

NEWS RELEASE

## AETH and BTOP, Two First-of-Their-Kind Ethereum Futures ETFs From Bitwise, Launch Today

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"AETH and BTOP unlock access to the world's most interesting crypto asset with confidence, through regulated ETFs," said Bitwise CEO Hunter Horsley. "The two funds continue to expand Bitwise's leading suite of crypto products, providing investors with a wide set of options for accessing opportunities in the space."

SAN FRANCISCO--(BUSINESS WIRE)-- **Bitwise Asset Management**, the largest crypto index fund manager in America, announced today the launch of two groundbreaking Ethereum-themed ETFs: the Bitwise Ethereum Strategy ETF (ticker: AETH) and the Bitwise Bitcoin and Ether Equal Weight Strategy ETF (ticker: BTOP). With the launch, investors can for the first time gain exposure to Ethereum futures through the widely popular and regulated ETF format.

"Ethereum now has billions in revenue, millions of users, and thousands of distinct apps and developers," said Bitwise CEO Hunter Horsley. "As the leading operating system for crypto, Ethereum has spread like wildfire. With blue-chip brands like Nike, Starbucks, Adidas, Pepsi, PayPal, JPMorgan and others building and using applications on Ethereum, the momentum is only building.<sup>1</sup> AETH and BTOP give investors the opportunity to participate in that growth with confidence through regulated ETFs."<sup>2</sup>

Ethereum-based applications have seen considerable progress in recent years. Stablecoins—a payments alternative to card networks, the Automated Clearing House (ACH) and SWIFT—processed more than \$1 trillion in transactions in Q1 2023 alone and have grown from virtual nonexistence in 2019 to a \$125 billion market today.<sup>2</sup> Similarly, total capital deposited across decentralized finance (DeFi) applications built on Ethereum has risen 6,000-fold since 2019, to \$40 billion today.<sup>3</sup>

"The portfolio opportunity with Ethereum is broader than bitcoin," said Bitwise CIO Matt Hougan. "Some investors

consider Ethereum an alternative, while others see it as a traditional growth investment. It has elements of both. Like alternatives, Ethereum's correlation to traditional equities over the last two years has been low, and trending lower. At the same time, its increased usage and cash flows suggest it has the characteristics of a growth asset.<sup>4</sup> That combination makes Ethereum a distinct asset in portfolios."

Historical performance data reinforces Ethereum's distinct return pattern relative to stocks. Over the past five years, Ethereum has had the following median correlations with major equity indexes:

- Large cap equities (S&P 500 Index): 0.28.
- Blue-chip tech stocks (Nasdaq-100 Index): 0.33.
- Small-cap equities (Russell 2000 Index): 0.24.5

Hougan added: "We find that, to some investors, Ethereum makes more intuitive sense than bitcoin. Every time people use an Ethereum-based app they pay a fee in Ethereum, which ultimately accrues value to investors in a manner similar to stock buybacks. With cash flows and real-world applications, Ethereum is often easier to grasp and value for experienced investors."

## A Leader in Crypto ETFs

The launch of the Bitwise Ethereum Strategy ETF (ticker: AETH) and the Bitwise Bitcoin and Ether Equal Weight Strategy ETF (ticker: BTOP) adds to Bitwise's broad suite of professionally managed vehicles. As of their launch, Bitwise's lineup of more than 20 products includes five ETFs:

- Bitwise Crypto Industry Innovators ETF (ticker: BITQ)
- Bitwise Bitcoin Strategy Optimum Roll ETF (ticker: BITC)
- Bitwise Web3 ETF (ticker: BWEB)
- Bitwise Ethereum Strategy ETF (ticker: AETH)
- Bitwise Bitcoin and Ether Equal Weight Strategy ETF (ticker: BTOP)

Bitwise's other product offerings include the Bitwise 10 Crypto Index Fund (ticker: BITW), private placement funds, multi-strategy solutions, and separately managed accounts. More information, including crypto insights and educational resources, can be found at [www.bitwiseinvestments.com](http://www.bitwiseinvestments.com).

## The Bitwise Ethereum Strategy ETF (ticker: AETH)

The Bitwise Ethereum Strategy ETF (ticker: AETH) invests in regulated CME Ether futures focused on front-month contracts. The fund custodian is Bank of New York Mellon, and the expense ratio is 0.85%. More information can be found at [www.AETHetf.com](http://www.AETHetf.com).

## The Bitwise Bitcoin and Ether Equal Weight Strategy ETF (ticker: BTOP)

The Bitwise Bitcoin and Ether Equal Weight Strategy ETF (ticker: BTOP) provides equal exposure to regulated CME Bitcoin Futures and CME Ether futures. The fund custodian is Bank of New York Mellon, and the expense ratio is 0.85%. More information can be found at [www.BTOPetf.com](http://www.BTOPetf.com).

### About Bitwise Asset Management

Based in San Francisco, Bitwise is one of the largest and fastest-growing crypto asset managers, offering both index and active strategies across a wide array of investment vehicles. The firm is known for creating the world's largest crypto index fund (OTCQX: BITW) and a broad suite of products spanning Bitcoin, Ethereum, DeFi, NFTs, the Metaverse, and crypto-focused equity indexes. Bitwise focuses on partnering with financial advisors and investment professionals to provide quality education and research. The team at Bitwise combines expertise in technology with decades of experience in traditional asset management and indexing, coming from firms including BlackRock, Blackstone, Meta, and Google, as well as the U.S. Attorney's Office. Bitwise is backed by leading institutional investors and asset management executives, and has been profiled in Institutional Investor, CNBC, Barron's, Bloomberg, and The Wall Street Journal.

### Risks and Important Information

Carefully consider the investment objectives, risk factors, charges, and expenses of any Bitwise investment product before investing. This and additional information can be found in each Fund's full or summary prospectus, which may be obtained for the Bitwise Ethereum Strategy ETF (AETH) by visiting <https://www.aethetf.com/materials> and for the Bitwise Bitcoin and Ether Equal Weight Strategy ETF (BTOP) by visiting <https://www.btopetf.com/materials>. Investors should read this information 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.

AETH invests in Ether Futures Contracts. BTOP invests in Bitcoin Futures Contracts and Ether Futures Contracts. AETH and BTOP do not invest directly in or hold either bitcoin or Ethereum.

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. Bitcoin, Ethereum, Bitcoin Futures Contracts and Ether Futures Contracts are relatively new investments. They are subject to unique and substantial risks, and historically, have been subject to significant price volatility. The value of an investment in the Fund could decline significantly and without warning, including to zero.

Ethereum Risk. Ethereum is a relatively new innovation and the market for Ethereum is subject to rapid price swings, changes and uncertainty. The further development of the Ethereum Network and the acceptance and use of Ethereum are subject to a variety of factors that are difficult to evaluate. 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.

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.

Leverage Risk. The BTOP Fund seeks to achieve and maintain the exposure to the spot price of bitcoin and Ethereum, and the AETH Fund seeks to achieve and maintain the exposure to the spot price of Ethereum, by using leverage inherent in futures contracts. Therefore, each Fund is subject to leverage risk. As a result, these investments may magnify losses to a Fund, and even a small market movement may result in significant losses to a 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.

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

## BTOP Risks

The price of Bitcoin and Ether Futures Contracts should be expected to differ from the current cash price of bitcoin or Ethereum, which is sometimes referred to as the “spot” price of bitcoin or Ethereum. Consequently, the performance of the Fund should be expected to perform differently from the spot price of bitcoin or Ethereum. These differences could be significant. Investors seeking direct exposure to the price of bitcoin or Ethereum should consider an investment other than the Fund.

The market for Bitcoin and Ether Futures Contracts is still developing and may be subject to periods of illiquidity. Illiquid markets may cause losses, which could be significant.

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

**Bitcoin Risk.** Bitcoin is a relatively new innovation and the market for bitcoin is subject to rapid price swings, changes and uncertainty. Trading prices of bitcoin and other digital assets have experienced significant volatility in recent periods and may continue to do so.

## AETH Risks

The price of Ether 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.

The market for Ether Futures Contracts is still developing and may be subject to periods of illiquidity. Illiquid markets may cause losses, which could be significant.

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

**Carefully consider the investment objectives, risk factors, charges, and expenses of the**

Bitwise Crypto Industry Innovators ETF (BITQ) before investing. This and additional information can be found in the Fund's full or summary prospectus, which may be obtained by visiting [www.BITQETF.com](http://www.BITQETF.com). Investors should read it carefully before investing. Exchange Traded Concepts, LLC serves as the investment advisor of the Fund. The Fund is distributed by SEI Investments Distribution Co. (SIDCO), which is not affiliated with Exchange Traded Concepts, LLC, Bitwise, or any of its affiliates.

Carefully consider the investment objectives, risk factors, charges, and expenses of the Bitwise Bitcoin Strategy Optimum Roll ETF (BITC) before investing. This and additional information can be found in the Fund's full or summary prospectus, which may be obtained by visiting [www.BITCetf.com/materials](http://www.BITCetf.com/materials). Investors should read it carefully before investing. 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.

Carefully consider the investment objectives, risk factors, charges, and expenses of the Bitwise Web3 ETF (BWEB) before investing. This and additional information can be found in the Fund's full or summary prospectus, which may be obtained by visiting [www.BWEBetf.com/materials](http://www.BWEBetf.com/materials). Investors should read it carefully before investing. 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.

1 AETH and BTOP do not invest in the companies mentioned here.

2 Source: Bitwise Q2 Crypto Market Quarterly Review.

3 Source: DeFi Llama. Data as of September 25, 2023.

4 Cash flow is the net cash and cash equivalents transferred in and out of a company. Cash received represents inflows, while money spent represents outflows.

5 Indicates the median of the 90-day rolling correlations between Ethereum and referenced equity indexes from September 27, 2018 to September 27, 2023. Correlation is a statistic that measures the degree to which two variables move in relation to each other. The S&P 500® Index (SPX) tracks the performance of 500 large-cap publicly traded companies in the U.S. The Nasdaq-100 Index (NDX) tracks 100 of the largest domestic and international non-financial companies, ranked by market cap, that are listed on the Nasdaq Stock Market. The Russell 2000 Index (RTY) is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization.

Media Contact

Frank Taylor/Ryan Dicovitsky

Dukas Linden Public Relations

**Bitwise@DLPR.com**

Source: Bitwise Asset Management