Bitwise DeFi Crypto Index Fund Delivering Fintech 2.0 Exposure

Bitwise Asset Management, Inc. (“Bitwise” or “Company”) is a San Francisco-based specialist asset manager founded in 2017. The Company pioneered the first and largest cryptocurrency index fund and is a rising-star provider of liquid, low-cost crypto funds. The firm today manages more than $900 million in assets across multiple funds, serving institutions, family offices, financial advisors, and high net worth individuals. Last month, the Company launched its latest investment product, the Bitwise DeFi Crypto Index Fund. Decentralized Finance (DeFi) is a fast-growing crypto asset class category with the potential to disrupt many fintech and legacy financial services companies. Bitwise is moving to have its DeFi Crypto Index Fund publicly tradable next year.

- Bitwise’s professional organization resembles The Vanguard of crypto. Bitwise has a strong team (Slide 8) managing a professionalized firm (Slide 3) that’s well capitalized with backing from leading VCs (Slide 9). The Company’s cutting-edge research (Slide 11) has allowed it to pioneer a robust index methodology (Slide 17) and best-in-class smart beta funds (Slide 5). Bitwise has institutional-grade operations (Slide 4), industry-leading service providers (Slide 10) and an ongoing dialogue with top regulators (Slide 6). These factors offer signs that point to industry leadership and should instill investors’ trust in the firm.

- Decentralized Finance (DeFi) is quickly becoming the future of fintech and finance services. DeFi platforms enable web3 internet native financial services (Slide 12). The market cap of DeFi projects has grown from under $1B to $90B in the last year (Slide 13), yet it remains tiny compared to a $9T global financial services TAM (Slide 14). Banking industry is ripe for disruption (Slide 15). DeFi applications are a new tech stack layer for enabling a global trusted internet economy (Slide 16). DeFi disrupts fintech and banking and fintech by replacing trust-based systems with software (Slide 18) across financial segments (Slide 19). Usage and adoption the technology has increased exponentially with assets held in DeFi protocols rising from under $1B to $42B (Slide 20), making DeFi as a category the 55th largest U.S. bank in a single year (Slide 21). DeFi cloud finance 2.0 blockchain SaaS opens new customer verticals and software revenue business models (Slide 22). DeFi revenue grew 6,815% over the last year, now standing at a monthly annualized rate of $3.75B (Slide 23), but barely penetrating the $5T banking TAM (Slide 24). At a $90B market cap and a $3.75B revenue run rate DeFi trades at 24x price to sales, in line with tech growth stocks (Slide 25).

- Bitwise new DeFi Crypto Index Fund offers attractive passive vehicles for convenient, long-term DeFi exposure. Bitwise DeFi Crypto Index Fund (Slide 21) is the first to offer DeFi category exposure in a traditional investment vehicle. The fund offers a compelling way to capture the long-term growth of the DeFi crypto asset category by charging no performance fee with all in expense ratios in line with comparable crypto products (Slide 40). Selecting the top performing assets or active fund managers for gaining DeFi exposure is challenging and so is selecting the right assets. We believe low-cost beta products deserve a core place in investors portfolios (Slide 7) and see Bitwise as a leading solution for professionally managed, audited, custodial-insured crypto exposure via a traditional vehicle.

- Publicly listing Bitwise shares would open the door for retail and financial advisors and a potential premium. US investors have limited means of gaining convenient DeFi crypto exposure due to structural constraints (Slide 33). Bitwise is pursuing approval to have shares of its Bitwise DeFi Crypto Index Fund publicly quoted and tradable in traditional brokerage accounts (Schwab, E*TRADE, etc.) via OTCQX (Slide 42). Comparable products have trade premiums to fund Net Asset Value (NAV) of 8% to 63%, which may offer an added alpha opportunity (Slide 33). We illustrate a range of hypothetical scenarios (Slide 39).


Bottom line: Bitwise has an industry leading team and organization. DeFi is an attractive crypto growth area. Bitwise DeFi Crypto Index Fund offers an attractive solution. Plans to list Bitwise funds may create a NAV premium alpha opportunity.
Company Overview

- Decentralized Finance (DeFi)
- Bitwise DeFi Crypto Index Fund
- Premium Alpha Opportunity
- Appendix Information
Company Overview

Co-Founder and CEO: Hunter Horsley
Headquarters: San Francisco, CA
Founded: 2017

Summary

- **Bitwise Asset Management, Inc.** ("the Company") is the San Francisco based pioneer of the first cryptocurrency index fund. The Company was founded in 2017 and is the leading provider of liquid, index funds for the crypto asset market.

- With the rise of passive investing and the growth of the crypto asset space at large, Bitwise may be positioned as the leading asset manager for offering a variety of products that provide investors secure, liquid, and convenient exposure.

**Company Objectives**

- Index Fund Leader. Solidify position as the Vanguard for liquid, professionally-managed crypto index funds.

- Professionalism. Provide family offices, RIAs, financial advisors, and hedge funds with best-in-class education and client service.

- Pioneer. Bitwise has made its crypto index fund the first ever to be publicly tradable in traditional brokerage accounts. Ongoing work on an ETF.

**Value Proposition**

- Liquid, low-fee, professionally-managed way to invest in the asset class.

- Capture crypto returns & avoid manager selection risk. The Bitwise DeFi Crypto Index Fund is up 14.4% since inception last month.

- Team of tech and asset management veterans positioned to provide first rate research and client service.

- OTCQX listing would provide a unique new potential alpha opportunity for opportunistic investors and traders.

**Financing History**

- The firm is well capitalized, having raised over $18M in equity capital to date.

- Bitwise is backed by leading VCs, including Khosla Ventures, Highland Capital Partners, General Catalyst, Blockchain Capital, Craft Ventures, and others.

- Bitwise is also backed by former industry executives, including the former CFO of Barclays Global Investors, former Head of Alternatives for BlackRock, former CEO of Wealthfront, former COO of PayPal, former COO of Square, Naval Ravikant, and others.

Source: FSInsight, Bitwise

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Bitwise provides investors best-in-class institutional-grade solutions

Liquid, smart, low-cost strategy

- Bitwise DeFi Crypto Index Fund holds the top Decentralized Finance (DeFi) crypto assets by liquid market cap and rebalances monthly to help investors capture exposure to outperformers
- Bitwise DeFi Crypto Index Fund offer liquidity by allowing weekly subscription & redemptions
- Shares may soon be tradable in traditional brokerage accounts (i.e. Schwab, TD, Fidelity)
- Low cost with no performance fee, just one all-in transparent expense ratio
- Streamlined onboarding, paperwork can be filled out online in <15 minutes

Industry leading security

- 100% of assets are stored with regulated third-party custodians
- Custodian insurance policies protect against loss of assets in cold storage
- Best-in-class trading execution afforded by industry position and manager experience
- Professional fund administration, tax, and independent audit services

Avoid manager selection risk

- Short crypto track records make selecting active crypto fund managers difficult
- Crypto market rapidly maturing, possibly eroding the durability of certain edges
- Beta upside remains attractive, if uncompensated risks are properly managed
- Bitwise’s team includes experienced tech and asset management professionals

Partner to institutions, advisors and regulators

- Dedicated investment relations team available to answer inquiries
- Research team providing industry-respected market insight and ongoing commentary
- Firm can support conversations with clients, trustees, and committees
- Executive leadership team expertise in software, indexing & asset management

Source: FSInsight, Bitwise
Offering cutting-edge investable products, indices and research

<table>
<thead>
<tr>
<th>Investable Products</th>
<th>Crypto Indices</th>
<th>Research &amp; Education</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bitwise DeFi Crypto Index Fund</strong></td>
<td><strong>Bitwise DeFi Crypto Index (BITX)</strong></td>
<td><strong>Cutting Edge Research</strong></td>
</tr>
<tr>
<td>• Invest in the leading DeFi protocols</td>
<td>• Tracks total return of largest decentralized finance (&quot;DeFi&quot;) crypto assets</td>
<td>• Industry research briefs, market commentary, and benchmark surveys</td>
</tr>
<tr>
<td><strong>Bitwise 10 Crypto Index Fund</strong></td>
<td><strong>Bitwise 10 Large Cap Index (BITX)</strong></td>
<td><strong>RIA Dialogue and Education</strong></td>
</tr>
<tr>
<td>• Invests in Bitwise 10 Large Cap Index assets</td>
<td>• Tracks total return of the 10 largest cryptoassets</td>
<td>• Discussion with hundreds of RIAs over the past two years regarding crypto assets</td>
</tr>
<tr>
<td><strong>Bitwise Bitcoin Fund</strong></td>
<td><strong>Bitwise 20 Mid Cap Index (BITW20)</strong></td>
<td><strong>Regulatory Engagement</strong></td>
</tr>
<tr>
<td>• Invests in Bitcoin (BTC)</td>
<td>• Tracks total return of the 20 largest cryptoassets not included in BITX</td>
<td>• Frequent dialogue with SEC regarding Bitcoin and crypto asset ETFs</td>
</tr>
<tr>
<td><strong>Bitwise Ethereum Fund</strong></td>
<td><strong>Bitwise 70 Small Cap Index (BITW70)</strong></td>
<td><strong>Presentation</strong> to SEC in 2019 provides unprecedented clarity and insight into crypto market structure</td>
</tr>
<tr>
<td>• Invests in Ethereum (ETH)</td>
<td>• Tracks total return of the 70 largest cryptoassets not included in BITX, and BITW20</td>
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<tr>
<td><strong>Bitwise 10 Index Offshore Fund</strong></td>
<td><strong>Bitwise 100 Total Market Cap Index (BITW100)</strong></td>
<td></td>
</tr>
<tr>
<td>• Invests in cryptocurrencies in the Bitwise 10 Large Cap Index; available to non-US or tax-exempt U.S. accredited investors</td>
<td>• Tracks the total return of the 100 largest cryptoassets</td>
<td></td>
</tr>
<tr>
<td><strong>Key Attributes</strong></td>
<td><strong>Methodology includes criteria surrounding:</strong></td>
<td><strong>Industry thought leader</strong> for Bitcoin and crypto asset ETF research</td>
</tr>
<tr>
<td>• Simplified and secure ways to get exposure to index funds and select crypto assets</td>
<td>Crypto asset eligibility</td>
<td>• Setting new standards for market transparency and investor education through research efforts</td>
</tr>
<tr>
<td>• <strong>Low-Cost Leader:</strong> All-in expense ratios provide transparent product pricing</td>
<td>✓ Sufficient liquidity</td>
<td>• In constant dialogue with the US Securities and Exchange Commission (SEC) regarding ETF proposals</td>
</tr>
<tr>
<td>• <strong>Best-in-class trading execution</strong> - Counterparties include:</td>
<td>✓ Regulated custodian support</td>
<td>• At forefront of educating Registered Investment Advisors (RIAs) on crypto as an asset class</td>
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<td></td>
<td>Exchange eligibility</td>
<td>• Experienced sales organization with decades of experience leading investor outreach efforts and education</td>
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<td></td>
<td>✓ Regulatory compliance</td>
<td>• <strong>Appearances on CNBC, Bloomberg</strong> and other financial media outlets</td>
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<tr>
<td></td>
<td>✓ Sufficient volume; no significant downtime or known security issues</td>
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<tr>
<td></td>
<td>Crypto asset pricing methodology</td>
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<tr>
<td></td>
<td>✓ Bitwise Crypto asset Price (CAP) methodology</td>
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<td></td>
<td>✓ Treatment of distributions (hard forks, airdrops, etc..)</td>
<td></td>
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<tr>
<td></td>
<td>• World-Class Custody Services - Providers include:</td>
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<td></td>
<td>• Intention to quote shares of certain funds on OTCQX creates opportunity for secondary market trading of shares through brokerage accounts</td>
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Source: FSInsight, Bitwise

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Positioning itself as the Vanguard of low-cost crypto index investing

Bitwise has been one of the firms at the forefront of the crypto asset investment industry since its inception in 2017.

- In March 2020, the Company announced that it began the process for making Bitwise 10 Crypto Index Fund shares tradable via OTC Markets (OTCQX). In December, the Fund was successfully listed under the ticker BITW and is the first crypto index fund available to all public investors in a traditional brokerage account (i.e. Schwab, TD Ameritrade, Fidelity, eTrade, etc.)
- In February 2021, Bitwise launched the Bitwise DeFi Crypto Index Fund to provide investors smart exposure to the DeFi sector.

Figure: Company Timeline

Source: FSInsight, Bitwise
Delivering passive products with a core place in crypto and traditional portfolios

Investors have several investment strategies and products at their disposal to capitalize on the growth of the crypto asset ecosystem, but each offers varying degrees of risk, fees and expected returns.

- **Bitwise’s investment products** represent a liquid and transparent option for gaining broad-based, low cost, passive exposure to the crypto asset ecosystem at the network protocol level.

- **Passive beta products** like Bitwise’s funds will likely have a core place in investors’ portfolios alongside other solutions.

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Figure: Digital Asset Portfolio Construction Pyramid

**Data & Figures**: Digital Asset Portfolio Construction Pyramid

**Source**: FSInsight, Vision Hill Group
Leveraging decades of experience in technology, asset and index management

<table>
<thead>
<tr>
<th>Hunter Horsely</th>
<th>Matt Hougan</th>
<th>Teddy Fusaro</th>
<th>Hong Kim</th>
<th>Mick McLaughlin</th>
<th>Katherine Dowling</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CEO and Co-Founder</strong></td>
<td><strong>MD, Chief Investment officer</strong></td>
<td><strong>President</strong></td>
<td><strong>CTO and Co-Founder</strong></td>
<td><strong>MD, Head of Business Development</strong></td>
<td><strong>General Counsel and Chief Compliance Officer</strong></td>
</tr>
<tr>
<td>• Product Manager at Facebook, Branded Content &amp; Monetization products</td>
<td>• CEO of Inside ETFs and Managing Director at Informa PLC</td>
<td>• Head of Portfolio Management and Capital Markets at IndexIQ</td>
<td>• Software Security Researcher in the South Korean military</td>
<td>• Head of ETF Distribution, Americas, for Deutsche Bank</td>
<td>• Managing Director, Chief Operating Officer, and Chief Compliance Officer for Luminate Capital Partners and True Capital Management</td>
</tr>
<tr>
<td>• Product Manager at Instagram, Ads &amp; Monetization products</td>
<td>• CEO of ETF.com; sold to Bats Global Markets</td>
<td>• VP of Portfolio Management and co-head of Trading and Ops at Direxion Investments</td>
<td>• Worked on back-end infrastructure for Google Drive while in college</td>
<td>• One of the early ETF pioneers</td>
<td>• Assistant U.S. Attorney, Economic Crimes Unit of the U.S. Attorney’s Office for the Northern District of California</td>
</tr>
<tr>
<td>• Forbes 30 under 30 2019; Guest on CNBC</td>
<td>• Three-time member of the Barron’s ETF Roundtable ; Guest on CNBC</td>
<td>• Equity derivatives and credit derivatives at Goldman Sachs</td>
<td>• Bachelor of Science in Computer Science from UPenn</td>
<td>• Spent a decade helping to build the iShares franchise at Barclays Global Investors and BlackRock.</td>
<td>• Business Development Manager for Russell Investments</td>
</tr>
<tr>
<td>• Bachelor of Science from the Wharton School at UPenn</td>
<td>• Co-author of CFA Institute’s ETF monograph</td>
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</table>

Source: FSInsight, Bitwise Asset Management
**VC Investors**

<table>
<thead>
<tr>
<th>HIGHLAND CAPITAL PARTNERS</th>
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<tbody>
<tr>
<td>khosla ventures</td>
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<tr>
<td>CRAFT</td>
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<tr>
<td>GENERAL CATALYST</td>
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<tr>
<td>ELECTRIC CAPITAL</td>
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</tbody>
</table>

**Investors & Advisors**

<table>
<thead>
<tr>
<th>Corey Mulloy - GP at Highland Capital Partners for over 20 years. Board member for several private and public companies. Swarthmore College Endowment Investment Committee member.</th>
</tr>
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<tbody>
<tr>
<td>Srikant Dash – Former Global Head of Indexes for Bloomberg LP, former Managing Director of Indices for S&amp;P, former member of index committee S&amp;P 500.</td>
</tr>
<tr>
<td>Alison Davis - Board Director, Royal Bank of Scotland, Fiserv, and Blockchain Capital. Previously CFO at Barclays Global Investors and Partner at AT Kearney.</td>
</tr>
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</table>

**Advisor Experience**

- BLACKROCK
- STRIPE
- PAYPAL
- FUNDBOX
- GUSTO
- COLOR
- UBER
- GOOGLE
- SNAP
- ANGELLIST
- WEALTHFRONT
- GENI
- DIGIT
- BLOCKSTACK
- KEBNEY
- KORBIT
- SQUARE
- MCKINSEY
- KRATEN

Source: FSInsight, Bitwise; A full list of advisors can be found here.
Supported by the industry’s most well-respected service providers

Bitwise has partnered with best-in-class service providers that specialize in serving the digital asset industry and crypto-focused investment vehicles.

- Bitwise evaluates the landscape of providers on an ongoing basis and selects the service providers based on ability to execute, reputation, and cost effectiveness.

Figure: Select Bitwise services providers

<table>
<thead>
<tr>
<th>Custody</th>
<th>Coinbase Custody Trust Company, Fidelity Digital Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Administration</td>
<td>Theorem Fund Services</td>
</tr>
<tr>
<td>Audit &amp; Tax</td>
<td>Cohen and Company</td>
</tr>
<tr>
<td>Attorney</td>
<td>Wilson Sonsini Goodrich &amp; Rosati</td>
</tr>
<tr>
<td>Trading Counterparties</td>
<td>Jane Street, Susquehanna, Coinbase Pro, Genesis, Kraken, Cumberland</td>
</tr>
</tbody>
</table>

Source: FSInsight, Bitwise
Company Overview

Decentralized Finance (DeFi)

Bitwise DeFi Crypto Index Fund

Premium Alpha Opportunity

Appendix Information
DeFi enables internet-native finance for the next era of the web

The internet continues to evolve. Web 1.0 PC networks connected us online, search browsers gave us access to information, e-commerce sites gave us shopping at the click of a button, and payment gateways gave us a trusted way to transact. Web 2.0 social networks connected us into e-commerce communities, mobile devices gave data to us and about us all the time, cloud algorithms analyzed our data to tell us who to listen to and what to buy, fintech and our data got built into every interaction.

- Web 3.0 blockchain networks give us connected edge computing, trustless protocols give us community-owned platforms, privacy tech gives us control over data and AI, DeFi gives us finance natively imbedded into the internet.

Figure: Evolution of the web

<table>
<thead>
<tr>
<th>Web 1.0</th>
<th>Web 2.0</th>
<th>Web 3.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-Commerce boom</td>
<td>Social platforms</td>
<td>Trustless DApps</td>
</tr>
<tr>
<td>Financial capabilities</td>
<td>Fintech meets Big Tech</td>
<td>DeFi internet-native finance</td>
</tr>
<tr>
<td>Browser data tracking</td>
<td>Mobile always on big data</td>
<td>Privacy user-data &amp; AI control</td>
</tr>
<tr>
<td>Dedicated PC infrastructure</td>
<td>Cloud centralized infrastructure</td>
<td>Blockchain edge infrastructure</td>
</tr>
</tbody>
</table>

Source: Fabric Ventures Inspired, (1) Internet companies market cap as of 2000, (2) Big Tech market cap as of 8/25/2020
Market cap of DeFi projects exploded to $90B over the last year

The first DeFi project, MakerDAO, launched in 2015, and many other early DeFi applications started to emerge during the ICO wave of 2017, but 2020 was the year that DeFi took off.

• DeFi took off in 2020, after several years technology iterations, the crypto asset category found product market fit and saw the value of leading protocols rise from under $1B to near $90B today (with help from a Bitcoin bull market that rose 10x+).

Figure: DeFi market cap
Date: 3/31/2021

Source: FSInsight, Bloomberg, Token Terminal
DeFi still only 1% of the $9T global financial sector market cap

The market cap of DeFi at $90B may sound large, but the industry category remains tiny compared to other assets and the global financial system.

- DeFi aims to reshape the global financial services sector which has ~$9T market cap.
- Despite the impressive growth, DeFi has only captured 1% of its total addressable market.

Figure: Market caps of select assets

**Relative Market Caps**

<table>
<thead>
<tr>
<th>DeFi</th>
<th>Coinbase</th>
<th>JP Morgan</th>
<th>Bitcoin</th>
<th>Crypto Market</th>
<th>Global Financial Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>$90B</td>
<td>$100B</td>
<td>$470B</td>
<td>$1.1T</td>
<td>$2T</td>
<td>$9T</td>
</tr>
</tbody>
</table>

Source: FSInsight, Bloomberg, MSCI ACWI Financials Index (2/26/2021), Coinmarketcap (3/30/2021), FTX
Banking industry is ripe for technological disruption

Banking are consuming more of the economy despite falling rates, but new technologies are lowering banking costs and reshaping the financial services sector.

- Interest rates have been falling, yet bank take up a greater portion of GDP, making the industry vulnerable to tech disruption.

Figure: Interest Rate & Financial Sector GDP Share Trends
Since 1970

Since 1970, interest rates have generally been falling…

But the Financial sector has grown despite this…

Banking value capture is 6% of all GDP.

The average person spends almost a month per year (~3.5 weeks) to pay for “right to use” financial system.

Facebook rev per user (ad sales) ~$25 per year. For banks, $860-$1,000 annually (global).
The new technology stack layer: DeFi economy

Netscape connected us all online and led to Facebook communities. Salesforce off premises software propelled the cloud revolution that led to AWS and powerful client server applications. iPhone made the internet ubiquitous and enabled apps like Uber. Lending Club gave us P2P internet finance with known parties leading way for fintechs like Coinbase to enable crypto P2P finance. Bitcoin created globalized trust with unknown counterparties across the internet which led to Ethereum enabling an economy of DeFi applications.

Figure: Evolution of the web
Replacing trust enables disruptive fintech use cases

Crypto utility comes from lower costs, capturing increased productivity by replacing trust intermediaries with blockchain software.

- Crypto DeFi applications allow users to maintain custody of their funds and reduce counterparty risk by facing directly with a smart contract – enabling global, interoperate internet financial systems that automate many banking functions.

Figure: Crypto application ecosystem stack

- Value capture replacing “Trust” from traditional financial systems—Blockchain decentralizes trust
- Productivity—replace workforce as “trust” entities on blockchain
- Optimize working capital—averages 14% GDP, $11 trillion
As fintech eats finance, crypto DeFi is about to eat fintech

The move from traditional banking to fintech broadened access to more users and reduced costs by leveraging improved technology. However, fintech has yet to change the trust model underlying its services.

- **DeFi furthers the fintech trend and creates value by employing DLT to remove frictions and increase accessibility.**

Figure: Evolution of Banking
DeFi projects emerging across every fintech segment

Crypto is more than Bitcoin and payments, DeFi applications are targeting disrupting nearly every area of banking and fintech.

- From P2P lending companies to P2P lending protocols; from social trading firms to decentralized exchanges; from insuring your home and health to insuring your crypto price and smart contract; from payment processing and clearing networks to decentralized interchange fraud risk pools, clearing and settlement networks; from robo advisers to smart contract advisors.

Figure: Evolution of Fintech to DeFi

Source: FSInsight, Bloomberg, Internet
Rapid DeFi adoption with total value of deposited assets at $42B

Defi has seen an explosion of usage and interest over the last year which has incentivized investors to deposit funds in the protocols.

- Rapid appreciation in underlying crypto prices and growth of new deposits have pushed DeFi protocol held assets to $42B.
- Exchanges and lending DeFi protocols make up the bulk of the asset holdings, while other segments are still emerging.
- We do think much of the current growth cycle is related to leverage and trading, but we think in time other uses will grow.

Figure: Total Value Locked
Date: 3/30/2021

DeFi Total Value Locked (TVL)

TVL by DeFi Category

$42B Total Value Locked

Exchanges & Lending ~85%

Source: FSInsight, DeFi Pulse
DeFi has become the 55th largest U.S. bank by assets in only a year

DeFi protocols are starting to become competitors for banks in terms of attracting assets from consumers.

- **DeFi Total Value Locked (TVL)** can be equated to a bank with a balance sheet of assets used for generating revenue.
- At $42B of TVL, DeFi as a category has become the 55th largest bank in the U.S. in under a year’s time – that’s amazing.

Source: FSInsight, Bloomberg, Lending Tree

*Figure: Largest Banks and Credit Unions by Assets*
DeFi cloud finance unlocking new software business models and revenue markets

Each wave of software innovation unlocks new business models that unlock new customer markets, revenue opportunities and innovations. DeFi cloud software is frictionless to use, P2P removing intermediaries, and is permissionless to build on top of.

Figure: Evolution of software business models

Unlocks:
- Large Enterprises
- SMB + MM Businesses
- Individual Users
- New Verticals
- Additional Revenue/Customer
- Global Users
- Disintermediation & Permissionless Innovation

Source: FSInsight, Andreessen Horowitz Inspired
Staggering revenue growth with monthly annualized revenue at $3.75B

Misconception about crypto is it doesn’t generate cash flows. Many assets do. Many DeFi networks are earning material fee revenue for their services, although not all flows to token holders today, but, like many high growth companies, that can change in time.

- DeFi network fee revenue has been growing rapidly with annualized March 2021 revenue of $3.75B.

Figure: DeFi Fee Revenue (Monthly Annualized)
Date: 3/31/2021

DeFi Fee Revenue (Monthly Annualized)

6,815% Growth
DeFi barely penetrating financial services revenue TAM of $5T

Although Defi has seen rapid growth in network revenue, the $5T market revenue opportunity for financial service industry is massive.

- DeFi has seen rapid growth in revenues, at a $3.75B annual run rate, that only represents 0.1% of banking revenue.
- Exchanges & lending and payments have gained most early traction, but we think other DeFi segments will mature in time.

**Figure: Annual revenue of financial intermediation**
Date: 2017

**Annual Revenue: Financial Intermediation - $5T**

- **Retail Banking 35%**
  - Consumer Finance
  - Retail Deposits
  - Mortgage
  - 545, 11%
  - 470, 9%
  - 730, 15%

- **Corporate & Commercial Banking 35%**
  - Lending
  - Deposits
  - 560, 11%

- **Payments 17%**
  - B2B
  - B2C
  - 270, 5%

- **Market Infrastructure**
  - 140, 3%

- **Wealth & Asset Management 13%**
  - Retail Asset Mgmt
  - Institutional Asset Mgmt
  - Wealth Mgmt
  - 150, 3%

- **Retail Brokerage**
  - Private Capital
  - Bancassurance
  - 45, 1%

- **Investment Banking 4%**
  - Sales & Trading
  - Original (ECM, DCM)
  - M&A Advisory
  - 150, 3%
  - 40, 1%
  - 25, 1%

Source: FSInsight, Bloomberg, McKinsey
**Crypto bubble? DeFi assets trading at tech stock price to sales multiples**

DeFi assets have seen strong appreciation during 2020 and early 2021 but have been taking a breather along side traditional tech stocks since late February to March, but price to sales multiples suggest DeFi may be priced like traditional high growth stocks.

- Investors looking for growth can buy cloud finance 2.0 DeFi assets for similar multiples as high growth tech stocks.
- Although we know not all Defi assets accrue revenues the same way as a company, many currently do, and we think those that gain network effects will one day be able to monetize those usage just like PayPal, Facebook, and many tech firms did.

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**Figure: Price to Sales multiple select DeFi assets**
*Date: 3/31/2021*

<table>
<thead>
<tr>
<th>DeFi Asset</th>
<th>Price to Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>SushiSwap</td>
<td>10.6x</td>
</tr>
<tr>
<td>Compound</td>
<td>10.6x</td>
</tr>
<tr>
<td>Bancor</td>
<td>12.9x</td>
</tr>
<tr>
<td>Uniswap</td>
<td>21.6x</td>
</tr>
<tr>
<td>Cream</td>
<td>21.7x</td>
</tr>
<tr>
<td>MakerDAO</td>
<td>22.3x</td>
</tr>
<tr>
<td>Tokenlon</td>
<td>35.3x</td>
</tr>
<tr>
<td>Aave</td>
<td>44.0x</td>
</tr>
<tr>
<td>Rarible</td>
<td>45.8x</td>
</tr>
<tr>
<td>Nexus Mutual</td>
<td>53.9x</td>
</tr>
<tr>
<td>Perpetual Protocol</td>
<td>72.0x</td>
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<tr>
<td>Kyber</td>
<td>74.7x</td>
</tr>
<tr>
<td>Ren</td>
<td>77.3x</td>
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<tr>
<td>1inch</td>
<td>91.8x</td>
</tr>
<tr>
<td>Balancer</td>
<td>115.2x</td>
</tr>
<tr>
<td>Synthetix</td>
<td>139.6x</td>
</tr>
<tr>
<td>Loopring</td>
<td>140.2x</td>
</tr>
</tbody>
</table>

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$90B DeFi Market Cap

/ $3.75B Fwd Revenue¹

= 24x DeFi Industry Price to Sales

---

Source: FSInsight, Bloomberg, Token Terminal, 1) Fwd Revenue represents monthly annualized
Bitwise DeFi Crypto Index Fund (“DeFi Fund”) offers investors smart, secure and convenient exposure to the largest decentralized finance (“DeFi”) crypto assets, a portfolio of protocol tokens that aspire to fundamentally disrupt large parts of the legacy financial ecosystem.
Bitwise offers the first traditionally accessible crypto index fund for DeFi exposure

Gaining access to DeFi exposure requires investors to open an account on a crypto exchange and deal with taking custody of their assets, which many reluctant to do for security concerns. These assets are also difficult to obtain in traditional retirement accounts.

- Bitwise offers the first traditional brokerage account accessible solution for gaining index exposure to DeFi crypto assets.

---

**Figure: Crypto Index Fund Products**

Date: 3/30/2021

| Traditional |  | Crypto-Native |
|-------------|------------------|
| Asset       | Weight           | Asset       | Weight       | Asset       | Weight       |
| Bitcoin     | 79.80%           | Uniswap     | 36.02%       | Bitcoin     | 82.7%        |
| Ethereum    | 15.46%           | Aave        | 19.59%       | Ethereum    | 15.6%        |
| Litecoin    | 0.95%            | Maker       | 8.72%        | Bitcoin Cash| 0.7%         |
| ChainLink   | 0.84%            | Synthetix   | 8.53%        | Litecoin    | 1.0%         |
| Bitcoin Cash| 0.72%            | Compound    | 7.82%        | Yearn Finance| 4.87%        |
| Stellar     | 0.66%            | 0X          | 5.70%        | REN         | 3.7%         |
| Uniswap     | 0.63%            | UMA         | 5.47%        | Loopring    | 2.67%        |
| Aave        | 0.34%            | Yearn Finance| 5.40%       | Balancer    | 2.42%        |
| Cosmos      | 0.30%            | Loopring    | 2.73%        | Kyber Network| 2.29%        |
| EOS         | 0.30%            |             |              | mStable     | 0.22%        |

Source: FSInsight, Bloomberg, Bitwise; all index weightings as of 3/30/2021
Rules-based Methodology Underlies Approach To Capture DeFi Upside

The Bitwise DeFi Crypto Index Fund is a simple and secure way to gain diversified exposure to one of the fastest-growing segments of the crypto ecosystem. The Fund aims to track the Bitwise Decentralized Finance Crypto Index.

- The Fund utilizes an Index Committee of industry experts to develop and maintain the eligibility methodology

Figure: Bitwise DeFi Index Constituents & Eligibility Criteria

<table>
<thead>
<tr>
<th>DeFi Index Constituents</th>
<th>Market Cap ($B)</th>
<th>Member Weight%</th>
<th>Bitwise DeFi Index Member</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uniswap (UNI)</td>
<td>$8.75</td>
<td>36.02%</td>
<td>✓</td>
</tr>
<tr>
<td>Aave (AAVE)</td>
<td>$4.50</td>
<td>19.59%</td>
<td>✓</td>
</tr>
<tr>
<td>Maker (MKR)</td>
<td>$2.09</td>
<td>8.72%</td>
<td>✓</td>
</tr>
<tr>
<td>Synthetix (SNX)</td>
<td>$2.01</td>
<td>8.53%</td>
<td>✓</td>
</tr>
<tr>
<td>Compound (COMP)</td>
<td>$1.85</td>
<td>7.82%</td>
<td>✓</td>
</tr>
<tr>
<td>0X (ZRX)</td>
<td>$1.14</td>
<td>5.70%</td>
<td>✓</td>
</tr>
<tr>
<td>UMA (UMA)</td>
<td>$1.28</td>
<td>5.47%</td>
<td>✓</td>
</tr>
<tr>
<td>Yearn Finance (YFI)</td>
<td>$1.30</td>
<td>5.40%</td>
<td>✓</td>
</tr>
<tr>
<td>Loopring (LRC)</td>
<td>$0.65</td>
<td>2.73%</td>
<td>✓</td>
</tr>
</tbody>
</table>

- **Decentralized Finance Categorization**
  - Must be native asset of a blockchain-enabled application that uses smart contracts to execute decentralized financial services
  - Decentralized finance applications compete with one or more of the major business lines operated by a constituent of a leading Financial Services Index

- **Security**
  - The Bitwise Crypto Index Committee may consider factors specific to the security of decentralized finance systems and their susceptibility to critical exploits to determine eligibility
  - Exploits can be technical (an error in software code) or economic (an unintended use of the smart contract) in nature
  - Considerations may include availability of security audits from reputable providers, the availability of formal verification from reputable providers, any history of exploits, the response of the development community to any exploits, and the advice of Advisory Council members

- **Usage, Development, Ownership & Other Considerations**
  - The Bitwise Crypto Index Committee may consider additional factors specific to the DeFi market in determining the eligibility of individual cryptoassets
  - These factors may include supply issuance curves and cliffs, distribution of token ownership, usage and the potential for usage of the service, total value locked, developer activity, reputations of key contributors, evidence of community, and the advice of Advisory Council members

Source: FSInsight, Bitwise, Coinmarketcap; (1) Constituents and market caps as of 3/30/2021 rebalance, (2) A comprehensive list of index selection criteria and related definitions can be found here.
Bitwise DeFi Crypto Index Fund offers exposure to a range of use cases

Many projects have launched in the DeFi space perusing a range of use cases over the last several years.

- Bitwise DeFi index fund currently gives investors exposure to a range of use cases.
- The product will rebalance and give investors exposure to new use cases as they emerge.

Figure: Description of current Bitwise DeFi Crypto Index Fund holdings

**Lending**

- Open-source and non-custodial protocol to earn interest on deposits & borrow assets
- Decentralized credit platform on Ethereum that supports Dai, a stablecoin whose value is pegged to USD and backed by digital assets as collateral
- Open-source money market protocol on Ethereum that lets users lend or borrow assets against collateral

**Trading**

- Fully decentralized on-chain protocol for token exchanges on Ethereum that uses liquidity pools instead of order books
- Decentralized platform on Ethereum for the creation of Synths: on-chain synthetic assets that track the value of real-world assets
- Decentralized protocol to enable the creation, maintenance, and settlement of financial contracts for any underlying assets

**Interfaces / Infra**

- Protocol for P2P exchange of tokenized assets
- Open-source protocol for DEXs designed to provide matching-as-a-service
- Aggregator of community-led yield farming vaults, easy swapping tools and pooled insurance coverage

Source: FSInsight, DeFi Pulse
# Bitwise DeFi Crypto Index Fund Provides Diversified Exposure To DeFi

<table>
<thead>
<tr>
<th><strong>Diversified DeFi Exposure</strong></th>
<th><strong>Investment Objective</strong></th>
<th>Track an index of the largest decentralized finance (&quot;DeFi&quot;) crypto assets, a portfolio of protocol tokens that aspire to fundamentally disrupt large parts of the legacy financial ecosystem</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Professional Management</strong></td>
<td><strong>Strategy</strong></td>
<td>Provide targeted exposure to the top DeFi protocol assets, screened, monitored, and rebalanced monthly</td>
</tr>
<tr>
<td><strong>Traditional Fund Vehicle</strong></td>
<td><strong>Fund Structure</strong></td>
<td>Delaware Statutory Trust</td>
</tr>
<tr>
<td><strong>Brokerage/IRA Account Eligible</strong></td>
<td><strong>Investment Qualifications</strong></td>
<td>$25,000 minimum from U.S. Accredited Investors</td>
</tr>
<tr>
<td><strong>Audited Financials</strong></td>
<td><strong>Subscriptions</strong></td>
<td>Accepted weekly. US Bank Wires or digital assets in-kind</td>
</tr>
<tr>
<td><strong>Secured &amp; Insured Custody</strong></td>
<td><strong>Redemptions</strong></td>
<td>Weekly, subject to certain restrictions and early withdrawal fees</td>
</tr>
<tr>
<td><strong>OTC Markets</strong></td>
<td><strong>Expense Ratio</strong></td>
<td>2.5% of AUM, annual fee</td>
</tr>
<tr>
<td><strong>Sponsor</strong></td>
<td><strong>Sponsor</strong></td>
<td>Bitwise Investment Advisers</td>
</tr>
<tr>
<td><strong>Custodian / Auditor</strong></td>
<td><strong>Custodian / Auditor</strong></td>
<td>Anchorage Digital Bank National Association / Cohen and Company</td>
</tr>
<tr>
<td><strong>Administrator / Legal Firm</strong></td>
<td><strong>Administrator / Legal Firm</strong></td>
<td>Theorem Fund Services / Wilson Sonsini Goodrich &amp; Rosati</td>
</tr>
<tr>
<td><strong>How to receive docs and invest</strong></td>
<td><strong>How to receive docs and invest</strong></td>
<td>Email: <a href="mailto:investors@bitwiseinvestments.com">investors@bitwiseinvestments.com</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Invest Online: <a href="http://www.bitwiseinvestments.com">www.bitwiseinvestments.com</a></td>
</tr>
</tbody>
</table>

---

(1) Bitwise Asset Management intends to terminate the availability of share redemptions prior to quotation of the shares on the OTCX. As a result investors may be dependent on the existence of an active secondary market on OTCX to sell their shares.
Company Overview

Decentralized Finance (DeFi)

Bitwise DeFi Crypto Index Fund

Premium Alpha Opportunity

Appendix Information
Bitwise plans to list its Bitwise DeFi Crypto Index Fund shares for trading

The lack of a Bitcoin or Crypto ETF, regulatory hurdles, tax incentives, accessibility challenges, costs and several other structural market circumstances have left most retail and institutional investors with limited means for gaining convenient and cost-effective crypto exposure through traditional brokerage accounts and investment vehicles.

- Bitwise is in the process of reducing these challenges by seeking approval for the Bitwise DeFi Crypto Index Fund shares to be publicly quoted and tradable in brokerage accounts via OTC Markets.
- The process requires a FINRA Form 211 approval, which the company expects will be completed in Q1 2022. Once approved, listing would make the Bitwise DeFi Crypto Index Fund shares tradable by all investors within traditional brokerage accounts like Charles Schwab, TD Ameritrade, E*Trade, Fidelity & others.
- The private placement at NAV will also be ongoing. New and existing private placement shareholders would be able to trade their shares after holding for a period of one year from the date of investment.
- When trading begins, redemptions will no longer be possible. Instead, investors will access liquidity by selling shares on the secondary market where the price will be set by supply and demand, and may trade at deviations from the NAV of the shares.

Figure: Select Brokerage Account providers
Premiums to NAV on comparable products suggest an opportunity with Bitwise

The two most comparable products to Bitwise DeFi Index Fund (BITW) are the Bitwise 10 Crypto Index Fund and Grayscale Digital Large Cap (GDLC) fund due to their multi-asset holdings and fund structure.

- Comparable products have traded at large and sustained Net Asset Value (NAV) premiums (see below) despite growing market caps of $1.65B (BITW) and $602M (GLDC) and trading liquidity (30d ADV) of $10.8M (BITW) and $2.9M (GLDC).

**Figure: Historical BITW & GDLC Price, NAV & Premium**
Date: 3/30/21

- **BITW Premium to NAV**
  - Premium: 63%
  - Listing Premium: 75%
  - Average: 130%
  - +1 STD DEV: 214%
  - -1 STD DEV: 46%

- **GDLC Premium to NAV**
  - Premium: 8%
  - Listing Premium: 37%
  - Average: 62%
  - +1 STD DEV: 131%
  - -1 STD DEV: -7%

Source: FSInsight, Bloomberg
Opportunistic investors could capture alpha from a Bitwise NAV premium

Opportunistic traders have the potential to enhance absolute and relative crypto alpha. The hypothetical analysis below illustrates how the value of an investment in Bitwise Funds may perform based on a range of returns and NAV premium scenarios.

- While we do not know how market premiums for listed products will unfold, but once listed, Bitwise DeFi Crypto Index Fund could trade at an NAV premium.

### Figure: Sensitivity of hypothetical Fund returns
Illustrative purposes only

#### Base Hypothetical Model Assumptions

<table>
<thead>
<tr>
<th>Assumption</th>
<th>Value</th>
</tr>
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<tbody>
<tr>
<td>Investment Amount</td>
<td>$100,000</td>
</tr>
<tr>
<td>Management Fee</td>
<td>2.50%</td>
</tr>
<tr>
<td>Fund Return</td>
<td>75.00%</td>
</tr>
<tr>
<td>NAV Premium</td>
<td>50.00%</td>
</tr>
</tbody>
</table>

- Gross Ending NAV: $175,000
- Management Fees: $3,438
- Net Ending NAV: $171,563
- Share Value: $257,344
- Return: 157%
- Alpha: 82%

### Hypothetical Return (%)

#### Hypothetical Return (25% increments)

<table>
<thead>
<tr>
<th>Bitwise Fund Return (%)</th>
<th>-50%</th>
<th>-25%</th>
<th>0%</th>
<th>25%</th>
<th>50%</th>
<th>75%</th>
<th>100%</th>
<th>125%</th>
<th>150%</th>
<th>175%</th>
<th>200%</th>
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<td>(42)</td>
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<td>243</td>
<td>293</td>
<td>342</td>
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</table>

### Hypothetical Alpha (%)

#### Hypothetical Alpha (25% increments)

<table>
<thead>
<tr>
<th>Bitwise Fund Return (%)</th>
<th>-50%</th>
<th>-25%</th>
<th>0%</th>
<th>25%</th>
<th>50%</th>
<th>75%</th>
<th>100%</th>
<th>125%</th>
<th>150%</th>
<th>175%</th>
<th>200%</th>
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<tr>
<td>0%</td>
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<td>(2)</td>
<td>(3)</td>
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<td>(3)</td>
<td>(3)</td>
<td>(4)</td>
<td>(4)</td>
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<td>(5)</td>
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<td>20%</td>
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<tr>
<td>90%</td>
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<td>71</td>
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<td>193</td>
<td>217</td>
<td>241</td>
<td>266</td>
<td>290</td>
</tr>
</tbody>
</table>

Source: FSInsight

Note: Model results may not be reflective of actual returns. Model applies fees on an average annual basis to simplify for illustrative purposes. It does not consider the effect of monthly fee timing, compounding or other factors that may alter actual results.

Hypothetical fund return of 75% and NAV premium of 50% could generate a 157% return or alpha of 82% over its underlying assets.
Downside risks to our thesis

- Our hypothetical model is for illustrative purposes only and actual investment results may differ greatly from our simplified assumptions due to other unforeseen factors.
- Bitwise DeFi Crypto Index Fund shares could have a NAV premium that falls short of expectations or possibly trades at a discount to NAV after listing.
- Bitwise DeFi Crypto Index Fund shares may not receive FINRA approval for listing on the OTCQX or the approval may take indefinitely longer than anticipated.
- Bitwise plans to cease redemptions once shares become listed which may cause private placement investors to be locked up without the ability to redeem shares at NAV and without access to secondary market liquidity.
- Bitwise shares may have limited secondary market trading once listed which may cause investors to experience adverse liquidity risk.
- Investors may fall out of favor with the crypto asset class causing DeFi TVL, usage and revenue to fall alongside valuations.
- Crypto assets are a highly volatile asset class with the possibility for any asset to quickly lose a significant portion of its value.
- Decentralized Finance (DeFi) is an emerging segment of the crypto market that’s still being proven out and it offers unique market, technical and regulatory risks
- DeFi projects are subject to hack risk, could be deemed securities, could face AML/KYC enforcement, some projects could be shut down
- Performance results of the Bitwise funds may differ from their underlying Bitwise indices for unforeseen reasons.
- Bitwise, its custodians or its third-party service providers may experience a negative event not fully covered by insurance causing a partial loss of assets.

Source: FSInsight, Bitwise
Upside potential to our thesis

- Once Bitwise DeFi Crypto Index Fund shares are approved for listing on OTCQX, premiums to NAV could exceed expectations.
- Bitwise DeFi Crypto index Fund one-year performance could exceed our hypothetical return scenario of 75%.
- The opinions expressed in this report are the beliefs of the author at the time of publication. FSInsight does not commit to update this report and is not responsible for any independent investment decisions made by a reader, based on this and/or any other sources of information.
Company Overview
Decentralized Finance (DeFi)
Bitwise DeFi Crypto Index Fund
Premium Alpha Opportunity
Appendix Information
Bitwise Product Offerings

Bitwise other fund products and their investment terms are shown in the table below.

<table>
<thead>
<tr>
<th>Bitwise Fund</th>
<th>Minimum Investment</th>
<th>Expense Ratio</th>
<th>Performance Fee</th>
<th>Redemption Window</th>
<th>Redemption Fees</th>
<th>Fund Holdings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bitwise Bitcoin Fund</td>
<td>$25,000</td>
<td>1.5%</td>
<td>0.0%</td>
<td>Weekly(1)</td>
<td>0.0%</td>
<td>Bitcoin</td>
</tr>
<tr>
<td>Bitwise Ethereum Fund</td>
<td>$25,000</td>
<td>1.5%</td>
<td>0.0%</td>
<td>Weekly</td>
<td>0.0%</td>
<td>Ethereum</td>
</tr>
<tr>
<td>Bitwise 10 Crypto Index Fund</td>
<td>$25,000</td>
<td>2.5%</td>
<td>0.0%</td>
<td>N/A</td>
<td>N/A</td>
<td>Bitwise 10 Large Cap Index</td>
</tr>
<tr>
<td>Bitwise 10 Index Offshore Fund</td>
<td>$100,000</td>
<td>2.5%</td>
<td>0.0%</td>
<td>N/A</td>
<td>N/A</td>
<td>Bitwise 10 Large Cap Index</td>
</tr>
<tr>
<td>Bitwise DeFi Crypto Index Fund</td>
<td>$25,000</td>
<td>2.5%</td>
<td>0.0%</td>
<td>Weekly</td>
<td>First Year: 3% Thereafter: 0%</td>
<td>The Bitwise Decentralized Finance Crypto Index</td>
</tr>
<tr>
<td>Bitwise Ethereum Fund</td>
<td>$1,000,000</td>
<td>1.0%</td>
<td>0.0%</td>
<td>Weekly</td>
<td>0.0%</td>
<td>Ethereum</td>
</tr>
<tr>
<td>Bitwise 10 Index Offshore Fund</td>
<td>$1,000,000</td>
<td>2.0%</td>
<td>0.0%</td>
<td>Weekly</td>
<td>N/A</td>
<td>Bitwise 10 Large Cap Index</td>
</tr>
</tbody>
</table>

Source: FSInsight, Bitwise; (1) Bitwise Asset Management intends to terminate the availability of share redemptions prior to quotation of the shares on the OTCQX. As a result investors may be dependent on the existence of an active secondary market on OTCX to sell their shares.
Making the transition to enable secondary market trading

Bitwise is seeking FINRA approval for trading of its Bitwise DeFi Crypto Index Fund shares on the OTC Markets. The transition follows a Form 211 approval process which is shown below.

Figure: Bitwise Secondary market liquidity timeline

Road to secondary market liquidity (timeline: 6 months to 1 year+)

1. **DONE**
   - Launched private investment funds as 506(c) private placement, accredited investors able to purchase shares at NAV.

2. **DONE**
   - To submit Form 211, need at least 1 million shares outstanding of which at least 250,000 are free trading shares and Bitwise to provide required public information.

3. **DONE**
   - Public information required include detailed description of issuer’s business and sources of revenue, unaudited financial statements for last 2 fiscal years, details of all private offerings, legal opinion from company’s securities lawyer, any material agreements, and more.

4

5
   - Once FINRA is satisfied the public disclosures satisfy requirements of rule 15c2-11, it will assign a trading symbol and market maker can quote the security.

6

Source: FSInsight
Defined Terms

- **OTC Markets (OTCQX: OTCM)** is a U.S. SEC and FINRA-regulated trading venue that has been in operation since 1913. The market provides price and liquidity information for almost 10,000 over-the-counter (OTC) securities. OTC-traded securities are organized into three markets to inform investors of opportunities and risks: OTCQX, OTCQB and Pink.

- **OTCQX** is the top tier of the OTC Markets venues and requires companies to make adequate, current information publicly available, provide timely public disclosure of any news or information which might reasonably be expected to materially affect the market for its securities, and demonstrate compliance with securities laws and regulations.
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Analyst Industry/Sector Views

Positive (+): The analyst expects the performance of his industry/sector coverage universe over the next 6-18 months to be attractive vs. the relevant broad market benchmark, being the S&P 500 for North America.

Neutral (N): The analyst expects the performance of his or her industry/sector coverage universe over the next 6-18 months to be in line with the relevant broad market benchmark, being the S&P 500 for North America.

Negative (-): The analyst expects his or her industry coverage universe over the next 6-18 months to underperform vs. the relevant broad market benchmark, being the S&P 500 for North America.

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