Three Reasons To Consider AETH

Gain Ethereum-linked exposure through a traditional, regulated fund, backed by one of the world’s leading crypto specialists. The fund invests in front-month CME Ethereum futures contracts. The fund does not invest directly in Ethereum.

Reason #1: Finally, an Ethereum-Linked ETF

Ethereum is one of the most-used networks in crypto, averaging more than 500,000 daily active users. These users generate billions of dollars in fees, which are paid to the Ethereum network and benefit Ethereum investors in a manner similar to dividends and stock buybacks.

The Bitwise Ethereum Strategy ETF provides investors with regulated, professionally managed exposure to Ethereum via regulated futures contracts in a traditional ETF format. The fund can be accessed through traditional brokerage accounts just like any other ETF and fits into standard portfolio-reporting tools.

AETH seeks to gain exposure to Ethereum-linked returns by investing primarily in front-month CME Ethereum futures contracts, and rolling exposure over time. The fund is actively managed and invests its collateral holdings in short-term treasuries and other cash-like instruments.

Activity on Ethereum Has Grown Steadily

Thirty-day moving average of daily active addresses on the Ethereum network (thousands)

Source: Bitwise Asset Management with data from Coin Metrics as of September 27, 2023. Nothing contained herein is intended to predict the performance of any investment. Past performance does not predict future results.

Reason #2: An ETF Backed by Crypto Experts

AETH is backed by the crypto specialists at Bitwise, the largest crypto index fund manager in America with a six-year track record of helping investors harness crypto’s power. That means it’s supported by leading research, trading, and client support experts. Bitwise’s nationwide team of investment consultants is available with the tools, insights, and specialized experience to answer your and your clients’ most pressing questions.

Reason #3: The Heart of Crypto Innovation

Bitwise CIO Matt Hougan calls Ethereum “the world’s most exciting crypto asset.” Today, a majority of the most popular crypto applications—from stablecoins to Decentralized Finance (DeFi) applications to non-fungible tokens (NFTs)—are built on Ethereum. These apps support millions of users and billions of annual transactions, and have seen tremendous growth. Here are some of the fast-growing applications whose growth directly benefits Ethereum investors:

**Stablecoins**

Stablecoins are digital representations of dollars that are transmitted via blockchains. From essentially zero in 2018, today more than $125 billion is invested in stablecoins. More impressively, last year stablecoins settled more than $7 trillion, far exceeding PayPal ($1.4 trillion) and rivaling Visa ($11.6 trillion). A majority of stablecoins are built on the Ethereum blockchain.

To date, stablecoins have been used primarily for crypto traders. But many think they could have a role to play in the payments space. That’s why even traditional finance giants are getting into the game, like PayPal, which launched its own stablecoin in 2023.

**Decentralized Finance (DeFi)**

Ethereum provides the core infrastructure for most DeFi applications, a growing area of crypto that is attempting to reshape the fundamentals of finance. Total capital deployed across DeFi applications, while down from 2021 highs, has risen 9,638% since 2019 to more than $55 billion. More than half of that amount lies within the Ethereum ecosystem. Some examples of breakthrough DeFi applications include:

- **Uniswap**: Uniswap is the leading decentralized exchange for crypto assets. In Q2 2023, Uniswap handled more trading volume than Coinbase—$113 billion vs. $92 billion—despite having no employees, no offices, and no centralized leadership.

- **Aave**: Aave is the leading lending platform in DeFi, allowing users to supply and access collateralized loans instantaneously. As of September 12, 2023, Aave supported $2 billion in outstanding loans.

**Non-Fungible Tokens (NFTs)**

Over the last few years, NFTs have catapulted into the mainstream as the first digitally native medium for art and collectibles. Recently, a large number of major brands—Nike, Starbucks, Dolce & Gabbana, and Burberry, to name a few—have turned to NFTs as a new tool for growth. Nike alone has recorded nearly $200 million in NFT-linked revenues. Most NFTs are built on Ethereum, so rising interest in NFTs will benefit Ethereum investors.

(1, 3) The Fund does not invest in the companies mentioned here.

(2) Source: DeFi Llama as of September 22, 2023.
RISKS AND IMPORTANT INFORMATION

Carefully consider the investment objectives, risk factors, charges, and expenses of the Bitwise Ethereum Strategy ETF before investing. This and additional information can be found in the Fund's full or summary prospectus, which may be obtained by visiting https://www.aethetf.com/materials. Investors should read it carefully before investing.

Investing involves risk, including the possible loss of principal. There is no guarantee or assurance that the Fund’s methodology will result in the Fund achieving positive investment returns or outperforming other investment products.

The Fund invests in Ether Futures Contracts. The Fund does not invest directly in or hold Ethereum. As a result, the price of Ethereum Futures Contracts should be expected to differ from the current cash price of Ethereum, which is sometimes referred to as the “spot” price of Ethereum. Consequently, the performance of the Fund should be expected to perform differently from the spot price of Ethereum. These differences could be significant. Investors seeking direct exposure to the price of Ethereum should consider an investment other than the Fund.

Shares of ETFs are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns.

Risk of Loss. The prices of Ethereum and Ethereum Futures Contracts have historically been highly volatile. The value of the Fund’s investments in Ethereum Futures Contracts—and therefore the value of an investment in the Fund—could decline significantly and without warning, including to zero, and you may lose the full value of your investment within a single day. If you are not prepared to accept significant and unexpected changes in the value of the Fund and the possibility that you could lose your entire investment in the Fund you should not invest in the Fund.

Liquidity Risk. The market for Bitcoin and Ether Futures Contracts is still developing and may be subject to periods of illiquidity. During such times it may be difficult or impossible to buy or sell a position at the desired price. Market disruptions or volatility can also make it difficult to find a counterparty willing to transact at a reasonable price and sufficient size.

Cost of Futures Investment Risk. Ethereum Futures Contracts have historically experienced extended periods of contango. Contango in the Ethereum Futures Contracts market may have a significant adverse impact on the performance of the Fund and may cause Ethereum Futures Contracts and the Fund to underperform the spot price of Ethereum.

Ethereum Risk. Ethereum is a relatively new innovation and the market for Ethereum is subject to rapid price swings, changes and uncertainty. Ethereum is not legal tender and generally operates without central authority (such as a bank) and is not backed by any government. The slowing, stopping or reversing of the development of the Ethereum Network or the acceptance of Ethereum may adversely affect the price of Ethereum.

Borrowing Risk. The Fund may borrow for investment purposes using reverse repurchase agreements. The cost of borrowing may reduce the Fund’s return. Borrowing may cause a Fund to liquidate positions under adverse market conditions to satisfy its repayment obligations. Borrowing increases the risk of loss and may increase the volatility of the Fund.

Frequent Trading Risk. The Fund regularly purchases and subsequently sells (i.e., “rolls”) individual futures contracts throughout the year so as to maintain a fully invested position. This frequent trading of contracts may increase the amount of commissions or markups to broker-dealers that the Fund pays when it buys and sells contracts, which may detract from the Fund’s performance.

Leverage Risk. The Fund seeks to achieve and maintain the exposure to the spot price of Ethereum by using leverage inherent in futures contracts. Therefore, the Fund is subject to leverage risk. As a result, these investments may magnify losses to the Fund, and even a small market movement may result in significant losses to the Fund. Leverage may also cause a Fund to be more volatile because it may exaggerate the effect of any increase or decrease in the value of the Fund’s portfolio securities.

New Fund Risk. The Fund is a recently organized investment company with a limited operating history. As a result, prospective investors have a limited track record or history on which to base their investment decision.

Nondiversification Risk. As a nondiversified fund, the Fund may hold a smaller number of portfolio securities than many other funds. The value of the Fund Shares may be more volatile than the values of shares of more diversified funds.

Bitwise Investment Manager, LLC serves as the investment advisor of the Fund. The Fund is distributed by Foreside Fund Services, which is not affiliated with Bitwise Investment Manager LLC, Bitwise, or any of its affiliates.