



Bitcoin, Blockchain, and Crypto

June 2021 Update

Bitwise

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Important Disclosures

The Units in the Bitwise Funds offered are speculative and involve a significant degree of risk. Investment in any of the Funds is suitable only for sophisticated investors and requires the financial ability and willingness to accept the high risks and limited liquidity inherent in the Units. There can be no assurance that the Fund will be successful or that losses will not be incurred by the Fund. Each investor in the Fund must have the ability to bear the risk of loss of his, her or its entire investment. Investors in the Fund must be prepared to bear such risks for an extended period of time. No assurance can be given that the Fund's investment objectives will be achieved or that investors will receive a return of their capital. Please refer to the more specific information contained in the offering documents.

Cryptocurrency is a digital representation of value that functions as a medium of exchange, a unit of account, or a store of value, but it does not have legal tender status. Cryptocurrencies are sometimes exchanged for U.S. dollars or other currencies around the world, but they are not currently backed nor supported by any government or central bank. Their value is completely derived by market forces of supply and demand, and they are more volatile than traditional currencies, stocks, bonds or other “traditional asset classes.” The value of cryptocurrency may be derived from the continued willingness of market participants to exchange fiat currency for cryptocurrency, which may result in the potential for permanent and total loss of value of a particular cryptocurrency should the market for that cryptocurrency disappear. Cryptocurrencies are not covered by either FDIC or SIPC insurance. Legislative and regulatory changes or actions at the state, federal, or international level may adversely affect the use, transfer, exchange, and value of cryptocurrency.

Trading (buying/ selling) in cryptocurrencies comes with significant risks, including volatile market price swings or flash crashes, market manipulation, and cybersecurity risks and risk of losing principal or all of your investment. In addition, cryptocurrency markets and exchanges are not regulated with the same controls or customer protections available in equity, option, futures, or foreign exchange investing. Cryptocurrency trading requires knowledge of cryptocurrency markets. In attempting to profit through cryptocurrency trading, you must compete with traders worldwide. You should have appropriate knowledge and experience before engaging in substantial cryptocurrency trading.

Cryptocurrency trading may not generally be appropriate, particularly with funds drawn from retirement savings, student loans, mortgages, emergency funds, or funds set aside for other purposes. Cryptocurrency trading can lead to large and immediate financial losses. Under certain market conditions, you may find it difficult or impossible to liquidate a position quickly at a reasonable price. This can occur, for example, when the market for a particular cryptocurrency suddenly drops, or if trading is halted due to recent news events, unusual trading activity, or changes in the underlying cryptocurrency system.



Agenda

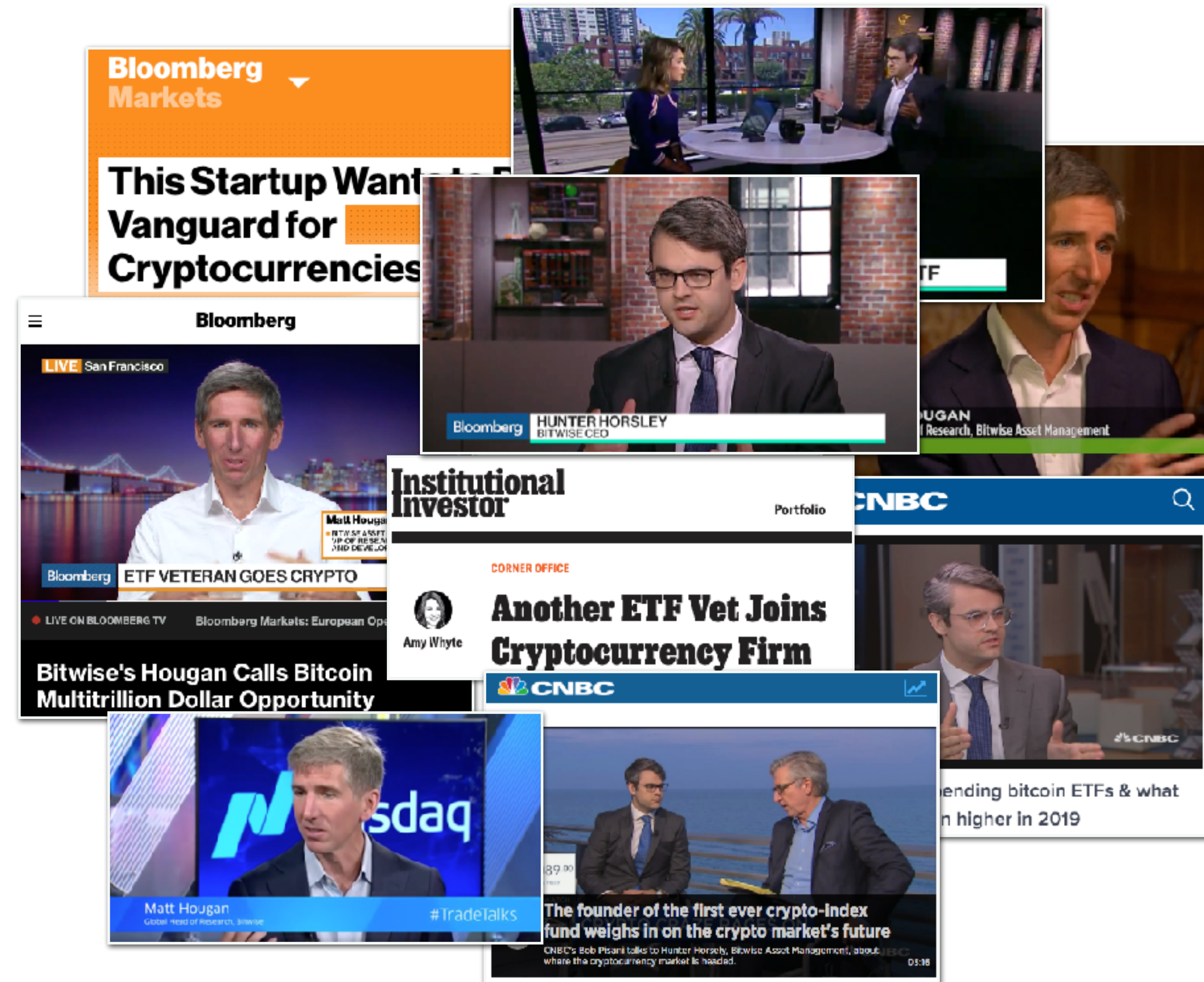
1. Who is Bitwise?
2. What is crypto and why does it matter?
3. Why is there more than one cryptoasset?
4. Crypto in a portfolio
5. Cryptomarket update
6. Questions



Who is Bitwise?

Bitwise at a Glance

- **Pioneer:** Created the 1st & largest crypto-asset index fund* (ticker BITW), and DeFi index fund. Also a fund sponsor. Over \$1.0 billion* in AUM across all private funds.
- **Leading brand:** Well-known for industry-leading research & education. Authored CFA's "Guide to Crypto."
- **Professional-focused:** Focus on RIAs, institutions, hedge funds & family offices.
- **Best-of-breed:** Sole focus on crypto asset management, indexing, and research.
- **Experienced:** Founded in 2017, Bitwise counts with 19 professionals focused on portfolio management, sales, research, investor relations, and other administrative functions and 12 professionals focused on business development



*as of May 31, 2021.

Executive Team: Bridging expertise in tech & asset management



Hunter Horsley

CEO

Technology Expertise

Product Manager, Facebook
Product Manager, Instagram
Economics, Wharton
Forbes 30 Under 30



Teddy Fusaro

President

Expert in Alts Portfolio Mgmt.

10-year ETF Veteran
SVP, NYLife Investments (\$550B AUM)
SVP & Head of PM, IndexIQ (\$5B AUM)
VP & Senior PM, Direxion (\$10B AUM)
Analyst, Goldman Sachs



Matt Hougan

Chief Investment Officer

Renowned ETF Educator & Expert

15-year ETF Veteran
CEO, ETF.com and Inside ETFs
Co-author, CFA Institute's "Guide to ETFs" and "Guide to Bitcoin, Blockchain and Cryptocurrencies,"
Columnist, Forbes



Katherine Dowling

General Counsel and Chief Compliance Officer

Legal Expertise

COO and CCO, Luminate Capital Partners
COO and CCO, True Capital Management
Assistant U.S. Attorney, Economic Crimes Unit of the U.S. Attorney's Office for the Northern District of California



Hong Kim

Chief Technology Officer
Software Security Expertise

Software Security Research, Korean Military
Software Engineer, Google
Computer Science, University of Pennsylvania



Mick McLaughlin

Managing Director, Head of Business Development

Built \$20B ETF Franchise from \$0


15-year ETF Veteran
MD, Head of ETF Sales, Deutsche Bank (\$20B)
Manager, Russell Investments (\$300B)
Director, BlackRock iShares (\$6T)



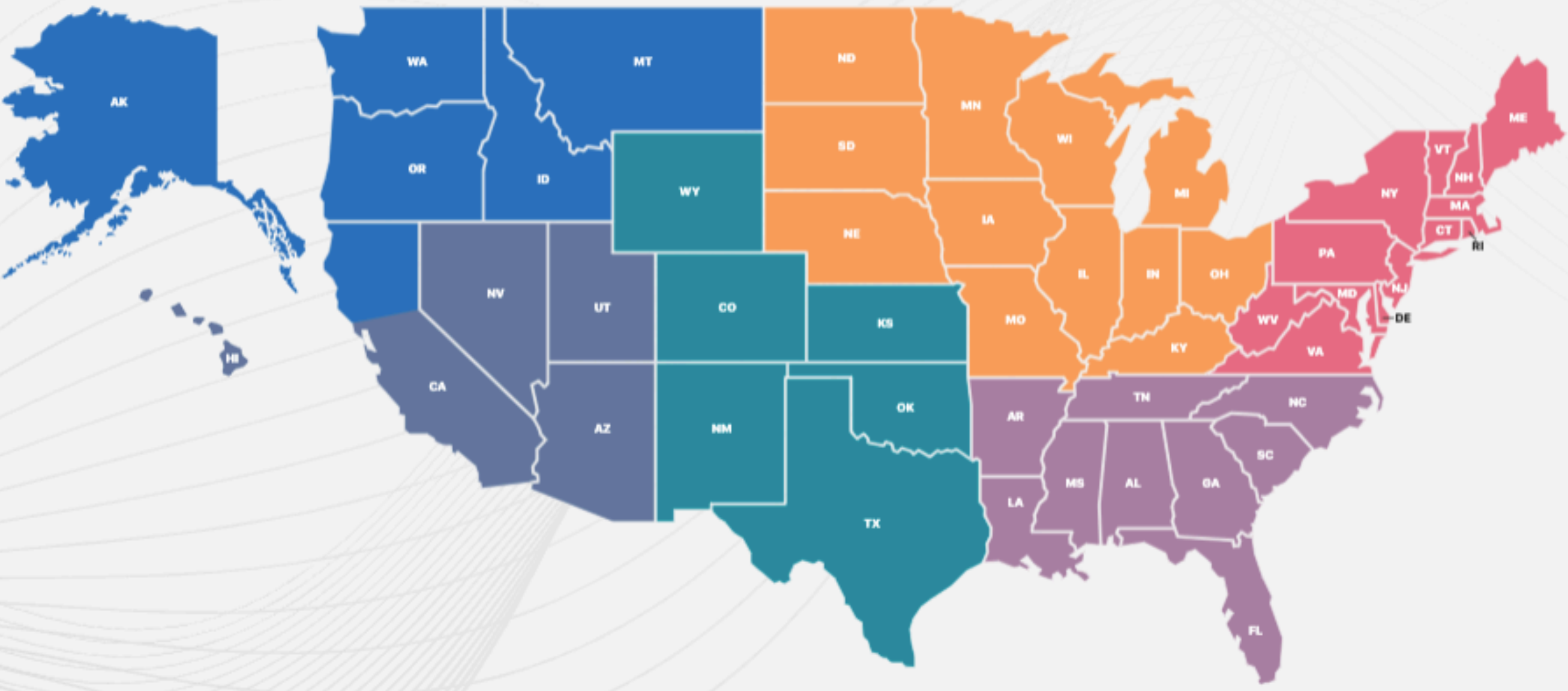
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Full distribution and advisor support



Business Development Team



WWW.BITWISEINVESTMENTS.COM | MAY 2021

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High-Quality Educational Materials

WEBCASTS

In-depth educational sessions on critical topics.

Example: Crypto for Advisors: A Growing Opportunity

[Watch the Replay](#)

EDUCATIONAL VIDEOS

Two-to-five minute custom educational videos

Example: Top 5 Questions Advisors Asked Us About Crypto

[Watch Here](#)

WHITEPAPERS

Analytical deep-dives into critical topics

Example: The Case for Crypto in an Institutional Portfolio

[View Whitepaper](#)

HIGH-PROFILE MEDIA APPEARANCES

Bitwise experts are regular guests on TV, for podcasts, in print, and with other media
Example: CIO Matt Hougan on CNBC.

[Watch the Segment](#)

CFA RESEARCH BRIEF

Bitwise partners with global leaders in education

Example: Cryptoassets: A Professional Investor's Guide to Bitcoin, Blockchain, and Cryptocurrencies

[Download Here](#)

SURVEYS

Peer benchmarking studies with exclusive data

Example: 2021 Benchmark Survey Financial Advisor Attitudes Toward Cryptoassets

[View the Survey](#)

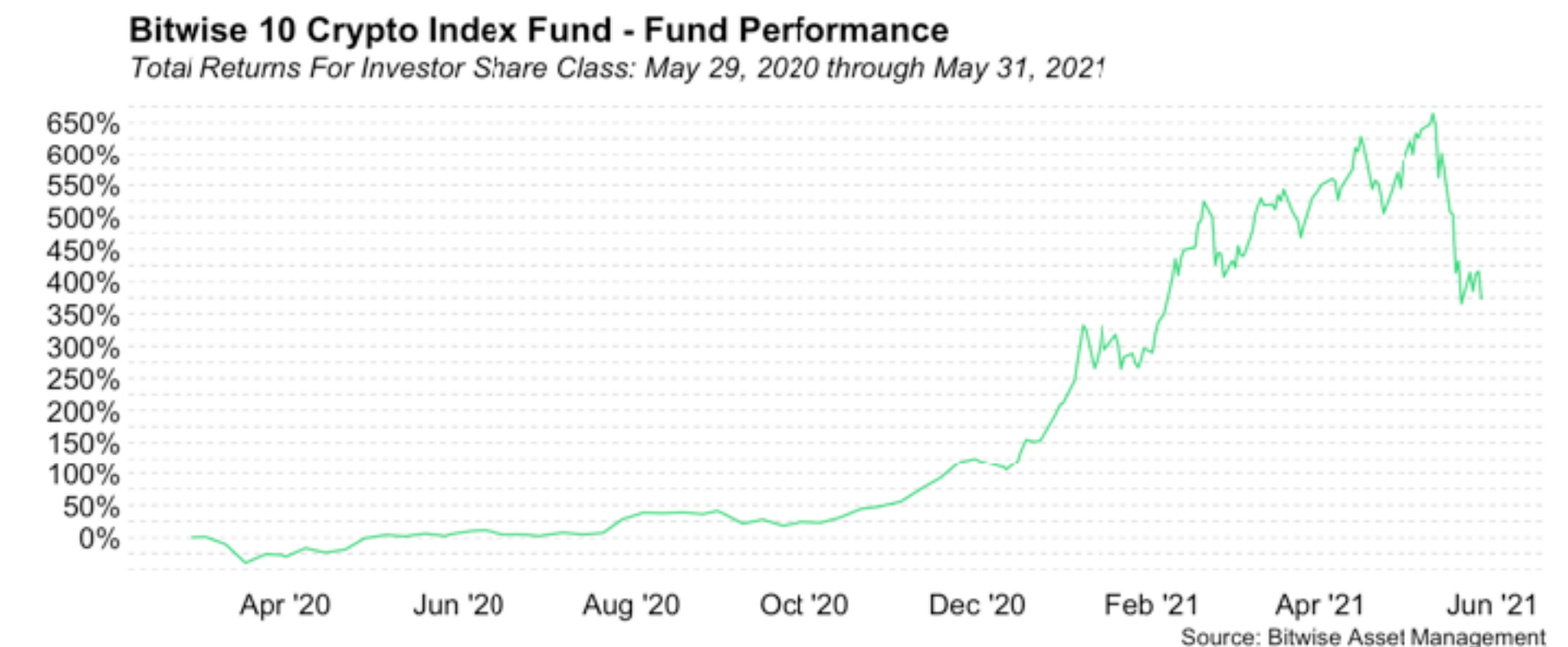
The Bitwise 10 Crypto Index Fund (Ticker: BITW)

Fund Characteristics

OVERVIEW	The first publicly traded crypto index fund in the U.S. Shares are accessible through traditional brokerage accounts.
INVESTMENT OBJECTIVE	Track the Bitwise 10 Large Cap Crypto Index, a market-cap-weighted index of the 10 largest cryptocurrencies.
TICKER	BITW
CUSIP	91749101
ASSETS UNDER MANAGEMENT	\$746M (as of May 29, 2021)
EXPENSE RATIO	2.5%*
CUSTODY	Coinbase Custody Trust Co., a regulated third-party party custodian.
TAXATION	Pass-through partnership for tax purposes. K-1s are prepared for investors & advisors.
INVESTOR QUALIFICATIONS	Public shares available to all investors. Private placement available to accredited investors at net asset value with liquidity restrictions.
PREMIUMS/DISCOUNTS	Public shares may trade at a substantial premium or discount to net asset value. Please see www.otcmarkets.com/BITW for more.

*AUM as of March 31, 2021. Expense Ratio includes the management fee, custody charges for holding the fund's assets charged by the custodian, and customary fees and expenses of the fund administrator and auditor.

LTM Fund NAV Return (as of May 31, 2021): 348.3%



Performance information is provided for informational purposes only. Actual performance of the Fund may vary substantially from the performance provided in this presentation. Past performance does not guarantee future results.

Bitwise 10 Large Cap Crypto Index		
As of 05/30/2021 at 4:00pm EST		
NAME	WEIGHT	MARKET CAP
BITCOIN	64.59%	\$570,584,340,956
ETHEREUM	27.63%	\$290,018,062,517
BITCOIN CASH	1.26%	\$13,116,994,704
CHAINLINK	1.20%	\$12,478,016,503
LITECOIN	1.10%	\$12,039,988,935
POLYGON	1.13%	\$11,771,024,386
STELLAR LUMENS	0.90%	\$9,362,877,864
UNISWAP	0.78%	\$8,129,748,124
EOS	0.57%	\$5,942,470,291
FILECOIN	0.47%	\$4,900,304,466

Fund holdings may differ from index composition.

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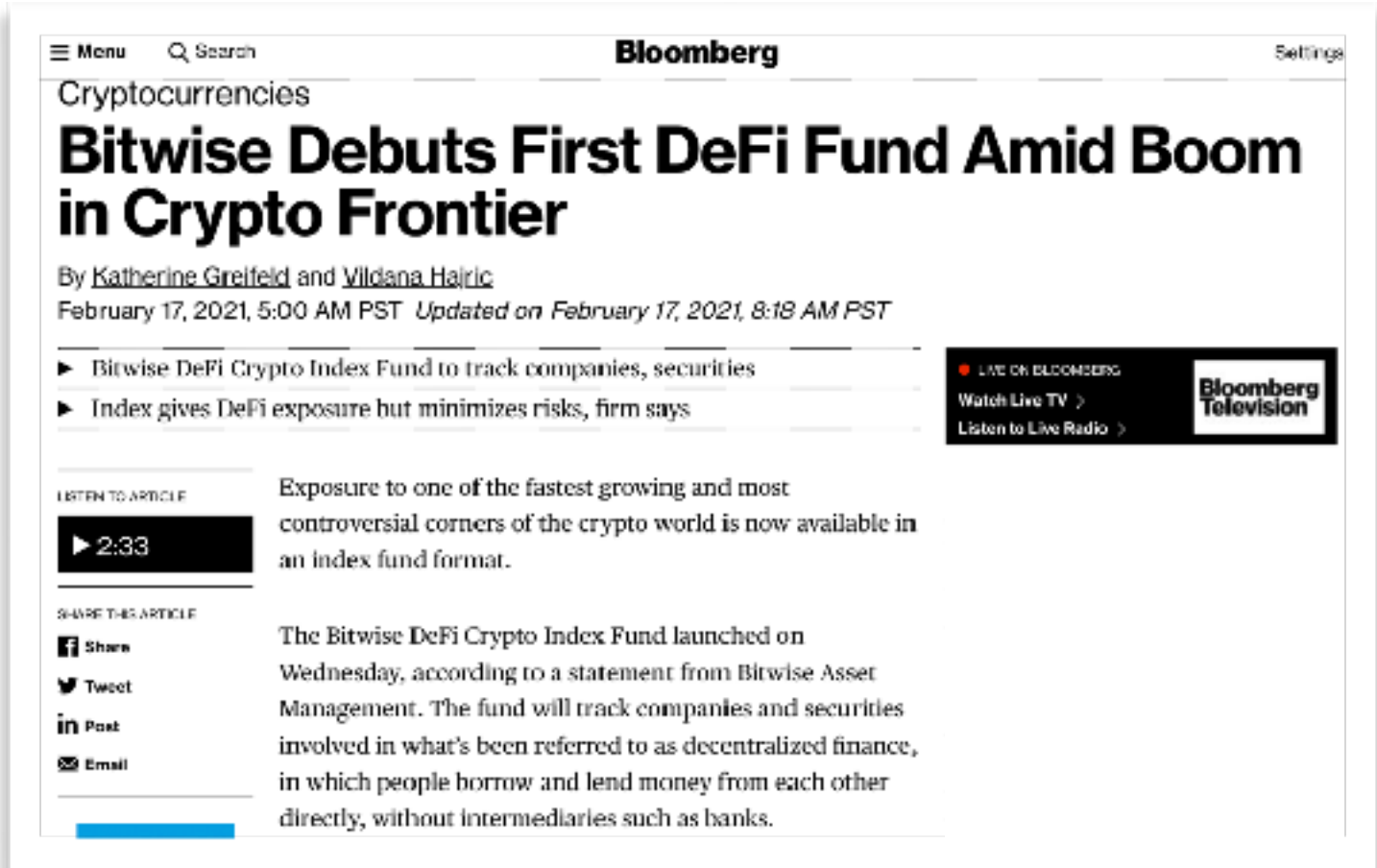
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The Bitwise DeFi Crypto Index Fund (Private Placement)

Fund Characteristics

INVESTMENT OBJECTIVE	Seeks to track the Bitwise Decentralized Finance Crypto Index, a market-cap-weighted index of the largest crypto assets in the Decentralized Finance sector of the cryptomarket
STRUCTURE	Private placement
SUBSCRIPTIONS & REDEMPTIONS	Weekly at net asset value. Subject to change.
MINIMUM INVESTMENT	\$25,000 (subject to change)
EXPENSE RATIO	2.5%*
CRYPTO CUSTODY	Anchorage Digital Bank, N.A.
TAXATION	Pass-through partnership for tax purposes. K-1s are prepared for investors.
INVESTOR QUALIFICATIONS	Accredited investors

*Expense Ratio includes the management fee, custody charges for holding the fund's assets charged by the custodian, and customary fees and expenses of the fund administrator and auditor.



Bitwise Decentralized Finance Crypto Index					
As of 05/30/2021 at 4:00pm EST					
NAME	WEIGHT	MARKET CAP	NAME	WEIGHT	MARKET CAP
UNISWAP	33.91%	\$8,129,749,124	SUSHISWAP	5.76%	\$1,380,733,309
AAVE	17.38%	\$4,166,743,871	SYNTHETIX	5.72%	\$1,372,367,119
MAKER	13.60%	\$3,232,103,590	OX	3.48%	\$835,353,293
COMPOUND	8.36%	\$2,004,005,135	UMA	3.44%	\$823,553,140
YEARN.FINANCE	6.41%	\$1,536,834,822	LOOPRING	1.84%	\$441,434,682

Fund holdings may differ from index composition.

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The Bitwise Bitcoin Fund (Private Placement)

Fund Characteristics

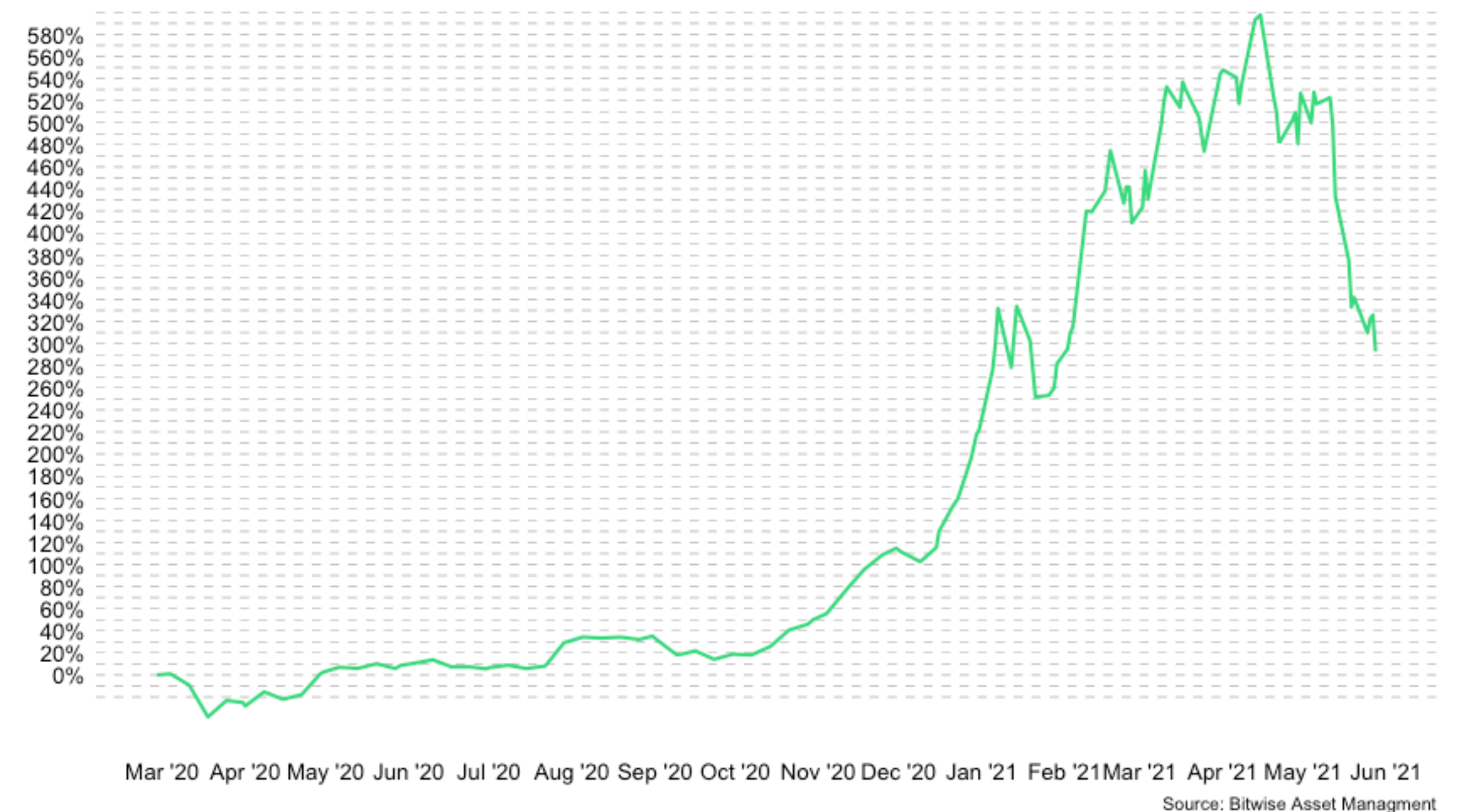
INVESTMENT OBJECTIVE	Capture the total returns available to investors in bitcoin
STRUCTURE	Private placement
SUBSCRIPTIONS & REDEMPTIONS	Weekly at net asset value. Subject to change.
MINIMUM INVESTMENT	\$10,000 (subject to change)
EXPENSE RATIO	1.5%*
CRYPTO CUSTODY	Fidelity Digital Asset Services, a regulated third-party custodian.
TAXATION	The fund intends to be treated as a Grantor Trust for tax purposes. No K-1s will be provided; the Trust will publish a tax statement for shareholders annually.
INVESTOR QUALIFICATIONS	Accredited investors

*Expense Ratio includes the management fee, custody charges for holding the fund's assets charged by the custodian, and customary fees and expenses of the fund administrator and auditor.

LTM Fund Return (as of May 30, 2021): 261.5%

Bitwise Bitcoin Fund - Fund Performance

Total Returns For Investor Share Class: May 29, 2020 through May 31, 2021



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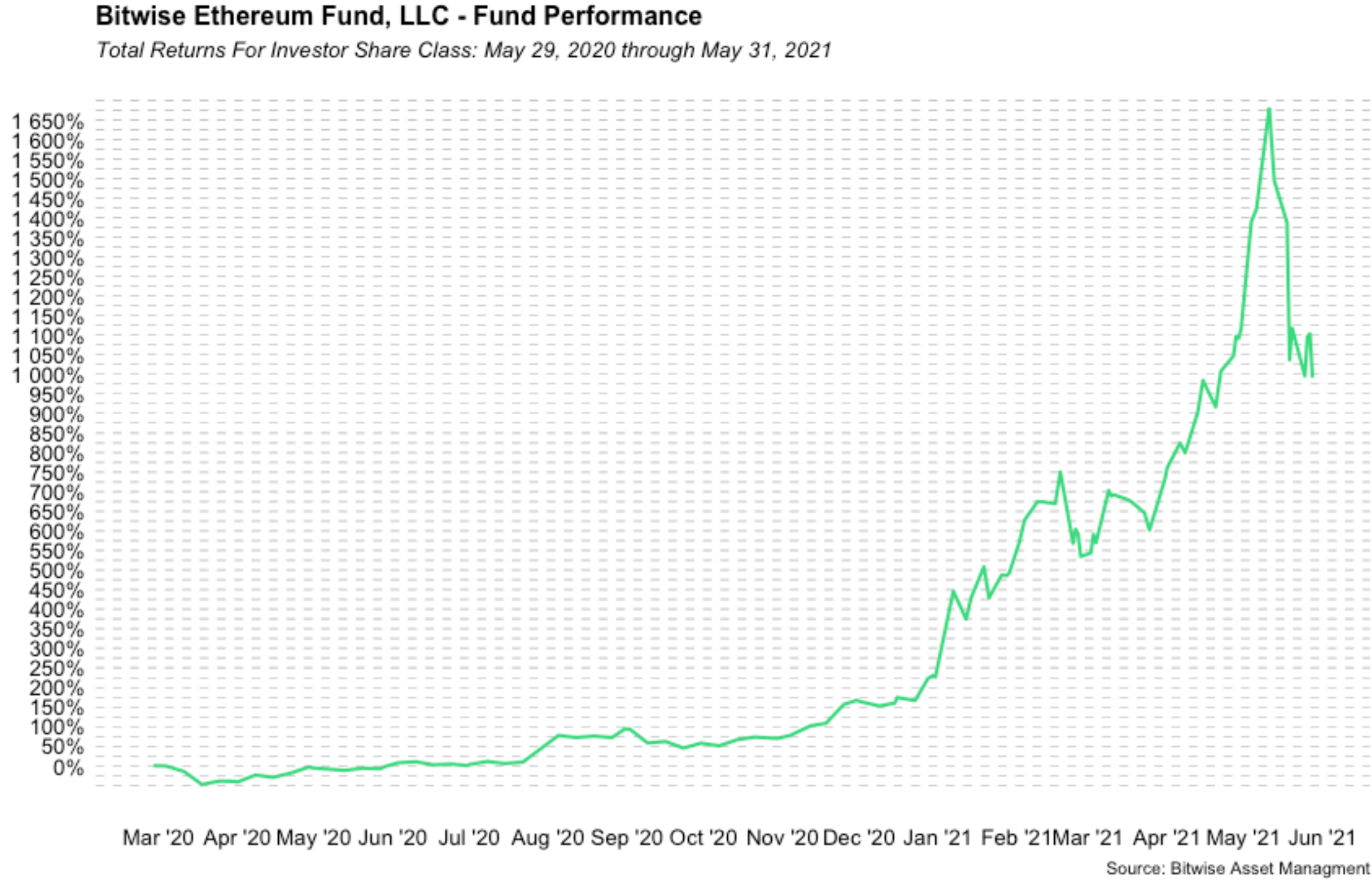
The Bitwise Ethereum Fund (Private Placement)

Fund Characteristics

INVESTMENT OBJECTIVE	Capture the total returns available to investors in Ethereum
STRUCTURE	Private placement
SUBSCRIPTIONS & REDEMPTIONS	Weekly at net asset value. Subject to change.
MINIMUM INVESTMENT	\$25,000 (subject to change)
EXPENSE RATIO	1.5%*
CRYPTO CUSTODY	Coinbase Custody Trust Co., a regulated third-party custodian.
TAXATION	The fund intends to be treated as a Grantor Trust for tax purposes. No K-1s will be provided; the Trust will publish a tax statement for shareholders annually.
INVESTOR QUALIFICATIONS	Accredited investors

*Expense Ratio includes the management fee, custody charges for holding the fund's assets charged by the custodian, and customary fees and expenses of the fund administrator and auditor.

LTM Fund Return (as of May 30, 2021): 1,013.8%



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What is crypto and why does it matter?



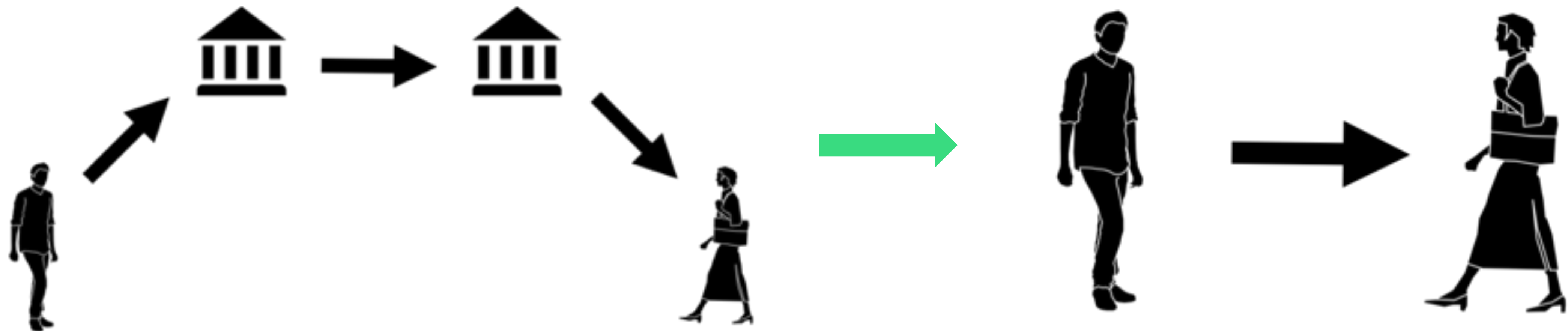
Crypto is not about paying for coffee



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Don't think of it just as a currency; think of it as a technology that brings money into the internet era



An example: Consider Venmo vs. traditional banks

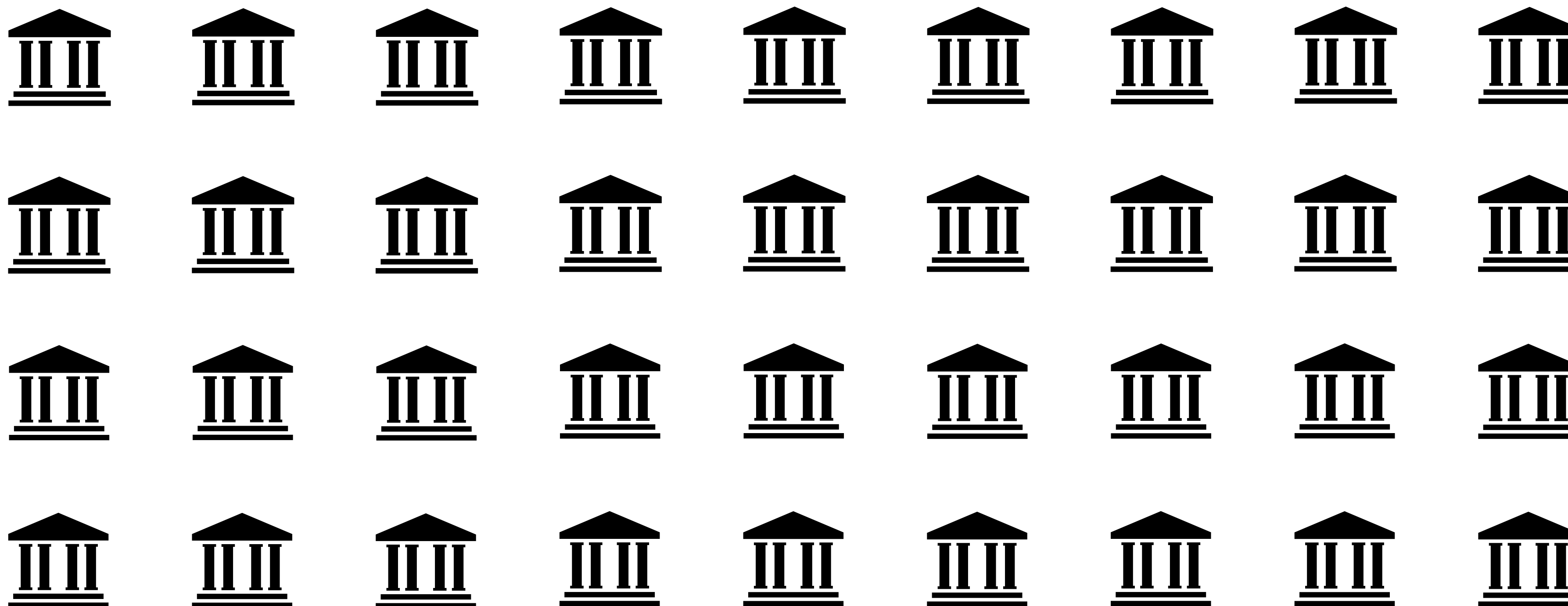
Banks are slow because they each have their own database. Every transactions requires verification and trust.



Venmo is fast because it is a single database. Inside Venmo, transferring money is like updating Excel.



Public blockchains: A new type of database



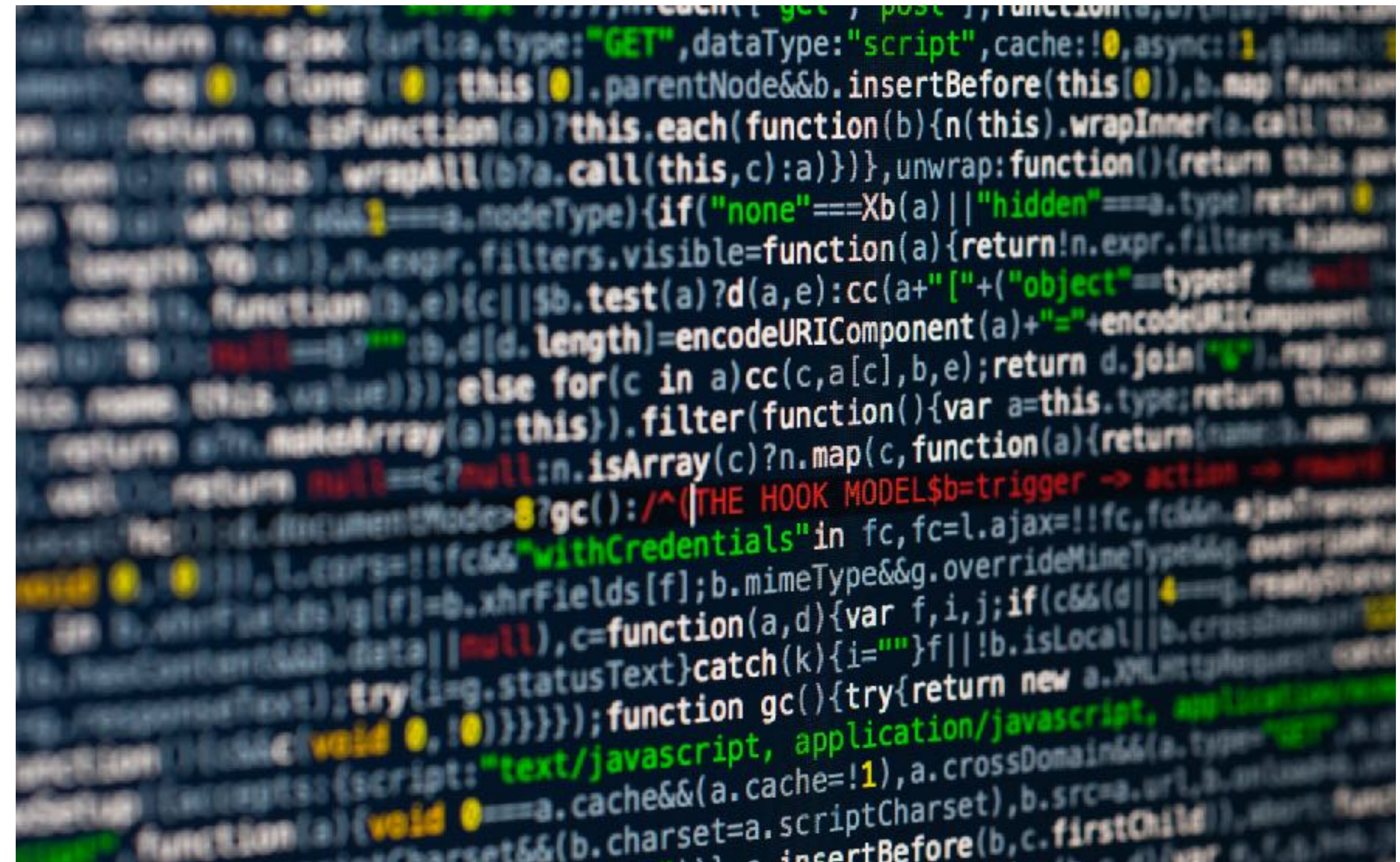
Breakthrough #1: Moving financial goods over the internet

- Blockchain databases allow financial goods to settle essentially instantly.
- By comparison, traditional financial systems are extremely slow:
 - Stocks settle in 2 days
 - Bank wires take 2-4 days
 - Bill pay takes 1-5 days
- Blockchains work 24/7/365 and fees are miniscule.



Breakthrough #2: The development of programmable money

- Native to the internet, cryptoassets can be programmed like software.
- This software can replicate high-cost financial functions at extremely low price points.
- This market already supports billions of dollars in loans, money-market-style funds, asset fundraising, and more.

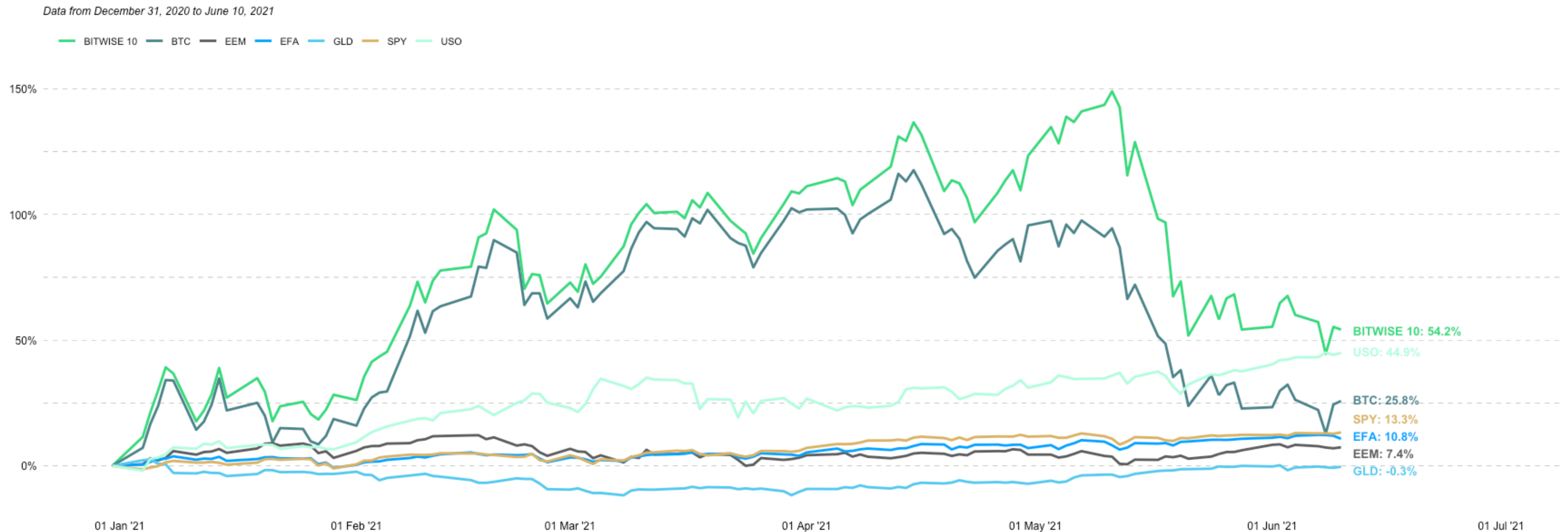


Breakthrough #3: The creation of digital property rights

- You can own bitcoin without any trusted third-party (like a bank) saying you own it.
- As a result, bitcoin is often referred to as “digital gold.” It is the first scarce digital good.
- In fact, bitcoin compares favorably to gold on many of the key features of a safe haven asset.
- Non-Fungible Tokens (NFTs) like NBA Top Shot are another example of this.



Crypto Has Been Outperforming Other Key Asset Classes in 2021

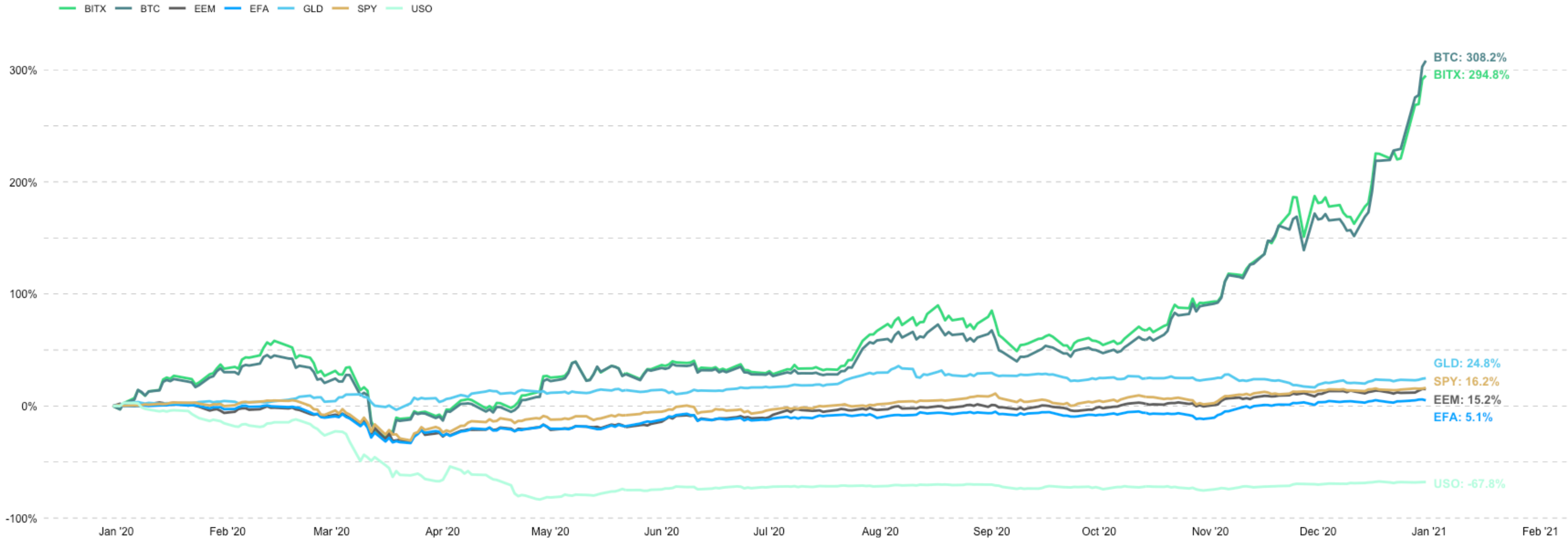


Source: Bitwise Asset Management with data from IEX Cloud for traditional assets. The returns on this chart do not represent the returns of any Fund or account managed by Bitwise or its affiliates. Cryptoasset tickers refer to, in alphabetical order: Bitwise 10 Large Cap Crypto Index (BITWISE 10) and Bitcoin (BTC). Major asset classes are defined, in alphabetical order, as: iShares MSCI Emerging Markets ETF (EEM), iShares MSCI EAFE ETF (EFA), SPDR Gold Shares (GLD), and US Oil Fund (USO). The performance of the Bitwise 10 Large Cap Crypto Index does not represent the performance of any account or Fund managed or issued by Bitwise. This represents Index or Index Constituents performance only. The Fund will have losses, liabilities and expenses that will offset its income and gains and therefore the Fund's performance may be below the Index's performance. In addition, the performance of the Fund and the Index may vary somewhat due to other factors such as imperfect correlation between the Fund's investments and Index composition, regulatory restrictions, high portfolio turnover rate, rounding of prices and timing differences associated with additions to and deletions from the Index and the Fund. The historical performance of Bitcoin (BTC) is not illustrative of the performance of the Bitwise Bitcoin Fund. These returns are historical and unaudited and do not represent the returns of an actual account. These historical returns do not include the fees and expenses that are charged by any Fund. Actual Fund returns may differ materially from the historical returns of Bitcoin (BTC) or the Bitwise 10 Large Cap Crypto Index (BITWISE 10). Please see important disclosure information at the end of this document. Past performance does not guarantee future results.

Crypto Has Outperformed Other Key Asset Classes Last Year

Cumulative Returns: Cryptoassets Versus Major Risk Asset Classes

Data from December 31, 2019 to December 31, 2020

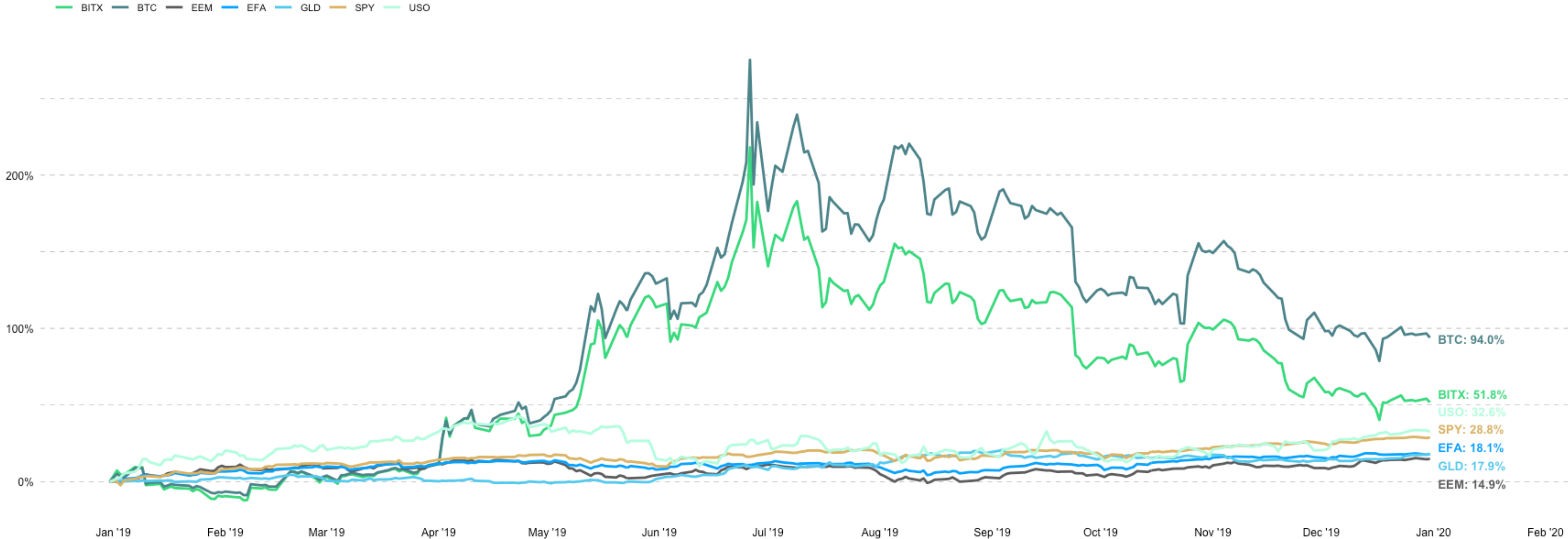


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Crypto Has Outperformed Other Key Asset Classes in 2019

Cumulative Returns: Cryptoassets Versus Major Risk Asset Classes

Data from December 31, 2018 to December 31, 2019

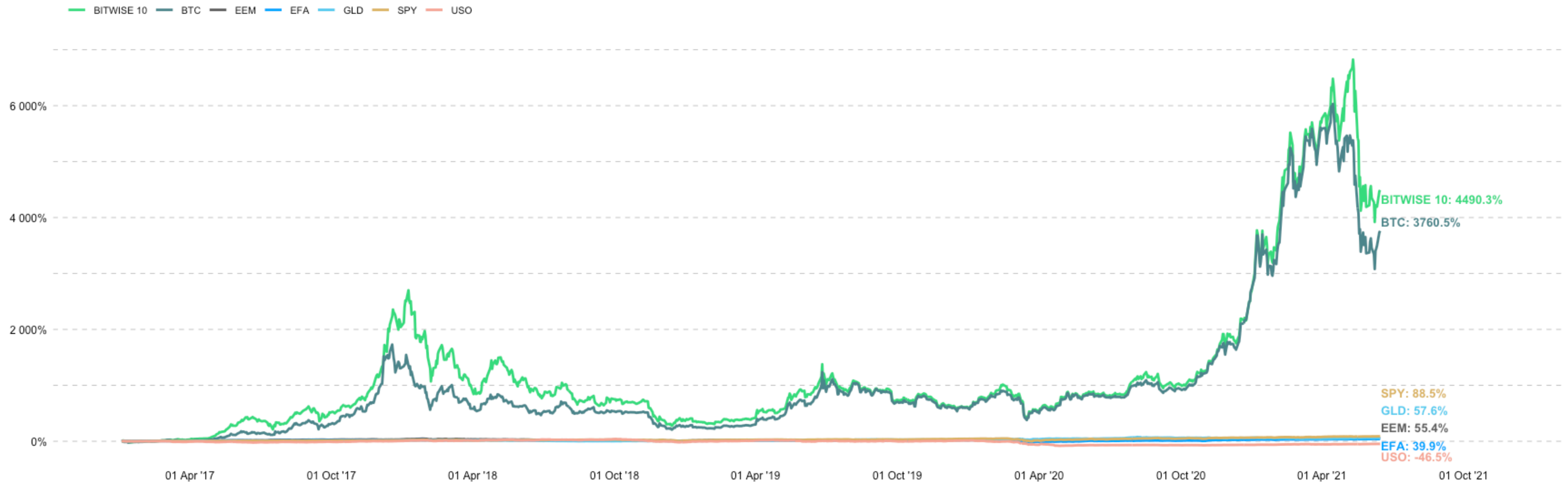


Source: Bitwise Asset Management with data from IEX Cloud for traditional assets. The returns on this chart do not represent the returns of any Fund or account managed by Bitwise or its affiliates. Cryptoasset tickers refer to, in alphabetical order: Bitwise 10 Large Cap Crypto Index (BITWISE 10) and Bitcoin (BTC). Major asset classes are defined, in alphabetical order, as: iShares MSCI Emerging Markets ETF (EEM), iShares MSCI EAFE ETF (EFA), SPDR Gold Shares (GLD), and US Oil Fund (USO). The performance of the Bitwise 10 Large Cap Crypto Index does not represent the performance of any account or Fund managed or issued by Bitwise. This represents Index or Index Constituents performance only. The Fund will have losses, liabilities and expenses that will offset its income and gains and therefore the Fund's performance may be below the Index's performance. In addition, the performance of the Fund and the Index may vary somewhat due to other factors such as imperfect correlation between the Fund's investments and Index composition, regulatory restrictions, high portfolio turnover rate, rounding of prices and timing differences associated with additions to and deletions from the Index and the Fund. The historical performance of Bitcoin (BTC) is not illustrative of the performance of the Bitwise Bitcoin Fund. These returns are historical and unaudited and do not represent the returns of an actual account. These historical returns do not include the fees and expenses that are charged by any Fund. Actual Fund returns may differ materially from the historical returns of Bitcoin (BTC) or the Bitwise 10 Large Cap Crypto Index (BITWISE 10). Please see important disclosure information at the end of this document. Past performance does not guarantee future results.

Crypto Has Outperformed Other Key Asset Classes Since 2017

Cumulative Returns: Cryptoassets Versus Major Risk Asset Classes

Data from January 3, 2017 to June 15, 2021



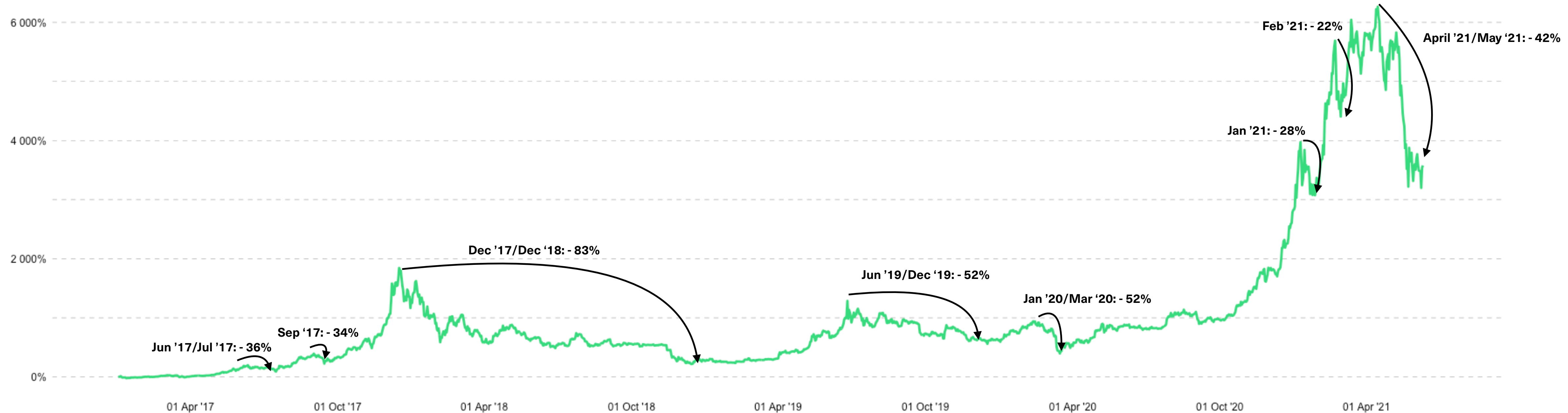
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It has a history of significant drawdowns. But also has been resilient.

Bitcoin Return Performance

Data from January 1, 2017 to June 10, 2021

— BTC



Source: Bitwise Asset Management. The historical performance of Bitcoin (BTC) is not illustrative of the performance of the Bitwise Bitcoin Fund. These returns are historical and unaudited and do not represent the returns of an actual account. These historical returns do not include the fees and expenses that are charged by any Fund. Actual Fund returns may differ materially from the historical returns of Bitcoin (BTC) or the Bitwise 10 Large Cap Crypto Index (BITWISE 10). Please see important disclosure information at the end of this document. Past performance does not guarantee future results.

Still, it has been a remarkable asset historically (2010-2021)




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This level of technological breakthrough is rare

- TCP/IP: Transmission Control Protocol / Internet Protocol: 1971 – ***The Internet***
- SMTP: Simple Mail Transmission Protocol: 1982 – ***Email***
- HTTP: Hypertext Transfer Protocol: 1989 – ***The World Wide Web***
- SSL: Secure Sockets Layer Protocol: 1994 – ***E-Commerce***
- VOIP: Voice Over Internet Protocol: 1995 – ***Telephony***
- XMPP: Extensible Messaging and Presence Protocol: 1999 – ***Messaging***
- HLS: HTTP Live Streaming Protocol: 2009 – ***Video Streaming***
- BTC: The First Blockchain Protocol: 2009 – ***Money & Finance***

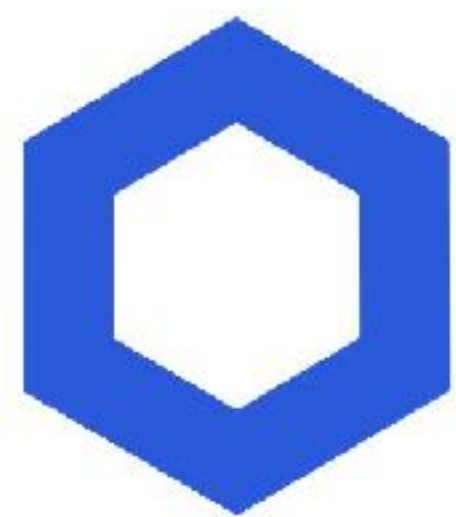
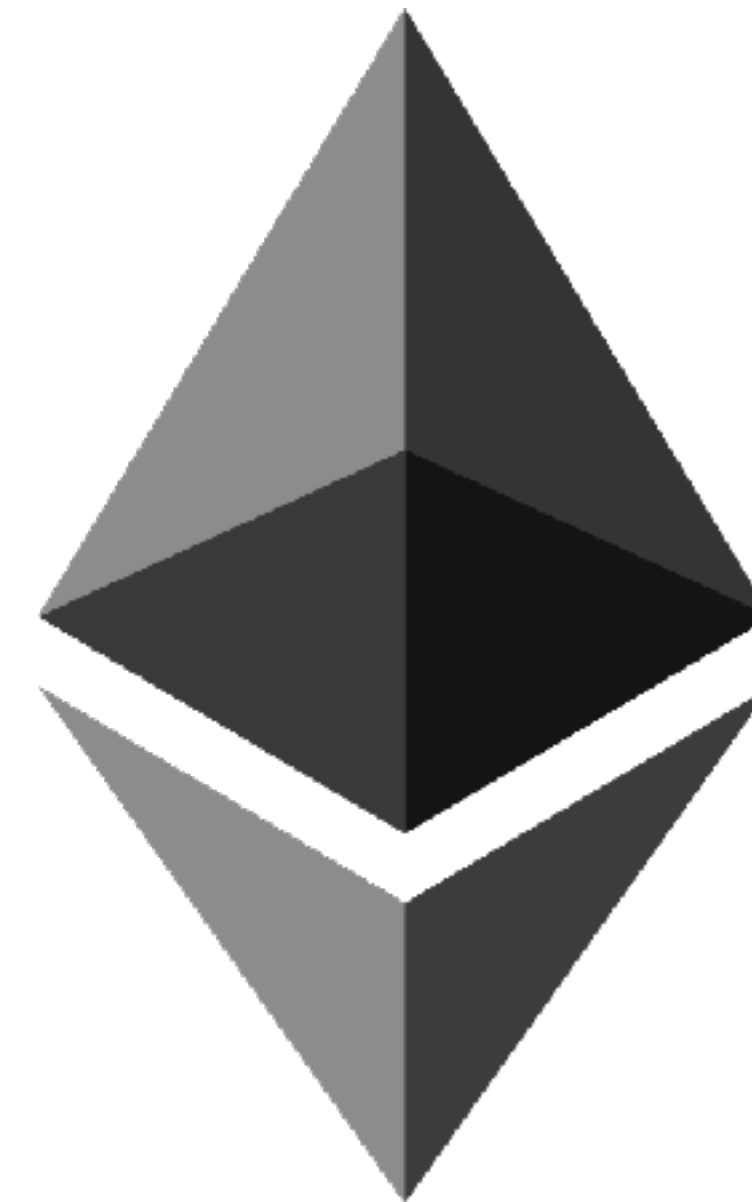


Why is there more than
one cryptoasset?

Different cryptoassets are like different software companies



Different cryptoassets are like different software companies



Chainlink

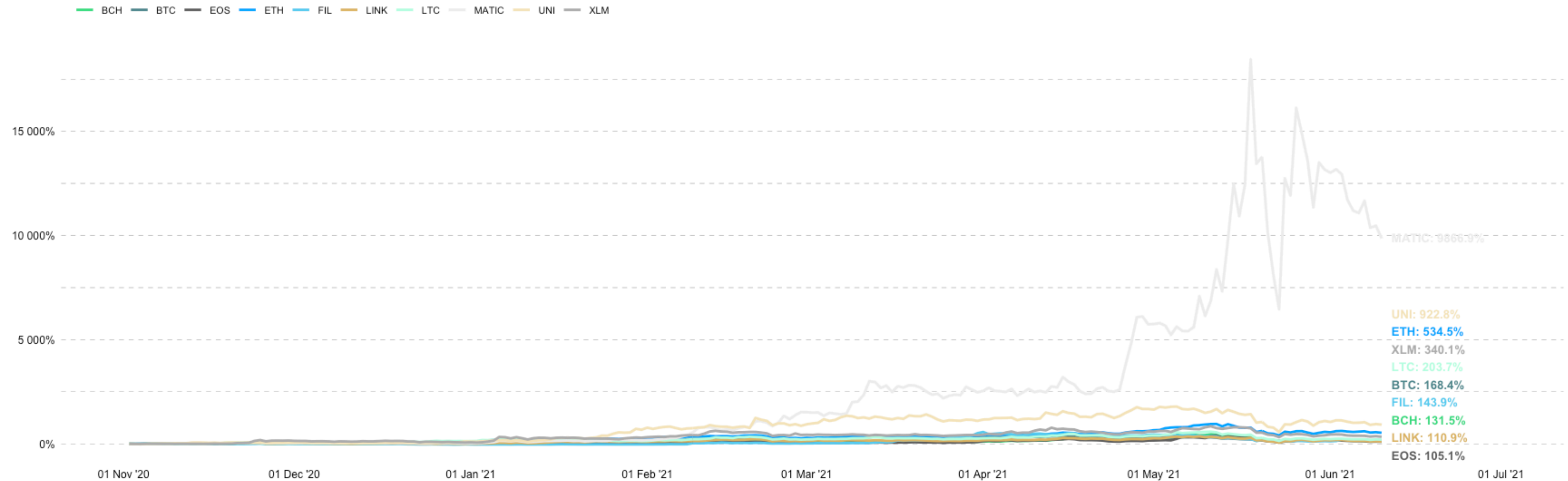


UNISWAP

Cryptoassets target different markets and have different returns

Cumulative Returns: Bitwise 10 Large Cap Crypto Index Current Constituents

Data from November 2, 2020 to June 10, 2021



Source: Bitwise Asset Management with data from IEX Cloud for traditional assets. The returns on this chart do not represent the returns of any Fund or account managed by Bitwise or its affiliates. Cryptoasset tickers refer to, in alphabetical order: Bitwise 10 Large Cap Crypto Index (BITWISE 10) and Bitcoin (BTC). Major asset classes are defined, in alphabetical order, as: iShares MSCI Emerging Markets ETF (EEM), iShares MSCI EAFE ETF (EFA), SPDR Gold Shares (GLD), and US Oil Fund (USO). The performance of the Bitwise 10 Large Cap Crypto Index does not represent the performance of any account or Fund managed or issued by Bitwise. This represents Index or Index Constituents performance only. The Fund will have losses, liabilities and expenses that will offset its income and gains and therefore the Fund's performance may be below the Index's performance. In addition, the performance of the Fund and the Index may vary somewhat due to other factors such as imperfect correlation between the Fund's investments and Index composition, regulatory restrictions, high portfolio turnover rate, rounding of prices and timing differences associated with additions to and deletions from the Index and the Fund. The historical performance of Bitcoin (BTC) is not illustrative of the performance of the Bitwise Bitcoin Fund. These returns are historical and unaudited and do not represent the returns of an actual account. These historical returns do not include the fees and expenses that are charged by any Fund. Actual Fund returns may differ materially from the historical returns of Bitcoin (BTC) or the Bitwise 10 Large Cap Crypto Index (BITWISE 10). Please see important disclosure information at the end of this document. Past performance does not guarantee future results.



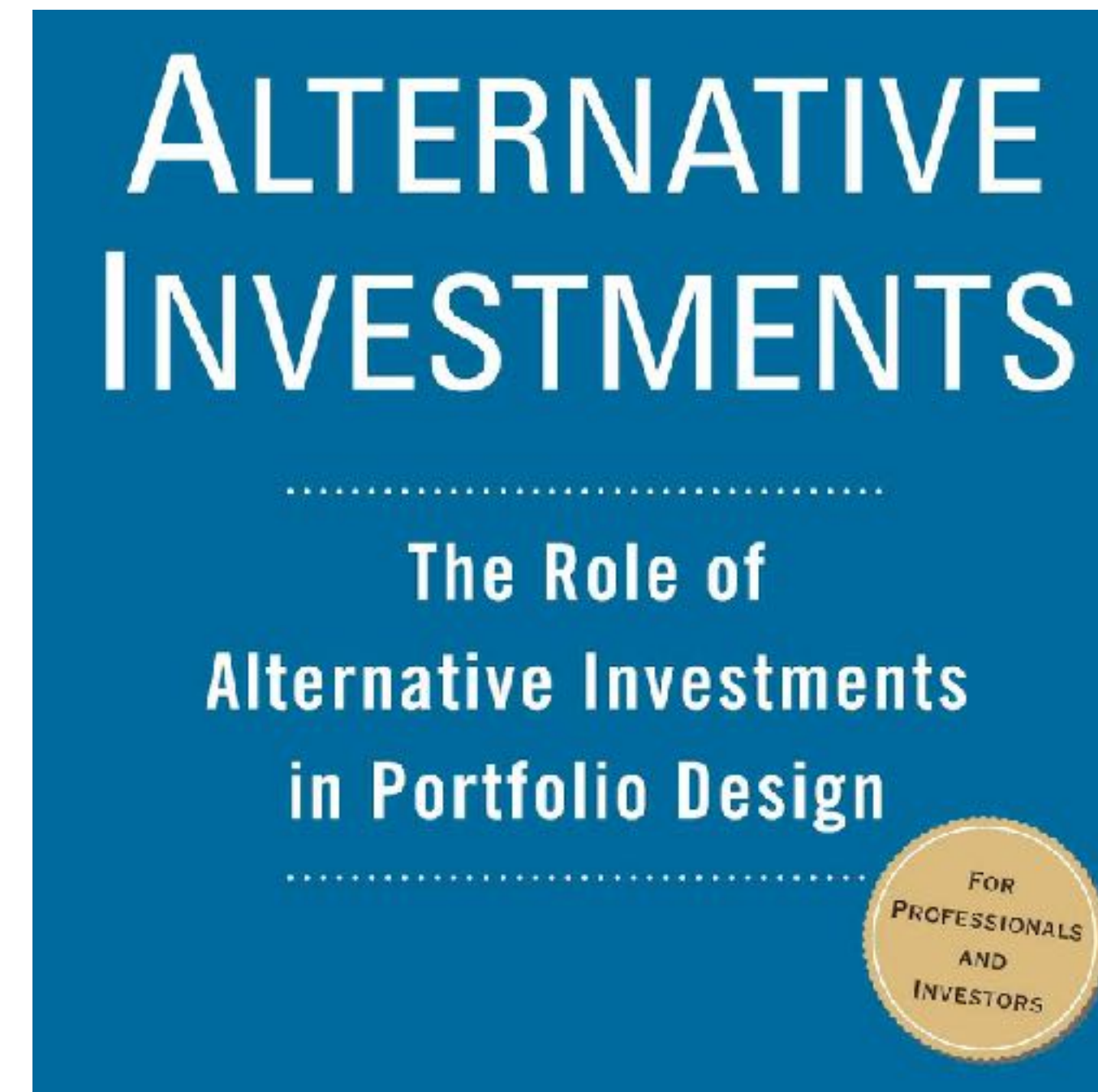
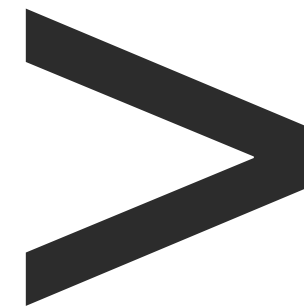
It's difficult to know which asset(s) will win long term





Crypto in a portfolio

Crypto can be extremely powerful in portfolio settings



Crypto combines high potential returns, low correlations with other asset classes, and liquidity

CORRELATIONS*	S&P 500	US AGG Bond	Gold
Bitwise 10 Index	0.22	0.09	0.22
Bitcoin BTC	0.20	0.09	0.22
Ethereum ETH	0.24	0.09	0.19

Sources: Bitwise and Yahoo Finance. The SPDR S&P 500 Trust ETF (SPY) is used as a proxy for the S&P 500. The iShares Barclays Aggregate Bond Fund (AGG) is used as a proxy for the U.S. AGG. The SPDR Gold Shares (GLD) is used as a proxy for gold. Data from 01/01/2019 through 04/30/2021.

Performance and correlation information is provided for informational purposes only. Actual performance and correlation of the Index and the Fund may vary substantially from the performance provided in this presentation. Backward-looking performance cannot predict how any investment strategy will perform in the future.



A little goes a long way in a portfolio

Data from January 1, 2017 to December 31, 2020

A 2.5% bitcoin allocation, rebalanced quarterly over this period

	ANNUALIZED RETURN	TOTAL RETURN	VOLATILITY (MONTHLY)	SHARPE RATIO	MAX DRAWDOWN
Traditional 60/40 Portfolio	10.6%	49.8%	11.6%	0.82	-21.1%
1% bitcoin	12.5%	59.9%	11.7%	0.97	-21.3%
2.5% bitcoin	15.2%	76.6%	12.0%	1.18	-21.8%
5% bitcoin	19.7%	105.5%	12.9%	1.43	-22.8%

- Added 26.8% to total return
- Kept volatility almost flat (+40 bps)
- Boosted Sharpe ratio by 43%

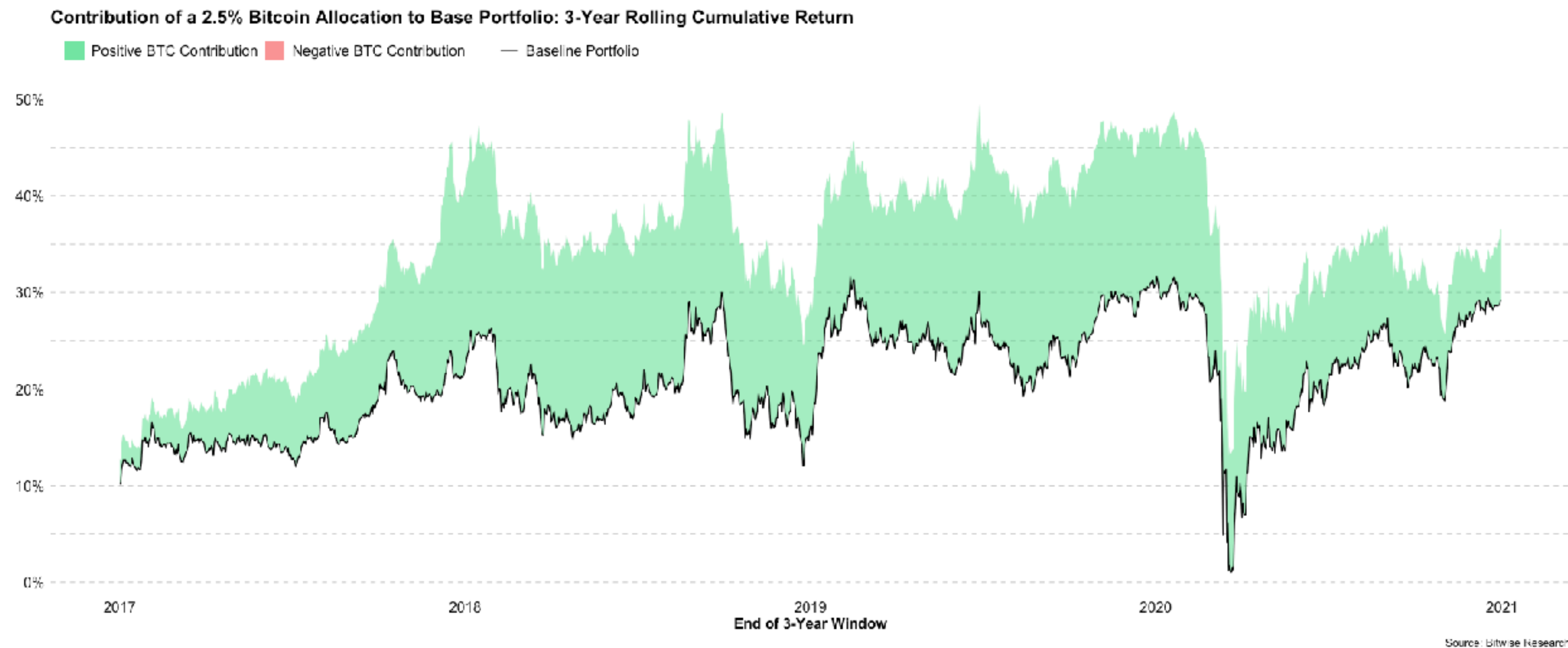
Note: Traditional Portfolio consists of 60% equities (represented by the Vanguard Total Stock ETF, VT) and 40% bonds (represented by the Vanguard Total Bond ETF, BND). Not considering taxes nor transaction costs. For more details, please refer to our white paper "The Case For Bitcoin in an Institutional Portfolio" published on May 2020 and available at www.bitwiseinvestments.com/resources.

Performance and correlation information is provided for informational purposes only. Actual performance and correlation of the Index and the Fund may vary substantially from the performance provided in this presentation. Please see important disclosure information at the end of this document. Past performance does not guarantee future results.

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Bitcoin has positively contributed to a diversified portfolio's returns over every 3-year period in history



Note: Traditional Portfolio consists of 60% equities (represented by the Vanguard Total Stock ETF, VT) and 40% bonds (represented by the Vanguard Total Bond ETF, BND). Not considering taxes nor transaction costs. For more details, please refer to our white paper "The Case For Bitcoin in an Institutional Portfolio" published on May 2020 and available at www.bitwiseinvestments.com/resources.

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Bitwise



Cryptomarket update

Some Hedge Funds Are Now Allocating to Crypto

Deals

Paul Tudor Jones Buys Bitcoin as a Hedge Against Inflation

By [Erik Schatzker](#)

May 7, 2020, 9:55 AM PDT

Updated on May 7, 2020, 10:34 AM PDT

- Becomes one of first big-name investors to embrace crypto
- Macro investor sees Bitcoin as hedge against inflation



Paul Tudor Jones Photographer: Michael Nagle/Bloomberg

Source: Bloomberg. May 2, 2020

We are witnessing the Great Monetary Inflation, an unprecedented expansion of every form of money unlike anything the developed world has ever seen.

- Paul Tudor Jones II
May 7, 2020

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Some Corporations Are Now Allocating to Crypto



TECH

Tesla buys \$1.5 billion in bitcoin, plans to accept it as payment

PUBLISHED MON, FEB 8 2021-7:48 AM EST | UPDATED MON, FEB 8 2021-1:43 PM EST

Steve Kovach
@STEVEKOVACH

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Nasdaq-Listed Microstrategy Raises Bitcoin Holdings to \$425 Million After Second Purchase



MARKETS

Square buys \$50 million in bitcoin, says cryptocurrency 'aligns with company's purpose'

PUBLISHED THU, OCT 8 2020-9:45 AM EDT | UPDATED 6 HOURS AGO

Maggie Fitzgerald
@MKMFITZGERALD

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Some Wall Street Institutions Are Now Turning Toward Crypto

J.P.Morgan

2017

“Bitcoin is a fraud... It’s worse than tulip bulbs. It won’t end well. Someone is going to get killed.”

— Jamie Dimon, CEO

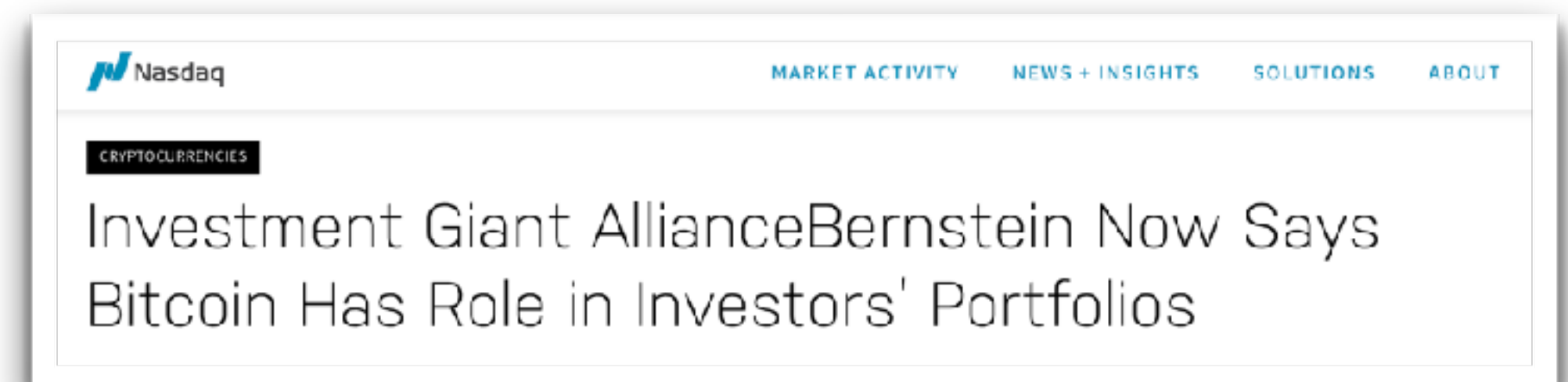
2020

“The potential long-term upside for bitcoin is considerable if it competes more intensely with gold as an alternative currency...”

— Flows & Liquidity
(Flagship Research Report)



Source: CNBC. March 17, 2021.



Source: Nasdaq. November 30, 2020.



Source: Bloomberg. November 29, 2020.

Some Asset Managers Are Now Allocating to Crypto



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BlackRock's Rieder says bitcoin can replace gold 'to a large extent' and crypto is 'here to stay'

Source: CNBC. November 20, 2020.

Source: CNBC. November 20, 2020

Some Major Financial Technology Firms Are Rushing Into the Space

PayPal allows Bitcoin and crypto spending

🕒 21 October



Source: CNBC. October 21, 2020

Digital currency comes to Visa's settlement platform

With the direct acceptance of payments in USD Coin, Visa forges new connections between digital and traditional currencies.

f t in

Mar 29, 2021 2:00 AM



Source: Visa. March 29, 2021

Many Individual Investors Continue to Allocate to Crypto

coinbase

56 million users



14 million users



11 million users



7 million users



1 million users

Sources: Coinbase, Schwab, TD Ameritrade, & Interactive Brokers, from each company's website, reflecting the most recently available data as of December 8, 2020. E*Trade data from The Wall Street Journal as of April 17, 2019; no more recent data is available from E*Trade.

An Increasing Percentage of Financial advisors and RIAs Are Allocating

Bitwise

The Bitwise/ETF Trends 2021 Benchmark Survey of Financial Advisor Attitudes Toward Cryptoassets

WWW.BITWISEINVESTMENTS.COM

JANUARY 2021

Do you own crypto in your personal portfolio?

* 2020: 17%

* 2021: 24%

Do you own crypto in client portfolios?

* 2020: 6%

* 2021: 9%

If not, do you plan to allocate for clients in the next 12 months?

* 2020: 7%

* 2021: 17%

The Bitwise/ETF Trends Benchmark Survey of Financial Advisor Attitudes Toward Cryptoassets is conducted each year in December. Surveys are distributed by ETF Trends to a wide variety of financial advisors in December of the preceding year. The 2020 results reflect the input of more than 400 financial advisors. The 2021 results reflect partial survey data gathered in the first week of December 2020. Full survey data for 2021 will be available in January 2021.

Some Wirehouse Advisors Are Now Allowed to Invest as Well



Morgan Stanley becomes the first big U.S. bank to offer its wealthy clients access to bitcoin funds

PUBLISHED WED, MAR 17 2021-11:02 AM EDT | UPDATED WED, MAR 17 2021-1:56 PM EDT



As for what form that exposure might look like, the Morgan Stanley report outlines during its executive summary:

"As with any asset class still in its speculative phase, there are a multitude of risks—some predictable, some identified and some yet to be uncovered. Such risk characteristics limit prudent advice to having exposures in small positions in a highly diversified form, akin to how one might approach venture capital investing. Our initial modeling, replicated in spirit by a recently published CFA Institute study, suggests diversification benefits from the low correlation of cryptocurrency to other assets and that Sharpe ratio improvements can be achieved with positions no greater than 2.5%. It is important to keep in mind that we are only in the top of the first inning."


Even A Country Is Now Giving Bitcoin Legal Tender Status





CNBC MARKETS BUSINESS INVESTING TECH POLITICS CNBC TV WATCHLIST PRO

CRYPTOCURRENCY

Bitcoin jumps above \$37,000 after El Salvador passes law to adopt it as legal tender

PUBLISHED WED, JUN 9 2021 11:52 PM EDT | UPDATED THU, JUN 10 2021 12:06 PM EDT

 **Arjun Kharpal**
@ARJUNKHARPAL

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KEY POINTS

- Bitcoin surged on Thursday, a day after El Salvador passed a law to adopt bitcoin as legal tender.
- The cryptocurrency jumped 6% to more than \$37,000. It last changed hands at \$37,653.44 at about 8:18 a.m. ET, according to CoinDesk data.
- Bitcoin proponents, who have long seen the digital coin as a viable alternative to fiat currencies, welcomed El Salvador's moves.

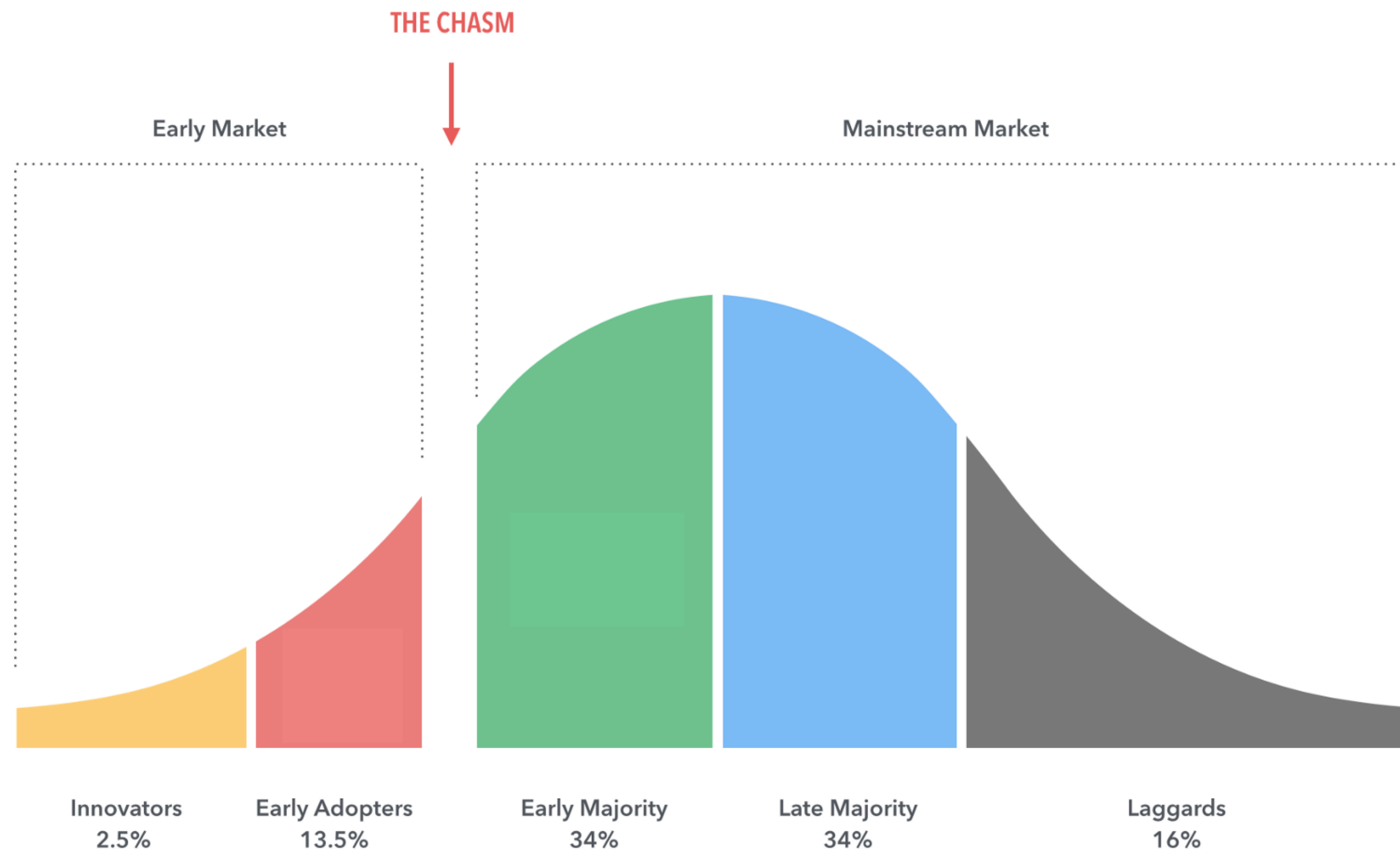
DECREE No.

THE LEGISLATIVE ASSEMBLY OF THE REPUBLIC OF EL SALVADOR

CONSIDERING:

- I. That in accordance with Article 102 of the Constitution of the Republic, the State is under the obligation to promote and protect private enterprise, generating the necessary conditions to increase national wealth for the benefit of the greatest number of inhabitants.
- II. That under Legislative Decree No. 201, published in Official Gazette number 241, Volume 349, dated December 22, 2000, the United States dollar was adopted as legal tender.
- III. That approximately seventy percent of the population does not have access to traditional financial services.
- IV. That it is the obligation of the State to facilitate the financial inclusion of its citizens in order to better guarantee their rights.
- V. That in order to promote the economic growth of the nation, it is necessary to authorize the circulation of a digital currency whose value answers exclusively to free-market criteria, in order to increase national wealth for the benefit of the greatest number of inhabitants.
- VI. That according to the previous considerations, it is essential to issue the basic rules that will regulate the legal course of bitcoin.

TLDR: Crypto is entering the mainstream market





Questions



Disclosures

Important Information

Carefully consider the risk factors, investment objectives, fees, expenses, and other information associated with each of the following: Bitwise 10 Crypto Index Fund, Bitwise DeFi Index Fund, Bitwise Bitcoin Fund, Bitwise 10 Index Offshore Fund, Ltd., Digital Asset Index Fund, LLC, Bitwise Ethereum Fund, LLC (the “Funds”) or the shares of said Funds (the “Shares”) before making an investment decision regarding any of the Funds. Such risk factors, investment objectives, fees, expenses and other important information, can be found in each Fund’s Private Placement Memorandum, which can be obtained from Bitwise Asset Management, Inc. and its affiliates (collectively “Bitwise”), and for each Fund that has issued Shares available for trading on the OTCQX Best Market, in such Fund’s Annual Report or Information Statement and Quarterly Reports, which can be found on www.otcmarkets.com for the Bitwise 10 Crypto Index Fund (Symbol: BITW). The reports available on www.otcmarkets.com have been prepared in accordance with the Alternative Reporting Standard and have not been filed with, reviewed, or approved by the U.S. Securities and Exchange Commission (the “SEC”) or any other regulatory agency or state securities commission. Any representation to the contrary is a criminal offense. Such documents may not contain all of the information necessary for a prospective investor to make a fully informed investment decision, and all investors are encouraged to read all available documents prior to making an investment decision.

All Funds are speculative investments that involve a high degree of risk, uncertainty, and are not suitable for investors that cannot afford loss of the entire investment. For each Fund that has issued Shares that are available for trading on the OTCQX Best Market, including the Bitwise 10 Crypto Index Fund (Symbol: BITW), there can be no assurance that the value of the Shares, if traded on any secondary market, will reflect the value of the Trust’s net assets. Such Shares may trade at a substantial premium over, or a substantial discount to, the value of the Trust’s net assets, because, among other factors, such Funds do not currently operate a redemption program, and because, among other factors, such Funds’ Shares when initially issued are subject to the holding period under Rule 144 of the Securities Act. As a result of these factors, there is no arbitrage mechanism to keep the price of the Shares closely linked to the value of the trusts net assets, and the Shares may trade at a substantial premium over, or substantial discount to, the value of the Funds net assets, and therefore the performance of the Funds’ Shares may deviate significantly from the performance of the Funds Net Asset Value per share (“NAV”). There is no guarantee that any Fund will meet its investment objective.

No Advice on Investment; Risk of Loss: Prior to making any investment decision in respect of any Fund or Shares of any Fund, each investor must undertake its own independent examination and investigation of the Fund, including the merits and risks involved in an investment in the Fund or Shares, and must base its investment decision – including a determination whether Shares would be a suitable investment for the investor – on such examination and investigation and must not rely on Bitwise or the Funds in making such investment decision. Prospective investors must not construe the contents of this website as legal, tax, investment, or other advice. Each prospective investor is urged to consult with its own advisors with respect to legal, tax, regulatory, financial, accounting and similar consequences of investing in any Fund, the suitability of the investment for such investor and other relevant matters concerning an investment in the Fund. This website contains an overview summary of the terms of the Fund. The summary set forth on this website does not purport to be complete, and is qualified in its entirety by reference to the definitive offering documents relating to each Fund and/or in each case, if available in addition, the Fund’s Annual Report or Information Statement and Quarterly Reports, which can be found on www.otcmarkets.com for the Bitwise 10 Crypto Index Fund (Symbol: BITW). Do not place undue reliance on this website.

The Shares of any Fund are not registered under the Securities Act of 1933 (the “Securities Act”), the Securities Exchange Act of 1934 (the “Securities Exchange Act”), the Investment Company Act of 1940 (the “Investment Company Act”), or any state securities commission or other regulatory body. Bitwise is not registered as an Investment Adviser under the Investment Advisers Act of 1940 (the “Advisers Act”), and is not registered as a Commodity Pool Operator or Commodity Trading Adviser under the Commodity Exchange Act (the “Commodity Exchange Act”).

Shares of or interests in each Fund are offered in private placements pursuant to the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933 and Rule 506 of Regulation D promulgated thereunder and other exemptions of similar import in the laws of the states and jurisdictions where the offering will be made and are only issued and sold directly by the Fund to accredited investors. As a result, the Shares of each Fund when initially sold are restricted and subject to significant limitations on transfer and resale. Prospective investors in any Fund should very carefully consider such risks prior to making any investment decision, including the fact that certain Funds may not offer a redemption program. This website is neither an offer to sell nor a solicitation to buy units or shares in any Fund. Any such offer or solicitation will be made solely through definitive offering documents, identified as such, which will contain information about each Fund's investment objectives and terms and conditions of an investment and may also describe risks and tax information related to an investment therein and which qualifies in its entirety the information set forth on this website.

The Shares of Funds that are publicly quoted on the OTCQX Best Market are Shares that have become “unrestricted” under Rule 144 of the Securities Act one year and a day subsequent to the date that the Shares were originally issued (although Shares held by affiliates and insiders will be subject to additional restrictions on resales, including restrictions on the number of Shares that may be resold within any three-month period). Shares that have become unrestricted may be quoted on the OTCQX Best Market and may be purchased and sold throughout the trading day through any brokerage account with access to such markets.

