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UK Investors Eye US's XRP Futures ETF XRPI

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The XRPI Exchange-Traded Fund (ETF), launched in May 2025, has gained attention in the digital asset investment space for offering exposure to XRP through a traditional ETF structure. While it is currently listed in the United States, its growing profile is drawing interest from UK investors watching developments in crypto-linked financial products.

The fund operates by using XRP futures contracts via a Cayman Islands-based subsidiary rather than holding XRP directly. This approach is designed to navigate regulatory scrutiny applied to spot crypto ETFs, which remain unapproved by US authorities. As of August 2025, XRPI managed net assets of approximately \$169.6 million, with a net expense ratio of 0.94%, reduced from 1.15% under a temporary fee waiver running until June 2026. Its holdings are primarily allocated to XRP futures—about 59% in August 2025 contracts and 41% in September 2025 contracts—with remaining assets in cash and US government securities.

This structure provides operational simplicity and liquidity, appealing to traditional investors who prefer to avoid the complexities of direct cryptocurrency custody. However, reliance on futures introduces its own challenges, including exposure to market conditions such as contango, where long-term futures trade above spot prices and can reduce returns over time. Over the past year, XRPI delivered a -4.19% annualised return on its net asset value, highlighting the volatility inherent in its design.

For UK investors, direct access to XRPI is currently unavailable, as it is not listed or authorised for retail investment under UK rules. However, regulatory changes are on the horizon. The Financial Conduct Authority (FCA) is set to lift its ban on retail access to crypto exchange-traded notes (ETNs) from 8 October 2025, signalling a shift toward broader,

regulated exposure to digital assets. While ETNs differ from ETFs, this development could pave the way for similar products to enter the UK market under a controlled framework.

Political and regulatory trends also influence XRPI's prospects. The recent US policy allowing cryptocurrencies in retirement accounts has increased demand for crypto-linked investment products, while institutional portfolios worldwide continue to integrate digital assets, with nearly 60% now including a 10% crypto allocation. Yet, XRPI's sponsor, Volatility Shares, has not engaged heavily in political advocacy, relying instead on external regulatory shifts to drive adoption.

Investors considering similar products should weigh the potential benefits of diversified exposure against key risks: regulatory uncertainty, market volatility, and structural limitations linked to futures-based designs. As the UK prepares to relax its stance on crypto-linked instruments, funds like XRPI may become more relevant to retail investors, but careful assessment of compliance standards and performance history will remain essential.