



Bitwise Compound Fund

Single-Asset Fund

Gain direct exposure to one of the leading decentralized applications driving the new crypto economy.

1

What is Compound?

Compound is one of the leading decentralized lending and borrowing platforms in terms of market capitalization, total deposits, and total outstanding loans. It enables users to borrow and lend assets at algorithmically defined rates without any centralized third party.

Today, Compound's main service is akin to that provided by prime brokers in traditional markets: providing leverage to investors against collateral. On top of that, additional use cases are emerging, such as uncollateralized "flash loans" for high-frequency arbitrage trading, as well as money market services that allow institutions to access crypto yields in a familiar and compliant user interface.

2

How does Compound work?

The Compound platform is available to anyone with an internet connection. Because most loans on Compound are overcollateralized, and the digital assets used for collateral on the platform settle instantaneously, these loans can be processed with extreme efficiency and speed, without any human review, intervention or credit scoring — 24/7/365.

When lenders provide liquidity to Compound, their funds are pooled together with similar assets in a "liquidity pool" and they receive interest revenue as a reward for the liquidity they provide.

3

What is the COMP token?

COMP is the native token of the Compound network and was launched in 2020. Holders of COMP can participate in the governance of the platform, including voting on decisions such as how to deploy cash held by the platform and which new products should be launched.

While today the revenue generated by the protocol is reinvested in the platform's growth, in the future COMP token holders could vote to implement a "fee switch" by which a portion of those revenues are paid out to token holders, somewhat like dividends.

4

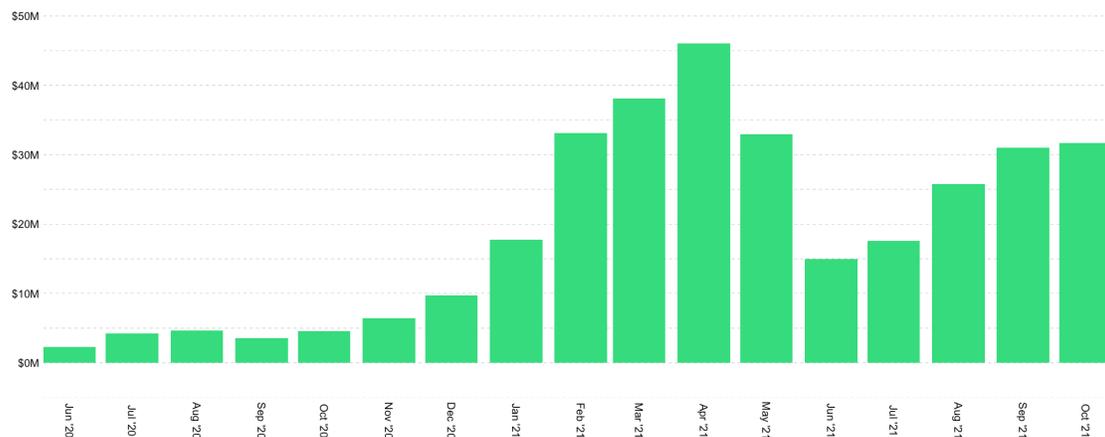
How has Compound grown?

Compound was started by two co-founders with backgrounds in finance and technology respectively: Robert Leshner, CFA (former chair of the San Francisco Revenue Bond Oversight Committee) and Geoffrey Hayes (former Head of Core Services at Postmates).

In just over two years the crypto application has grown from a two-person tech startup to a leading decentralized lending platform maintained by developers and software engineers all around the world. In the past twelve months alone Compound has generated over \$280 million in revenue and the net value of the capital deposited in its platform (or Total Value Locked) now exceeds \$10 billion.

COMPOUND'S MONTHLY REVENUE GROWTH SINCE LAUNCH

Total monthly revenue generated across all Compound markets, June 2020 to October 2021 (USD million)



Source: Bitwise Asset Management; data from The Block Research as of 10/31/2021. Nothing contained herein is intended to predict the performance of any investment. There can be no assurance that actual outcomes will match the assumptions or that actual returns will match any expected returns. Past performance does not predict future results.



The investment case for gaining exposure to COMP

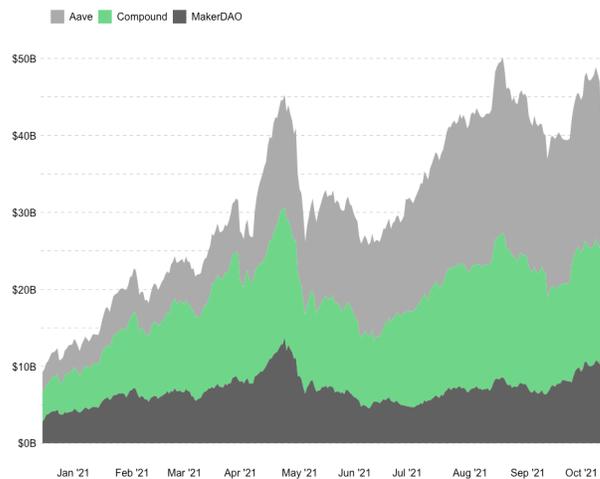
With its impressive growth trajectory and efficiency improvements to the lending and borrowing process, Compound is emerging as a disruptor of traditional financial markets. For many investors, the revenue and cash flow generated by Compound make it easier to understand as an investment than non-cash-flow generating crypto assets like bitcoin.

Compound has automated the burdensome process whereby lenders and borrowers search for one another, establish a trustworthy relationship, and negotiate loan terms. Anyone who has access to the internet can use the Compound platform to earn yield on their digital assets, or take out a loan against those assets in minutes. These improvements to the lending process combined with the accessibility of the platform have allowed Compound to compete as a market leader, with more capital committed to and borrowed from it than almost any other lending application.

The above description of lending and borrowing describes only the Compound platform, and not the operations of the Bitwise Compound Fund. The Fund does not currently plan to stake its COMP tokens or provide its COMP tokens as collateral on the Compound platform. The contents of this Information should not be taken as investment advice or as a recommendation to lend or borrow assets on the Compound platform.

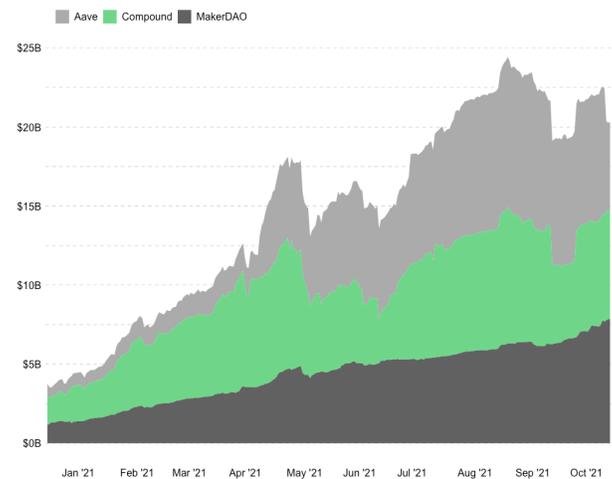
DEPOSITS AVAILABLE FOR BORROWING: TOP 3 DEFI LENDING APPLICATIONS

Total deposits across the top three DeFi lending and borrowing protocols, January 2021 to October 2021 (USD billion)



OUTSTANDING LOANS: TOP 3 DEFI LENDING APPLICATIONS

Total loans across the top three DeFi lending and borrowing protocols, January 2021 to October 2021 (USD billion)



Source: Bitwise Asset Management; data from Dune Analytics as of 10/31/2021.

Nothing contained herein is intended to predict the performance of any investment. There can be no assurance that actual outcomes will match the assumptions or that actual returns will match any expected returns. Past performance does not predict future results.

Important Disclosures

Bitwise Asset Management, Inc. and its affiliates (collectively, "Bitwise") are providing this information ("Information") to sophisticated prospective investors for informational purposes only in relation to a potential opportunity to subscribe for shares ("Shares") in the Bitwise Compound (COMP) Fund (the "Fund"). This is neither an offer to sell nor a solicitation for an offer to buy Shares in the Fund. Any offer to sell or solicitation of an offer to buy Shares will be made solely through the Fund's definitive offering documents, identified as such, with respect to the Fund in compliance with the terms of all applicable securities and other laws. Such definitive offering documents, if any, will describe risks related to an investment in the Fund (including loss of the entire investment) and will qualify in their entirety the information set forth herein. The Shares will be offered and sold under the exemption 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. The offer and sale of Shares have not been registered with or approved or disapproved by the Securities and Exchange Commission (the "SEC") or the securities commission or regulatory authority of any state or foreign jurisdiction, nor is such registration contemplated.

Carefully consider the investment objectives, risk factors and charges and expenses of any Bitwise investment product before investing. Investing involves risk, including the possible loss of principal. There is no guarantee or assurance that the methodology used by Bitwise or any of the Bitwise investment products will result in any Bitwise investment product achieving positive investment returns or outperforming other investment products. There is no guarantee or assurance that an investor's investment objectives will be met through an investment into any Bitwise investment product, and an investor may lose all or a portion of the investment. Investors into any Bitwise investment product should be willing to accept a high degree of volatility in the price of the investment product and the possibility of significant losses. An investment in any Bitwise investment product involves a substantial degree of risk and is available to accredited investors only.

This Information contains an overview summary of the terms of the Fund. The Information 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.

As is the case for its other products, Bitwise may attempt to have shares of this investment product quoted on a secondary market. However there is no guarantee this will be successful. Although the shares of certain Bitwise investment products have been approved for trading on a secondary market, investors in this investment product should not assume that the shares will ever obtain such an approval due to a variety of factors, including questions regulators such as the SEC, FINRA or other regulatory bodies may have regarding the investment product. Shareholders of this investment product should be prepared to bear the risk of investment in the shares indefinitely.

Bitwise[®]