



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

DIVISION OF  
CORPORATION FINANCE

February 11, 2025

David Mann  
Chief Executive Officer  
Franklin Crypto Trust  
One Franklin Parkway  
San Mateo, CA 94403

**Re: Franklin Crypto Trust**  
**Amendment No. 2 to Registration Statement on Form S-1**  
**Filed February 6, 2025**  
**File No. 333-281615**

Dear David Mann:

We have reviewed your amended registration statement and have the following comments.

Please respond to this letter by amending your registration statement and providing the requested information. If you do not believe a comment applies to your facts and circumstances or do not believe an amendment is appropriate, please tell us why in your response.

After reviewing any amendment to your registration statement and the information you provide in response to this letter, we may have additional comments. Unless we note otherwise, any references to prior comments are to comments in our January 7, 2025 letter.

Amendment No. 2 to Registration Statement on Form S-1

General

1. We note that the Fact Sheet for Franklin Crypto Index ETF indicates total net assets of \$50.00 million, which is inconsistent with your disclosure in your registration statement. Please revise for consistency or advise.

Prospectus Summary

Key Service Providers -- The Sponsor, Trustee, Custodians, Administrator, Marketing Agent and Trade Credit Lender, page 1

2. We note your response to prior comment 1. Please revise to disclose the methodology the Administrator will use to calculate the Sponsor's fee. In addition, we note your revised disclosure on page 2 that the Sponsor may assume expenses to ensure "that the

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continued operation of the Fund is practical." Please revise to disclose what you mean by your statement that the continued operation of the Fund is "practical."

Risk Factors

Risks Related to Digital Asset Markets

The lack of full insurance and Shareholders' limited rights, page 61

3. We note your response to comment 4. Please disclose the current amount of the commercial crime insurance policy here and on page 136.

Business of the Fund

The Underlying Index, page 102

4. Please revise to include a table in this section that identifies high market capitalization crypto assets that do not meet the Index Providers' criteria and/or the Index Rules and the reason(s) they do not qualify.

Creations and Redemptions, page 121

5. Please revise to disclose here the material terms of your agreements with Jane Street and Virtu.

U.S. Federal Income Tax Consequences, page 144

6. Please revise your registration statement here and on page 158 to state clearly that the disclosure under the U.S. Federal Income Tax Consequences is the opinion of Stradley, Ronon, Stevens & Young LLP. In addition, please have counsel revise Exhibit 8.1 to clarify that the disclosure in the U.S. Federal Income Tax Consequences section of the prospectus is the opinion of Stradley, Ronon, Stevens & Young LLP.

Please contact David Irving at 202-551-3321 or Jason Niethamer at 202-551-3855 if you have questions regarding comments on the financial statements and related matters. Please contact Sonia Bednarowski at 202-551-3666 or Sandra Hunter Berkheimer at 202-551-3758 with any other questions.

Sincerely,

Division of Corporation Finance  
Office of Crypto Assets