sole trustee of the Trust. Franklin Distributors, LLC is the marketing agent of the Fund (the "Marketing Agent").

The Fund issues and redeems Shares only to certain eligible financial institutions called Authorized Participants and only in one or more blocks of 50,000 Shares ("Creation Units"). Creation Units are directly redeemable only by Authorized Participants. Creation Units are issued and redeemed in exchange for Digital Assets and/or cash. The Shares are listed and traded on the Exchange under the ticker symbol "EZPZ." The market price of the Shares may be different than the Fund's NAV per Share. The Fund issues and redeems Shares in Creation Units on a continuous basis at the applicable NAV per Share on the creation or redemption order date. Except when aggregated in Creation Units, the Shares are not redeemable securities.

The Trust, as registrant with respect to the Fund, is an "emerging growth company" as that term is used in the Jumpstart Our Business Startups Act, subject to reduced public company reporting requirements.

On January 22, 2025, Franklin Resources, Inc. (the "Seed Capital Investor"), an affiliate of the Sponsor, subject to conditions, purchased 4,000 Shares at a per-Share price equal to $25.00 (the "Initial Seed Shares"). Delivery of the Initial Seed Shares was made on January 22, 2025. Total proceeds to the Fund from the sale of the Initial Seed Shares were $100,000. On February 10, 2025, the Initial Seed Shares were redeemed for $100,000, and the Seed Capital Investor purchased two Creation Units in a cash transaction comprised of a total of 100,000 Shares at a per-Share price based on 11.06240875 bitcoin and 61.7774073 ether per Creation Unit, for a total of 22.1248175 bitcoin and 123.5548146 ether (the "Seed Creation Units"). The cash proceeds to the Fund from the sale of the Seed Creation Units were used by the Fund to purchase 22.1248175 bitcoin at the price of $97,227.80 per bitcoin and 123.5548146 ether at the price of $2,665.23 per ether on February 10, 2025 (exclusive of transaction and other costs incurred in connection with the conversion of the cash proceeds to bitcoin and ether respectively, which were paid by the Seed Capital Investor). Thus, the ultimate total proceeds to the Fund from the sale of the Seed Creation Units were $2,480,449.33 (an amount representing 22.1248175 bitcoin and 123.5548146 ether) representing 100,000 Shares at a per-Share price equal to $24.80. Further, the transaction and other costs incurred in connection with the Seed Creation Units were paid by the Seed Capital Investor and not borne by the Fund.

The accompanying Statements of Assets and Liabilities and Schedules of Investments at September 30, 2026 and December 31, 2025 and the Statements of Operations, Statements of Cash Flows, and Statements of Changes in Net Assets for the three months ended September 30, 2026 and September 30, 2025, the nine months ended September 30, 2026 and for the period from February 20, 2025 (Date of commencement of operations) to September 30, 2025, have been prepared for the Fund as the sole operating series of the Trust and are unaudited. Separate unaudited combined financial statements and accompanying notes have been prepared on behalf of the Trust, as registrant, combined with its one currently offered series, the Fund (included above in a separate section of this report). In the opinion of management of the Sponsor of the Trust, all adjustments (which include only normal recurring adjustments) necessary to state fairly the financial position and results of operations for all periods stated have been made. In addition, interim period results are not necessarily indicative of results for a full-year period. These financial statements and the notes thereto should be read in conjunction with the Trust's and the Fund's financial statements included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

The fiscal year end of the Trust and the Fund is December 31.

2. SIGNIFICANT ACCOUNTING POLICIES

In preparing financial statements in conformity with accounting principles generally accepted in the United States ("GAAP"), management of the Sponsor makes estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amount of revenue and expenses reported during the period. Actual results could differ from these estimates.

The accompanying unaudited financial statements were prepared in accordance with GAAP for interim financial information and with the instructions for Form 10-Q and the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”).

The following is a summary of significant accounting policies followed by the Trust and the Fund.

2.1. Basis of Presentation

The Sponsor has determined that the Trust and the Fund fall within the scope of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 946, Financial Services—Investment Companies, and has concluded that solely for accounting purposes, the Trust is classified as an Investment Company as defined in ASC 946.

The accompanying unaudited financial statements are presented for the Fund, which is the sole series of the Trust, at the individual, series level. Financial statements and accompanying notes for the Trust, as the registrant, combined with the Fund are provided separately in this report. For the periods presented, there were no balances or activity for the Trust except for the Fund's operations, as its sole series. These notes to the financial statements relate to the Fund, which is the sole series of the Trust, and are unaudited. The debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to the Fund are enforceable only against the assets of the Fund and not against the assets of the Trust generally or any other series that the Trust may establish.

2.2. Calculation of NAV and NAV per Share

The Sponsor has the exclusive authority to determine the Fund’s net asset value (“NAV”). The Sponsor has delegated to the Administrator the responsibility to calculate the NAV of the Fund, based on a pricing source selected by the Sponsor. In determining the Fund's NAV, the Administrator values the Digital Assets held by the Fund based on the CF Reference Rates (defined below), unless the Sponsor in its sole discretion determines that such reference rates are unreliable. The Underlying Index values its Digital Assets based on the value of each applicable Digital Asset as measured by the corresponding CME CF Reference Rate–New York Variant for the U.S. Dollar trading pair (each a “CF Reference Rate”, and together, the “CF Reference Rates”), each of which are produced by the Index Provider. The CF Reference Rates shall constitute the primary Digital Asset pricing sources for the Underlying Index, unless one or more of the CF Reference Rates are not available or the Sponsor in its sole discretion determines one or more of the CF Reference Rates unreliable as a pricing source for the Fund and therefore determines not to use the CF Reference Rates to value the Digital Assets held by the Fund. If the CF Reference Rates are not available or the Sponsor determines, in its sole discretion, that one or more of the CF Reference Rates are unreliable (together a “Fair Value Event”), the Fund's holdings may be fair valued by the Sponsor. Additionally, the Administrator will monitor for unusual prices, and escalate to the Sponsor if detected. The Digital Assets included in the Underlying Index are weighted based on their free float market capitalization as determined by the Index Provider.

As of September 30, 2026, the Digital Assets in the Underlying Index and their weightings were as follows:

Constituent	Weight
Bitcoin-BTC	76.58%
Ether-ETH	12.69%
XRP	5.35%
Solana-SOL	3.75%
Dogecoin-DOGE	0.76%
Cardano-ADA	0.53%
Stellar Lumens-XLM	0.34%

As of September 30, 2025, the Digital Assets in the Underlying Index and their weightings were as follows:

Constituent	Weight
Bitcoin-BTC	83.408%
Ether-ETH	16.592%

On each Business Day, as soon as practicable after 4:00 p.m. Eastern Time (“ET”), the Administrator evaluates the Digital Assets held by the Fund as reflected by the CF Reference Rates and determines the NAV of the Fund. For purposes of making these calculations, a Business Day means any day other than a day when the Cboe BZX Exchange is closed for regular trading. The Fund’s periodic financial statements may not utilize this NAV of the Fund to the extent the methodology used to calculate the Underlying Index is deemed not to be consistent with GAAP.

2.3. Valuation of Digital Assets

The Trust’s and the Fund’s financial statements are prepared in accordance with GAAP for interim financial information. The Fund determines the fair value of Digital Assets based on the price provided by the Digital Assets market that the Fund considers its “Principal Market” as of 11:59:59PM ET on the valuation date. This fair value price is referred to as "Principal Market Price". With respect to the Fund’s Digital Asset holdings, the Trust follows the provisions of the Financial Accounting Standards Board Accounting Standards Codification Topic 820, “Fair Value Measurements and Disclosures” (“ASC Topic 820”) and utilizes an exchange-traded price from the Fund’s Principal Market (or in the absence of a Principal Market, the most advantageous market) for Digital Assets as of the Fund’s financial statement measurement date.

ASC 820 established a hierarchy that prioritized inputs to valuation techniques used to measure fair value. The three levels of inputs are:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not considered to be active, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means; and

Level 3: Inputs that are unobservable for the asset or liability, including the Fund's assumptions used in determining the fair value of investments.

On September 30, 2026 and December 31, 2025, the values of the Digital Assets held by the Fund were categorized as Level 1.

2.4. Fees, Expenses, and Realized Gains (Losses)

The Fund's only ordinary recurring expense is the Sponsor's fee. In exchange for the Sponsor's fee, the Sponsor has agreed to assume the ordinary fees and expenses incurred by the Fund, including but not limited to the following: fees charged by the Administrator, the Marketing Agent, the Custodians (the Cash Custodian and Digital Asset Custodian, collectively) and the Trustee, Cboe BZX Exchange listing fees, Index Provider Fees, typical maintenance and transaction fees of the DTC, SEC registration fees, printing and mailing costs, tax reporting fees, audit fees, license fees and expenses, and up to $500,000 per annum in ordinary legal fees and expenses. The Sponsor paid the costs of the Trust's and the Fund's organization and the initial offering costs and may not seek reimbursement of such costs. Digital Assets transactions are accounted for on a trade date basis. Realized gains or losses from the sale or disposition of Digital Assets are determined on a specific identification basis and recognized in the Statements of Operations in the period in which the sale or disposition occurs.

The Sponsor's fee, which is compensation for the Sponsor's services rendered to the Fund, is calculated and accrued daily at an annualized rate equal to 0.19% (i.e., 0.19%/365 days) of the net asset value of the Fund and is payable at least quarterly in arrears in U.S. dollars. The Sponsor may, at its sole discretion and from time to time, waive all or a portion of the Sponsor's fee for stated periods of time. The Sponsor is under no obligation to waive any portion of its fees and any such waiver shall create no obligation to waive any such fees during any period not covered by the waiver.

The Fund will sell Digital Assets as needed to pay the Sponsor's fee and will buy and sell Digital Assets to adjust the Fund's investments to correspond with a rebalancing and/or reconstitution of the Underlying Index (including, in the case of a rebalancing, trading one or more Digital Assets for other Digital Assets). The Fund bears transaction costs, including any Digital Asset network fees or other similar transaction fees, in connection with any sales of Digital Assets necessary to pay the Sponsor's fee, as well as other Fund expenses (if any) that are not assumed by the Sponsor (expenses assumed by the Sponsor are specified above), or in connection with any purchases or sales of Digital Assets to adjust the Fund's investments to correspond with a rebalancing and/or reconstitution of the Underlying Index. Any Digital Asset network fees and similar transaction fees incurred in connection with the creation or redemption of Creation Units are borne by the Authorized Participant.

For the period from February 20, 2025 (the day the Shares were initially listed on the Exchange) to August 29, 2025, the Sponsor agreed to waive the entire Sponsor's fee on the first $10.0 billion of the Fund's assets. For the quarter ended September 30, 2026, the Fund accrued the Sponsor's fee of $7,243 and nine months ended September 30, 2026, the Fund accrued the Sponsor's fee of $17,192.

The Sponsor is not required to pay any extraordinary or non-routine expenses. Extraordinary expenses are fees and expenses which are unexpected or unusual in nature, such as legal claims and liabilities and litigation costs or indemnification or other unanticipated expenses. Extraordinary fees and expenses also include material expenses which are not currently anticipated obligations of the Fund. The Fund will be responsible for the payment of such expenses to the extent any such expenses are incurred. Routine operational, administrative and other ordinary expenses are not deemed extraordinary expenses. In addition, the Fund may incur certain other non-recurring expenses that are not assumed by the Sponsor (expenses assumed by the Sponsor are described above), including but not limited to, taxes and governmental charges, any applicable brokerage commissions, Digital Asset network fees and similar transaction fees that qualify as extraordinary or non-routine expenses as described above, financing fees, expenses and costs of any extraordinary services performed by the Sponsor (or any other service provider) on behalf of the Fund to protect the Fund or the interests of Shareholders (including, for example, in connection with any fork of the Digital Asset blockchain, any Incidental Rights and any IR Virtual Currency); any indemnification of the Cash Custodian, Digital Asset Custodian, Prime Broker, Administrator or other agents, service providers or counterparties of the Trust or the Fund and extraordinary legal fees and expenses, including any legal fees and expenses incurred in connection with litigation, regulatory enforcement or investigation matters or legal expenses in excess of $500,000 per year. The Sponsor may determine in its sole discretion to assume legal fees and expenses of the Fund in excess of the $500,000 per annum stipulated in the Sponsor Agreement. There are no set circumstances in which the Sponsor has determined to assume legal fees and expenses in excess of the amount stipulated in the Sponsor Agreement, but such expenses may be assumed by the Sponsor, for example, to help the Fund achieve scale. To the extent that the Sponsor does not voluntarily assume such fees and expenses, they will be the responsibility of the Fund. Additionally, there is no cap on the aggregate amount of expenses that could be assumed by the Sponsor each year, except as otherwise described herein. The Trust's and Fund's organizational and offering costs are borne by the Sponsor and, as such, are the sole responsibility of the Sponsor. The Sponsor may not seek reimbursement or otherwise require the Fund, the Trust, the Trustee, or any Shareholder to assume any liability, duty or obligation in connection with any such organizational and offering costs. Because the Fund does not have any income, it will need to sell Digital Assets to cover the Sponsor's fee and expenses not assumed by the Sponsor, if any. Fund expenses not assumed by the Sponsor shall accrue daily and be payable by the Fund to the Sponsor at least quarterly in arrears. The Fund may also be subject to other liabilities (for example, as a result of litigation) that have also not been assumed by the Sponsor. The only source of funds to cover those liabilities will be sales of Digital Assets held by the Fund. Even if there are no expenses other than those assumed by the Sponsor, and there are no other liabilities of the Fund, the Fund will still need to sell Digital Assets to pay the Sponsor's fee. The result of these sales is a decrease in the amount of Digital Assets represented by each Share.

There have been no extraordinary or non-routine expenses during the periods presented.

To cover the Sponsor's fee and expenses not assumed by the Sponsor, the Sponsor or its delegate will cause the Fund to convert Digital Assets into U.S. dollars generally at the price available through the Prime Broker's Coinbase Prime service (less applicable trading fees) through the Trading Platform which the Sponsor is able to obtain using commercially reasonable efforts. The number of Digital Assets represented by a Share will decline each time the Fund pays the Sponsor's fee or any Fund expenses not assumed by the Sponsor by transferring or selling Digital Assets. The quantity of Digital Assets to be sold to permit payment of the Sponsor's fee or Fund expenses not

assumed by the Sponsor, will vary from time to time depending on the level of the Fund’s expenses and the value of Digital Assets held by the Fund.

2.5. Digital Assets Receivable and Payable

Digital assets receivable or payable represents the quantity of digital assets covered by contractually binding orders for the creation or redemption of Shares respectively, where the digital asset has not yet been transferred to or from the Fund's account. Generally, ownership of the Digital Assets is transferred within one business day of the trade date (referred to as "T+1").

2.6. Income Taxes

The Trust is organized and operated as a statutory trust in accordance with the provisions of the Declaration of Trust and applicable Delaware law. The Fund is treated as a partnership for U.S. federal income tax purposes. The Fund does not record a provision for U.S. federal, U.S. state or local income taxes because the Shareholders report their share of the Fund's income or loss on their income tax returns. The Fund files annual partnership returns, and each U.S. Shareholder is required to report on its U.S. federal income tax return its allocable share of the income, gain, loss, deductions and credits reflected on such partnership returns.

The Fund is required to determine whether its tax positions are more likely than not to be sustained on examination by the applicable taxing authority, based on the technical merits of the position. Tax positions not deemed to meet a more likely than not threshold would be recorded as a tax expense in the current year. As of September 30, 2026 and December 31, 2025, the Trust and the Fund have determined that no provision for income taxes is required and no liability for unrecognized tax benefits has been recorded. However, the Trust's and the Fund's conclusions may be subject to review and adjustment at a later date based on factors including, but not limited to, the nexus of income among various tax jurisdictions; compliance with U.S. federal, U.S. state, and other tax laws of jurisdictions in which the Trust and the Fund operate; and changes in the administrative practices and precedents of the relevant authorities. The Fund is required to analyze all open tax years. Open tax years are those years that are open for examination by the relevant income taxing authority.

2.7. Creation and Redemption of Shares

The Fund issues and redeems Creation Units on a continuous basis. Creation Units are issued or redeemed in exchange for an amount of Digital Assets and/or cash as determined by the Administrator on each day that Cboe BZX Exchange is open for regular trading.

For creation transactions conducted in cash, the amount of cash required to be delivered to the Fund will equal the amount of cash needed to purchase the amount of Digital Assets represented by the Creation Unit(s) being created, as calculated by the Administrator, plus applicable fees, costs and adjustments. For redemption transactions conducted in cash, the Sponsor will arrange for the Digital Assets represented by the Creation Unit(s) being redeemed to be sold and the cash proceeds, after applicable fees, costs and adjustments, distributed. No Shares are issued until the corresponding amount of Digital Assets have been received in the Fund's Trading Balance. Creation Units may be created or redeemed only by Authorized Participants, who pay (1) a transaction fee for each order to create or redeem Creation Units; (2) transfer, processing and other transaction costs charged by the Digital Asset Custodian in connection with the issuance or redemption of Creation Units for such order; and (3) any other expenses, taxes, charges or adjustments.

Creation Units will be sold at a per-Share offering price that will vary depending on, among other things, the price of Digital Assets and the trading price of the Shares on the Cboe BZX Exchange, Inc. at the time of the offer. Shares offered at different times may have different offering prices. Prior to the commencement of the Fund's investment operations on February 20, 2025, there was no public market for the Shares.

Changes in the Shares for the quarter from July 1, 2026 to September 30, 2026 are as follows:

	Shares	Amount[#]
Balance at July 1, 2026	800,000	$ 17,410,859
Creation of Shares	100,000	1,608,688
Redemption of Shares	(100,000)	(1,981,975)
Balance at September 30, 2026	800,000	$ 17,037,572

Changes in the Shares for the quarter from July 1, 2025 to September 30, 2025 are as follows:

	Shares	Amount[#]
Balance at July 1, 2025	150,000	$ 3,464,197
Creation of Shares	100,000	3,060,911
Redemption of Shares	–	–
Balance at September 30, 2025	250,000	$ 6,525,108

Changes in the Shares for the nine months from January 1, 2026 to September 30, 2026 are as follows:

	Shares	Amount[#]
Balance at January 1, 2026	450,000	$ 11,724,073
Creation of Shares	450,000	7,295,474
Redemption of Shares	(100,000)	(1,981,975)
Balance at September 30, 2026	800,000	$ 17,037,572

Changes in the Shares for the period from February 20, 2025 (Date of commencement of operations) to September 30, 2025 are as follows:

	Shares	Amount[#]
Balance at February 20, 2025	100,000	$ 2,480,449^
Creation of Shares	150,000	4,044,659
Redemption of Shares	–	–
Balance at September 30, 2025	250,000	$ 6,525,108

Dollar amount of balance represents the cumulative fair value of creation of Shares less the redemption of Shares, at the time of the specific creation or redemption.

^ On January 22, 2025, Franklin Resources, Inc. (the “Seed Capital Investor”), an affiliate of the Sponsor, subject to conditions, purchased 4,000 Shares at a per-Share price equal to $25.00 (the “Initial Seed Shares”). Delivery of the Initial Seed Shares was made on January 22, 2025. Total proceeds to the Fund from the sale of the Initial Seed Shares were $100,000. On February 10, 2025, the Initial Seed Shares were redeemed for $100,000, and the Seed Capital Investor purchased two Creation Units in a cash transaction comprised of a total of 100,000 Shares at a per-Share price based on 11.06240875 bitcoin and 61.7774073 ether per Creation Unit, for a total of 22.1248175 bitcoin and 123.5548146 ether (the “Seed Creation Units”). The cash proceeds to the Fund from the sale of the Seed Creation Units were used by the Fund to purchase 22.1248175 bitcoin at the price of $97,227.80 per bitcoin and 123.5548146 ether at the price of $2,665.23 per ether on February 10, 2025 (exclusive of transaction and other costs incurred in connection with the conversion of the cash proceeds to bitcoin and ether respectively, which were paid by the Seed Capital Investor). Thus, the ultimate total proceeds to the Fund from the sale of the Seed Creation Units were $2,480,449.33 (an amount representing 22.1248175 bitcoin and 123.5548146 ether) representing 100,000 shares at a per-Share price equal to $24.80. Further, the transaction and other costs incurred in connection with the Seed Creation Units were paid by the Seed Capital Investor and not borne by the Fund.

3. INVESTMENT IN DIGITAL ASSETS

The following represents the changes in quantity of Digital Assets held and the respective fair value during the quarter from July 1, 2026 to September 30, 2026:

	Quantity of Bitcoin	Amount in US$
Beginning balance at July 1, 2026	155.4365	$ 9,186,529
Bitcoin purchased for the creation of Shares	19.4299	1,256,943
Bitcoin purchased for the rebalancing of Digital Assets	-	-
Bitcoin sold for the redemption of Shares	(19.4203)	(1,521,654)
Bitcoin sold for the rebalancing of Digital Assets	-	-
Principal on bitcoin sales to pay expenses	(0.0731)	(4,974)
Net realized gain (loss) from bitcoin sold for the redemption of Shares and to pay expenses	-	(72,387)
Net realized gain (loss) from bitcoin sold for rebalancing	-	-
Net change in unrealized appreciation (depreciation) on investment in bitcoin	-	4,159,836
Balance at September 30, 2026	155.3730	$ 13,004,293

	Quantity of Ether	Amount in US$
Beginning balance at July 1, 2026	806.8154	$ 1,285,265
Ether purchased for the creation of Shares	100.8278	188,637
Ether purchased for the rebalancing of Digital Assets	-	-
Ether sold for the redemption of Shares	(100.8043)	(250,861)
Ether sold for the rebalancing of Digital Assets	-	-
Principal on ether sales to pay expenses	(0.3793)	(781)
Net realized gain (loss) from ether sold for the redemption of Shares and to pay expenses	-	(1,035)
Net realized gain (loss) from ether sold for rebalancing	-	-
Net change in unrealized appreciation (depreciation) on investment in ether	-	951,280
Balance at September 30, 2026	806.4596	$ 2,172,505

	Quantity of XRP	Amount in US$
Beginning balance at July 1, 2026	609,842.6656	$ 639,908
XRP purchased for the creation of Shares	76,212.1900	84,104
XRP purchased for the rebalancing of Digital Assets	-	-
XRP sold for the redemption of Shares	(76,194.4277)	(108,165)
XRP sold for the rebalancing of Digital Assets	-	-
Principal on XRP sales to pay expenses	(286.6609)	(334)
Net realized gain (loss) from XRP sold for the redemption of Shares and to pay expenses	-	(14,245)
Net realized gain (loss) from XRP sold for rebalancing	-	-
Net change in unrealized appreciation (depreciation) on investment in XRP	-	313,093
Balance at September 30, 2026	609,573.7670	$ 914,361

	Quantity of Solana	Amount in US$
Beginning balance at July 1, 2026	5,398.9017	$ 406,915
Solana purchased for the creation of Shares	674.7520	51,546
Solana purchased for the rebalancing of Digital Assets	-	-
Solana sold for the redemption of Shares	(674.5447)	(69,713)
Solana sold for the rebalancing of Digital Assets	-	-
Principal on solana sales to pay expenses	(2.5376)	(214)
Net realized gain (loss) from solana sold for the redemption of Shares and to pay expenses	-	2,920
Net realized gain (loss) from solana sold for rebalancing	-	-
Net change in unrealized appreciation (depreciation) on investment in solana	-	248,525
Balance at September 30, 2026	5,396.5714	$ 639,979

	Quantity of Dogecoin	Amount in US$
Beginning balance at July 1, 2026	1,502,862.6388	$ 108,567
Dogecoin purchased for the creation of Shares	187,813.7500	13,603
Dogecoin purchased for the rebalancing of Digital Assets	-	-
Dogecoin sold for the redemption of Shares	(187,769.3416)	(15,909)
Dogecoin sold for the rebalancing of Digital Assets	-	-
Principal on dogecoin sales to pay expenses	(706.4000)	(53)
Net realized gain (loss) from dogecoin sold for the redemption of Shares and to pay expenses	-	(4,513)
Net realized gain (loss) from dogecoin sold for rebalancing	-	-
Net change in unrealized appreciation (depreciation) on investment in dogecoin	-	42,035
Balance at September 30, 2026	1,502,200.6472	$ 143,730

	Quantity of Cardano	Amount in US$
Beginning balance at July 1, 2026	374,121.9642	$ 55,818
Cardano purchased for the creation of Shares	46,760.1993	7,820
Cardano purchased for the rebalancing of Digital Assets	-	-
Cardano sold for the redemption of Shares	(46,742.6923)	(9,694)
Cardano sold for the rebalancing of Digital Assets	-	-
Principal on cardano sales to pay expenses	(175.9506)	(32)
Net realized gain (loss) from cardano sold for the redemption of Shares and to pay expenses	-	(4,187)
Net realized gain (loss) from cardano sold for rebalancing	-	-
Net change in unrealized appreciation (depreciation) on investment in cardano	-	44,084
Balance at September 30, 2026	373,963.5206	$ 93,809

	Quantity of Stellar Lumens	Amount in US$
Beginning balance at July 1, 2026	257,543.7911	$ 52,473
Stellar lumens purchased for the creation of Shares	32,187.3300	6,035
Stellar lumens purchased for the rebalancing of Digital Assets	-	-
Stellar lumens sold for the redemption of Shares	(32,177.8060)	(5,979)
Stellar lumens sold for the rebalancing of Digital Assets	-	-
Principal on stellar lumens sales to pay expenses	(121.0678)	(22)
Net realized gain (loss) from stellar lumens sold for the redemption of Shares and to pay expenses	-	(709)
Net realized gain (loss) from stellar lumens sold for rebalancing	-	-
Net change in unrealized appreciation (depreciation) on investment in stellar lumens	-	7,005
Balance at September 30, 2026	257,432.2473	$ 58,803

The following represents the changes in quantity of Digital Assets held and the respective fair value during the quarter July 1, 2025 to September 30, 2025:

	Quantity of Bitcoin	Amount in US$
Beginning balance at July 1, 2025	33.2484	$ 3,609,446
Bitcoin purchased for the creation of Shares	22.1644	2,598,294
Bitcoin purchased for the rebalancing of Digital Assets	0.0028	304
Bitcoin sold for the rebalancing of Digital Assets	-	-
Principal on bitcoin sales to pay expenses	-	-
Net realized gain (loss) from bitcoin sold for rebalancing and the redemption of Shares	-	-
Net change in unrealized appreciation (depreciation) on investment in bitcoin	-	121,693
Balance at September 30, 2025	55.4156	$ 6,329,737

	Quantity of Ether	Amount in US$
Beginning balance at July 1, 2025	182.6830	$ 456,764
Ether purchased for the creation of Shares	121.7607	462,617
Ether purchased for the rebalancing of Digital Assets	-	-
Ether sold for the rebalancing of Digital Assets	(0.0711)	(304)
Ether sold for the redemption of Shares	-	-
Principal on ether sales to pay expenses	-	-
Net realized gain (loss) from ether sold for rebalancing and the redemption of Shares	-	116
Net change in unrealized appreciation (depreciation) on investment in ether	-	338,121
Balance at September 30, 2025	304.3726	$ 1,257,314

The following represents the changes in quantity of Digital Assets held and the respective fair value during the nine months from January 1, 2026 to September 30, 2026:

	Quantity of Bitcoin	Amount in US$
Beginning balance at January 1, 2026	87.3467	$ 7,639,607
Bitcoin purchased for the creation of Shares	87.3647	5,672,121
Bitcoin purchased for the rebalancing of Digital Assets	0.2344	16,831
Bitcoin sold for the redemption of Shares	(19.4203)	(1,521,654)
Bitcoin sold for the rebalancing of Digital Assets	-	-
Principal on bitcoin sales to pay expenses	(0.1525)	(12,396)
Net realized gain (loss) from bitcoin sold for the redemption of Shares and to pay expenses	-	(74,383)
Net realized gain (loss) from bitcoin sold for rebalancing	-	-
Net change in unrealized appreciation (depreciation) on investment in bitcoin	-	1,284,167
Balance at September 30, 2026	155.3730	$ 13,004,293

	Quantity of Ether	Amount in US$
Beginning balance at January 1, 2026	474.4721	$ 1,409,918
Ether purchased for the creation of Shares	460.5949	844,614
Ether purchased for the rebalancing of Digital Assets	-	-
Ether sold for the redemption of Shares	(100.8043)	(250,861)
Ether sold for the rebalancing of Digital Assets	(26.8788)	(54,001)
Principal on ether sales to pay expenses	(0.9243)	(2,013)
Net realized gain (loss) from ether sold for the redemption of Shares and to pay expenses	-	(1,444)
Net realized gain (loss) from ether sold for rebalancing	-	(25,915)
Net change in unrealized appreciation (depreciation) on investment in ether	-	252,207
Balance at September 30, 2026	806.4596	$ 2,172,505

	Quantity of XRP	Amount in US$
Beginning balance at January 1, 2026	330,323.8883	$ 603,733
XRP purchased for the creation of Shares	338,714.8921	411,761
XRP purchased for the rebalancing of Digital Assets	17,407.8747	23,259
XRP sold for the redemption of Shares	(76,194.4277)	(108,165)
XRP sold for the rebalancing of Digital Assets	-	-
Principal on XRP sales to pay expenses	(678.4604)	(890)
Net realized gain (loss) from XRP sold for the redemption of Shares and to pay expenses	-	(14,420)
Net realized gain (loss) from XRP sold for rebalancing	-	-
Net change in unrealized appreciation (depreciation) on investment in XRP	-	(917)
Balance at September 30, 2026	609,573.7670	$ 914,361

	Quantity of Solana	Amount in US$
Beginning balance at January 1, 2026	2,694.9332	$ 336,139
Solana purchased for the creation of Shares	2,922.2463	218,382
Solana purchased for the rebalancing of Digital Assets	459.8864	40,141
Solana sold for the redemption of Shares	(674.5447)	(69,713)
Solana sold for the rebalancing of Digital Assets	-	-
Principal on solana sales to pay expenses	(5.9498)	(510)
Net realized gain (loss) from solana sold for the redemption of Shares and to pay expenses	-	2,824
Net realized gain (loss) from solana sold for rebalancing	-	-
Net change in unrealized appreciation (depreciation) on investment in solana	-	112,716
Balance at September 30, 2026	5,396.5714	$ 639,979

	Quantity of Dogecoin	Amount in US$
Beginning balance at January 1, 2026	749,351.1329	$ 88,273
Dogecoin purchased for the creation of Shares	813,162.3558	69,270
Dogecoin purchased for the rebalancing of Digital Assets	129,068.0000	12,845
Dogecoin sold for the redemption of Shares	(187,769.3416)	(15,909)
Dogecoin sold for the rebalancing of Digital Assets	-	-
Principal on dogecoin sales to pay expenses	(1,611.4999)	(142)
Net realized gain (loss) from dogecoin sold for the redemption of Shares and to pay expenses	-	(4,537)
Net realized gain (loss) from dogecoin sold for rebalancing	-	-
Net change in unrealized appreciation (depreciation) on investment in dogecoin	-	(6,070)
Balance at September 30, 2026	1,502,200.6472	$ 143,730

	Quantity of Cardano	Amount in US$
Beginning balance at January 1, 2026	213,170.9930	$ 70,709
Cardano purchased for the creation of Shares	211,308.4759	43,406
Cardano purchased for the rebalancing of Digital Assets	2,381.1200	548
Cardano sold for the redemption of Shares	(46,742.6923)	(9,694)
Cardano sold for the rebalancing of Digital Assets	(5,732.5933)	(1,598)
Principal on cardano sales to pay expenses	(421.7827)	(94)
Net realized gain (loss) from cardano sold for the redemption of Shares and to pay expenses	-	(4,215)
Net realized gain (loss) from cardano sold for rebalancing	-	(637)
Net change in unrealized appreciation (depreciation) on investment in cardano	-	(4,616)
Balance at September 30, 2026	373,963.5206	$ 93,809

	Quantity of Chainlink	Amount in US$
Beginning balance at January 1, 2026	3,233.4330	$ 39,244
Chainlink purchased for the creation of Shares	1,077.2271	9,732
Chainlink purchased for the rebalancing of Digital Assets	-	-
Chainlink sold for the redemption of Shares	-	-
Chainlink sold for the rebalancing of Digital Assets	(4,309.4432)	(38,673)
Principal on Chainlink sales to pay expenses	(1.2169)	(50)
Net realized gain (loss) from Chainlink sold for the redemption of Shares and to pay expenses	-	(3)
Net realized gain (loss) from Chainlink sold for rebalancing	-	(11,348)
Net change in unrealized appreciation (depreciation) on investment in Chainlink	-	1,098
Balance at September 30, 2026	-	$ -

	Quantity of Stellar Lumens	Amount in US$
Beginning balance at January 1, 2026	144,668.9849	$ 29,245
Stellar lumens purchased for the creation of Shares	144,767.4958	26,283
Stellar lumens purchased for the rebalancing of Digital Assets	6,310.8000	1,569
Stellar lumens sold for the redemption of Shares	(32,177.8060)	(5,979)
Stellar lumens sold for the rebalancing of Digital Assets	(5,849.5845)	(921)
Principal on stellar lumens sales to pay expenses	(287.6429)	(53)
Net realized gain (loss) from stellar lumens sold for the redemption of Shares and to pay expenses	-	(717)
Net realized gain (loss) from stellar lumens sold for rebalancing	-	(443)
Net change in unrealized appreciation (depreciation) on investment in stellar lumens	-	9,819
Balance at September 30, 2026	257,432.2473	$ 58,803

The following represents the changes in quantity of Digital Assets held and the respective fair value for the period from February 20, 2025 (Date of commencement of operations) to September 30, 2025:

	Quantity of Bitcoin	Amount in US$
Beginning balance at February 20, 2025	22.1248	$ 2,173,344^
Bitcoin purchased for the creation of Shares	33.1851	3,464,155
Bitcoin purchased for the rebalancing of Digital Assets	0.1889	19,797
Bitcoin sold for the rebalancing of Digital Assets	(0.0832)	(7,120)
Principal on bitcoin sales to pay expenses	-	-
Net realized gain (loss) from bitcoin sold for rebalancing and the redemption of Shares	-	(976)
Net change in unrealized appreciation (depreciation) on investment in bitcoin	-	680,537
Balance at September 30, 2025	55.4156	$ 6,329,737

	Quantity of Ether	Amount in US$
Beginning balance at February 20, 2025	123.5548	$ 340,034^
Ether purchased for the creation of Shares	185.2175	580,504
Ether purchased for the rebalancing of Digital Assets	3.3590	7,120
Ether sold for the rebalancing of Digital Assets	(7.7587)	(19,797)
Ether sold for the redemption of Shares	-	-
Principal on ether sales to pay expenses	-	-
Net realized gain (loss) from ether sold for rebalancing and the redemption of Shares	-	1,291
Net change in unrealized appreciation (depreciation) on investment in ether	-	348,162
Balance at September 30, 2025	304.3726	$ 1,257,314

^ On January 22, 2025, Franklin Resources, Inc. (the “Seed Capital Investor”), an affiliate of the Sponsor, subject to conditions, purchased 4,000 Shares at a per-Share price equal to $25.00 (the “Initial Seed Shares”). Delivery of the Initial Seed Shares was made on January 22, 2025. Total proceeds to the Fund from the sale of the Initial Seed Shares were $100,000. On February 10, 2025, the Initial Seed Shares were redeemed for $100,000, and the Seed Capital Investor purchased two Creation Units in a cash transaction comprised of a total of 100,000 Shares at a per-Share price based on 11.06240875 bitcoin and 61.7774073 ether per Creation Unit, for a total of 22.1248175 bitcoin and 123.5548146 ether (the “Seed Creation Units”). The cash proceeds to the Fund from the sale of the Seed Creation Units were used by the Fund to purchase 22.1248175 bitcoin at the price of $97,227.80 per bitcoin and 123.5548146 ether at the price of $2,665.23 per ether on February 10, 2025 (exclusive of transaction and other costs incurred in connection with the conversion of the cash proceeds to bitcoin and ether respectively, which were paid by the Seed Capital Investor). Thus, the ultimate total proceeds to the Fund from the sale of the Seed Creation Units were $2,480,449.33 (an amount representing 22.1248175 bitcoin and 123.5548146 ether) representing 100,000 shares at a per-Share price equal to $24.80. Further, the transaction and other costs incurred in connection with the Seed Creation Units were paid by the Seed Capital Investor and not borne by the Fund.

4. RELATED PARTIES

The Sponsor of the Trust is Franklin Holdings, LLC. The Sponsor is responsible for establishing the Trust and for the registration of the Shares. The Sponsor generally oversees the performance of the Fund’s principal service providers but does not exercise day-to-day oversight over such service providers. The Sponsor, with assistance and support from the Administrator, is responsible for preparing and filing periodic reports on behalf of the Trust and the Fund with the SEC and will provide any required certification for such reports. The Sponsor has designated the independent registered public accounting firm of the Trust on behalf of the Fund and may from time to time employ legal counsel for the Fund.

Franklin Distributors, LLC serves as the Marketing Agent of the Fund. The Sponsor and the Marketing Agent are affiliates, and each is considered to be a related party to the Trust and the Fund. Franklin Templeton, Inc. (formerly, Franklin Resources, Inc.) is the ultimate parent company of the Sponsor and the Marketing Agent. Franklin Templeton, Inc. is the holding company for various subsidiaries that together are referred to as Franklin Templeton.

The Sponsor is a related party of the Trust and the Fund. The Fund pays the Sponsor a unitary fee for services performed pursuant to the Sponsor Agreement. The Marketing Agent is an affiliate of the Sponsor. Expenses payable to the Marketing Agent, if any, are paid through the Sponsor’s fee.

The Trust also considers Franklin Templeton, Inc., the ultimate parent company of the Sponsor, to be a related party of the Trust and the Fund. As of September 30, 2026, no Shares of the Fund were held by a related party.

5. CONCENTRATION OF RISK

The Fund holds only Digital Assets and cash, which creates a concentration risk associated with fluctuations in the price of Digital Assets. Accordingly, a decline in the price of Digital Assets will have an adverse effect on the value of the Shares of the Fund. The trading prices of Digital Assets have experienced extreme volatility in recent periods and may continue to fluctuate significantly. Extreme volatility in the future, including substantial, sustained, or rapid declines in the trading prices of Digital Assets, could have a material adverse effect on the value of the Shares and the Shares could lose all or substantially all of their value. Factors adversely impacting the value of Digital Assets and the Shares may include an increase in the global Digital Assets supply or a decrease in global Digital Assets demand; market conditions of, and overall sentiment towards, the Digital Assets and blockchain technology industry; trading activity on Digital Asset platforms, which may be unregulated or subject to regulation by a relevant jurisdiction but potentially non-compliant with such regulations or may be subject to manipulation; the adoption of Digital Assets as a medium of exchange, store-of-value or other consumptive asset and the maintenance and development of the open-source software protocol of the Digital Asset network, and their ability to meet user demands; manipulative trading activity on Digital Asset platforms; and forks in the Digital Asset network, among other things.

6. FINANCIAL HIGHLIGHTS

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	For the period February 20, 2025 (Date of commencement of operations) through September 30,
	2026	2025	2026	2025
Net asset value per Share, beginning of period	$ 14.67	$ 27.11	$ 22.70	$ 25.13[a]
Net investment loss[b]	(0.01)	(0.01)	(0.03)	(0.01)
Net realized and unrealized gain (loss) on investment in Digital Assets	6.62	3.24	(1.39)	5.22
Net increase (decrease) in net assets from operations[c]	6.61	3.23	(1.42)	5.21
Net asset value per Share, end of period	$ 21.28	$ 30.34	$ 21.28	$ 30.34
Total return, at net asset value[d]	45.06%	11.91%	(6.26)%	20.73%
Ratio to average net assets[e]				
Net investment loss	(0.19)%	(0.07)%	(0.19)%	(0.04)%
Gross expenses	0.19%	0.19%	0.19%	0.19%
Net expenses	0.19%	0.07%[f]	0.19%	0.04%[f]

(a) On January 22, 2025, Franklin Resources, Inc. (the "Seed Capital Investor"), an affiliate of the Sponsor, subject to conditions, purchased 4,000 Shares at a per-Share price equal to $25.00 (the "Initial Seed Shares"). Delivery of the Initial Seed Shares was made on January 22, 2025. Total proceeds to the Fund from the sale of the Initial Seed Shares were $100,000. On February 10, 2025, the Initial Seed Shares were redeemed for $100,000, and the Seed Capital Investor purchased two creation Units in a cash transaction comprised of a total of 100,000 Shares at a per-Share price based on 11.06240875 bitcoin and 61.7774073 ether per Creation Unit, for a total of 22.1248175 bitcoin and 123.5548146 ether (the "Seed Creation Units"). The cash proceeds to the Fund from the sale of the Seed Creation Units were used by the Fund to purchase 22.1248175 bitcoin at the price of $97,227.80 per bitcoin and 123.5548146 ether at the price of $2,665.23 per ether on February 10, 2025 (exclusive of transaction and other costs incurred in connection with the conversion of the cash proceeds to bitcoin and ether respectively, which were paid by the Seed Capital Investor). Thus, the ultimate total proceeds to the Fund from the sale of the Seed Creation Units were $2,480,449.33 (an amount representing 22.1248175 bitcoin and 123.5548146 ether) representing 100,000 Shares at a per-Share price equal to $24.80. Further, the transaction and other costs incurred in connection with the Seed Creation Units were paid by the Seed Capital Investor and not borne by the Fund.

(b) Calculated using average Shares outstanding.

(c) The amount shown for a Share outstanding may not agree with the change in the aggregate gains and losses on investment for the period because of the timing of transactions in the Fund's Shares in relation to fluctuating market values for the Fund's underlying investment.

(d) Total Return at NAV is calculated assuming an initial investment made at the NAV at the beginning of the period, and redemption of Shares at NAV on the last day of the period. Total Return at NAV as shown above includes adjustments in accordance with U.S. GAAP Total return for periods of less than a year are not annualized.

(e) Annualized.

(f) From February 20, 2025 (the day the Shares were initially listed on the Exchange) to August 29, 2025, the Sponsor agreed to waive the entire Sponsor's fee on the first $10.0 billion of the Fund's assets.

7. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Trust, on behalf of the Fund, may enter into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred.

8. INDEMNIFICATION

Under the Trust's organizational documents, the Sponsor and its shareholders, members, directors, affiliates, officers, employees and subsidiaries are indemnified by the Trust against certain liabilities. The Fund has also agreed to indemnify certain of its other service providers, including the Administrator, the Marketing Agent, the Custodians and the Trustee (including its officers, affiliates, directors, employees, and agents), for certain liabilities incurred by such parties in connection with their respective agreements to provide services for the Fund.

The Sponsor will not be liable to the Trust, the Trustee or any Shareholder for any action taken or for refraining from taking any action in good faith, or for errors in judgment or for depreciation or loss incurred by reason of the sale of any Digital Assets or other assets of the Fund or the Trust. However, the preceding liability exclusion will not protect the Sponsor against any liability resulting from its own gross negligence, bad faith, or willful misconduct.

The Sponsor and each of its shareholders, members, directors, officers, employees, affiliates and subsidiaries will be indemnified by the Trust and held harmless against any losses, liabilities or expenses incurred in the performance of its duties under the Declaration of Trust without gross negligence, bad faith, or willful misconduct. The Sponsor may rely in good faith on any paper, order, notice, list, affidavit, receipt, evaluation, opinion, endorsement, assignment, draft or any other document of any kind prima facie properly executed and submitted to it by the Trustee, the Trustee's counsel or by any other person for any matters arising under the Declaration of Trust. The Sponsor shall in no event be deemed to have assumed or incurred any liability, duty, or obligation to any Shareholder or to the Trustee other than as expressly provided for in the Declaration of Trust. Such indemnity includes payment from the Trust of the costs and expenses incurred in defending against any indemnified claim or liability under the Declaration of Trust.

The Trustee will not be liable or accountable to the Trust or any other person or under any agreement to which the Trust or any series of the Trust is a party, except for the Trustee's breach of its obligations pursuant to the Declaration of Trust or its own willful misconduct, bad faith or gross negligence. The Trustee and each of the Trustee's officers, affiliates, directors, employees, and agents will be indemnified by the Trust from and against any losses, claims, taxes, damages, reasonable expenses, and liabilities incurred with respect to the creation, operation or termination of the Trust, the execution, delivery or performance of the Declaration of Trust or the transactions contemplated thereby; provided that the indemnified party acted without willful misconduct, bad faith or gross negligence.

9. OPERATING SEGMENTS

The Fund, which is the sole series of the Trust, and the Trust operate as a single operating segment, which is an investment portfolio. Executive officers of the Fund's Sponsor perform the functions of the Chief Operating Decision Maker ("CODM"), evaluating fund-wide results and performance under a unified investment strategy. The CODM uses these measures to assess fund performance and allocate resources effectively. Internal reporting provided to the CODM aligns with the accounting policies and measurement principles used in the financial statements.

For information regarding segment assets, segment profit or loss, and significant expenses, refer to the Statements of Assets and Liabilities and the Statements of Operations, along with the related Notes to Financial Statements. The Schedules of Investments provide details of the Fund's investments that generate returns such as realized and unrealized gains or losses. Performance metrics and expense ratios are disclosed in the Financial Highlights.

10. SUBSEQUENT EVENTS

On October 6, 2026, the IRS released Rev. Proc. 2026-20 establishing new conditions to rely on a safe harbor for certain trusts that qualify as grantor trusts under applicable regulations, which includes the Fund, that allows staking of the trust's digital assets without jeopardizing tax status as investment trusts and grantor trusts for federal income tax purposes. The new guidance supersedes prior IRS guidance regarding staking within the grantor trust structure and provides a six-month implementation compliance period for an existing qualifying trust. The Sponsor is evaluating the impact of this guidance on the Trust and the Fund.

The Trust and the Fund have evaluated subsequent events through the issuance of the financial statements and determined that no such events other than the foregoing have occurred that require disclosure.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This information should be read in conjunction with the financial statements and notes included in Item 1 of Part I of this Form 10-Q. This Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and such forward-looking statements involve risks and uncertainties. All statements (other than statements of historical fact) included in this Form 10-Q that address activities, events or developments that may occur in the future, the Trust's and the Fund's operations, the Sponsor's plans and references to the Trust's and the Fund's future success and other similar matters are forward-looking statements. Words such as "could," "would," "may," "expect," "intend," "estimate," "predict," and variations on such words or negatives thereof, and similar expressions that reflect our current views with respect to future events and Fund performance, are intended to identify such forward-looking statements. These forward-looking statements are only predictions, subject to risks and uncertainties that are difficult to predict and many of which are outside of our control, and actual results could differ materially from those discussed. Forward-looking statements involve risks and uncertainties that could cause actual results or outcomes to differ materially from those expressed therein. We express our estimates, expectations, beliefs, and projections in good faith and believe them to have a reasonable basis. However, we make no assurances that management's estimates, expectations, beliefs, or projections will be achieved or accomplished. These forward-looking statements are based on assumptions about many important factors that could cause actual results to differ materially from those in the forward-looking statements. We do not intend to update any forward-looking statements even if new information becomes available or other events occur in the future, except as required by the federal securities laws.

Organization and Trust Overview

The Franklin Crypto Trust (the "Trust") was formed as a Delaware statutory trust on August 13, 2024, and is governed by the provisions of the Second Amended and Restated Agreement and Declaration of Trust dated as of February 4, 2025. The Trust is not registered as an investment company under the Investment Company Act of 1940, as amended (the "Investment Company Act") and is not a commodity pool for purposes of the Commodity Exchange Act ("CEA"). The Trust currently offers a single series, the Franklin Crypto Index ETF (the "Fund"), which is the sole series of the Trust. The Sponsor of the Trust and the Fund (the "Sponsor") is Franklin Holdings, LLC. The Sponsor is not subject to regulation by the U.S. Commodity Futures Trading Commission ("CFTC") as a commodity pool operator or a commodity trading advisor with respect to the Fund. The Fund issues Shares (the "Shares"), which represent units of fractional undivided beneficial interest and ownership of the Fund. The Shares of the Fund are listed on the Cboe BZX Exchange, Inc. ("Cboe BZX Exchange" or the "Exchange").

On January 22, 2025, Franklin Resources, Inc. (the "Seed Capital Investor"), an affiliate of the Sponsor, subject to conditions, purchased 4,000 Shares at a per-Share price equal to $25.00 (the "Initial Seed Shares"). Delivery of the Initial Seed Shares was made on January 22, 2025. Total proceeds to the Fund from the sale of the Initial Seed Shares were $100,000. On February 10, 2025, the Initial Seed Shares were redeemed for $100,000, and the Seed Capital Investor purchased two Creation Units in a cash transaction comprised of a total of 100,000 Shares at a per-Share price based on 11.06240875 bitcoin and 61.7774073 ether per Creation Unit, for a total of 22.1248175 bitcoin and 123.5548146 ether (the "Seed Creation Units"). The cash proceeds to the Fund from the sale of the Seed Creation Units were used by the Fund to purchase 22.1248175 bitcoin at the price of $97,227.80 per bitcoin and 123.5548146 ether at the price of $2,665.23 per ether on February 10, 2025 (exclusive of transaction and other costs incurred in connection with the conversion of the cash proceeds to bitcoin and ether respectively, which were paid by the Seed Capital Investor). Thus, the ultimate total proceeds to the Fund from the sale of the Seed Creation Units were $2,480,449.33 (an amount representing 22.1248175 bitcoin and 123.5548146 ether) representing 100,000 Shares at a per-Share price equal to $24.80. Further, the transaction and other costs incurred in connection with the Seed Creation Units were paid by the Seed Capital Investor and not borne by the Fund.

The Fund generally seeks to reflect the price of the Digital Assets included in the CF Institutional Digital Asset Index – US–Settlement Price (the "Underlying Index"). As of September 30, 2026, the Underlying Index's only constituent Digital Assets are Bitcoin ("BTC"), Ether ("ETH"), XRP, Solana ("SOL"), Dogecoin ("DOGE"), Cardano ("ADA"), and Stellar Lumens ("XLM") (collectively, the "Digital Assets"). The Fund's investment objective is to seek to provide investment results that closely correspond, before Fund expenses and liabilities, to the performance of the Underlying Index. The Fund seeks to achieve its investment objective by investing in the Digital Assets in approximately the same weights as they represent in the Underlying Index. Because the Fund's investment objective is to seek to track the price of the Underlying Index, changes in the price of the Shares may vary from changes in the underlying Digital Assets' prices. The Fund is a passive investment vehicle and is not a leveraged product. The Sponsor, using a "passive" or indexing investment approach, seeks to provide investment results that closely correspond, before Fund expenses and liabilities, to the performance of the Underlying Index.

The Fund issues Shares only to eligible financial institutions called Authorized Participants and only in one or more blocks of 50,000 Shares ("Creation Units"). Creation Units are redeemable only by Authorized Participants. Creation Units are issued and redeemed in exchange for Digital Assets and/or cash. The Shares are listed and traded on the Exchange under the ticker symbol "EZPZ." The market price of the Shares may be different than the Fund's NAV per Share. The Fund issues Shares in Creation Units on a continuous basis at the applicable NAV per Share on the creation order date.

The Fund's only ordinary recurring expense is the Sponsor's fee. In exchange for the Sponsor's fee, the Sponsor has agreed to assume the ordinary fees and expenses incurred by the Fund, including but not limited to the following: fees charged by the Administrator, the Marketing Agent, the Custodians and the Trustee, Cboe BZX Exchange listing fees, Index Provider Fees, typical maintenance and transaction fees of the DTC, SEC registration fees, printing and mailing costs, tax reporting fees, audit fees, license fees and expenses, and up to $500,000 per annum in ordinary legal fees and expenses. The Sponsor paid the costs of the Trust's and the Fund's organization and the initial offering costs, and may not seek reimbursement of such costs.

The Sponsor's fee, which is compensation for the Sponsor's services rendered to the Fund, is calculated and accrued daily at an annualized rate equal to 0.19% (i.e., 0.19%/365 days) of the net asset value of the Fund and is payable at least quarterly in arrears in U.S. dollars. The Sponsor may, at its sole discretion and from time to time, waive all or a portion of the Sponsor's fee for stated periods of time. The Sponsor is under no obligation to waive any portion of its fees and any such waiver shall create no obligation to waive any such fees during any period not covered by the waiver. The Fund will sell Digital Assets as needed to pay the Sponsor's fee and will buy and sell Digital Assets to adjust the Fund's investments to correspond with a rebalancing and/or reconstitution of the Underlying Index (including, in the case of a rebalancing, trading one or more Digital Assets for other Digital Assets). The Fund bears transaction costs, including any Digital Asset network fees or other similar transaction fees, in connection with any sales of Digital Assets necessary to pay the Sponsor's fee, or in connection with any purchases or sales of Digital Assets to adjust the Fund's investments to correspond with a rebalancing and/or reconstitution of the Underlying Index as well as other Fund expenses (if any) that are not assumed by the Sponsor (expenses assumed by the Sponsor are specified above). Digital Assets network fees and similar transaction fees incurred in connection with the creation or redemption of Creation Units are borne by the Authorized Participant. For the period from February 20, 2025 (the day the Shares were initially listed on the Exchange) to August 29, 2025, the Sponsor agreed to waive the entire Sponsor's fee on the first $10.0 billion of the

Fund’s assets. In the future, if the Sponsor decides to waive all or a portion of the Sponsor’s fee, Shareholders will be notified in a prospectus supplement, in the Fund’s periodic reports, and/or on the Fund’s website.

The Trust is an “emerging growth company” as that term is used in the Jumpstart Our Business Startups Act (the “JOBS Act”), subject to reduced public company reporting requirements.

The NAV of the Fund is used by the Trust in its day-to-day operations to measure the net value of the Fund’s assets net of liabilities. The NAV is calculated on each business day and is equal to the aggregate value of the Fund’s assets less its liabilities based on the prices of the Digital Assets comprising the Index. In determining the NAV of the Fund on any business day, the Administrator will calculate the price of the Digital Assets held by the Fund as of 4:00 p.m. ET on such day. The Administrator will also calculate the “NAV per Share” of the Fund, which equals the NAV of the Fund divided by the number of outstanding Shares. For purposes of making these calculations, a business day means any day other than a day when the Exchange is closed for regular trading.

The Administrator will rely on the Index prices to be used when determining NAV. However, determining the value of the Fund’s Digital Assets using the Index is not in accordance with GAAP, and therefore is not used in the Trust’s and the Fund's financial statements. The Fund’s Digital Assets are carried, for financial statement purposes, at fair value, as required by GAAP. The Fund determines the fair value of Digital Assets based on the prices provided by the Digital Assets markets that the Fund considers the “principal market” as of 11:59:59 PM, ET on the valuation date. The net asset value of the Fund determined on a GAAP basis is referred to as the “Principal Market NAV” and the Fund's NAV per Share determined on a GAAP basis is referred to as the “Principal Market NAV per Share.”

The Sponsor identifies and determines the Fund’s principal market (or in the absence of a principal market, the most advantageous market) for Digital Assets consistent with the application of fair value measurement framework in FASB ASC 820-10. The principal market is the market where the reporting entity would normally enter into a transaction to sell the asset or transfer the liability. The principal market must be available to and be accessible to the reporting entity. The reporting entity is the Trust, on behalf of the Fund.

Under ASC 820-10, a principal market is generally the market with the greatest volume and activity level for the asset or liability. The determination of the principal market will generally be based on the market with the greatest volume and level of activity that can be accessed.

NAV and NAV per Share are not measures calculated in accordance with GAAP and are not intended as a substitute for Principal Market NAV and Principal Market NAV per Share, respectively.

Critical Accounting Policies

The Trust’s and the Fund’s financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements relies on estimates and assumptions that impact the Fund’s as well as the Trust’s financial position and results of operations. These estimates and assumptions affect the Fund’s as well as the Trust’s application of accounting policies. A description of the valuation of digital assets, a critical accounting policy that is important to understanding the results of operations and financial position presented herein, is provided in the section entitled “Valuation of Digital Assets” above. In addition, please refer to Note 2 to the financial statements included in this report for further discussion of the Trust’s and the Fund’s accounting policies.

Discussion of Financing Activities before commencement of operations

On January 22, 2025, Franklin Resources, Inc. (the “Seed Capital Investor”), an affiliate of the Sponsor, subject to conditions, purchased 4,000 Shares at a per-Share price equal to $25.00 (the “Initial Seed Shares”). Delivery of the Initial Seed Shares was made on January 22, 2025. Total proceeds to the Fund from the sale of the Initial Seed Shares were $100,000. On February 10, 2025, the Initial Seed Shares were redeemed for $100,000, and the Seed Capital Investor purchased two Creation Units in a cash transaction comprised of a total of 100,000 Shares at a per-Share price based on 11.06240875 bitcoin and 61.7774073 ether per Creation Unit, for a total of 22.1248175 bitcoin and 123.5548146 ether (the “Seed Creation Units”). The cash proceeds to the Fund from the sale of the Seed Creation Units were used by the Fund to purchase 22.1248175 bitcoin at the price of $97,227.80 per bitcoin and 123.5548146 ether at the price of $2,665.23 per ether on February 10, 2025 (exclusive of transaction and other costs incurred in connection with the conversion of the cash proceeds to bitcoin and ether respectively, which were paid by the Seed Capital Investor). Thus, the ultimate total proceeds to the Fund from the sale of the Seed Creation Units were $2,480,449.33 (an amount representing 22.1248175 bitcoin and 123.5548146 ether) representing 100,000 Shares at a per-Share price equal to $24.80. Further, the transaction and other costs incurred in connection with the Seed Creation Units were paid by the Seed Capital Investor and not borne by the Fund.

Results of Operations

At September 30, 2026, the Digital Asset Custodian held the following Digital Assets on behalf of the Fund: 155.3730 bitcoin, with a market value of $13,004,293 (cost:$12,729,811), 806.4596 ether, with a market value of $2,172,505 (cost: $2,013,824), 609,573.7670 XRP, with a market value of $914,361 (cost: $978,257), 5,396.5714 solana, with a market value of $639,979 (cost: $534,047), 1,502,200.6472 dogecoin, with a market value of $143,730 (cost: $163,187), 373,963.5206 cardano, with a market value of $93,809 (cost: $110,884), and 257,432.2473 stellar lumens, with a market value of $58,803 (cost: $53,481).

For the three months ended September 30, 2026

For the three months ended September 30, 2026, 100,000 Shares were issued in exchange for 19.4299 bitcoin, 100.8278 ether, 76,212.1900 XRP, 674.7520 solana, 187,813.7500 dogecoin, 46,760.1993 cardano, and 32,187.3300 XLM and 100,000 Shares were redeemed in exchange for 19.4203 bitcoin, 100.8043 ether, 76,194.4277 XRP, 674.5447 solana, 187,769.3416 dogecoin, 46,742.6923 cardano, and 32,177.8060 XLM. The Fund’s NAV per Share began the period at $14.67 and ended the period at $21.28 which represents a 45.06% increase. During the same period the Fund's Underlying Index increased from 7,235.39 to 10,587.06, an increase of 46.32%. The variance between the Fund's return and the Underlying Index return is primarily due to differences in pricing sources and Fund's return include Sponsor's fee of $7,243 for the period. The Underlying Index is based on CF Reference Rates, while the Fund's reported performance is based on NAV calculated using Principal Market NAV for financial reporting purposes. Accordingly, the returns may not be directly comparable.

Net realized loss and change in unrealized appreciation on investments in Digital Assets for the period ended September 30, 2026, was approximately $5,671,702 which includes a net realized loss from Digital Assets sold to pay expenses and for rebalancing of $94,156 and a net change in unrealized appreciation on investments in Digital Assets of approximately $5,765,858. Net assets increased by approximately $5,291,172, from approximately $11,733,692 at June 30, 2026 to approximately $17,024,864 at September 30, 2026, primarily due to an increase in net assets resulting from operations due to Digital Asset price appreciation of approximately $5,664,459 offset by net capital share transactions of approximately $(373,287). Other than the Sponsor fee, the Fund had no expenses during the three months ended September 30, 2026.

For the three months ended September 30, 2025

For the three months ended September 30, 2025, 100,000 Shares were issued in exchange for 22.1644 bitcoin and 121.7607 ether. No shares were redeemed. The Fund’s NAV per Share began the period at $27.11 and ended the period at $30.34. The 11.91% increase in the Fund's NAV per share from $27.11, at June 30, 2025 to $30.34 at September 30, 2025 is directly related to the 5.22% increase in the price of bitcoin and 65.21% increase in the price of ether.

Net realized and change in unrealized appreciation (depreciation) on investment in Digital Assets for the period ended September 30, 2025, was approximately $459,930 which includes a net realized gain (loss) on investments in Digital Assets sold for rebalancing of $116 and net change in unrealized appreciation (depreciation) on investment in Digital Assets of approximately $459,814. Net realized and change in unrealized gain on investments in Digital Assets for the period was driven by bitcoin price appreciation from $108,560.00 per bitcoin at June 30, 2025 to $114,223.01 per bitcoin as of September 30, 2025. Net realized and change in unrealized gain on investments in Digital Assets for the period was also driven by ether price appreciation from $2,500.31 per ether at June 30, 2025 to $4,130.84 per ether as of September 30, 2025. Net assets increased to approximately $7,586,042 on September 30, 2025. The increase in net assets primarily resulted from the aforementioned Digital Assets price movement and net capital share transactions of approximately $3,060,911.

For the nine months ended September 30, 2026

For the nine months ended September 30, 2026, 450,000 Shares were issued in exchange for 87.3647 bitcoin, 460.5949 ether, 338,714.8921 XRP, 2,922.2463 solana, 813,162.3558 dogecoin, 211,308.4759 cardano, 1,077.2271 chainlink, and 144,767.4958 XLM and 100,000 Shares were redeemed in exchange for 19.4203 bitcoin, 100.8043 ether, 76,194.4277 XRP, 674.5447 solana, 187,769.3416 dogecoin, 46,742.6923 cardano, and 32,177.8060 XLM. The Fund’s NAV per Share began the period at $22.70 and ended the period at $21.28 which represents a 6.26% decrease. During the same period the Fund's Underlying Index decreased from 11,267.43 to 10,587.06, a decline of 6.04%. The variance between the Fund's return and the Underlying Index return is primarily due to differences in pricing sources and Fund's returns include Sponsor's fee of $17,192 for the period. The Underlying Index is based on CF Reference Rates, while the Fund's reported performance is based on NAV calculated using Principal Market NAV pricing for financial reporting purposes. Accordingly, the returns may not be directly comparable.

Net realized loss and change in unrealized appreciation on investments in Digital Assets for the period ended September 30, 2026, was approximately $1,513,166 which includes a net realized loss from Digital Assets sold for the redemption of shares, to pay expenses and for rebalancing of $135,238 and a net change in unrealized appreciation on investments in Digital Assets of approximately $1,648,404. Net assets increased by approximately $6,809,473, from approximately $10,215,391 at December 31, 2025 to approximately $17,024,864 at September 30, 2026, primarily due to net capital share transactions of approximately $5,313,499 and an increase in net assets resulting from operations due to Digital Asset price appreciation of approximately $1,495,974. Other than the Sponsor fee, the Fund had no expenses during the nine months ended September 30, 2026.

For the period February 20, 2025 (Date of commencement of operations) to September 30, 2025

For the period from February 20, 2025 (Date of Commencement of operations) to September 30, 2025, 150,000 Shares were issued in exchange for 33.1851 bitcoin and 185.2175 ether. No shares were redeemed. The Fund’s NAV per Share began the period at $25.13 and ended the period at $30.34. The 20.73% increase in the Fund's NAV per share from $25.13, from the period from February 20, 2025 (Date of Commencement of operations) to $30.34 at September 30, 2025 is directly related to the 16.28% increase in the price of bitcoin and 50.10% increase in the price of ether.

Net realized and change in unrealized appreciation (depreciation) on investment in Digital Assets for the period ended September 30, 2025, was approximately $1,029,014 which includes a net realized gain (loss) on investments in Digital Assets sold for rebalancing of $315 and net change in unrealized appreciation (depreciation) on investment in Digital Assets of approximately $1,028,699. Net realized and change in unrealized gain on investments in Digital Assets for the period was driven by bitcoin price appreciation from $98,231.15 per bitcoin for the period from February 20, 2025 (Date of Commencement of operations) to $114,223.01 per bitcoin as of September 30, 2025. Net realized and change in unrealized gain on investments in Digital Assets for the period was also driven by ether price appreciation from $2,752.09 per ether as of February 20, 2025 to $4,130.84 per ether as of September 30, 2025. Net assets increased to approximately $7,586,042 on September 30, 2025. The increase in net assets primarily resulted from the aforementioned Digital Assets price movement and net capital share transactions of approximately $4,044,659.

Liquidity and Capital Resources

The Fund is not aware of any trends, demands, commitments, events, or uncertainties that are reasonably likely to result in material changes to its liquidity needs. The Fund’s only ordinary recurring expense is the Sponsor’s fee. In exchange for the Sponsor’s fee, the Sponsor has agreed to assume the ordinary fees and expenses incurred by the Fund, including but not limited to the following: fees charged by the Administrator, the Marketing Agent, the Custodians and the Trustee, Cboe BZX Exchange listing fees, Index Provider Fees, typical maintenance and transaction fees of the DTC, SEC registration fees, printing and mailing costs, tax reporting fees, audit fees, license fees and expenses, and up to $500,000 per annum in ordinary legal fees and expenses. The Sponsor also paid the costs of the Trust's and the Fund’s organization and the initial offering costs, and may not seek reimbursement of such costs. The Sponsor is not required to pay any extraordinary or non-routine expenses.

The Sponsor’s fee, which is compensation for the Sponsor’s services rendered to the Fund, is calculated and accrued daily at an annualized rate equal to 0.19% (i.e., 0.19%/365 days) of the net asset value of the Fund and is payable at least quarterly in arrears in U.S. dollars. The Sponsor may, at its sole discretion and from time to time, waive all or a portion of the Sponsor’s fee for stated periods of time. The Sponsor is under no obligation to waive any portion of its fees and any such waiver shall create no obligation to waive any such fees during any period not covered by the waiver. For the period from February 20, 2025 (the day the Shares were initially listed on the Exchange) to August 29, 2025, the Sponsor agreed to waive the entire Sponsor’s fee on the first $10.0 billion of the Fund’s assets. For the quarter ended

September 30, 2026, the Fund accrued the Sponsor’s fee of $7,243. In the future, if the Sponsor decides to waive all or a portion of the Sponsor’s fee, Shareholders will be notified in a prospectus supplement or on the Sponsor’s website for the Fund.

The Fund will sell Digital Assets as needed to pay the Sponsor’s fee and will buy and sell Digital Assets to adjust the Fund’s investments to correspond with a rebalancing and/or reconstitution of the Underlying Index (including, in the case of a rebalancing, trading one or more Digital Assets for other Digital Assets). The Fund bears transaction costs, including any Digital Asset network fees or other similar transaction fees, in connection with any sales of Digital Assets necessary to pay the Sponsor’s fee, as well as other Fund expenses (if any) that are not assumed by the Sponsor (expenses assumed by the Sponsor are specified above), or in connection with any purchases or sales of Digital Assets to adjust the Fund’s investments to correspond with a rebalancing and/or reconstitution of the Underlying Index. Any Digital Asset network fees and similar transaction fees incurred in connection with the creation or redemption of Creation Units are borne by the Authorized Participant.

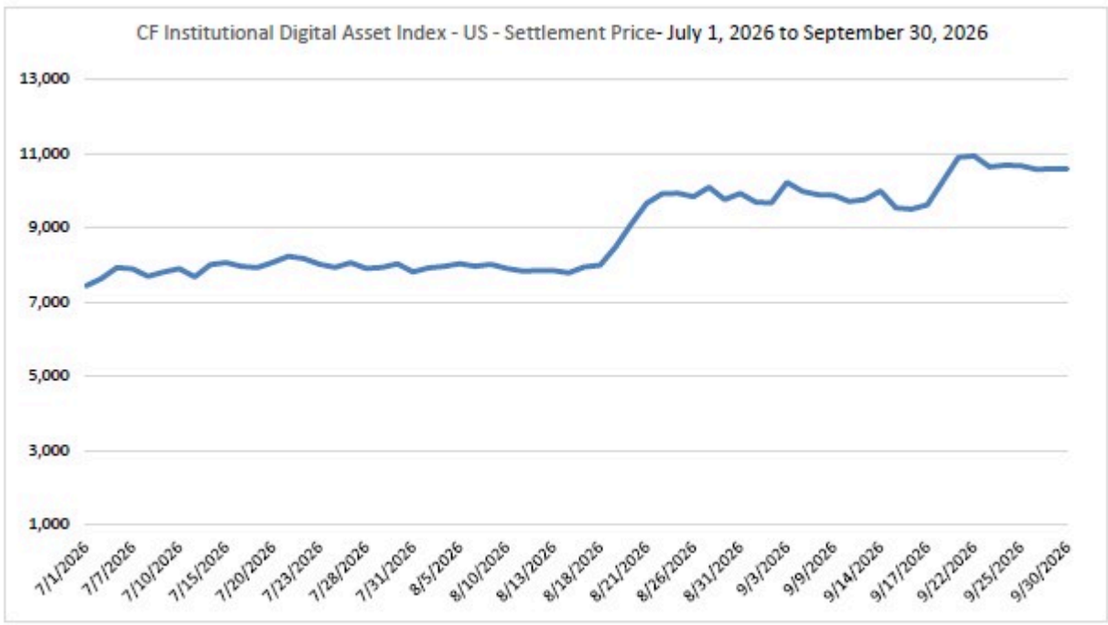
Off-Balance Sheet Arrangements

At September 30, 2026 and December 31, 2025, the Fund as well as the Trust did not have any off-balance sheet arrangements.

Analysis of Movements in the Price of CF Institutional Digital Asset Index – US – Settlement Price

As movements in the price of the Underlying Index (CF Institutional Digital Asset Index - US - Settlement Price) are expected to directly affect the price of the Fund's shares, it is important for investors to understand and follow movements in the price of CF Institutional Digital Asset Index - US - Settlement Price. Past movements in the Underlying Index price are not indicators of future movements.

The following chart shows movements in the price of CF Institutional Digital Asset Index - US - Settlement Price for the period from July 1, 2026 to September 30, 2026.



The average, high, low and end-of-period CF Institutional Digital Asset Index - US - Settlement Price for the period are as below:

Period	Average	High	Date	Low	Date	End of period	Last business day
July 1, 2026 to September 30, 2026	8,891.96	10,935.14	September 22, 2026	7,431.15	July 1, 2026	10,587.06	September 30, 2026

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Fund is a passive investment vehicle and is not a leveraged product. The Sponsor, using a "passive" or indexing investment approach, seeks to provide investment results that closely correspond, before Fund expenses and liabilities, to the performance of the Underlying Index. This means that the Sponsor does not sell Digital Assets at times when its price is high or acquire Digital Assets at low prices in the expectation of future price increases. The Fund will not utilize leverage, derivatives or similar instruments or transactions in seeking to meet its investment objective.

Item 4. Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

The Trust maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Principal Executive Officer and Principal Financial Officer of the Sponsor, who perform functions similar to those that a principal executive officer and principal financial officer of the Trust would perform if the Trust had officers, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of the Principal Executive Officer and Principal Financial Officer of the Sponsor, the Sponsor conducted an evaluation of the Trust's disclosure controls and procedures, as defined under Exchange Act Rule 13a-15(e) as of September 30, 2026 and concluded that the disclosure controls and procedures operated effectively at reasonable levels of assurance.

The Trust, on behalf of the Fund, maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Trust's Exchange Act reports with respect to the Fund is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Principal Executive Officer and Principal Financial Officer of the Sponsor, who perform functions similar to those that a principal executive officer and principal financial officer of the Trust would perform if the Trust had officers, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of the Principal Executive Officer and Principal Financial Officer of the Sponsor, the Sponsor conducted an evaluation of the Trust's disclosure controls and procedures with respect to the Fund, as defined under Exchange Act Rule 13a- 15(e) as of September 30, 2026 and concluded that the disclosure controls and procedures operated effectively at reasonable levels of assurance.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures.

Change in Internal Control Over Financial Reporting

There were no changes in the Trust's and the Fund's internal control over financial reporting that occurred during the third quarter covered by this report that have materially affected, or are reasonably likely to materially affect, the Trust's and the Fund's internal control over financial reporting.

Each of the Sarbanes-Oxley certifications included as exhibits to this filing applies with respect to the operations of both the Fund, as the sole series of the Trust, and the Trust as registrant.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, the Trust and/or the Fund may be a party to certain legal proceedings in the ordinary course of business. As of November 13, 2026, the Trust and the Fund are not subject to any material legal proceedings, nor, to our knowledge, are any material legal proceedings threatened against the Trust or Fund.

Item 1A. Risk Factors

You should carefully consider the factors discussed in Part I, Item 1A. “Risk Factors” in our Annual Report on Form 10-K filed with the SEC for the fiscal year ended December 31, 2025, which could materially affect our business, financial condition or future results. There have been no material changes in our risk factors from those disclosed in our 2025 Annual Report on Form 10-K.

The risks described in our Annual Report on Form 10-K are not the only risks facing the Trust and the Fund. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

a) None.

b) Not applicable.

c) The Fund does not purchase Shares directly from its Shareholders. In connection with its redemption of Creation Units held by Authorized Participants, the Fund redeemed 2 Creation Units (comprising 100,000 Shares) during the quarter ended September 30, 2026. The following table summarizes the redemptions by Authorized Participants during the period:

Period	Total Shares Redeemed	Average Price Per Share
July 1, 2026 – July 31, 2026	-	$ -
August 1, 2026 – August 31, 2026	50,000	19.59
September 1, 2026 - September 30, 2026	50,000	20.05

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

No officers or directors of the Sponsor have adopted, modified, or terminated trading plans under either a Rule 10b5-1 or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933) for the quarter ended September 30, 2026.

Item 6. Exhibits

See the Exhibit Index below, which is incorporated by reference herein.

EXHIBIT INDEX

Exhibit No.	Description
3.1	Certificate of Trust of Franklin Crypto Trust incorporated by reference to Exhibit 3.1 of the Registration Statement on Form S-1 (File No. 333-281615) filed by the Registrant on August 16, 2024
4.1	Second Amended and Restated Agreement and Declaration of Trust is incorporated by reference to Exhibit 4.1 of the Registration Statement on Form S-1 (File No. 333-281615) filed by the Trust on February 6, 2025.
4.2	Form of Authorized Participant Agreement is incorporated by reference to Exhibit 4.2 of the Registration Statement on Form S-1 (File No. 333-281615) filed by the Trust on February 6, 2025.
10.1	Coinbase Prime Broker Agreement is incorporated by reference to Exhibit 10.1 of the Registration Statement on Form S-1 (File No. 333-281615) filed by the Trust on February 6, 2025.
10.2	Coinbase Post-Trade Financing Agreement is incorporated by reference to Exhibit 10.2 of the Registration Statement on Form S-1 (File No. 333-281615) filed by the Trust on February 6, 2025.
10.3	Coinbase Custody Custodial Services Agreement. (included in Exhibit 10.1)
10.4	Custody Agreement with the Cash Custodian is incorporated by reference to Exhibit 10.4 of the Registration Statement on Form S-1 (File No. 333-281615) filed by the Trust on February 6, 2025.
10.5	Fund Administration and Accounting Agreement with the Administrator is incorporated by reference to Exhibit 10.5 of the Registration Statement on Form S-1 (File No. 333-281615) filed by the Trust on February 6, 2025.
10.6	Transfer Agency and Service Agreement with the Administrator is incorporated by reference to Exhibit 10.6 of the Registration Statement on Form S-1 (File No. 333-281615) filed by the Trust on February 6, 2025.
10.7	Sponsor Agreement is incorporated by reference to Exhibit 10.7 of the Registration Statement on Form S-1 (File No. 333-281615) filed by the Trust on February 6, 2025.
10.8	Index Sublicensing Agreement is incorporated by reference to Exhibit 10.8 of the Registration Statement on Form S-1 (File No. 333-281615) filed by the Trust on February 6, 2025.
23.2	Consents of Stradley Ronon Stevens & Young, LLP are incorporated by reference to Exhibit 5.1 and Exhibit 8.1 of the Registration Statement on Form S-1 (File 333-281615) filed by the Trust on February 14, 2025.
31.1(1)	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2(1)	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1(1)	Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U. S. C. 1350).
32.2(1)	Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U. S. C. 1350).
101.INS(1)	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH(1)	Inline XBRL Taxonomy Extension Schema Document
101.CAL(1)	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF(1)	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB(1)	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE(1)	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File included as Exhibit 101 (embedded within the Inline XBRL document)

(1) Filed herewith.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned in the capacities* indicated thereunto duly authorized.

Franklin Holdings, LLC
Sponsor of the Franklin Crypto Trust (registrant)

By: /s/ David Mann*
David Mann
President and Chief Executive Officer
(serving in the capacity of principal executive officer)

By: /s/ Christopher Kings*
Christopher Kings
Chief Financial Officer
(serving in the capacity of principal financial officer)

Date: November 13, 2026

* The registrant is a trust and the person is signing in his capacity as an officer of Franklin Holdings, LLC, the Sponsor of the registrant.

Exhibit 31.1

Certification by Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, David Mann, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Franklin Crypto Trust (the "Trust" or "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ David Mann
David Mann*
President and Chief Executive Officer
(serving in the capacity of principal executive officer)

Date: November 13, 2026

* The registrant is a trust and the person is signing in his capacity as an officer of Franklin Holdings, LLC, the Sponsor of the registrant.

Exhibit 31.2

Certification by Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Christopher Kings, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Franklin Crypto Trust (the "Trust" or "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Christopher Kings
Christopher Kings *
Chief Financial Officer
(serving in the capacity of principal financial officer)

Date: November 13, 2026

* The registrant is a trust and the person is signing in his capacity as an officer of Franklin Holdings, LLC, the Sponsor of the registrant.

Exhibit 32.1

Certification of Principal Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q for the quarter ended September 30, 2026 (the "Report") of Franklin Crypto Trust (the "Trust" or "registrant") as filed with the Securities and Exchange Commission on the date hereof, I, David Mann, the President and Chief Executive Officer of Franklin Holdings, LLC, Sponsor of the Registrant, hereby certify, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

By: /s/ David Mann
David Mann*
President and Chief Executive Officer
(serving in the capacity of principal executive officer)

Date: November 13, 2026

* The registrant is a trust and the person is signing in his capacity as an officer of Franklin Holdings, LLC, the Sponsor of the registrant.

Exhibit 32.2

Certification of Principal Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q for the quarter ended September 30, 2026 (the "Report") of Franklin Crypto Trust (the "Trust" or "registrant") as filed with the Securities and Exchange Commission on the date hereof, I, Christopher Kings, the Chief Financial Officer of Franklin Holdings, LLC, Sponsor of the Registrant, hereby certify, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

By: /s/ Christopher Kings
Christopher Kings *
Chief Financial Officer
(serving in the capacity of principal financial officer)

Date: November 13, 2026

* The registrant is a trust and the person is signing in his capacity as an officer of Franklin Holdings, LLC, the Sponsor of the registrant.