

Gain direct exposure to the most established crypto asset.

What is bitcoin?

Bitcoin is the first and most highly valued crypto asset in the world, with a 10+ year track record. In our view, bitcoin has the potential to become a global, decentralized store of value and medium of exchange.¹

(1) Bitcoin is a highly speculative asset that may encounter future regulatory changes that may adversely affect its value. Bitcoin has experienced periods of extreme volatility. While its acceptance has grown significantly, the adoption of bitcoin for the purpose of payment for goods and services has been limited.

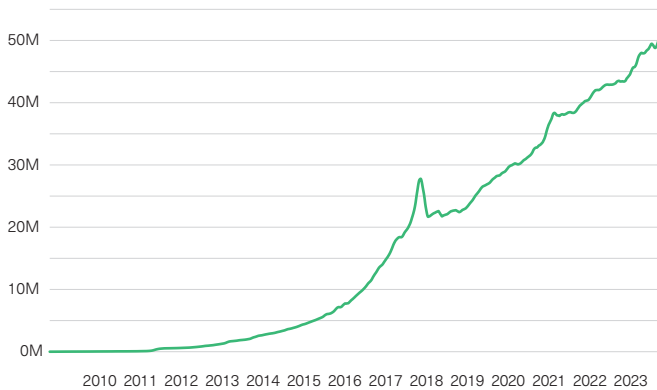
How has bitcoin grown?

Since its launch, bitcoin has seen rapid growth in adoption. It is the largest crypto asset in the world with a market cap of \$827 billion, and there are over 51 million wallet addresses containing bitcoin around the world.²

(2) As of December 31, 2023.

Bitcoin Adoption Has Grown Steadily Over the Past 10 Years

Number of wallet addresses containing bitcoin (millions)



Source: Bitwise Asset Management with data from Coin Metrics as of December 31, 2023. Nothing contained herein is intended to predict the performance of any investment. Past performance does not predict future results.

How does bitcoin work?

Bitcoin makes it easy, secure, and reliable to pay for transactions, store your holdings, or transfer value over the internet. To make a transfer or payment, users simply send amounts of bitcoin from their crypto wallet to a desired wallet—all while paying a lower and more straightforward fee than they might if they were making a bank wire transfer.³

To store bitcoin, simply buy bitcoin and hold it—that's it. No high-security vaults or bank fees required.

Bitcoin can do this because it operates as a decentralized network, where individual users engage in peer-to-peer transactions and a decentralized community secures the blockchain. The process is simple, efficient, and incredibly fast.

(3) The average fee per bitcoin transaction in Q4 2023 was \$9.90.

The investment case for gaining exposure to bitcoin

Bitcoin's creation in 2009 marked a paradigm shift in the global financial and monetary system. Just as the internet radically transformed the ways we share information, the blockchain technology behind bitcoin radically enhances the ways we can exchange and store value.

Bitcoin's primary aim today is to compete with gold as a non-sovereign store of value. It also has potential applications in payments, money transfer, and other monetary applications.

In today's increasingly digital world, bitcoin's fundamental attributes have advantages over traditional analog assets like gold.

Bitcoin vs. Gold

	BITCOIN	GOLD
Never been counterfeited	✓	✗
Low-cost storage and portability at scale	✓	✗
High-speed transfer of value	✓	✗
Easily verifiable ⁴	✓	✗
Divisible for micro transactions	✓	✗
Limited supply	✓	✓
Fungible	✓	✓
Decentralized	✓	✓
Borderless	✓	✓
Industrial applications	✗	✓
Long track record	✗	✓
Low volatility	✗	✓

(4) Bitcoin's transparent blockchain ledger allows verifiability within seconds. Gold requires a series of certifications and counterparty verifications that are costly and time-consuming.

There are three fundamental reasons we believe now is the time to invest

1) It's still early: We believe bitcoin is positioned to capture market share from established asset classes as its use and adoption grow. Today, it is still small compared to the markets it aims to disrupt. Its potential to become an established store of value and legal tender worldwide represents growth opportunities in the trillions of dollars.

Addressable Markets for Bitcoin

Estimated total value in 2030 (in USD trillions)



Sources: Bitwise Asset Management with data from Deloitte, Bloomberg, CompaniesMarketCap, Tax Justice Network, and CoinMarketCap. Data as of December 31, 2023.

2) Generational wealth transfer: There is an estimated \$84 trillion generational wealth transfer that will unfold over the next 25 years. According to a survey from Blockchain Capital, millennials are much more likely to buy, hold, and use bitcoin. As a new generation evaluates the investment landscape, bitcoin stands to benefit from increased allocation.

3) Institutional adoption: While the retail market was the first to embrace bitcoin, it is institutional adoption that will drive widespread growth. We've already seen notable inroads—think of the launch of bitcoin futures contracts or El Salvador's designation of bitcoin as legal tender—but that is just the tip of the iceberg. 2022 saw \$30 billion of VC funding allocated to the crypto industry. And Wall Street is jumping on board too, with announcements ranging from Nasdaq's launch of a crypto custody service for institutional clients to the start of a crypto exchange by a consortium of financial heavyweights including Charles Schwab, Citadel Securities, and Fidelity Digital Assets. At the same time, governments in Europe and the U.S. have begun setting out the regulatory framework to integrate digital assets into the existing financial system, with the coming implementation of clear and well-developed rules being key to unlocking the next wave of institutional adoption.

Bitcoin presents a unique opportunity for professional investors. As an asset exhibiting strong fundamental growth and typically low correlations to major asset classes, its asymmetric return profile has demonstrated return-enhancing and even risk-reducing outcomes when added to traditional investment portfolios.⁵ As such, its potential benefits make a compelling case for investors to have at least a small allocation in their portfolios.

(5) For more details, please refer to our white paper "Bitcoin's Role in a Traditional Portfolio" published in August 2023 and available at <https://bitwiseinvestments.com/crypto-market-insights/bitcoins-role-in-a-traditional-portfolio>.

Risks and Important Information

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This Investment Case contains an overview summary of the terms of the Fund. The Investment Case does not purport to be complete, and is qualified in its entirety by reference to the definitive offering documents relating to the Fund. The information is for discussion purposes only and no representations or warranties are given or implied. Do not place undue reliance on this information. All of the information presented herein is subject to change without notice.

Certain of the Bitwise investment products may be subject to the risks associated with investing in crypto assets, including cryptocurrencies and crypto tokens. Because crypto assets are a new technological innovation with a limited history, they are a highly speculative asset. Future regulatory actions or policies may limit the ability to sell, exchange or use a crypto asset. The price of a crypto asset may be impacted by the transactions of a small number of holders of such crypto asset. Crypto assets may decline in popularity, acceptance or use, which may impact their price. By investing in a single crypto asset, an investor could lose the full principal value of his or her investment within a single day.

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Historical returns do not reflect the macroeconomic risks of using an investment strategy in a different time period or the financial risk of executing trades in a live portfolio, including the potential market impact on cryptocurrency prices caused by buying or selling, which could impact price.