No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell these securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, and, subject to certain exemptions, will not be offered or sold within the United States or to U.S. persons.

PROSPECTUS

Initial Public Offering December 1, 2020

THE ETHER FUND

Maximum Issue: US$107,500,000 (10,000,000 Class A Units and/or Class F Units)
Minimum Issue: US$20,000,009.50 (1,860,466 Class A Units and/or Class F Units)
US$10.75 per Class A Unit and US$10.53 per Class F Unit

The Ether Fund (the "Fund") will invest in the digital currency Ether. Given the speculative nature of Ether and the volatility of the Ether markets, there is considerable risk that the Fund will not be able to meet its investment objectives. An investment in the Fund is not intended as a complete investment program and is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment. An investment in the Fund is considered high risk.

This prospectus qualifies the distribution of Class A units ("**Class A Units**") and Class F units ("**Class F Units**") of The Ether Fund (the "**Fund**"). The Class A Units and Class F Units are referred to herein as the "**Units**". The Fund is a closed-end investment fund established as a trust under the laws of the Province of Ontario.

The Fund is offering up to 10,000,000 Class A Units and Class F Units at a price of $10.75 per Class A Unit and $10.53 per Class F Unit (the "Offering").

The Class A Units are available to all investors.

The Class F Units are designed for fee-based and/or institutional accounts and will not be listed on a stock exchange, but will be reclassified as Class A Units on a one-for-one basis immediately upon the closing of the Offering. See "Description of the Units – Reclassification of Class F Units Upon Closing". Accordingly, investors purchasing Class A Units and/or Class F Units will, upon closing of the Offering, become holders of Class A Units.

Class A Units and Class F Units are U.S. dollar denominated and are not available for purchase in Canadian dollars.

The Fund's investment objectives are to seek to provide holders of Units ("**Unitholders**") of the Fund with:

(a) exposure to digital currency Ether ("**ETH**") and the daily price movements of the U.S. dollar price of ETH; and

(b) the opportunity for long-term capital appreciation. See "Investment Objectives".

To achieve its investment objectives, the Fund will invest in long-term holdings of ETH, purchased from reputable digital asset trading platforms and OTC counterparties, in order to provide investors with a convenient, secure alternative to a direct investment in ETH. See "Investment Strategies".

The Fund will not speculate with regard to short-term changes in ETH prices. See "Investment Strategies".

3iQ Corp. (the “**Manager**”) believes an investment in ETH will provide investors with a low-correlated asset class which will complement traditional investment strategies.

The Manager is the trustee and manager of the Fund and is responsible for providing certain general management and administrative services to the Fund. See “Organization and Management Details of the Fund – Trustee and Manager”.

Unless otherwise noted herein, all references to “$”, “US$” or “USD” in this prospectus are to the currency of the United States. In presenting the estimated Offering expenses, estimated annual fees and expenses to be borne by the Fund, Canadian dollar amounts have been converted to United States dollars using the daily average exchange rate as reported by the Bank of Canada on November 27, 2020 of US$1.00 = C$1.3000.

Price: $10.75 per Class A Unit	**Price: $10.53 per Class F Unit**
Minimum Purchase: 100 Class A Units	**Minimum Purchase: 100 Class F Units**

	Price to the Public(1)	Agents’ Fees	Net Proceeds to the Fund(2)
Per Class A Unit	$10.75	$0.59	$10.16
Per Class F Unit	$10.53	$0.37	$10.16
Total Minimum Offering(3)	$20,000,009.50	$1,100,000.52	$18,890,009.00
Total Maximum Offering	$107,500,000.00	$5,912,500.00	$101,587,500.00

Notes:

(1) The terms of the Offering were established through negotiation between the Agents (defined below) and the Manager on behalf of the Fund.

(2) Before deducting the expenses of issue (estimated to be $950,000) which, subject to a maximum of 1.5% of the gross proceeds of the Offering, together with the Agents’ fees, will be paid out of the gross proceeds of the Offering.

(3) There will be no closing unless a combined minimum of 1,860,466 Units are sold. If subscriptions for Class A Units and Class F Units do not total at least 1,860,466 Units within 90 days after a final receipt for this prospectus is issued, the Offering may not continue without the consent of the securities regulatory authorities and those who have subscribed for Units on or before such date. The values presented in the Total Minimum Offering row assumes that only Class A Units are sold.

There is no guarantee that an investment in the Fund will earn any positive return in the short or long-term, nor is there any guarantee that the Net Asset Value per Unit will appreciate or be preserved. An investment in the Units is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment. There is currently no market through which the Units may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Units and the extent of issuer regulation. See “Risk Factors”.

The Toronto Stock Exchange has conditionally approved the listing of the Class A Units. Listing is subject to the Fund fulfilling all of the requirements of the TSX on or before March 1, 2021, including distribution of the Class A Units to a minimum number of public unitholders.

Canaccord Genuity Corp., Richardson Wealth Limited, Echelon Wealth Partners Inc., Leede Jones Gable Inc., Mackie Research Capital Corporation and PI Financial Corp. (collectively, the “**Agents**”), as agents, conditionally offer the Class A Units and Class F Units for sale, subject to prior sale, on a best efforts basis, if, as and when issued by the Fund in accordance with the conditions contained in the Agency Agreement referred to under “Plan of Distribution” and subject to the approval of certain legal matters on behalf of the Fund by Osler, Hoskin & Harcourt LLP and on behalf of the Agents by Blake, Cassels & Graydon LLP.

Subscriptions for Class A Units and Class F Units will be received subject to acceptance or rejection in whole or in part, and the right is reserved to close the subscription books at any time without notice. Closing of the Offering is expected to occur on or about December 10, 2020 (the “**Closing Date**”) or such later date as the Fund and the Agents may agree, but in any event no later than 90 days after a final receipt for this prospectus has been issued. Registrations and transfers of Units will be effected only through CDS Clearing and Depository Services Inc. Beneficial owners will not have the right to receive physical certificates evidencing their ownership. See “Plan of Distribution” and “Description of the Units — Book-Based System”.

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PROSPECTUS SUMMARY

The following is a summary of the principal features of the Offering and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus. Certain capitalized terms used, but not defined, in this summary are defined in the "Glossary of Terms".

Fund: The Fund is a closed-end investment fund established as a trust under the laws of the Province of Ontario pursuant to a declaration of trust dated December 1, 2020, as it may be amended from time to time (the "**Declaration of Trust**"). The registered address of the Fund is 4800-1 King Street West, Box 160, Toronto, Ontario, M5H 1A1. 3iQ Corp. (the "**Manager**") is the trustee, manager, portfolio manager and promoter of the Fund. See "Overview of the Legal Structure of the Fund".

Offered Units: The Fund is offering Class A units ("**Class A Units**") and Class F units ("**Class F Units**").

Class A Units and Class F Units are U.S. dollar denominated and are not available for purchase in Canadian dollars. The Class A Units and Class F Units are referred to herein as the "**Units**".

The Class A Units are available to all investors.

The Class F Units are designed for fee-based and/or institutional accounts and differ from the Class A Units in the following ways: (i) Class F Units will not be listed on a stock exchange but the Class F Units offered under this prospectus will be reclassified as Class A Units on a one-for-one basis immediately upon the closing of the Offering, and (ii) the Agents' fees payable on the issuance of the Class F Units are lower than those payable on the issuance of the Class A Units.

Accordingly, investors purchasing the Class F Units will, upon closing of the Offering, have their Class F Units reclassified as Class A Units on a one-for-one basis. After the reclassification of the Class F Units as Class A Units upon the closing of the Offering, all remaining outstanding units of the Fund will be Class A Units. Additional Class F Units may be issued in the future that may not be reclassified immediately as Class A Units and as such, there may be outstanding Class F Units in the future. See "Description of the Units – Reclassification of Class F Units Upon Closing".

The TSX has conditionally approved the listing of the Class A Units. Listing is subject to the Fund fulfilling all of the requirements of the TSX on or before March 1, 2021, including distribution of the Class A Units to a minimum number of public unitholders.

Currency: **Unless otherwise noted herein, all references to "$", "US$" or "USD" in this prospectus are to the currency of the United States.**

Minimum Issue: $20,000,009.50 (1,860,466 Class A Units and/or Class F Units)

Maximum Issue: $107,500,000.00 (10,000,000 Class A Units and/or Class F Units)

Price: $10.75 per Class A Unit

$10.53 per Class F Unit

In addition to payment in cash, the Fund will accept ETH in respect of subscriptions for at least 100,000 Units under this Offering. Purchasers will need to inform their dealer of their intent to subscribe for Units with ETH and will need to contribute their ETH to the Fund from an account with a segregated wallet at the Sub-Custodian. The Sub-Custodian will comply with the Gemini AML/BSA protocol when opening all such segregated wallet accounts and transferring ETH to the Fund's account in connection with in-kind subscriptions. In

	connection with such subscriptions, ETH will be valued at the MVIETH price as of 9:00 a.m. on the day immediately preceding the Closing Date.
Minimum Subscription:	100 Class A Units ($1,075) 100 Class F Units ($1,053)
Investment Objectives:	The Fund's investment objectives are to seek to provide holders of Units ("**Unitholders**") of the Fund with: (a) exposure to digital currency ETH and the daily price movements of the U.S. dollar price of ETH; and (b) the opportunity for long-term capital appreciation. See "Investment Objectives".
Investment Strategies:	To achieve its investment objectives, the Fund will invest in long-term holdings of ETH, purchased from reputable digital asset trading platforms and OTC counterparties, in order to provide investors with a convenient, secure alternative to a direct investment in ETH. The Fund will not speculate with regard to short-term changes in ETH prices. Digital asset trading platforms are spot markets on which ETH can be exchanged for U.S. dollars. Digital asset trading platforms are not regulated as securities exchanges or commodity futures exchanges under the securities or commodity futures laws of Canada, the United States or other global jurisdictions. The Manager will seek to ensure that the digital asset trading platforms on which the Fund transacts are reputable, stable and in compliance with AML Regulation. See "Investment Overview – Purchasing ETH for the Fund's Portfolio". The Fund will not hedge any U.S. dollar currency exposure back to the Canadian dollar. See "Investment Strategies". For a description of how the Fund will purchase ETH for its portfolio see "Investment Overview – Purchasing ETH for the Fund's Portfolio".
Leverage:	Generally, the Fund does not intend to borrow money or employ other forms of leverage to maintain an investment in ETH. The Fund may employ credit or leverage on a short term basis to acquire ETH in anticipation of and prior to any follow on offering of Units by the Fund in an amount not to exceed 25% of the Net Asset Value of the Fund. The Manager does not expect to borrow money to acquire ETH in anticipation of and prior to the closing of this Offering. See "Investment Strategies – Leverage".
Use of Derivatives:	The Manager may use derivative instruments, the underlying interest of which is ETH, for non-hedging purposes consistent with the Fund's investment objectives and investment strategies to gain exposure to ETH, subject to its investment restrictions. The Fund will not transact in any derivative instrument if, as a result of such transaction, the Fund's aggregate exposure to derivatives would exceed 5% of the Net Asset Value of the Fund. See "Investment Strategies – Use of Derivatives".
Purchase for Cancellation:	The Declaration of Trust provides that the Fund may, in its sole discretion, from time to time, purchase (in the open market or by invitation for tenders) Class A Units for cancellation subject to applicable law and stock exchange requirements, based on the Manager's assessment that such purchases are accretive to Unitholders. See "Description of the Units – Purchase for Cancellation".
Distribution Policy:	The Fund does not intend to pay distributions. See "Distribution Policy".

Redemption Privileges:	Units may be redeemed at the option of Unitholders on the first business day following the 15th day of June in each year (each, an "**Annual Redemption Date**"), commencing on June 16, 2022, subject to the Fund's right to suspend redemptions in certain circumstances. Units so redeemed will be redeemed at a redemption price equal to the Net Asset Value per Unit on the Annual Redemption Date, less any costs and expenses associated with the redemption, including commissions incurred by the Fund to fund such redemptions. Units must be surrendered for redemption on or before the last business day of the month of May preceding the applicable Annual Redemption Date. Payment of the proceeds of redemption will be made in U.S. dollars on or before the 15th business day following the Annual Redemption Date. Units may also be surrendered at the option of Unitholders at any time for redemption on a Monthly Redemption Date (as defined below), subject to certain conditions and, in order to effect such a redemption, the Units must be surrendered for redemption no later than 5:00 p.m. (Toronto time) on the last business day of the month prior to the month of the applicable Monthly Redemption Date. Payment of the proceeds of redemption will be made in U.S. dollars on or before the 15th business day following the Monthly Redemption Date. Unitholders surrendering a Class A Unit for redemption will receive a redemption price (the "**Class A Redemption Price**") equal to 95% of the Closing Market Price of a Class A Unit on the applicable Monthly Redemption Date less any costs and expenses associated with the redemption, including commissions incurred by the Fund, but the Class A Redemption Price will not be an amount that is more than 95% of the Net Asset Value per Unit as of the Monthly Redemption Date. Redemption proceeds will be paid in U.S. dollars, provided that upon receipt of a large redemption request the Manager may exercise discretion, considering the best interests of all Unitholders, for the Fund to satisfy the redemption in-kind by delivering ETH valued based on the MVIETH price as of 4:00 p.m. on the applicable Redemption Date (the "**In-Kind Redemption**"). The Manager shall provide notice to the redeeming Unitholder if it determines to proceed with an In-Kind Redemption and upon receiving such notice the redeeming Unitholder may withdraw its notice of redemption. Unitholders redeeming pursuant to the In-Kind Redemption must have an account with a segregated wallet at the Sub-Custodian into which the Fund will transfer ETH delivered as in-kind redemption proceeds. See "Redemption of Units", "Redemption of Units – Suspension of Redemptions" and "Risk Factors – Liquidity Constraints on Digital Asset Trading Platforms may Impact the Fund's Holdings" and "Financial Institutions may Refuse to Support Transactions involving ETH".
Reclassification of Class F Units as Class A Units Upon Closing:	Purchasers who subscribe for Class F Units are deemed to have requested for the Fund to reclassify such Class F Units as Class A Units immediately upon closing of the Offering. Class F Units will be reclassified as Class A Units on a one-for-one basis. After the reclassification of the Class F Units as Class A Units upon the closing of the Offering, only Class A Units of the Fund will be outstanding. See "Description of the Units – Reclassification of Class F Units upon Closing".
Termination of the Fund:	The Fund does not have a fixed termination date. The Manager may, in its discretion, terminate the Fund without the approval of Unitholders if, in its opinion, it would be in the best interest of the Unitholders to terminate the Fund. See "Termination of the Fund".
Use of Proceeds:	Substantially all of the net proceeds of the Offering will be used to purchase ETH for the Fund's portfolio following the Closing Date (as defined herein). See "Use of Proceeds".
Risk Factors:	An investment in Units will be subject to certain risk factors, including: **Risks Factors Relating to an Investment in the Fund**

(a) No Assurance in Achieving Investment Objectives
(b) Trading Price of Units
(c) Loss of Investment
(d) Fluctuation in Value of ETH
(e) Concentration Risk
(f) Use of Leverage
(g) Reliance on the Manager
(h) Use of Derivatives
(i) No Ownership Interest in the Portfolio
(j) Changes in Legislation
(k) Conflicts of Interest
(l) Status of the Fund
(m) Valuation of the Fund
(n) Significant Redemptions
(o) Manager, Custodian and Sub-Custodian Standard of Care
(p) SOC 2 Type 2 Report of the Sub-Custodian
(q) Lack of Operating History
(r) No Active Trading Market
(s) Not a Trust Company
(t) U.S. Currency Exposure
(u) Cyber Security Risk
(v) Tax Risk
(w) COVID-19 Outbreak

The following are certain considerations relating to an investment in Units of the Fund which prospective investors should consider before purchasing such securities.

Risks Associated with Investing in ETH

(a) Cryptocurrency Risk
(b) Short History Risk
(c) Limited History of the ETH Market
(d) Volatility in the Price of ETH
(e) Potential Decrease in Global Demand for ETH
(f) Financial Institutions may refuse to Support Transactions involving ETH
(g) Limited Insurance
(h) Residency of the Sub-Custodian
(i) Liability of Unitholders
(j) Underlying Value Risk
(k) Top ETH Holders May Control a Significant Percentage of the Outstanding ETH
(l) Regulation of ETH
(m) Loss of "Private Keys"
(n) Fund's Holdings May Become Illiquid
(o) Improper Transfers
(p) Uncertain Regulatory Framework

Risks Associated with the Ethereum Network

(a) Dependence on Ethereum Network Developers
(b) Disputes on the Development of the Ethereum Network may Lead to Delays in the Development of the Network
(c) Significant Increase in ETH Interest Could Affect the Ability of the Ethereum Network to Accommodate Demand
(d) Ethereum's Blockchain may Temporarily or Permanently Fork and/or Split
(e) Dependence on the Internet
(f) Risk if Entity Gains a 51% Share of the Ethereum Network
(g) Concentration of Transaction Confirmation Processing Power in China

(h) Possible Increase in Transaction Fees
(i) Attacks on the Ethereum Network
(j) Decrease in Block Reward
(k) Competitors to Ethereum
(l) Significant Energy Consumption to run the Ethereum Network
(m) Moving from Proof-of-Work (PoW) to Proof-of-Stake (PoS) Consensus Mechanism

Risks Associated with Digital Asset Trading Platforms

(a) Regulation of Digital Asset Trading Platforms
(b) Limited Operating History of Digital Asset Trading Platforms
(c) Hacking of Digital Asset Trading Platforms May Have a Negative Impact on Perception of the Security of the Ethereum Network
(d) Different Prices of ETH on the Digital Asset Trading Platforms May Adversely Affect the Net Asset Value of the Units
(e) Closure of Digital Asset Trading Platform(s)
(f) Liquidity Constraints on Digital Asset Trading Platforms may Impact the Fund's Holdings
(g) Risk of Manipulation on Digital Asset Trading Platforms
(h) Settlement of Transactions on the Ethereum Network

See "Risk Factors".

Income Tax Considerations:

This summary of Canadian federal income tax considerations for the Fund and for Canadian resident Unitholders is subject in its entirety to the qualifications, limitations and assumptions set out under "Canadian Federal Income Tax Considerations".

A Unitholder who is an individual (other than a trust) resident in Canada and who holds Units as capital property (all within the meaning of the Tax Act) will generally be required to include in the Unitholder's income for tax purposes for any year the amount of net income and net taxable capital gains of the Fund paid or payable to the Unitholder in the year and deducted by the Fund in computing its income. Any return of capital from the Fund paid or payable to a Unitholder in a taxation year will reduce the adjusted cost base of the Unitholder's Units of the Fund. To the extent that a Unitholder's adjusted cost base would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by the Unitholder and the adjusted cost base of the Unit to the Unitholder will be increased by the amount of such capital gain. Any loss of the Fund cannot be allocated to, and cannot be treated as a loss of, the Unitholders of the Fund. Upon the actual or deemed disposition of a Unit, including the exchange or redemption of a Unit, a capital gain (or a capital loss) will generally be realized by the Unitholder to the extent that the proceeds of disposition of the Unit exceeds (or is less than) the aggregate of the adjusted cost base to the Unitholder of the Unit and any reasonable costs of disposition.

The Declaration of Trust requires that the Fund distribute its net income and net realized capital gains, if any, for each taxation year to Unitholders to such an extent that the Fund will not be liable in respect of the taxation year for ordinary income tax.

Each investor should satisfy himself or herself as to the tax consequences of an investment in Units by obtaining advice from his or her own tax advisor. See "Canadian Federal Income Tax Considerations".

Taxation of Registered Plans:

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to the Fund, and Blake, Cassels & Graydon LLP, counsel for the Agents, provided that the Fund qualifies as a "mutual fund trust" within the meaning of the Tax Act, or the Class A Units of the Fund are listed on a "designated stock exchange" within the meaning of the Tax Act, such Units will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans, registered education savings plans and tax-free savings accounts (collectively, "**Registered Plans**").

Holders of tax-free savings accounts and registered disability savings plans, annuitants under registered retirement savings plans and registered retirement income funds, and subscribers under registered education savings plans should consult their own tax advisors to ensure Units would not be a "prohibited investment" for the purposes of the Tax Act in their particular circumstances. ETH acquired by a Unitholder in exchange for Units of the Fund would not as of the date hereof be qualified for investment by Registered Plans. See "Canadian Federal Income Tax Considerations – Status of the Fund".

ORGANIZATION AND MANAGEMENT DETAILS OF THE FUND

Manager: 3iQ Corp. will act as the trustee, manager, portfolio manager and promoter of the Fund. The principal office of the Manager is located at 4800-1 King Street West, Suite 160, Toronto, Ontario, M5H 1A1. See "Organization and Management Details of the Fund – Trustee and Manager of the Fund".

Promoter: The Manager may be considered a promoter of the Fund within the meaning of applicable securities legislation by reason of its initiative in organizing the Fund. See "Organization and Management Details of the Fund – Promoter".

Auditor: The auditor of the Fund is Raymond Chabot Grant Thornton LLP, Chartered Professional Accountants, Licensed Public Accountants, Montreal, Quebec. See "Organization and Management Details of the Fund – Auditor".

Custodian: Cidel Trust Company (the "**Custodian**") will act as the custodian of the assets of the Fund. The Custodian is a federally regulated trust company based in Calgary, Alberta and will provide services to the Fund from its office in Toronto, Ontario. The Custodian is a wholly-owned subsidiary of Cidel Bank Canada, a Schedule II Bank regulated by the Office of the Superintendent of Financial Institutions. The Custodian may appoint a sub-custodian from time to time in accordance with National Instrument 81-102 – *Investment Funds*. See "Organization and Management Details of the Fund – Custodian".

Sub-Custodian: Gemini Trust Company, LLC ("**Gemini**" or the "**Sub-Custodian**") will act as sub-custodian of the Fund in respect of the Fund's holdings of ETH pursuant to a sub-custody agreement between the Custodian, the Fund, and Gemini. Gemini is a trust company licensed by the New York State Department of Financial Services and is qualified to act as a sub-custodian of the Fund for assets held outside of Canada in accordance with National Instrument 81-102 – *Investment Funds*. See "Organization and Management Details of the Fund – Sub-Custodian".

Registrar and Transfer Agent: TSX Trust Company (the "**Registrar and Transfer Agent**"), at its principal offices in Toronto, will be appointed the registrar and transfer agent for the Units pursuant to a registrar and transfer agency agreement to be entered into as of the Closing Date. The Registrar and Transfer Agent is located in Toronto, Ontario. See "Organization and Management Details of the Fund – Registrar and Transfer Agent".

Administrator SGGG Fund Services Inc. (the "**Administrator**"), at its principal offices in Toronto, will be appointed the administrator of the Fund and will be responsible for calculating the Net Asset Value and Net Asset Value per Unit of the Fund as described under "Calculation of Net Asset Value".

Agents: Canaccord Genuity Corp., Richardson Wealth Limited, Echelon Wealth Partners Inc., Leede Jones Gable Inc., Mackie Research Capital Corporation and PI Financial Corp. (collectively, the "**Agents**"), as agents, conditionally offer the Class A Units and Class F Units for sale on a best efforts basis, subject to prior sale, if, as and when issued by the Fund and accepted by the Agent in accordance with the conditions contained in the Agency Agreement (as defined herein) referred to under "Plan of Distribution" and subject to the approval of certain matters on behalf of the Fund by Osler, Hoskin & Harcourt LLP and on behalf of the Agents by Blake, Cassels & Graydon LLP.

SUMMARY OF FEES AND EXPENSES

The following table contains a summary of the fees and expenses payable by the Fund and the Manager, which will therefore reduce the value of a Unitholder's investment in the Fund. All fees are subject to current and future taxes. For further particulars, see "Fees and Expenses".

Fees and Expenses Payable by the Fund

Type of Fee	Amount and Description
Agents' Fees:	$0.59 per Class A Unit (5.50%) and $0.37 per Class F Unit (3.50%). The Agents' fees will be paid by the Fund out of the proceeds of the Offering.
Expenses of the Offering:	The Fund will, subject to a maximum of 1.5% of the gross proceeds of the Offering, pay the expenses incurred in connection with the Offering (including the costs of creating the Fund, the costs of printing and preparing a prospectus, legal expenses of the Fund and the Agents and marketing expenses). The Offering expenses are estimated to be $950,000. See "Fees and Expenses – Fees and Expenses Payable by the Fund – Expenses of the Offering".
Fees Payable to the Manager for Acting as Manager of the Fund:	An annual management fee of 1.95% of the Fund's net asset value calculated daily and payable monthly, plus applicable taxes, will be paid to the Manager in respect of each of the Class A Units and the Class F Units. The Manager manages the day-to-day business and operations of the Fund and provides certain general management and administrative services to the Fund. See "Fees and Expenses – Fees and Expenses Payable by the Fund – Fees Payable to the Manager for Acting as Manager of the Fund".
Ongoing Expenses of the Fund:	In addition to the management fee, and any debt servicing costs, the Fund will pay all of its own expenses and all administration expenses incurred by the Manager for its duties as the manager to the Fund. Such fees and expenses to be borne by the Fund are estimated to be $510,000 per annum and will include, without limitation: fees and expenses payable to the independent review committee of the Fund; brokerage and trading commissions and other fees and expenses associated with the execution of transactions in respect of the Fund's investment in ETH; fees payable to the Registrar and Transfer Agent; fees payable to any custodians and/or sub-custodians for the assets of the Fund as well as the fees of the Administrator and other service providers; licensing fee payable to MV Index Solutions GmbH to license the MVIS CryptoCompare Institutional Ethereum Index; expenses relating to the monitoring of the relationships with the Custodian, Sub-Custodian, the Registrar and Transfer Agent and other organizations serving the Fund; legal, audit, and valuation fees and expenses; fees payable for listings, the maintenance of listings and filings or other requirements of stock exchanges on which any of the Units of the Fund may become listed or quoted; securities regulatory authorities' participation fees; the preparation and supervision costs relating to the calculation and publication of the Net Asset Value; costs and expenses of preparing, printing, and mailing financial and other reports to Unitholders, material for Unitholders' meetings and securities regulatory filings; costs and expenses of communication with Unitholders; costs and expenses arising as a result of complying with all applicable securities legislation and other applicable laws, regulations and policies; all taxes (including income, capital, federal GST or HST, and Provincial/Territorial sales taxes); and costs associated with the provision of such other managerial and administrative services as may be reasonably required for the

ongoing business and administration of the Fund. See "Fees and Expenses – Fees and Expenses Payable by the Fund – Ongoing Expenses of the Fund".

FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus are forward-looking statements, including those identified by the expressions "anticipate", "believe", "plan", "estimate", "expect", "intend", "target", "seek", "will" and similar expressions to the extent they relate to the Fund and the Manager. Forward-looking statements are not historical facts but reflect the current expectations of the Fund and the Manager regarding future results or events. Such forward-looking statements reflect the Fund's or the Manager's current beliefs and are based on information currently available to them. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results or events to differ materially from current expectations including global economic conditions. Some of these risks, uncertainties and other factors are described in this prospectus under the heading "Risk Factors". Although the forward-looking statements contained in this prospectus are based upon assumptions that the Fund and the Manager believe to be reasonable, none of the Fund or the Manager can assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements contained herein were prepared for the purpose of providing prospective investors with information about the Fund and may not be appropriate for other purposes. Neither the Fund nor the Manager assumes any obligation to update or revise them to reflect new events or circumstances, except as required by law.

GLOSSARY OF TERMS

In this prospectus, the following terms have the meanings set forth below, unless otherwise indicated.

"**1933 Act**" has the meaning given to it under "Plan of Distribution".

"**Administrator**" means the company appointed from time to time by the Manager to calculate the Net Asset Value of the Fund and the Net Asset Value per Unit, currently SGGG Fund Services Inc.

"**Agents**" means, collectively, Canaccord Genuity Corp., Richardson Wealth Limited, Echelon Wealth Partners Inc., Leede Jones Gable Inc., Mackie Research Capital Corporation and PI Financial Corp.

"**Agency Agreement**" means the agency agreement dated as of December 1, 2020 among the Fund, the Manager and the Agents.

"**AML Regulation**" means statutes, regulations and other laws enacted by the government of the applicable jurisdiction aimed at the prevention and detection of money laundering and terrorist financing activities.

"**Annual Cut-Off Date**" has the meaning given to it under "Redemption of Units – Annual Redemptions."

"**Annual In-Kind Redemption**" has the meaning given to it under "Redemption of Units – Annual Redemptions."

"**Annual Redemption Date**" means the first business day following the 15th day of June in each year beginning on June 16, 2022.

"**business day**" means any day except Saturday, Sunday, a statutory holiday in Toronto, Ontario or any other day on which the TSX is not open for trading.

"**CDS**" means CDS Clearing and Depository Services Inc. and includes any successor corporation or any other depository subsequently appointed by the Fund as the depository in respect of the Units.

"**CDS Participant**" means a broker, dealer, bank or other financial institution or other person for whom, from time to time, CDS effects book entries for the Units deposited with CDS.

"**CFTC**" means United States Commodity Futures and Trading Commission.

"**Class A Units**" means the class of transferable, redeemable units of the Fund designated as the "Class A Units".

"**Class F Units**" means the class of transferable, redeemable units of the Fund designated as the "Class F Units".

"**Closing Date**" means a date on or before December 10, 2020 or such later date as the Fund and the Agents may agree, but in any event not later than 90 days after a final receipt for this prospectus has been issued.

"**Closing Market Price**" in respect of a security on a Monthly Redemption Date means (i) the closing price of such security on the principal stock exchange on such Monthly Redemption Date (or such other stock exchange on which such security is listed) if there was a trade on the Monthly Redemption Date and the market provides a closing price; (ii) the average of the highest and lowest prices of such security on the principal stock exchange on such Monthly Redemption Date (or such other stock exchange on which such security is listed) if there was trading on the Monthly Redemption Date and the market provides only the highest and lowest prices of the security traded on a particular day; or (iii) the average of the last bid and the last asking prices of the security on the principal stock exchange on such Monthly Redemption Date (or such other stock exchange on which the security is listed) if there was not trading on the applicable Monthly Redemption Date.

"**CRA**" means the Canada Revenue Agency.

"**Custodian**" means Cidel Trust Company in its capacity as custodian under the Custodian Agreement.

"**Custodian Agreement**" means the custodianship agreement to be entered into on or prior to the Closing Date between the Manager in its capacity as manager of the Fund and the Custodian, as it may be amended from time to time.

"**Cut-Off Date**" has the meaning given to it under "Redemption of Units – Monthly Redemptions".

"**DApps**" has the meaning given to it under "Investment Overview – Part I: Introduction to the Ethereum Network".

"**DeFi**" has the meaning given to it under "Investment Overview – Part I: Introduction to the Ethereum Network".

"**Declaration of Trust**" means the declaration of trust establishing the Fund dated as of December 1, 2020, as it may be amended from time to time.

"**ETH**" refers to the digital currency Ether that is the native unit of account within the Ethereum Network.

"**ETH 2.0**" has the meaning given to it under "Risk Factors - Risks Associated with the Ethereum Network - Moving from Proof-of-Work (PoW) to Proof-of-Stake (PoS) Consensus Mechanism".

"**Ethereum Network**" is the online, end-user-to-end-user computer network hosting a public transaction ledger, known as the blockchain, and the source algorithmic protocols governing such network.

"**ETH Source**" has the meaning given to it under "Investment Overview – Purchasing ETH for the Fund's Portfolio".

"**Excise Tax Act**" means the *Excise Tax Act* (Canada), as now or hereafter amended, or successor statutes, and includes regulations promulgated thereunder.

"**Extraordinary Resolution**" means a resolution passed by the affirmative vote of at least two-thirds of the votes cast, either in person or by proxy, at a meeting of Unitholders called for the purpose of considering such resolution.

"**FATF**" means the Financial Action Task Force, an inter-governmental body established to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system.

"**Fork Asset**" has the meaning given to it under "Risk Factors – Ether's Blockchain may Temporarily or Permanently Fork and/or Split".

"**Fund**" means The Ether Fund, a closed-end investment fund established as a trust under the laws of the Province of Ontario pursuant to the Declaration of Trust.

"**Gemini**" means Gemini Trust Company, LLC.

"**Gemini BSA/AML Program**" means the program adopted by Gemini for the purpose of compliance with the U.S. Bank Secrecy Act and U.S. AML Regulation, as described under "Organization and Management Details for the Fund – Sub Custodian".

"**Independent Review Committee**" means the independent review committee of the Fund.

"**In-Kind Redemption**" means an Annual In-Kind Redemption or a Monthly In-Kind Redemption.

"**KYC**" means identity verification and recordkeeping procedures under AML Regulation and applicable securities laws.

"**Management Fee**" has the meaning ascribed thereto under "Fees and Expenses – Fees and Expenses Payable by the Fund – Fees Payable to the Manager for Acting as Manager of the Fund".

"**Manager**" means 3iQ Corp., the trustee, manager, portfolio manager and promoter of the Fund, and, if applicable, its successor.

"**Market Price**" in respect of a security on a Monthly Redemption Date means the weighted average trading price on the principal stock exchange or such other stock exchange on which such security may become listed, for the 10 trading days immediately preceding such Monthly Redemption Date.

"**Monthly Cut-Off Date**" has the meaning given to it under "Redemption of Units – Monthly Redemptions".

"**Monthly In-Kind Redemption**" has the meaning given to it under "Redemption of Units – Monthly Redemptions".

"**Monthly Redemption Date**" means the first business day following the 15^{th} day of each month.

"**MVIETH**" means the MVIS CryptoCompare Institutional Ethereum Index, described at: https://www.mvis-indices.com/indices/digital-assets/mvis-cryptocompare-ethereum.

"**MVIS**" means MV Index Solutions GmbH, an index provider based in Frankfurt, Germany regulated under the EU benchmark regulations.

"**Net Asset Value of the Fund**" means the net asset value of the Fund as determined by subtracting the aggregate liabilities of the Fund from the aggregate value of the assets of the Fund on the date on which the calculation is being made, calculated by the Administrator, as more fully described under "Calculation of Net Asset Value".

"**Net Asset Value per Unit**" means, in respect of a class of Units, the Net Asset Value of the Fund allocated to the Units of such class, divided by the total number of Units of such class outstanding, on the date on which the calculation is being made.

"**Offering**" means collectively, the offering of Class A Units at a price of $10.75 per Class A Unit, Class F Units at a price of $10.53 per Class F Unit, all pursuant to this prospectus.

"**Ordinary Resolution**" means a resolution passed by the affirmative vote of at least a majority of the votes cast, either in person or by proxy, at a meeting of Unitholders called for the purpose of considering such resolution.

"**OTC**" means "over the counter".

"**Redemption Date**" means an Annual Redemption Date or a Monthly Redemption Date.

"**Registered Plan**" means a registered retirement savings plan, a registered retirement income fund, a deferred profit sharing plan, a registered education savings plan, a registered disability savings plan, and a tax-free savings account.

"**Registrar and Transfer Agent**" means TSX Trust Company or, if applicable, its successor or any other registrar and transfer agent that may be appointed by the Manager from time to time.

"**SIFT Rules**" means the provisions of the Tax Act, including those contained in sections 104, 122 and 122.1 of the Tax Act, which apply to the taxation of a "specified investment flow through trust" and its unitholders.

"**SIFT trust**" means a specified investment flow-through trust for the purposes of the Tax Act.

"**Sub-Custodian**" means Gemini in its capacity as sub-custodian under the Sub-Custodian Agreement.

"**Sub-Custodian Agreement**" has the meaning given to it under "Organization and Management Details of the Fund – Sub-Custodian".

"**Tax Act**" means the *Income Tax Act* (Canada), as now or hereafter amended, or successor statutes, and includes regulations promulgated thereunder.

"**Tax Proposals**" means all specific proposals to amend the Tax Act or Excise Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof.

"**Trading Day**" means a day on which a regular session of the TSX is held.

"**TSX**" means the Toronto Stock Exchange.

"**United States**" or "**U.S.**" means the United States of America.

"**Unitholders**" means the holders of Units.

"**Units**" means the Class A Units and Class F Units issued by the Fund.

"**Valuation Date**" means each business day.

OVERVIEW OF THE LEGAL STRUCTURE OF THE FUND

The Ether Fund (the "**Fund**") is a closed-end investment fund established as a trust under the laws of the Province of Ontario pursuant to a declaration of trust dated as of December 1, 2020, as it may be amended from time to time (the "**Declaration of Trust**"). 3iQ Corp. (the "**Manager**") will act as trustee, manager, portfolio manager and promoter of the Fund and will provide certain general management and administrative services required by the Fund. See "Organization and Management Details of the Fund – Trustee and Manager of the Fund". The principal office of the Fund is located at 4800-1 King Street West, Box 160, Toronto, Ontario, M5H 1A1.

The Fund is authorized to issue an unlimited number of Class A units ("**Class A Units**") and Class F units ("**Class F Units**"). The Class A Units and Class F Units are collectively referred to herein as the "**Units**".

The Class A Units are available to all investors.

The Class F Units are designed for fee-based and/or institutional accounts and differ from the Class A Units in the following ways: (i) Class F Units will not be listed on a stock exchange but the Class F Units offered under this prospectus will be reclassified as Class A Units on a one-for-one basis immediately upon the closing of the Offering; and (ii) the Agents' fees payable on the issuance of the Class F Units will be lower than those payable on the issuance of the Class A Units. Accordingly, investors purchasing Class F Units will, upon closing of the Offering, become holders of Class A Units. Class A Units and Class F Units are U.S. dollar denominated and are not available for purchase in Canadian dollars.

The Fund is a non-redeemable investment fund but is not considered to be a mutual fund under the securities legislation of the Provinces and Territories of Canada. Consequently, the Fund is not subject to the policies and regulations that apply exclusively to mutual funds under such legislation.

INVESTMENT OBJECTIVES

The Fund's investment objectives are to seek to provide holders of Units ("**Unitholders**") of the Fund with:

(a) exposure to digital currency ether ("**ETH**") and the daily price movements of the U.S. dollar price of ETH; and

(b) the opportunity for long-term capital appreciation.

INVESTMENT STRATEGIES

To achieve its investment objectives, the Fund will invest in long-term holdings of ETH, purchased from reputable digital asset trading platforms and OTC counterparties, in order to provide investors with a convenient, secure alternative to a direct investment in ETH, as described under "Investment Overview – Purchasing ETH for the Fund's Portfolio".

Digital asset trading platforms are spot markets on which ETH can be exchanged for U.S. dollars. Digital asset trading platforms are not regulated as securities exchanges or commodity futures exchanges under the securities or commodity futures laws of Canada, the United States or other global jurisdictions. The Manager will seek to ensure that the digital asset trading platforms on which the Fund transacts are reputable, stable and in compliance with AML Regulation. See "Investment Overview – Purchasing ETH for the Fund's Portfolio".

The Fund will not speculate with regard to short-term changes in ETH prices. The Fund will provide investors with the ability to effectively invest in ETH without the inconvenience and additional transaction and storage costs associated with a direct investment in ETH.

The Fund will not hedge any U.S. dollar currency exposure back to the Canadian dollar.

For a description of how the Fund will purchase ETH for its portfolio see "Investment Overview – Purchasing ETH for the Fund's Portfolio".

Leverage

Generally, the Fund does not intend to borrow money or employ other forms of leverage to maintain an investment in ETH. The Fund may employ leverage or credit on a short-term basis to acquire ETH in anticipation of and prior to any follow on offering of Units by the Fund in an amount not to exceed 25% of the Net Asset Value of the Fund. The Manager does not expect to borrow money to acquire ETH in anticipation of and prior to the closing of this Offering.

Use of Derivatives

The Manager may use derivative instruments, the underlying interest of which is ETH, for non-hedging purposes consistent with the Fund's investment objectives and investment strategies to gain exposure to ETH, subject to its investment restrictions. Any trading in derivatives by the Fund is incidental to the Fund's core investment strategy of investing in the ETH. The Fund will not transact in any derivative instrument if, as a result of such transaction, the Fund's aggregate exposure to derivatives would exceed 5% of the Net Asset Value of the Fund.

INVESTMENT RESTRICTIONS

The Fund is subject to certain investment restrictions that, among other things, limit the assets that the Fund may acquire for its portfolio. The Fund's investment restrictions may not be changed without approval by resolution passed by at least 66⅔% of the votes cast by holders of Units voting thereon who attend in person or by proxy and vote at a meeting called for such purpose. See "Unitholder Matters – Amendment of the Declaration of Trust". The Fund's investment restrictions provide that the Fund may:

(a) not invest less than 90% of its total assets in ETH;

(b) not invest in securities of ETH related companies, technologies or business ventures;

(c) purchase debt securities only if such securities are cash equivalents;

(d) not borrow or enter into any leverage transaction other than as described above under "Investment Strategies – Leverage";

(e) except as set forth under "Investment Strategies – Use of Derivatives", not purchase derivatives or enter into derivatives or other transactions;

(f) not undertake any activity, take any action, omit to take any action or make or hold any investment that would result in the Fund failing to qualify as a "mutual fund trust" within the meaning of the Tax Act;

(g) not make or hold any investment that would result in the Fund becoming a "SIFT trust" within the meaning of subsection 122.1(1) of the Tax Act;

(h) not invest in: (i) any security that is an offshore investment fund property that would require the Fund to include significant amounts in the Fund's income pursuant to section 94.1 of the Tax Act; or (ii) any interest in a non-resident trust that would require the Fund to include amounts in income in connection with such interest pursuant to sections 91, 94 or 94.2 of the Tax Act;

(i) not invest in any security that would be a "tax shelter investment" within the meaning of the Tax Act; and

(j) not invest in any security of an issuer that would be a foreign affiliate of the Fund for purposes of the Tax Act.

The Fund may not invest in securities or assets other than those referred to above. Notwithstanding the foregoing, at the Manager's discretion, the Fund may be invested in cash or cash equivalents from time to time.

INVESTMENT OVERVIEW

The Fund will invest substantially all of its assets in ETH. ETH is the native digital currency of the Ethereum Network – a decentralized, open source computer network where all transactions are recorded on a decentralized public ledger, known as a "blockchain". The open-source Ethereum Network software code includes the protocol that governs the creation of ETH and the cryptographic operations that verify and secure ETH transactions. The Ethereum Network goes beyond a peer-to-peer money system as it supports peer-to-peer contracts, known as smart contracts, as well as de-centralized applications ("**DApps**"). The absence of a centralized authority for such activities represents significant technological progression. The purpose and utility of smart contracts and DApps will be further explained in Part I below.

Application developers and other participants on the Ethereum Network use ETH to pay the transactional fees and computational services associated with creating and running applications on the Ethereum Network. While miners, those who help maintain the Ethereum Network through their complex validation process, are compensated for their services with ETH. Additionally, ETH can be converted into fiat currencies at rates based on either the digital asset trading platforms or transactions between end-users. Since individuals are contributing to, and being compensated by ETH, the Ethereum Network remains sustainable.

The Manager believes that investing in Units of the Fund to obtain exposure to ETH will be advantageous for the following reasons:

- *Convenient way to own ETH*. The Fund will provide investors with the ability to gain exposure to ETH and the ETH market as well as having the ability to buy and sell Class A Units on the TSX. The Fund will be eligible for registered accounts in Canada for a tax-efficient, long-term investment horizon.

- *Lower transaction costs*. The Manager expects that, for many investors, the costs and risks associated with buying, holding and selling the Units in the secondary market and the payment of the Fund's ongoing expenses will be lower than the costs and risks associated with buying, holding and selling ETH at a regulated digital asset trading platform or through opening an individual digital asset wallet that supports ETH.

- *Cold Storage at Gemini.* Gemini is a regulated and licensed custodian of ETH. Storage of ETH can either be in a "hot wallet", which is connected to the internet, or in "cold storage" where private keys have no contact with the internet, are created, stored, and managed on hardware security modules located in access-guarded facilities that are geographically distributed. The Fund's ETH will be held in Gemini's cold storage system, protected in accordance with the industry-leading protocols described under "Management of the Fund – The Sub Custodian".

PART I: Introduction to the Ethereum Network

History and Progression of the Ethereum Network

Blockchain technology was introduced widely by Bitcoin in 2009 as a way to track digital value ownership in a secure manner through a shared, immutable ledger. The rise of Bitcoin prompted the development of further blockchain use cases beyond digital currencies. In 2013, Vitalik Buterin of Toronto, Ontario, proposed the Ethereum Network as an open source platform that would significantly lower the entry barrier for developers to create their own smart contracts and decentralized applications. Buterin's proposal gained traction and the development of the Ethereum Network was ultimately spearheaded by a Swiss firm called Ethereum Switzerland GmbH. The Ethereum Network has a dedicated non-profit organization, Ethereum Foundation, which supports the ongoing development of the ecosystem.

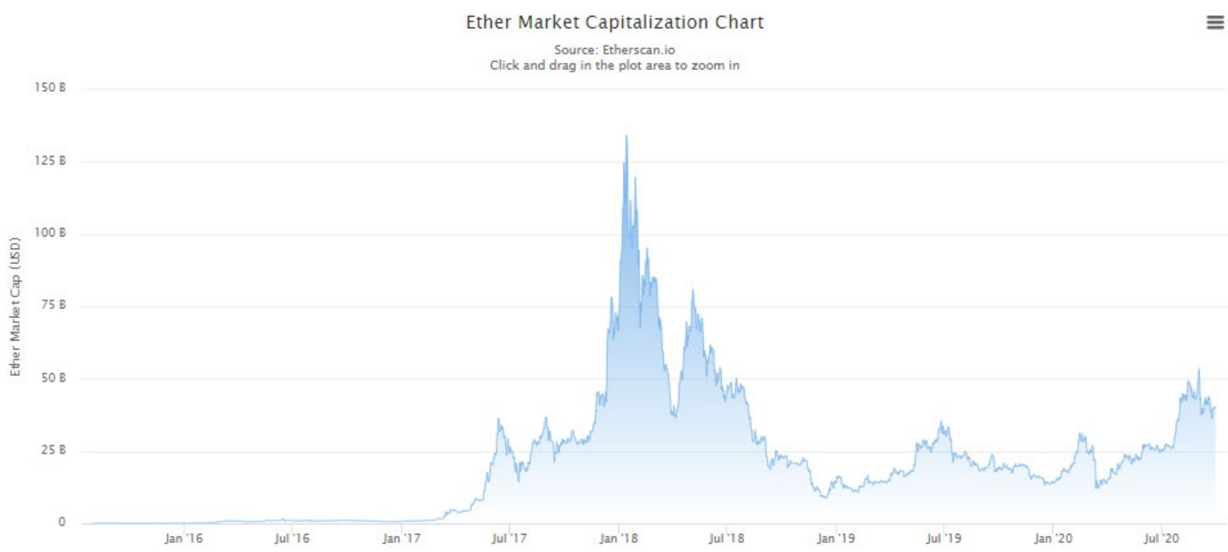
On July 15, 2015, the Ethereum Network went live, creating 72 million ETH to be distributed. Of the initial distribution, 60 million ETH was sold to the public through crowd sale for an aggregate of $18 million. The Ethereum Foundation and Ethereum developers received ETH to cover operational costs and their contributions, at 6 million and 3 million ETH respectively. Lastly, individual members of the Ethereum Foundation received 3 million ETH so that they could purchase ETH at the initial crowd price.

ETH continues to be generated through a process known as progressive mining, which occurs when new ETH transactions are successfully settled and validated by miners across the Ethereum Network. Currently, progressive mining in the Ethereum Network is capped at 16 million ETH per year. However, there is no aggregate cap on the total number of ETH that may be mined.

Beginning on December 1, 2020, the Ethereum Network commenced a slow transition to a new blockchain called Ethereum 2.0 on which new ETH will be generated using a "proof-of-stake" protocol. On Ethereum 2.0, nodes will validate transactions by locking a minimum of 32 ETH within the system, using significantly less computing power than the proof-of-work progressive mining protocol. Developers in the Ethereum ecosystem have been working toward Ethereum 2.0 for several years, as the proof-of-sake protocol is expected to improve network speed and efficiency, allowing scalability for future uses and strengthening network security. This demonstrates the success of the Ethereum ecosystem in achieving consensus through decentralized governance to spur technological progress of the network.

The graph below shows the market capitalization of ETH since inception.

Exhibit 1



Source: https://etherscan.io/chart/marketcap

Exhibit 2

The table below summarizes certain attributes of Ethereum as of September 30, 2020.

Asset	Metric	Source
Network Inception	July 30, 2015	https://en.wikipedia.org/wiki/Ethereum
Price in USD	$356.25	https://coinmarketcap.com/currencies/ethereum/
Market Capitalization in USD	$40.1 billion	https://coinmarketcap.com/currencies/ethereum/
Circulating Supply	112,814,276	https://coinmarketcap.com/currencies/ethereum/
Current Annual Inflation Rate	About 4.5%	https://docs.ethhub.io/ethereum-basics/monetary-policy/#historical-and-future-supply-forecast
Current Mining Block Reward	2 ETH	https://docs.ethhub.io/ethereum-basics/monetary-policy/#historical-and-future-supply-forecast

Average Block Time	About 13 seconds	https://etherscan.io/chart/blocktime
Expected Supply in 2050	About 135 million	Based upon annual issuance cap of 16 million ETH per year.
Transfer Count	518,609,401	https://explorer.bitquery.io/ethereum/token/ETH
Unique Senders	64,280,066	https://explorer.bitquery.io/ethereum/token/ETH
Unique Receivers	88,139,691	https://explorer.bitquery.io/ethereum/token/ETH
Total Transfer Amount	8,768,524,923 ETH	https://explorer.bitquery.io/ethereum/token/ETH
Median Transfer Amount	0.166 ETH	https://explorer.bitquery.io/ethereum/token/ETH
Average Transfer Amount	16.9 ETH	https://explorer.bitquery.io/ethereum/token/ETH
Key Characteristics	"Turing-complete" programming language for smart contracts. Large developer adoption. Basis for many DApps, digital tokens and DeFI projects.	

Transacting on the Ethereum Network

The network is designed to achieve three main characteristics: (1) only the owner of ETH can send ETH; (2) only the intended recipient of ETH can unlock what the sender sent; and (3) ETH transactional validation and ETH ownership can be verified by any third party anywhere in the world.

Users require a digital asset wallet that supports ETH ("Ether wallet" or "ETH wallet") to use or hold ETH on the network. A digital asset wallet that supports ETH will have an Ethereum Network address defined by a public key and associated private key(s). The public key is used to derive an address for others to a user them ETH, while the private key is used to unlock balances of the user's ETH to send to others. Effectively, a compatible wallet address' private key controls the transfer and use of ETH from its associated public Ethereum address. The Ethereum Network, and applications subsequently built on it, can interpret its blockchain to determine the exact ETH balance of any public ETH wallet address. To complete a transaction directly on the Ethereum Network, users must have sufficient ETH in their public key. Notably, however, not all transactions occur directly on the Ethereum Network. These transactions are known as "off-blockchain transactions". Information and data from off-blockchain transactions is not recorded in the public ledger of the Ethereum Network. Without the blockchain validation and protection of the Ethereum Network, these transactions are exposed to greater risk.

An Ether wallet can be a desktop client, which is a software application running on a computer, or a hardware wallet provided by a company offering such products. With either a desktop client or hardware wallet, a user is in control of the private keys which are required to initiate transfers of ETH from the user's wallet. Alternatively, users may obtain a hosted Ether wallet where a provider protects the user's private keys, and the user is able to access their accounts through a web browser or mobile application. Generally, those who are new to ETH and the Ethereum Network make their initial purchases through a hosted Ether wallet.

Once the appropriate address information is exchanged between the spending user and the receiving user, the data from the transaction is distributed across the Ethereum Network, to be included in the blockchain.

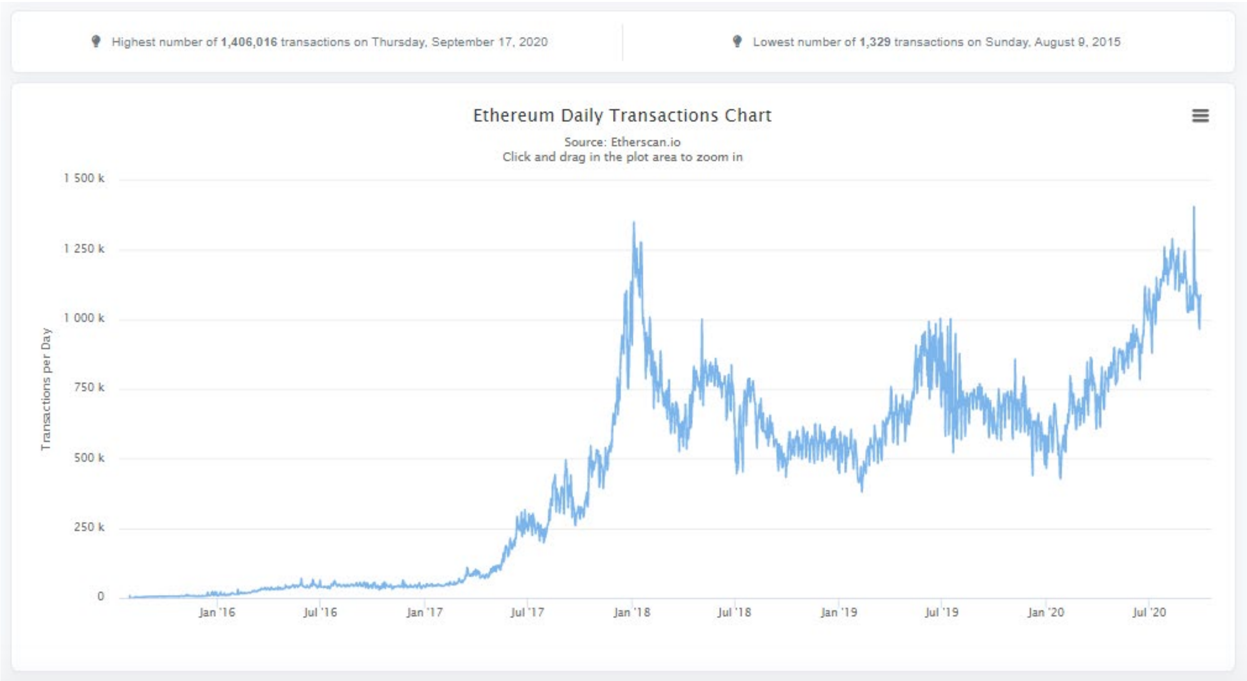
Some wallet providers require customers to establish their identity, just as they would if opening an account at a Canadian chartered bank in compliance with applicable AML Regulation and KYC procedures. When a user converts fiat currency into ETH, they also need to connect a bank account or credit card to their wallet therefore providing additional connections to the user's identity. Once a user has accurately completed these steps, the wallet provider will know the user's identity. However, if these steps are not accurately completed, the user's identity remains pseudonymous, represented by an alphanumeric string of characters. Since ETH's blockchain is transparent, the actions of pseudonymous users can be tracked. If necessary, network forensics can uncover a user's identity.

ETH as a Means of Exchange and DeFi

The use of ETH as a means of exchange through smart contracts and a basis for decentralized finance ("**DeFi**"), is increasing rapidly throughout the world – particularly in nations where faith in central bank backed fiat currencies is unstable, or where necessary banking infrastructure is lacking. Ethereum makes it possible for DApp users to accept and send global transactions directly from their smart phone, twenty-four hours a day (see Gilded DApp (https://gilded.finance/)).

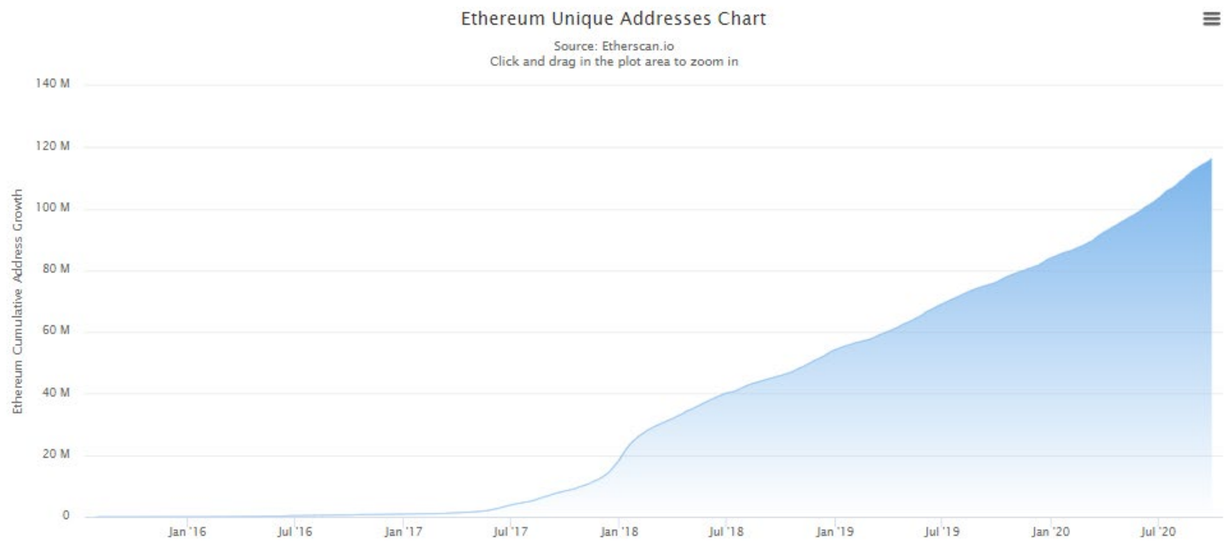
The number of transactions processed by the Ethereum Network on a daily basis and the number of unique addresses on the Ethereum Network are shown in graphs below.

Exhibit 3



Source: https://etherscan.io/chart/tx

Exhibit 4



Source: https://etherscan.io/chart/address

Specific Use Cases for Ethereum

Smart Contracts

Bitcoin and Ethereum are considered protocol layers because they are the foundations that facilitate actions on their respective blockchains, similar to how the internet protocol HTTP (Hypertext Transfer Protocol) facilitates communication over computer networks. On top of the protocol layer, there is an "application layer" where third party developers can create their own programs. A primary difference between Bitcoin and Ethereum is the ease of developing on the application layer of Ethereum. Ethereum's primary programming language, Solidity, is less restrictive compared to developing on the Bitcoin platform and allows for developers to program smart contracts. A smart contract is computer code that can facilitate the exchange of any information of value such as money or property ownership. Smart contracts are referred to as "smart" because they can self-operate when specified conditions are met. The fact that these smart contracts run on the blockchain is attractive as they can operate in a transparent and conflict-free way, with reduced risk of fraud, censorship, or interference.

Fungible Tokens (ERC20, ERC223, and ERC827 standards)

Although applications built on the Ethereum Network use ETH to run, they are also able to issue their own digital tokens with the Ethereum Token Standard. The applications that issue their own token may then require users to obtain these tokens before they are able to access or interact with their application.

Initial Coin Offerings (ICOs), a form of crowdfunding through issuance of tokens, gained popularity in 2017 largely due to the Ethereum Token Standard making it possible for developers to create their own token without having to code their own blockchain from scratch. Additionally, developers building on the Ethereum platform are not required to gain their own miners as they are able to rely on the thousands of miners already processing transactions on the Ethereum blockchain. Because so many tokens are built using the Ethereum Token Standard, the Ethereum blockchain now processes close to half of all USD value across all blockchain platforms which is significantly higher than Bitcoin. A listing of active tokens, including USDC (Circle Stablecoin), LINK (ChainLink Token) and BAT (Basic Attention Token) can be found at the following website: https://bloxy.info/list_tokens/ERC20.

ERC223 and ERC827 standards are attempts to address some of the shortcomings in the ERC20 standard, namely to allow value and data transfers in an efficient manner.

Decentralized Applications

The Solidity language allows developers to program applications that run on the Ethereum Network. The applications range from finance applications, games, market exchanges to computer utilities and social networks. Although there has been an issue scaling DApps in the past, the move to more advanced implementations, as stated in the Ethereum Improvement Proposals, may enhance the technological capabilities. Many DApps are listed and ranked at www.dapp.com. The following exhibit demonstrates the usage of Ethereum Network DApps with over 350,000 transactions totalling over USD 1.2 billion during the 24 hours of September 30, 2020.

Exhibit 5

Source: https://www.dapp.com/market/Ethereum

Collectibles (Non-Fungible Tokens or ERC721)

Tokens created under the ERC-721 standard on the Ethereum Network are intended to be unique with verifiable digital scarcity and digital ownership. Interestingly, a blockchain game called Cryptokitties, has had the most success in this area with digital ownership of unique digital tokens representing cartoonish kitties with unique 'genetic' attributes that can be bred to create new offspring, and sold as a smart contract for ETH. Similar projects are active in digital art, such as SuperRare.co and RearArt.io. A listing of active tokens, including CryptoKitties, MyCryptoHeros, and Gods Unchained Cards can be found at the following website: https://bloxy.info/list_tokens/ERC721.

Decentralized Finance "DeFi"

DeFi is a system of finance that uses protocols, digital assets, smart contracts, and decentralized applications on Ethereum Network to build a financial platform available to the public. DeFi applications differ from traditional financial systems as they are typically open source, permissionless, transparent, and devoid of any central authority in the areas of savings, loans, trading, insurance, etc. The digital, internet-enabled applications are accessible to anyone in the world with a smartphone and an internet connection.

Three major areas of study and development in DeFi include:

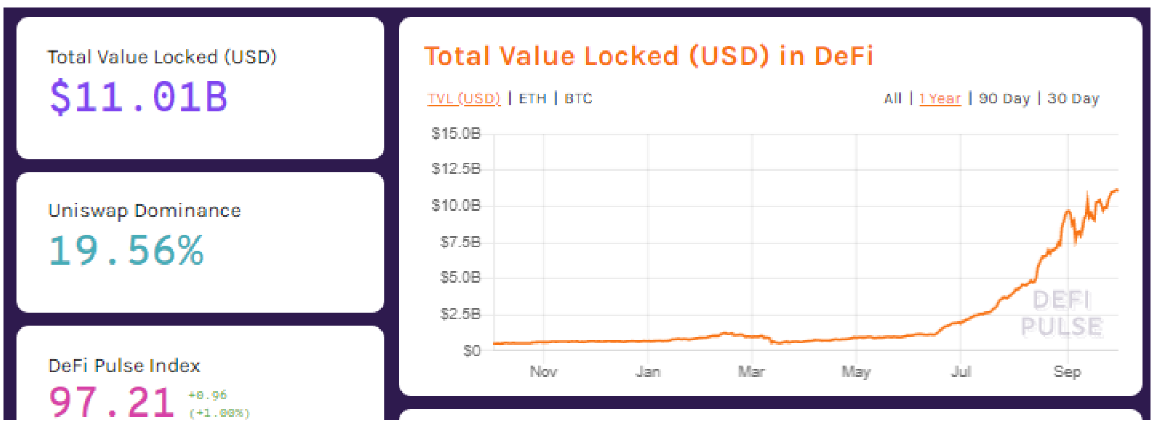
1. *Stable coins*, such as Tether USDT, the Gemini USD coin GUSD or Canada Stablecorp's QCAD. Stablecoins may be backed by fiat currency deposits or other commodities or may be algorithmic in nature.

2. *Lending and borrowing protocols.* Compound and other borrow/lend DApps such as BlockFI, Dharma and dYdX are blockchain-based borrowing and lending platforms that allow one to lend crypto and earn interest. For example, one can deposit crypto to the Compound smart contract as collateral and borrow against it. The Compound contract automatically matches borrowers and lenders and adjusts interest rates based on supply and demand.

3. *DEX (Decentralized Exchanges)*. Digital asset trading platforms such as Uniswap, an exchange run entirely on smart contracts, allow its participants to trade tokens directly from their wallets. This is different from exchange platforms which require participants to transfer their digital assets to an account on the platform and hold the private keys for safekeeping. Uniswap uses an innovative mechanism known as Automated Market Making to automatically settle trades near the market price. In addition to trading, any participant can become a liquidity provider, by supplying digital assets to the Uniswap contract and earning a share of the exchange fees, known as "pooling". Other Decentralized Exchange platforms include 0x, AirSwap, Bancor, Kyber, IDEX, Paradex and Radar Relay.

The following graphs illustrate the growth of DeFi lending and borrowing in US dollars and in ETH.

Exhibit 6



Source: https://defipulse.com/

Exhibit 7

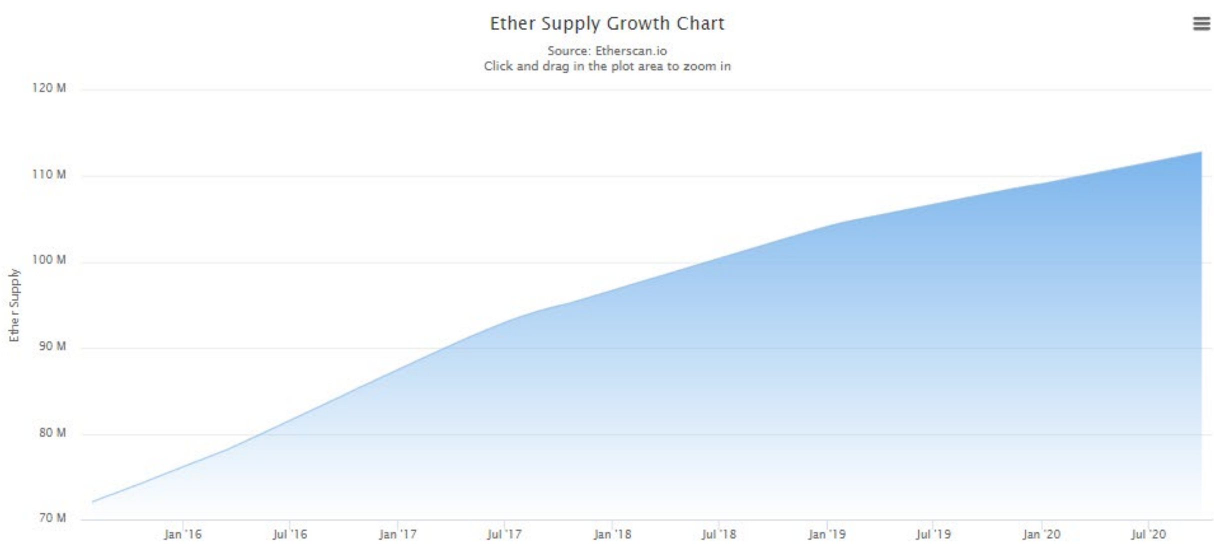
Source: https://defipulse.com/

Supply Characteristics

By 2050, the Manager anticipates that the number of ETH available to the public will have reached a near equilibrium state of 135 million, though this may change under proof-of-stake consensus developments from the current proof-of-work. This differs from a traditional currency, which does not have a theoretical cap on the amount of the currency that will be circulated to the public.

The following graphs illustrate the growth and supply of ETH and the number of holders and current supply of ETH.

Exhibit 8

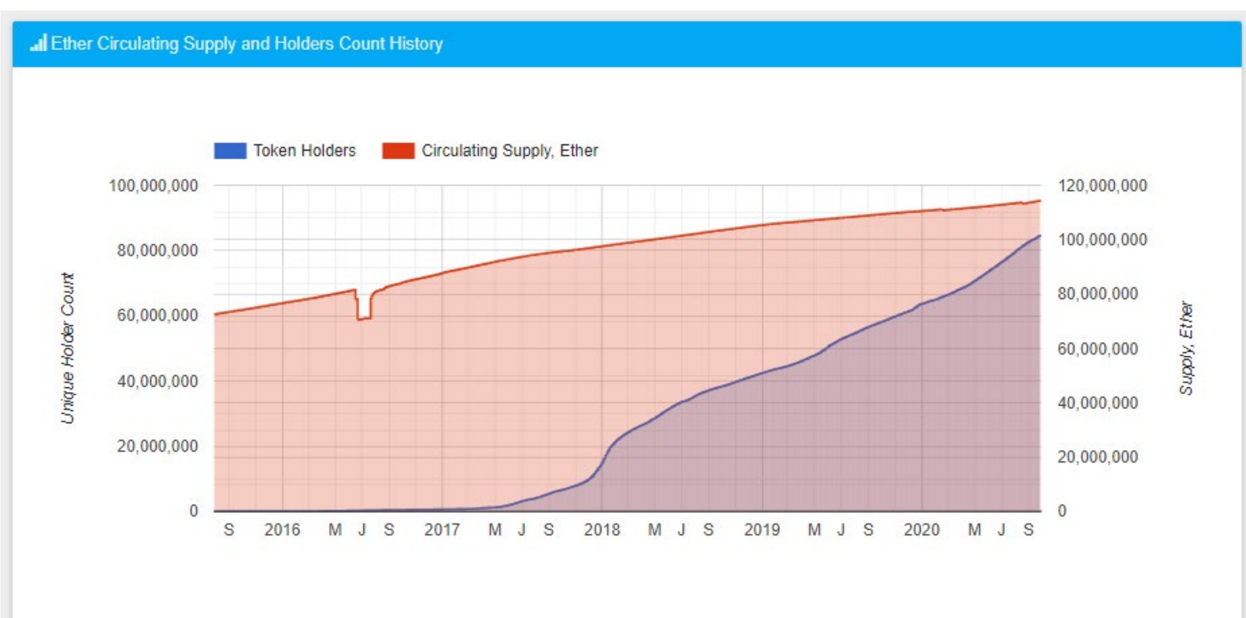


<u>Note</u>:

(1) Data as of September 30, 2020.

Source: https://etherscan.io/chart/ethersupplygrowth

Exhibit 9



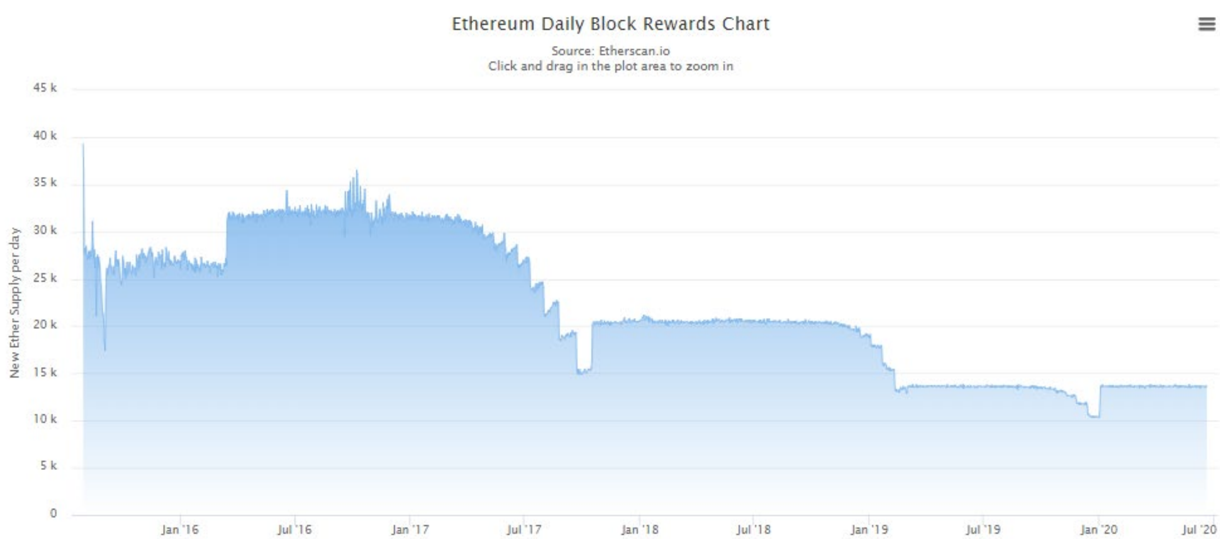
Source: https://bloxy.info/token_holders/ETH

The Manager believes based on basic economic theory of supply and demand, if demand for ETH as a means of exchange, store of value and network access payment continues to increase, then with a deflationary supply schedule, the price of ETH may increase, or the velocity should increase, or both, in order to facilitate this increased demand.

Fortunately, each unit of ETH is highly divisible with the smallest unit being a “wei” at an exchange multiple of 10^18 wei equalling 1 ETH. As the price of a single ETH increases, it can be broken into smaller units for use cases that need to transfer or store less value. 10^9 wei is a “gwei”. Gwei is commonly used when talking about “gas”, the Ethereum network transaction fees. Rather than saying the gas cost is 0.000000001 ETH, one can say 1 gwei. See https://gwei.io/.

Combining the growing base of ETH outstanding with the smaller number of ETH issued per coinbase transaction leads to a rate of supply increase that is continually decreasing, as illustrated in the graph below.

Exhibit 10

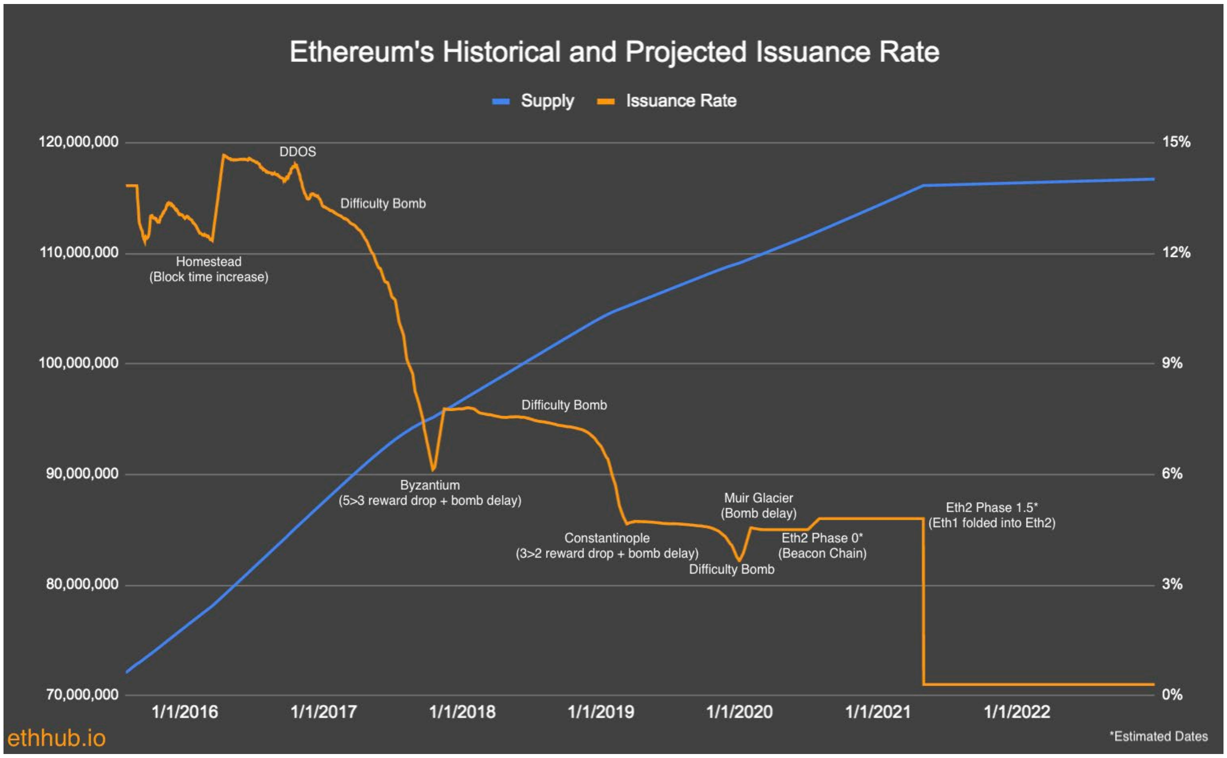


Source: https://etherscan.io/chart/blockreward

Disinflationary Supply

The supply increases according to a disinflation protocol that is subject to adjustment in the development of the network. As previously noted, Ethereum is transitioning from a proof-of-work to proof-of-stake consensus mechanism for the distributed ledger. The following graph shows the historical and projected issuance rate of Ethereum since its inception.

Exhibit 11



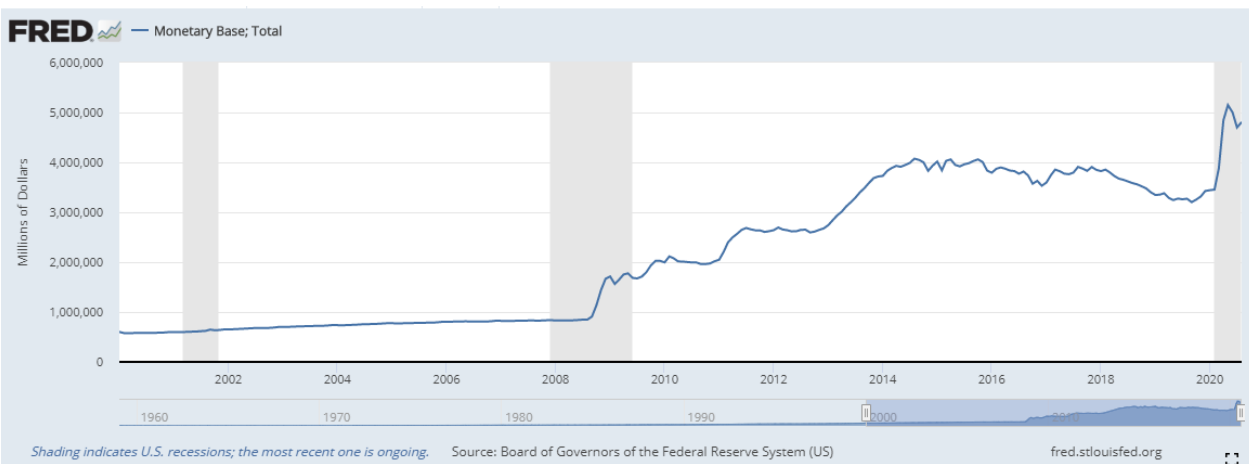
Note:

(1) Image as of September 30, 2020.

Source: https://docs.ethhub.io/assets/images/issuance_graph.png.

The Manager believes that by the middle of the next decade, it is likely that ETH will be one of the least inflationary currencies in the world, given the annual issuance cap on the number of units of ETH available in the Ethereum Network. As a means of contrast, the graph below illustrates the increase in the supply of U.S. dollars over the years.

Exhibit 12



Note:

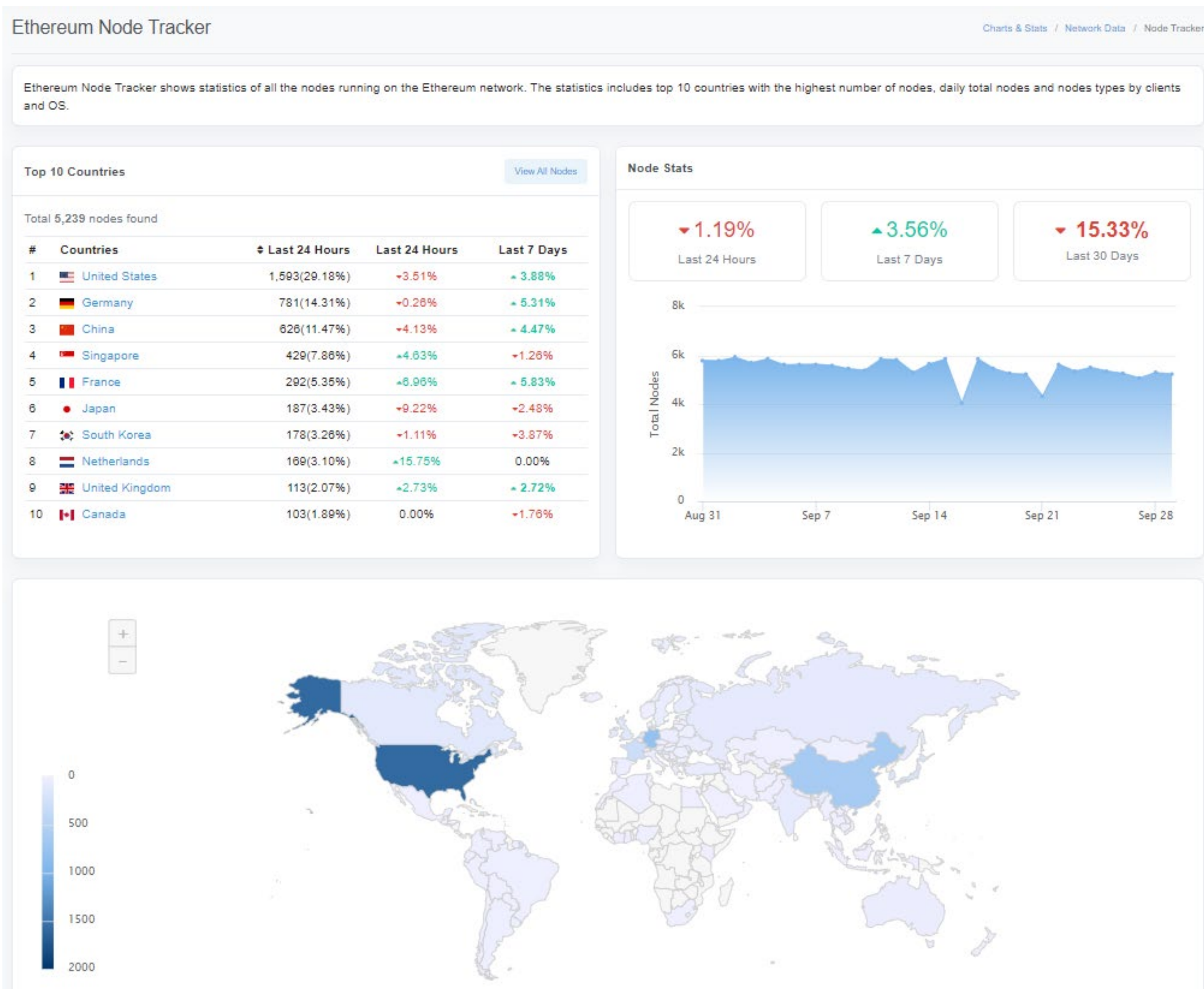
(1) Data as of September 30, 2020.

Source: sourced from Federal Reserve Bank of St. Louis

Security of the Network

The Manager believes the following are key metrics that determine the security of the Ethereum Network. First, there is the large number of nodes connected to the network. A “node” is a computer connected directly to the Ethereum Network. If a node discovers that a block contains an invalid transaction or has otherwise violated the consensus rules, then that block is rejected and will not be appended to the Ethereum blockchain. While some of these nodes are miners, not all of them are. Some nodes are present to forward transactions around the network and keep track of Ethereum Network, without getting involved with Ether’s proof-of-work process to create new blocks. As of September 30, 2020, there were over 5,200 nodes connected to the Ethereum Network. The greatest density of nodes is in the United States, Germany, China, Singapore and France, as illustrated below.

Exhibit 13


Ethereum Node Tracker

Charts & Stats / Network Data / Node Tracker

Ethereum Node Tracker shows statistics of all the nodes running on the Ethereum network. The statistics includes top 10 countries with the highest number of nodes, daily total nodes and nodes types by clients and OS.

Top 10 Countries

View All Nodes

Total 5,239 nodes found

#	Countries	Last 24 Hours	Last 24 Hours	Last 7 Days
1	United States	1,593(29.18%)	-3.51%	3.88%
2	Germany	781(14.31%)	-0.26%	5.31%
3	China	626(11.47%)	-4.13%	4.47%
4	Singapore	429(7.86%)	4.63%	-1.26%
5	France	292(5.35%)	6.96%	5.83%
6	Japan	187(3.43%)	-9.22%	-2.48%
7	South Korea	178(3.26%)	-1.11%	-3.87%
8	Netherlands	169(3.10%)	15.75%	0.00%
9	United Kingdom	113(2.07%)	2.73%	2.72%
10	Canada	103(1.89%)	0.00%	-1.76%

Note

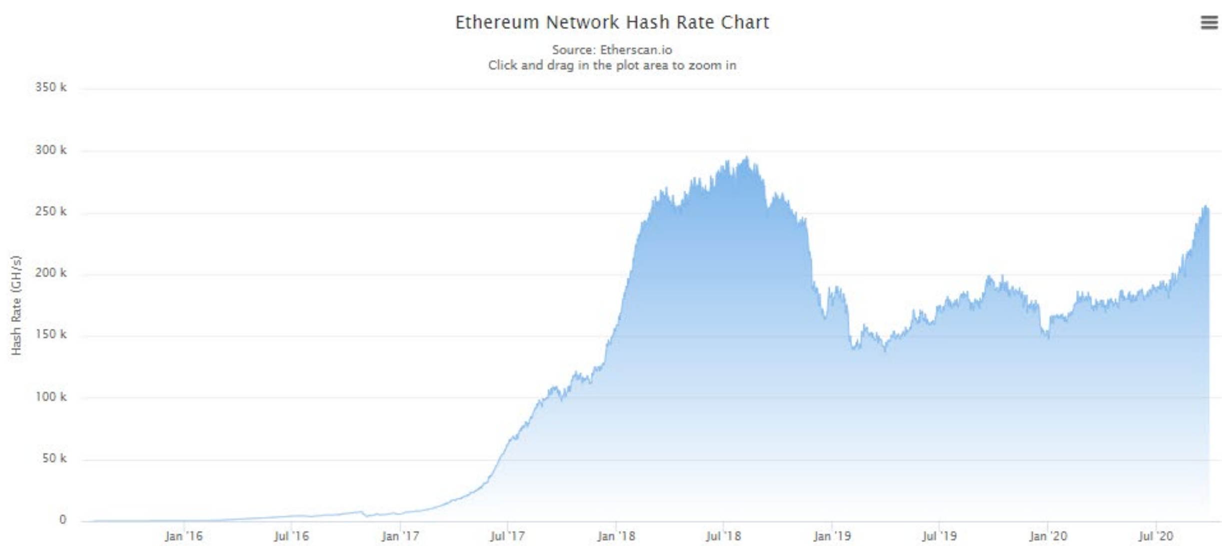
(1) Data as of September 30, 2020.

Source: https://etherscan.io/nodetracker

As demonstrated by the above distribution map, the Ethereum Network is dispersed across the globe. If a nation banned miners from supporting ETH, the majority of the nodes would continue unaffected. If a large segment of miners were to be taken offline, the economics would improve for the remaining miners as they would have less competition, likely leading to an influx of new miners from unaffected geographies.

Another important metric for the security of the Ethereum Network is the hash rate. A "hash" is the output of a hash function, which takes data of arbitrary length and crunches it into a fixed-length string of alphanumeric characters. As it relates to the Ethereum Network, the hash rate is the frequency at which a miner guesses a new solution to create a valid "block hash" (or proof-of-work), which allows a miner to append a new block of transactions to the Ethereum blockchain. For single entities, the more mining machines that they own, the higher the hash rate they will control, which will increase their opportunity of finding the next block hash and receiving the block reward of newly minted ETH. For the Ethereum Network as a whole, a higher hash rate signifies more competition amongst the miners, likely dissuading one nefarious group from trying to take over the network in what is commonly referred to as a "51% attack". As shown below, the hash rate of the Ethereum Network increased exponentially in 2017 and has exhibited a stable rate since January 2019.

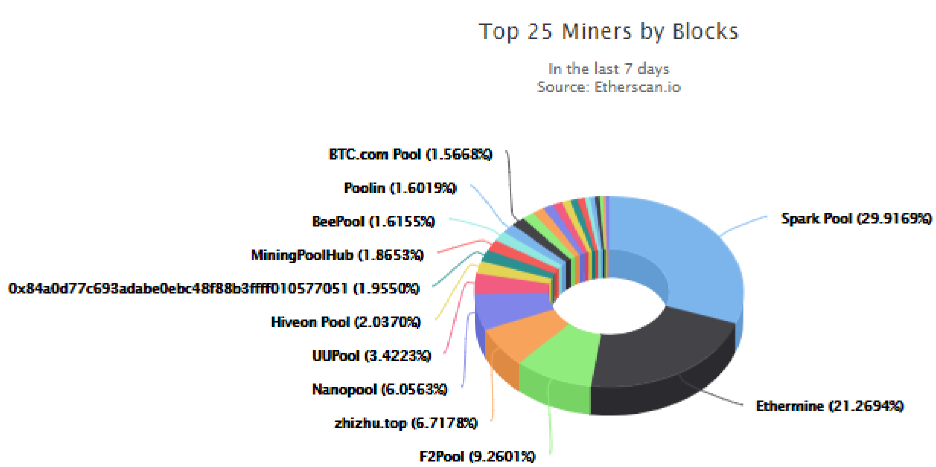
Exhibit 14



Source: https://etherscan.io/chart/hashrate

The schematic diagram below shows that, as of June 2020, no single miner or pool controlled more than 30% of the Ethereum Network; however, the two largest miners or pools controlled in the aggregate more than 51% of the Ethereum Network.

Exhibit 15



Source: https://etherscan.io/stat/miner?blocktype=blocks

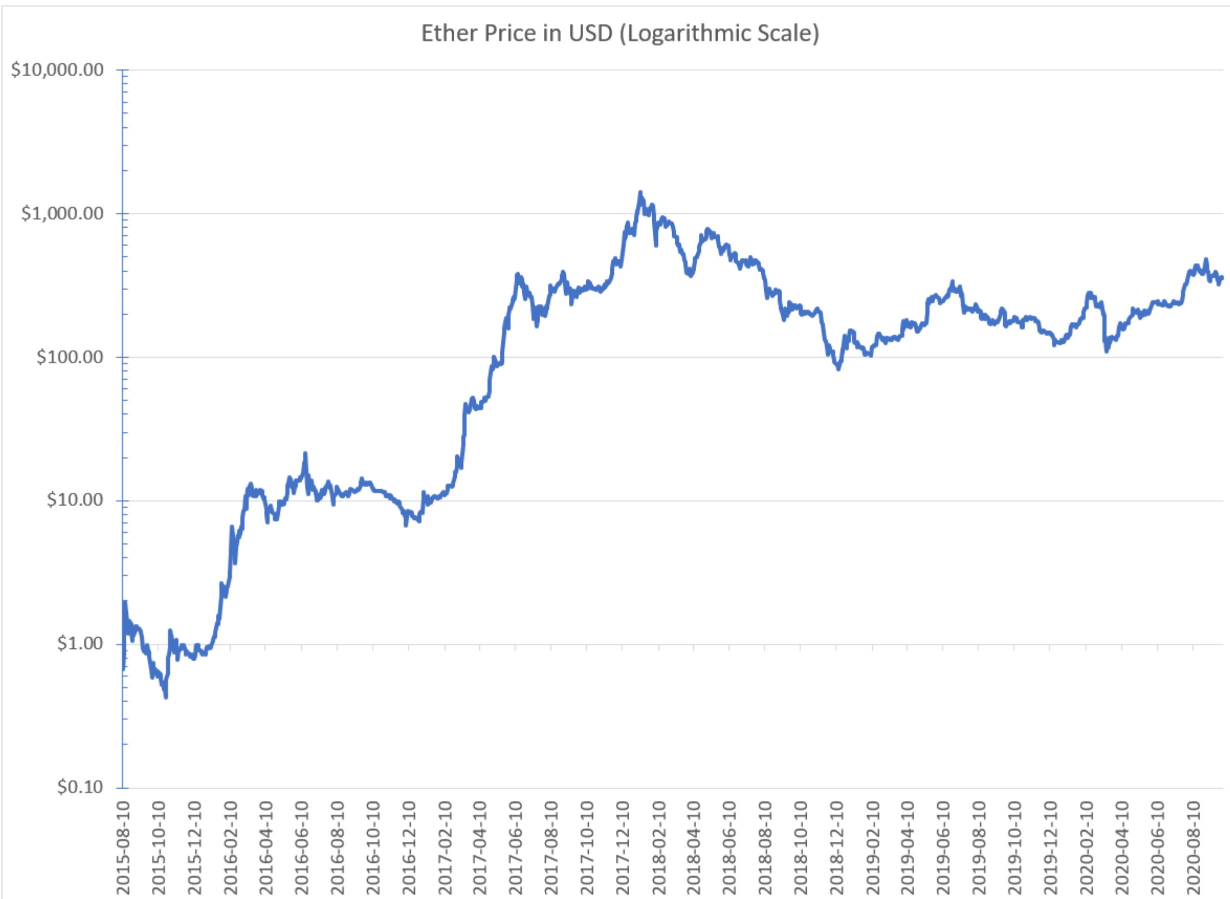
PART II: ETH's Price Characteristics

Absolute Returns

This information is historical, and the past performance of ETH is not indicative of future performance and should not be used to forecast any return that an investor may realize on the Units. Past performance of ETH does not necessarily reflect the performance of the Fund if it had been in existence at the time of ETH's debut as such performance does not account for the costs and expenses associated with this Offering and the operation of the Fund.

Over the last five years, ETH has risen from a value of under US$5 to US$356, as shown in the graph below.

Exhibit 16



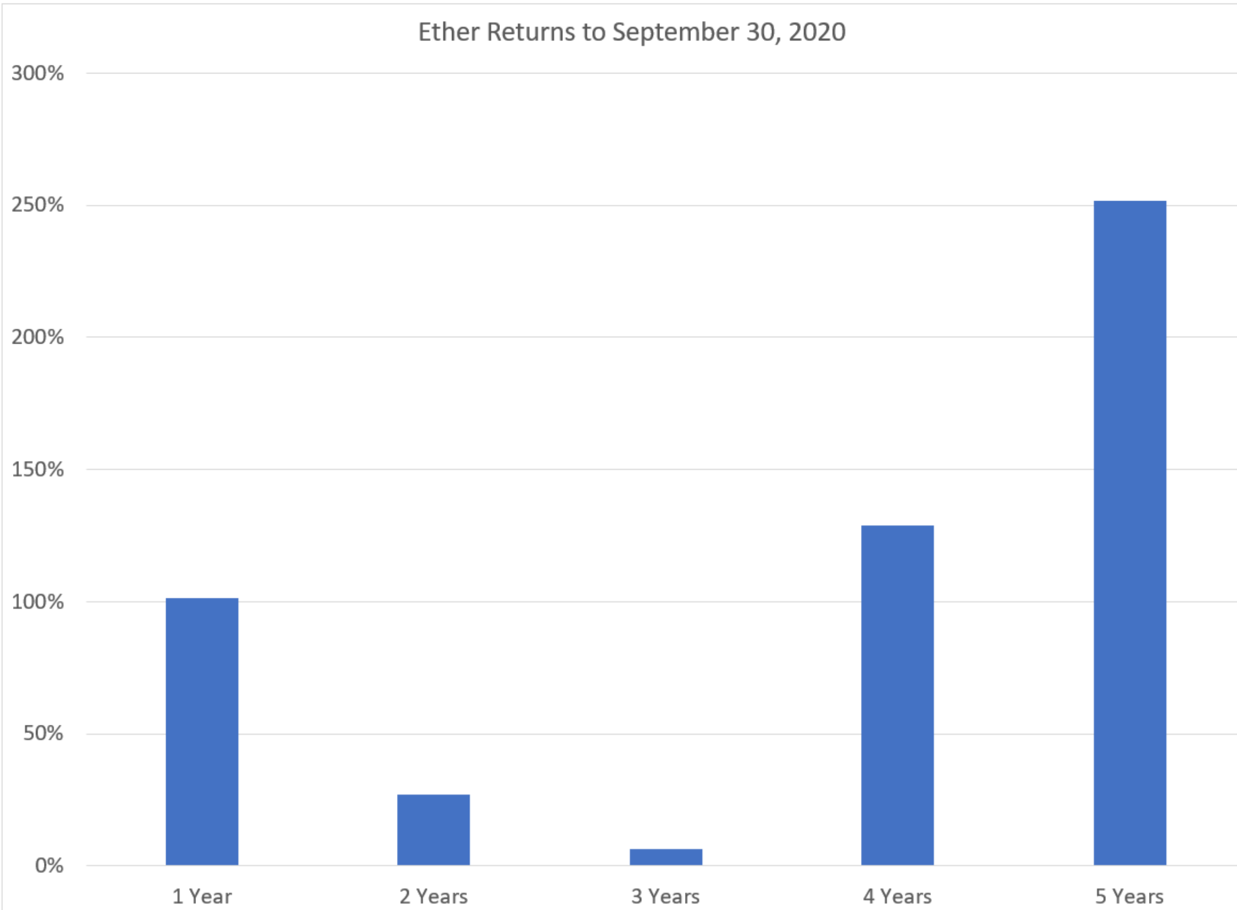
Note:

(1) Data as of September 30, 2020.

Source: 3iQ Corp., data sourced from Bloomberg, XETUSD and CoinDesk

As with any asset, returns are sensitive to endpoints. Below are different examples of potential ETH returns if an investor had invested in ETH and held ETH for the following 1, 2, 3, 4 and 5 years.

Exhibit 17



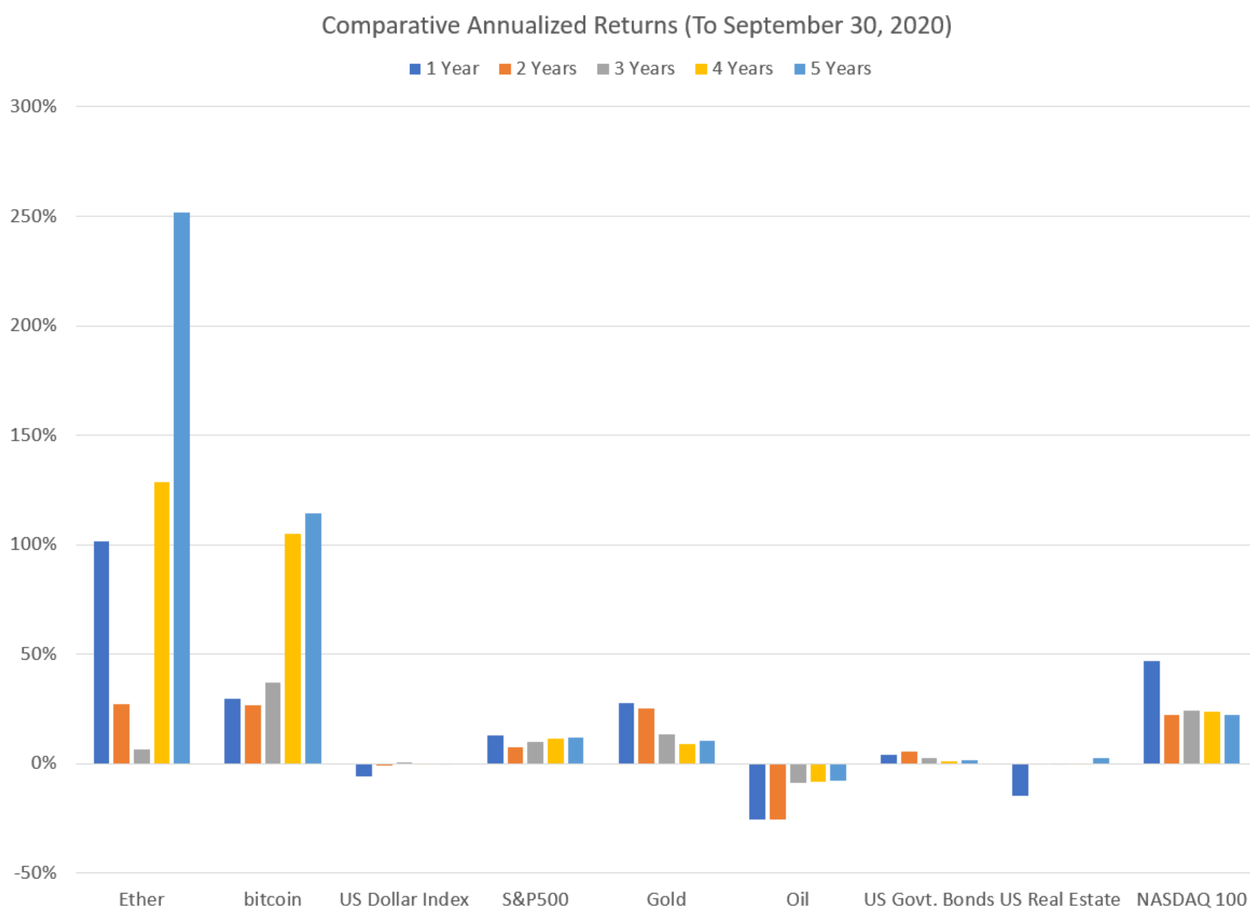
Note:

(1) Data as of September 30, 2020

Source: 3iQ Corp., data sourced from Bloomberg, XETUSD and CoinDesk

The following bar chart illustrates the returns of ETH as compared to other asset classes over a 1, 2, 3, 4 and 5 year periods.

Exhibit 18



Note:

(1) Data as of September 30, 2020.

Source: 3iQ Corp., data sourced from Bloomberg, XETUSD and CoinDesk

Volatility

The price of ETH is volatile and fluctuations are expected to have a direct impact on the Net Asset Value of the Units. However, movements in the price of ETH in the past may not be a reliable indicator of future movements. Movements may be influenced by various factors including supply and demand, geo-political uncertainties, macroeconomic concerns such as inflation and speculative investor interest.

As of September 30, 2020, ETH's daily volatility has decreased to levels below its historical average as shown in the graph below. The decline in ETH's volatility has been caused by a number of factors: more stable and liquid spot exchanges, greater regulatory approval, broader ownership, and increasingly reliable price discovery data.

Exhibit 19

Note:

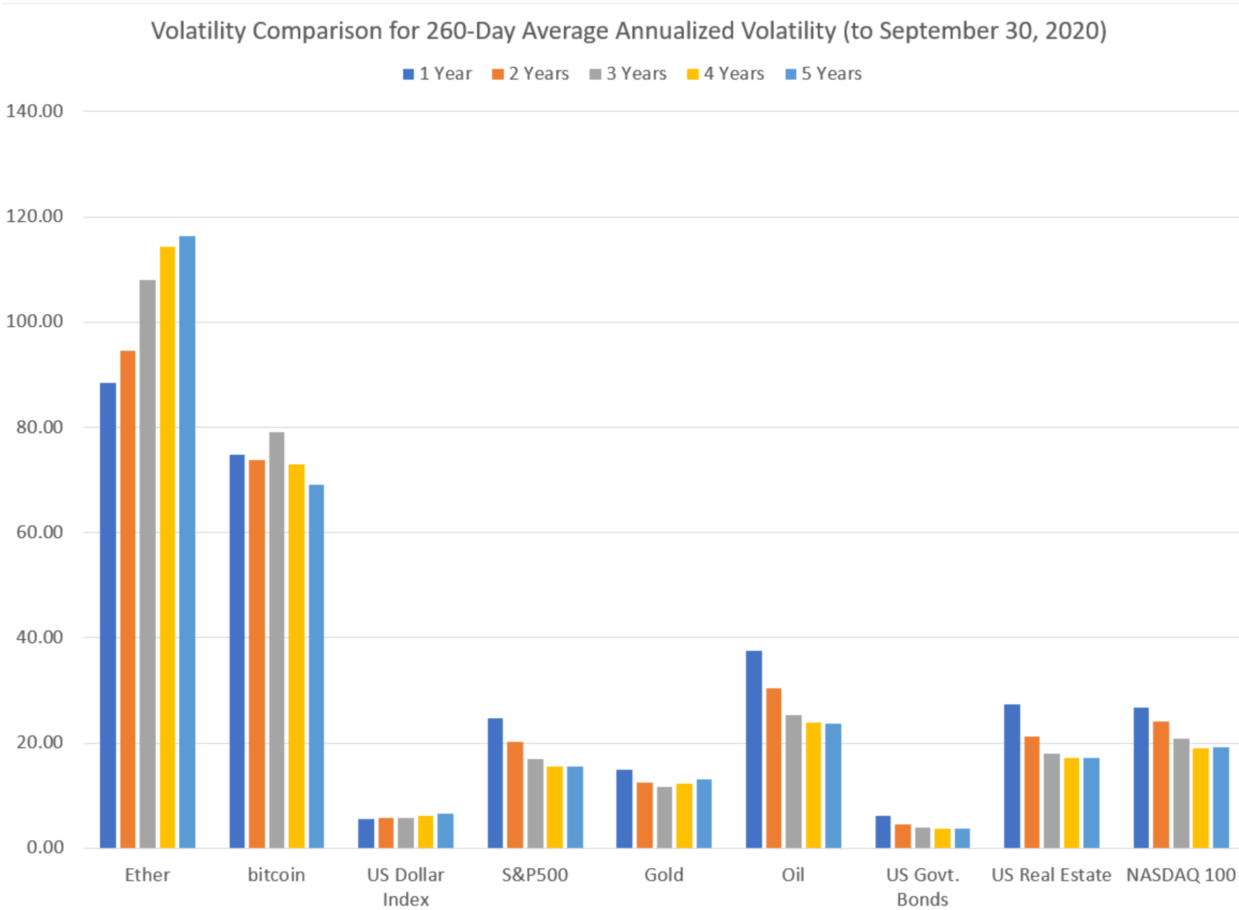
(1) Measured by the 260-day standard deviation of ETH's daily price changes.

(2) Data as of September 30, 2020.

Source: 3iQ Corp., data sourced from Bloomberg, XETUSD

While ETH's volatility has dropped considerably, it has still been the most volatile of the broad asset classes over the last 5 years, as shown below.

Exhibit 20



__Note:__

(1) Data as of September 30, 2020.

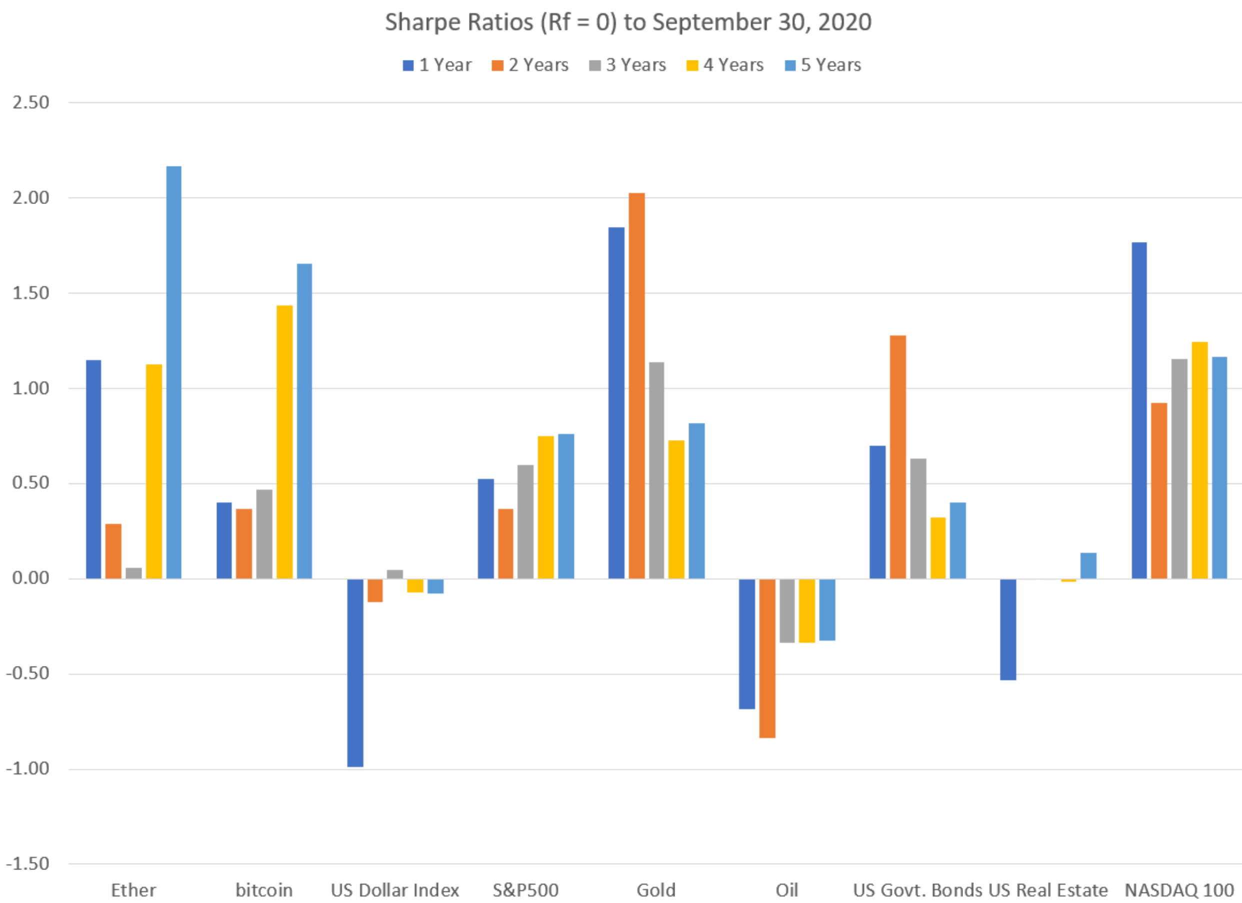
Source: 3iQ Corp., data sourced from Bloomberg, XETUSD and CoinDesk

Sharpe Ratio

As modern portfolio theory suggests, absolute returns and volatility are insufficient indicators of a good investment. Instead, one must adjust absolute returns for the amount of volatility, or risk, to attain risk adjusted returns. The most common measure of risk adjusted returns is the Sharpe Ratio, which measures returns above the risk-free rate divided by the volatility of the asset. Assets can be compared to one another because each unit of return is standardized per unit of risk. Assets with the highest Sharpe Ratio best compensate investors for the risk they are taking.

Although ETH has been extremely volatile historically, when its returns are adjusted to account for volatility, its long-term Sharpe Ratio has been superior. During some of the periods illustrated below, ETH has outperformed traditional assets on a risk adjusted basis.

Exhibit 21



Note:

(1) Data as of September 30, 2020.

Source: 3iQ Corp., data sourced from Bloomberg, XETUSD and CoinDesk

Correlation

As illustrated below, ETH is uniquely uncorrelated across traditional investment assets. For example, the drivers of ETH do not depend upon the level of interest rates or consumer demand that affect many S&P 500 corporate valuations. Below is a chart of correlation between broad asset classes and ETH for the past two years.

Exhibit 22

	Ether	*bitcoin*	*US Dollar Index*	*S&P 500*	*Gold*	*Oil*	*US Govt. Bonds*	*US Real Estate*	*NASDAQ 100*
Ether	1.00								
bitcoin	0.83	1.00							
US Dollar Index	-0.09	-0.10	1.00						
S&P500	0.25	0.22	0.03	1.00					
Gold	0.22	0.26	-0.40	0.05	1.00				
Oil	0.20	0.17	-0.02	0.45	0.02	1.00			
US Govt. Bonds	0.15	0.16	-0.27	0.07	0.34	0.08	1.00		

US Real Estate	0.21	0.20	-0.05	0.83	0.12	0.36	0.18	1.00	
NASDAQ 100	0.24	0.21	0.07	0.94	0.07	0.40	0.02	0.69	1.00

Note:

(1) Correlation analysis is based on the daily returns of ETH versus other asset classes from September 28, 2018 to September 30, 2020.

Source: 3iQ Corp., data sourced from Bloomberg.

Digital Asset Trading Platforms

Digital asset trading platforms operate websites and mobile applications that facilitate the purchase and sale of ETH for various government-issued currencies, including the U.S. dollar, the euro and the Chinese yuan and for other crypto currencies, such as bitcoin. Activity on the digital asset trading platforms should not be confused with the process of users sending ETH from one address to another ETH address. The latter is an activity that uses ETH as a means of exchange and is largely conducted directly using Ethereum blockchain, whereas the former is mostly an activity around ETH as a store of value and largely occurs within the trade books of digital asset trading platforms (i.e., off-blockchain).

Digital asset trading platforms generally report publicly on their websites the bid and ask prices for the purchase or sale of ETH. Although each digital asset trading platform has its own market price, it is expected that most digital asset trading platforms' market prices should be relatively consistent with the digital asset trading platform market average since market participants can choose the digital asset trading platform on which to buy or sell ETH. Price differentials across digital asset trading platforms enable arbitrage between ETH prices on the various exchanges and occur most notably between geographies.

Digital asset trading platforms are open 24 hours a day and 365 days of the year. There currently exist globally over 100 digital asset trading platforms. Digital asset trading platforms with the most economically significant trading volume are Binance, Coinbase, Kraken, Bitfinex, Bitstamp, bitFlyer, Gemini, Bittrex, itBit and Liquid. A majority of these exchanges employ KYC procedures in compliance with applicable AML Regulation.

Purchasing ETH for the Fund's Portfolio

The Manager expects that ETH will be purchased for the Fund from regulated digital asset trading platforms and OTC counterparties (each, a "**ETH Source**") and possibly through derivatives such as ETH-settled futures on regulated exchanges. The Manager will conduct due diligence on each proposed ETH Source prior to transacting with such ETH Source in order to confirm its reputation, stability and the regulatory regime applicable to the ETH Source. The Manager will also confirm that each ETH Source maintains appropriate KYC policies and procedures and will not transact with any person or entity that is on a list of designated persons or entities established and maintained under applicable AML Regulation in the jurisdiction of the ETH Source. The Manager will ensure that each ETH Source has its head office in a jurisdiction which is a member of the FATF or its global network of FATF-Style Regional Bodies.

The Manager expects that substantially all of the net proceeds of the Offering will be invested in ETH (and all purchases of ETH will have settled) within 30 business days after the Closing Date.

The Manager expects that the Fund's ETH Sources will include Gemini, Genesis Global Trading, Inc., Tagomi, Coinbase Pro and other New York Department of Financial Services regulated trading platforms and OTC counterparties.

The Manager will determine where to place the Fund's ETH orders based on the prices and volumes available through each ETH Source with a view to achieving quality execution for the Fund. Once an ETH order has been executed and allocated to the Fund, the Manager reviews and approves the transaction. Upon approval, the Sub-Custodian is notified and payment for the trade is settled. Once the Sub-Custodian receives the ETH on behalf of the Fund, the Sub-Custodian immediately places the ETH in cold storage, ensuring that such ETH is allocated to the Fund's account on a segregated basis.

Gemini has developed the Gemini BSA/AML Program described under "Organization and Management Details of the Fund – Sub-Custodian". To date, Gemini has never experienced a loss due to unauthorized access from its hot wallet or the cold storage vaults where the Fund's ETH would be custodied.

RISK FACTORS

The following are certain considerations relating to an investment in Units of the Fund which prospective investors should consider before purchasing such securities.

Risks Factors Relating to an Investment in the Fund

No Assurance in Achieving Investment Objectives

There is no assurance that the Fund will be able to achieve its investment objectives.

Trading Price of Units

The Units may trade in the market at a discount or a premium to the Net Asset Value per Unit and there can be no assurance that the Units will trade at a price equal to the Net Asset Value per Unit.

Loss of Investment

An investment in the Fund is appropriate only for investors who have the capacity to absorb a loss on their investment.

Fluctuation in Value of ETH

The Net Asset Value of the Units will vary according to the value of ETH included in the Fund's portfolio. The value of the ETH will be influenced by factors which are not within the control of the Fund or the Manager.

Concentration Risk

The Fund was created to invest in ETH and is not expected to have exposure to any other investments or assets. Other than cash or cash equivalents, the Fund will invest substantially all of its assets in ETH. The Net Asset Value per Unit may be more volatile than the value of a more broadly diversified portfolio and may fluctuate substantially over short periods of time. This may have a negative impact on the Net Asset Value of the Units.

Use of Leverage

The Fund may borrow money on a short term basis to acquire ETH in anticipation of and prior to any follow on offering of Units by the Fund in an amount not to exceed 25% of the Net Asset Value of the Fund. The Manager does not expect to borrow money to acquire ETH in anticipation of and prior to the closing of this Offering. If the Fund's portfolio suffers a decrease in value, the leverage component will cause a decrease in Net Asset Value of the Fund in excess of that which would otherwise be experienced.

Reliance on the Manager

Unitholders will be dependent on the abilities of the Manager to effectively administer the affairs of the Fund. The Manager depends, to a great extent, on a very limited number of individuals in the administration of its activities as manager of the Fund. The loss of the services of any one of these individuals for any reason could impair the ability of the Manager to perform its duties as manager on behalf of the Fund.

Use of Derivatives

The Fund may use derivative instruments for non-hedging purposes in accordance with its investment restrictions. The Fund is subject to the credit risk that its counterparty (whether a clearing corporation in the case of exchange-traded instruments or another third party in the case of over-the-counter instruments) may be unable to meet its obligations. Derivative instruments traded in foreign markets may offer less liquidity and greater credit risk than comparable instruments traded in North American markets. The ability of the Fund to close out its positions may also be affected by exchange imposed daily trading limits on options and futures contracts. If the Fund is unable to close out a position, it will be unable to realize its profit or limit its losses until such time as the futures or forward contract terminates, as the case may be. The inability to close out futures and forward positions could also have an adverse impact on the Fund's portfolio.

No Ownership Interest in the Portfolio

An investment in Units does not constitute an investment by Unitholders in the ETH, cash and cash equivalents included in the Fund's portfolio. Unitholders will not own the ETH or cash or cash equivalents held by the Fund.

Changes in Legislation

There can be no assurance that certain laws applicable to the Fund, including income tax laws, government incentive programs and the treatment of mutual fund trusts under the Tax Act, will not be changed in a manner which adversely affects the Fund or Unitholders.

Conflicts of Interest

The Manager and its directors and officers engage in the promotion, management or investment management of one or more funds or trusts with similar investment objectives to those of the Fund. Although none of the directors or officers of the Manager will devote his or her full time to the business and affairs of the Fund, each director and officer of the Manager will devote as much time as is necessary to supervise the management of (in the case of the directors) or to manage the business and affairs of (in the case of officers) the Fund and the Manager.

Status of the Fund

As the Fund is not a mutual fund as defined under Canadian securities laws, the Fund is not subject to the Canadian policies and regulations that apply exclusively to mutual funds.

Valuation of the Fund

Valuation of the Fund may involve uncertainties and judgement determinations, and, if such valuations should prove to be incorrect, the Net Asset Value of the Fund could be adversely affected. The Manager may face a conflict of interest in valuing the ETH held by the Fund because the values assigned will affect the calculation of the Management Fee payable by the Fund to it. This risk is mitigated by the fact that the ETH held by the Fund is valued based on the MVIETH as described in "Calculation of Net Asset Value - Valuation Policies and Procedures".

Significant Redemptions

The purpose of the annual redemption right is to reduce the extent to which Units trade at a substantial discount and to provide investors with the right to eliminate entirely any trading discount once per year. While the redemption right provides investors the option of annual liquidity (commencing on June 16, 2022), there can be no assurance that it will reduce trading discounts. Furthermore, if a substantial number of Units are redeemed, the number of Units outstanding could be significantly reduced with the effect of decreasing liquidity of the Units in the market. In addition, the expenses of the Fund would be spread among fewer Units resulting in a lower Net Asset Value per Unit than if there were fewer redemptions. If, as a result of significant redemptions, the Manager determines that it is in the best interests of Unitholders to terminate the Fund, the Manager could cause the termination of the Fund without Unitholder approval. See "Redemption of Units" and "Termination of the Fund".

Other closed-end funds with annual redemption rights similar to the redemption rights in respect of the Units have experienced significant redemptions on annual redemption dates in the past.

Manager, Custodian and Sub-Custodian Standard of Care

Each of the Manager, the Custodian and the Sub-Custodian are subject to a contractual standard of care in carrying out its duties concerning the Fund (See "Organization and Management Details of the Fund – Details of the Declaration of Trust", "Organization and Management Details of the Fund – Custodian" and "Organization and Management Details of the Fund – Sub-Custodian"). In the case that the Fund suffers a loss of its ETH and each of the Manager, the Custodian and the Sub-Custodian satisfied its respective standard of care, the Fund will bear the risk of loss as with respect to these parties.

Under the terms of the Custodian Agreement, the Custodian is required to exercise the standard of care required by NI 81-102. However, the Custodian will not be liable to the Fund for any loss of the Fund's ETH held by the Sub-Custodian unless such loss is directly caused by the Custodian's gross negligence, fraud, wilful default, or the breach of its standard of care. In the event of such loss, the Custodian is required to take reasonable steps to enforce such rights as it may have against the Sub-Custodian pursuant to the terms of the Sub-Custodian Agreement and applicable law.

SOC 2 Type 2 Report of the Sub-Custodian

The Sub-Custodian provided the Manager with a SOC 2 Type 2 Report dated January 2, 2020 in respect of its internal controls for the year ended December 31, 2019. The Sub-Custodian has advised the Manager that a SOC 2 Type 2 Report of its internal controls will be available for review by the auditor of the Fund in connection with the audit of the annual financial statements of the Fund. However, there is a risk that such SOC 2 Type 2 Report of the Sub-Custodian will not be available. In the event that the SOC 2 Type 2 Report is not available, the Manager will request confirmation from the Sub-Custodian in writing to permit the auditor of the Fund to test its internal controls. Although the Manager has received reasonable assurances from the Custodian and the Sub-Custodian that such written confirmation will be provided in the event that a SOC 2 – Type 2 report of the Sub-Custodian is not available, there is a risk that such written confirmation will not be provided and/or that the auditor will not be able to test the internal controls of the Custodian and the Sub-Custodian directly. The Fund will file an undertaking with applicable securities regulatory authorities that provides that while it remains a reporting issuer, the Fund will obtain from the Sub-Custodian of the ETH of the Fund either an SOC 2 – Type 2 report or written confirmation from the Sub-Custodian to permit the auditor of the Fund to test its controls.

In the event that the auditor of the Fund cannot: (i) review a SOC 2 – Type 2 Report of the Sub-Custodian; or (ii) test the internal controls of the Sub-Custodian directly in connection with its audit of the Fund's annual financial statements, the auditor would not be able to complete its audit of the annual financial statements of the Fund in accordance with the current guidance of the Canadian Public Accountability Board.

Lack of Operating History

The Fund is a newly organized investment trust with no previous operating history. There is currently no public market for the Units and there can be no assurance that an active public market for the Units will develop or be sustained after completion of the Offering.

No Active Trading Market

The TSX has conditionally approved the listing of the Class A Units. Listing is subject to the Fund fulfilling all of the requirements of the TSX on or before March 1, 2021, including distribution of the Class A Units to a minimum number of public unitholders. There can be no assurance that an active public market for the Class A Units will develop or be sustained. If a market for the Class A Units does not develop or is not sustained, you may not be able to resell your Units purchased in this Offering. This may affect the pricing of the Class A Units in the secondary market, the transparency and availability of trading prices, the liquidity of the Class A Units and the extent of issuer regulation. The price of the Units was determined through negotiations between the Agents and the Manager, on behalf of the Fund. The Fund cannot predict the prices at which the Class A Units will trade upon closing of the Offering and the offering price of the Units may not be indicative of the market price of the Class A Units after the Offering. There can be no assurance that the Fund will continue to meet the listing requirements of the TSX or any other public listing exchange on which the Class A Units may subsequently be listed.

Not a Trust Company

The Fund is not a trust company and, accordingly, is not registered under the trust company legislation of any jurisdiction. Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under provisions of that statute or any other legislation.

U.S. Currency Exposure

The Fund's functional and presentation currency is and the investor's investment will be made in U.S. dollars. The Fund will purchase ETH which is currently denominated in U.S. dollars.

Canadian investors should be aware that the Fund will not hedge the investor's investment in the Fund against Canadian currency exposure. Fluctuations in the value of the Canadian dollar relative to the U.S. dollar will impact the relative value of an investor's investment in Canadian dollars. If the value of the Canadian dollar has increased relative to the U.S. dollar, the return on the ETH converted into Canadian dollars may be reduced, eliminated or made negative. The opposite can also occur and if it does occur, a Canadian investor and the value of such investor's investment converted into Canadian dollars may benefit from an increase in the value of the U.S. dollar relative to the Canadian dollar.

Cyber Security Risk

As the use of technology has become more prevalent in the course of business, investment funds like the Fund have become potentially more susceptible to operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the Fund to lose proprietary information or other information subject to privacy laws, suffer data corruption, or lose operational capacity. This in turn could cause the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. Cyber security breaches may involve unauthorized access to the Fund's digital information systems (e.g. through "hacking" or malicious software coding), but may also result from outside attacks such as denial-of-service attacks (i.e. efforts to make network services unavailable to intended users). In addition, cyber security breaches of the Fund's third-party service providers (e.g. the Registrar and Transfer Agent, the Custodian and the Sub-Custodian) can also subject the Fund to many of the same risks associated with direct cyber security breaches. Like with operational risk in general, the Fund has established risk management systems designed to reduce the risks associated with cyber security.

Tax Risk

"Mutual fund trust" status - In order to qualify as a mutual fund trust under the Tax Act, the Fund must comply with various requirements contained in the Tax Act, including to restrict its undertaking to the investment of its funds in property. If the Fund were to cease to qualify as a mutual fund trust (whether as a result of a change in law or administrative practice, or due to its failure to comply with the current Canadian requirements for qualification as a mutual fund trust), it may experience various potential adverse consequences, including: becoming subject to a requirement to withhold tax on distributions made to non-resident Unitholders of any taxable capital gains; Units not qualifying for investment by Registered Plans; and Units ceasing to qualify as "Canadian securities" for the purposes of the election provided in subsection 39(4) of the Tax Act.

"*SIFT Rules*" - The SIFT Rules apply to trusts that are resident in Canada for the purposes of the Tax Act and that hold one or more "non-portfolio properties" (as defined in the Tax Act) and the units of which are listed or traded on a stock exchange or other public market ("**SIFT Trust**"). Under the SIFT Rules, if the Fund were a SIFT Trust it will generally be subject to tax at rates applicable to a Canadian corporation on income from a non-portfolio property (other than a taxable dividend) and net taxable capital gains realized on the disposition of a non-portfolio property (generally, "non-portfolio earnings" under the Tax Act). Unitholders who receive distributions from the Fund of this income and gain are deemed to receive an eligible dividend from a Canadian corporation for tax purposes. The total of the tax payable by the Fund on its non-portfolio earnings and the tax payable by a Unitholder on the distribution of those earnings will generally be more than the tax that would have been payable in the absence of the tax rules that apply to a SIFT trust. Even if units of the Fund are listed or traded on a stock exchange or other public market, provided the Fund only invests in ETH, the Fund should not be a SIFT trust; however, no assurance can be given in this regard.

Treatment of gains and losses on dispositions of ETH - The Fund generally will treat gains (or losses) as a result of any disposition of ETH as capital gains (or capital losses). The CRA has stated that it generally treats cryptocurrency like a commodity for purposes of the Tax Act. The CRA has also expressed the opinion that gains (or losses) of mutual fund trusts resulting from transactions in commodities should generally be treated for income tax purposes as ordinary income rather than as capital gains, although the treatment in each particular case remains a question of fact to be determined having regard to all the circumstances. If any transactions of the Fund are reported by it on capital account, but are subsequently determined by the CRA to be on income account, there may be an increase in the net income of the Fund, which is automatically distributed by the Fund to its Unitholders under the terms of the Trust Agreement at the Fund's taxation year end; with the result that Canadian-resident Unitholders could be reassessed by the CRA to increase their taxable income by the amount of such increase, and non-resident Unitholders potentially could be assessed directly by the CRA for Canadian withholding tax on the amount of net gains on such transactions that were treated by the CRA as having been distributed to them. The CRA could assess the Fund for a failure of the Fund to withhold tax on distributions made by it to non-resident Unitholders that are subject to withholding tax, and typically would do so rather than assessing the non-resident Unitholders directly. Accordingly, any such re-determination by the CRA may result in the Fund being liable for unremitted withholding taxes on prior distributions made to Unitholders who were not resident in Canada for the purposes of the Tax Act at the time of the distribution. As the Fund may not be able to recover such withholding taxes from the non-resident Unitholders whose Units are redeemed, payment of any such amounts by the Fund would reduce the Net Asset Value of the Fund.

"Loss restriction event" - If the Fund experiences a "loss restriction event", it will: (i) be deemed to have a year-end for tax purposes (which would result in an allocation of the Fund's taxable income at such time to Unitholders so that the Fund is not liable for income tax on such amounts); and (ii) become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, the Fund will be subject to a loss restriction event when a person becomes a "majority-interest beneficiary" of the Fund, or a group of persons becomes a "majority-interest group of beneficiaries" of the Fund, as those terms are defined in the affiliated persons rules contained in the Tax Act, with appropriate modifications. Generally, a majority-interest beneficiary of the Fund will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, respectively, in the Fund.

COVID-19 Outbreak

The novel coronavirus (COVID-19) outbreak was characterized as a pandemic by the World Health Organization on March 11, 2020. The outbreak has spread throughout the world, causing companies and various governments to impose restrictions, such as quarantines, closures, cancellations and travel restrictions. The effects of COVID-19 and the measures taken by companies and governments to combat the coronavirus have negatively affected asset values and increased volatility in the financial markets, including the market price and volatility of ETH. At this point, the extent to which the coronavirus may impact, or may continue to impact, the market price of ETH and, in turn, the market price of the Units, is uncertain and cannot be predicted.

Risks Associated with Investing in ETH

Cryptocurrency Risk

Cryptocurrency (notably, ETH), often referred to as "virtual currency" or "digital currency", operates as a decentralized, peer-to-peer financial exchange and value storage that is used like money. Cryptocurrency operates without the oversight of a central authority or the banks and is not backed by any government. Even indirectly, cryptocurrencies (i.e. ETH) may experience high volatility and related investment vehicles may be affected by such volatility. Funds holding cryptocurrency may also trade at a significant premium or discount to net asset value. Cryptocurrency is not legal tender. Federal, state, provincial, territorial or foreign governments may restrict the use and exchange of cryptocurrency, and regulation in North America is still developing. Cryptocurrency exchanges may stop operating or permanently shut down due to fraud, technical glitches, hackers or malware which could have an adverse impact on the Net Asset Value of the Units.

Short History Risk

The Ethereum Network and ETH as digital asset or token have a limited history. Due to this short history, it is not clear how all elements of ETH will unfold over time, specifically with regard to governance between miners, developers and users, as well as the long-term security model as the rate of inflation of ETH decreases. Since the ETH community has successfully navigated a considerable number of technical and political challenges since its inception, the Manager believes that it will continue to engineer its way around future challenges. The history of open source software development would indicate that vibrant communities are able to change the software under development at a pace sufficient to stay relevant. The continuation of such vibrant communities is not guaranteed, and insufficient software development or any other unforeseen challenges that the community is not able to navigate could have an adverse impact on the Fund's portfolio.

Limited History of the ETH Market

ETH is a new technological innovation with a limited history. There is no assurance that usage of ETH and its blockchain will continue to grow. The Net Asset Value of the Units is dependent on the development and widespread acceptance of the Ethereum Network. A contraction in use of ETH or its blockchain may result in increased volatility or a reduction in the price of ETH, which could adversely impact the Net Asset Value of the Units. Users of the protocol have been planning a move towards proof-of-stake from the current hash-based mining consensus mechanism of proof-of-work and there is currently no history of the implementation of this on the Ethereum *mainnet*, or operational blockchain.

Volatility in the Price of ETH

The ETH markets are sensitive to new developments, and since volumes are still maturing, any significant changes in market sentiment (by way of sensationalism in the media or otherwise) can induce large swings in volume and subsequent price changes. Such volatility can adversely affect the Net Asset Value of the Units.

The price of ETH on public digital asset trading platforms has a limited history. ETH prices on the digital asset trading platforms as a whole have been volatile and subject to influence by many factors including the levels of liquidity on digital asset trading platforms. Even the largest digital asset trading platforms have been subject to operational interruption, limiting the liquidity of ETH on the digital asset trading platform market and resulting in volatile prices and a reduction in confidence in the Ethereum Network and the digital asset trading platform market generally. Purchasing activity on the digital asset trading platforms by the Fund may adversely affect the MVIETH Price and Unit trading prices, given the limited number of digital asset trading platforms.

Momentum pricing typically is associated with growth stocks and other assets whose valuation, as determined by the public, accounts for anticipated future appreciation in value. The Manager believes that momentum pricing of ETH has resulted, and may continue to result, in speculation regarding future appreciation in the value of ETH, inflating and making more volatile the value of an ETH. As a result, ETH may be more likely to fluctuate in value due to changing investor confidence in future appreciation, which could adversely affect an investment in the Units.

Despite the advantages of the Ethereum Network over other digital protocols, it is possible that another digital protocol could become materially popular due to either a perceived or exposed shortcoming of the Ethereum Network protocol that is not immediately addressed by the ETH contributor community or a perceived advantage of an alternative digital token or "altcoin" that includes features not incorporated into ETH. If a digital asset obtains significant market share (either in market capitalization, mining power or use as a payment technology), this could reduce ETH's market share and have a negative impact on the demand for, and price of, ETH and thereby adversely affect the Net Asset Value of the Units.

Potential Decrease in Global Demand for ETH

As a currency, ETH must serve as a means of exchange, store of value, and unit of account. Many people using ETH as money-over-internet-protocol (MoIP) do so with it as an international means of exchange. Speculators and investors using ETH as a store of value then layer on top of means of exchange users, creating further demand. If consumers stop using ETH as a means of exchange, or its adoption therein slows, then ETH's price may suffer, adversely affecting the Fund.

Investors should be aware that there is no assurance that ETH will maintain its long-term value in terms of purchasing power in the future or that the acceptance of ETH for payments by mainstream retail merchants and commercial businesses will continue to grow. In the event that the price of ETH declines, the Manager expects the Net Asset Value of the Units to decline proportionately. As relatively new products and technologies, ETH and the Ethereum Network have yet to become widely accepted as a means of payment for goods and services by many major retail and commercial outlets, and use of ETH by consumers to pay such retail and commercial outlets remains limited. Banks and other established financial institutions may refuse to process funds for Ethereum Network based transactions, process wire transfers to or from digital asset trading platforms, Ethererum-related companies or service providers, or maintain accounts for persons or entities transacting in ETH. Conversely, a significant portion of ETH demand is generated by speculators and investors seeking to profit from the short- or long-term holding of ETH. The Manager believes that, like any commodity, ETH will fluctuate in value, but over time will gain a level of acceptance as a store of value, medium of exchange or token of utility.

Financial Institutions may refuse to Support Transactions involving ETH

In the uncertain regulatory climate for digital assets, including ETH, Canadian regulated financial institutions may cease to support transactions involving digital assets, including the receipt of cash proceeds from sales of digital asset. Should this occur, the Fund would be unable to pay out redemption proceeds within the timeframe set out under "Redemption of Units – Monthly Redemptions".

Limited Insurance

Neither the Fund nor the Custodian will maintain insurance against risk of loss of ETH held by the Fund, as such insurance is not currently available in Canada on economically reasonable terms.

The Fund's ETH is held by Gemini offline in "cold storage". Gemini currently maintains $200 million in specie coverage for digital assets held in Gemini's cold storage system. The amounts and continuing availability of this coverage are subject to change at Gemini's sole discretion. Digital assets held in cold storage are also protected by Gemini's security measures, which reflect best practices in the payment industry generally and in the cryptoasset space in particular. The Fund's ETH may also be temporarily held online in a Gemini "hot wallet". Gemini maintains separate commercial crime insurance coverage for digital assets custodied in its "hot wallet".

See "Organization and Management Details of the Fund – Sub-Custodian – Insurance".

Residency of the Sub-Custodian

The Sub-Custodian is resident outside Canada and all or a substantial portion of its assets are located outside Canada. As a result, anyone seeking to enforce legal rights against it in Canada may find it difficult to do so.

Liability of Unitholders

The Fund is a unit trust and as such its Unitholders do not receive the protection of statutorily mandated limited liability in some provinces and territories as in the case of shareholders of most Canadian corporations. There is no guarantee, therefore, that Unitholders could not be made party to legal action in connection with the Fund. However, the Declaration of Trust provides that no Unitholder, in its capacity as such, will be subject to any liability whatsoever, in tort, contract or otherwise, to any person in connection with the Fund's property or the obligations or the affairs of the Fund and all such persons are to look solely to the Fund's property for satisfaction of claims of any nature arising out of or in connection therewith and only the Fund's property will be subject to levy or execution. Pursuant to the Declaration of Trust, the Fund will indemnify and hold harmless each Unitholder from any costs, damages, liabilities, expenses, charges and losses suffered by a Unitholder resulting from or arising out of such Unitholder not having limited liability. The Declaration of Trust also provides that the Manager shall use reasonable efforts to cause to be inserted in each material written agreement, undertaking and obligation signed by or on behalf of the Fund a provision to the effect that such agreement, undertaking or obligation will not be binding upon Unitholders personally.

As a result of the foregoing, it is considered that the risk of any personal liability of Unitholders is minimal in view of the nature of its activities. In the event that a Unitholder should be required to satisfy any obligation of the Fund, such Unitholder will be entitled to reimbursement from any available assets of the Fund.

Underlying Value Risk

ETH represents a new form of digital value that is still being digested by society. Its underlying value is driven by its utility as a store of value, means of exchange, and unit of account, and the demand for ETH within those use cases. Just as oil is priced by the supply and demand of global markets, as a function of its utility to, for instance, power machines and create plastics, so too is ETH priced by the supply and demand of global markets for its own utility within remittances, B2B payments, time-stamping, etc.

Top ETH Holders May Control a Significant Percentage of the Outstanding ETH

The founders of the Ethereum Network may control large amounts of ETH. There are several addresses outside of digital asset trading platforms that have large holdings of ETH, which can be found at: https://etherscan.io/accounts. While there appear to be few concentrated holders of ETH based on individual addresses, some holders may have their ETH spread across multiple addresses.

Regulation of ETH

The regulation of ETH continues to evolve in North America and within foreign jurisdictions, which may impact the demand for ETH.

Loss of "Private Keys"

The loss or destruction of certain "private keys" (numerical codes required by the Fund to access its ETH) could prevent the Fund from accessing its ETH. Loss of these private keys may be irreversible and could result in the loss of all or substantially all the ETH held by the Fund. This risk is mitigated by the services provided by Gemini to maintain the safety of the private keys, as described in "Organization and Management Details of the Fund – Sub-Custodian - ETH Storage, Security Polices and Practices".

Fund's Holdings May Become Illiquid

The Fund may not always be able to liquidate its ETH at a desired price. It may become difficult to execute a trade at a specific price when there is a relatively small volume of buy and sell orders in the marketplace, including on digital asset trading platforms. Unexpected market illiquidity may cause major losses to the holders of ETH. The large size of ETH that the Fund may acquire increases the risks of illiquidity by both making its ETH difficult to liquidate and in liquidating, the Fund may affect ETH's price significantly.

Improper Transfers

ETH transfers are irreversible. An improper transfer (whereby ETH is accidentally sent to the wrong recipient), whether accidental or resulting from theft, can only be undone by the receiver of the ETH agreeing to send the ETH back to the original sender in a separate subsequent transaction. To the extent the Fund erroneously transfers, whether accidental or otherwise, ETH in incorrect amounts or to the wrong recipients, the Fund may be unable to recover the ETH, which could adversely affect an investment in the Units.

Uncertain Regulatory Framework

Due to ETH's short history, and its emergence as a new asset class, regulation of ETH is still a work in progress. For example, in the United States the Commodity Futures Trading Commission has ruled it a commodity, while the IRS has ruled it a property. The U.S. Securities and Exchange Commission (the "**SEC**") and the Canadian Securities Administrators generally take the view that ETH is a commodity, however, they have not made a formal statement regarding its classification. On May 17, 2019, the Department of Finance (Canada) introduced proposed amendments to the Excise Tax Act that, if enacted as proposed, would, as of May 18, 2019, treat ETH as a "financial instrument" for purposes of the Excise Tax Act. Meanwhile, other jurisdictions, like the European Union, Russia and Japan have moved to treat ETH like a currency for taxation purposes, which the Manager believes is likely helping to fuel adoption in those areas. In some other nations, like China, regulation is evolving constantly. The Manager believes that the ETH regulatory situation will continue to evolve to allow for innovation while also protecting consumers. Regulators worldwide are increasingly recognizing the powerful innovation of ETH and blockchain technology, and therefore the Manager believes that it is unlikely that a hostile regulatory environment will develop. However, if a hostile regulatory environment were to emerge against ETH, it could have an adverse impact on the Net Asset Value of the Units.

Because the digital asset markets are largely unregulated today, many marketplaces and OTC counterparties that trade or facilitate trading exclusively in digital assets are not subject to registration or licensing requirements with any financial services regulatory body and, therefore, are not directly subject to prescribed KYC, reporting and recordkeeping requirements which apply financial services firms and other "reporting entities" under AML Regulation. The Manager will use all reasonable efforts to confirm that each exchange and institutional liquidity provider from which the Fund may purchase ETH has adopted KYC procedures which reflect industry best practices to seek to ensure compliance with AML Regulation requirements which apply generally in the jurisdictions where they carry on business. In addition, the Sub-Custodian is a reporting entity under the U.S. Bank Secrecy Act and AML Regulation in the U.S. and has adopted the Gemini BSA/AML Compliance Program.

Risks Associated with the Ethereum Network

Dependence on Ethereum Network Developers

While many contributors to Ethereum Network's open-source software are employed by companies in the industry, most of them are not directly compensated for helping to maintain the protocol. As a result, there are no contracts or guarantees that they will continue to contribute to Ethereum Network's software (https://github.com/ether and https://github.com/orgs/ether/people).

Issues with the Cryptography Underlying the Ethereum Network

Although the Ethereum Network is one of the world's most established digital asset networks, the Ethereum Network and other cryptographic and algorithmic protocols governing the issuance of digital assets represent a new and rapidly evolving industry that is subject to a variety of factors that are difficult to evaluate. In the past, flaws in the source code for digital assets have been exposed and exploited, including flaws that disabled some functionality for users, exposed users' personal information and/or resulted in the theft of users' digital assets. The cryptography underlying ETH could prove to be flawed or ineffective, or developments in mathematics and/or technology, including advances in digital computing, algebraic geometry and quantum computing, could result in such cryptography becoming ineffective. In any of these circumstances, a malicious actor may be able to take the Fund's ETH, which would adversely affect an investment in the Units. Moreover, functionality of the Ethereum Network may be negatively affected such that it is no longer attractive to users, thereby dampening demand for ETH. Even if another digital asset other than ETH were affected by similar circumstances, any reduction in confidence in the source code or cryptography underlying digital assets generally could negatively affect the demand for digital assets and therefore adversely affect an investment in the Units.

Disputes on the Development of the Ethereum Network may lead to Delays in the Development of the Network

There can be disputes between contributors on the best paths forward in building and maintaining Ethereum Network's software. Furthermore, the miners supporting the network and companies using it can disagree with the contributors as well, creating greater debate. Therefore, the Ethereum community often iterates slowly upon contentious protocol issues, which many perceive as prudently conservative, while others worry that it inhibits innovation.

Significant Increase in ETH or the Ethereum Network Use Could Affect the Ability of the Ethereum Network to Accommodate Demand

One of the most contentious issues within the Ethereum community has been around how to scale the network as user demand continues to rise. The debate goes back to the earliest days of ETH. There are many possible solutions, and most of them boil down to different ideologies on how ETH should be used. However, it will be important for the community to continue to develop at a pace that meets the demand for transacting in ETH, otherwise users may become frustrated and lose faith in the network. As a decentralized network, strong consensus and unity is particularly important to respond to potential growth and scalability challenges.

The Ethereum Blockchain may Temporarily or Permanently Fork and/or Split

The Ethereum Network's software and protocol are open source. When a modification is released by the developers and a substantial majority of miners consent to the modification, the change is implemented and the Ethereum Network continues uninterrupted. However, if a change were activated with less than a substantial majority consenting to the proposed modification, and the modification is not compatible with the software prior to its modification, the consequence would be what is known as a "hard fork" (i.e. a split) of the Ethereum Network (and the blockchain). One blockchain would be maintained by the pre-modified software and the other by the post-modification software. The effect is that both blockchain algorithms would be running parallel to one another, but each would be building an independent blockchain with independent native assets (e.g., ETH 1 and ETH 2).

Although forks are likely to be addressed by a community-led effort to merge the two groups, such a fork could adversely affect ETH's viability.

In the event that a fork in the Ethereum blockchain results in: (i) issuance to the Fund of an additional cryptoasset alongside the ETH held by the Fund; or (ii) a choice to keep the existing ETH or exchange or replace it with a different cryptoasset, the Manager will make the investment decision that it believes is in the best interest of the Fund and the Unitholders at the time.

The Sub-Custodian Agreement provides that the Sub-Custodian will support the forked network that requires the greatest total threshold number of hash attempts to mine all existing blocks measured during the 48-hour period following the fork, subject to its ability to, under certain circumstances and in consultation with the New York State Department of Financial Services and its licensing partners, make a good faith determination as to the forked network that is most likely to be supported by the greatest number of users and miners and support that network. The Sub-Custodian may, in its discretion, choose to not support the forked network, in which case the Sub-Custodian may abandon the Fork Asset (as defined below), retain the Fork Asset for itself or allow a one-time withdrawal of the Fork Asset by the Fund. The Sub-Custodian may also choose to support the forked network.

It is ultimately an investment decision of the Manager to determine how the Fund will deal with a fork in the Ethereum blockchain. There will likely be many factors relevant to such decision, including the value and liquidity of the new/replacement asset (the "**Fork Asset**") and whether a disposition of such Fork Asset would trigger a taxable event for the Fund. As such, if it was in the best interest of the Fund to receive a Fork Asset or otherwise participate in a fork in the Ethereum Network blockchain that is not supported by the Sub-Custodian, the Manager could instruct the Custodian to move the Fund's ETH from the Sub-Custodian to an account with another sub-custodian which would support such fork.

The Manager will consult with the auditor of the Fund to ensure that all Fork Assets held by the Fund are properly valued in accordance with International Financial Reporting Standards for the purpose of calculating the Net Asset Value of the Fund. The Manager has confirmed with the auditor of the Fund that in the event of a fork or split of the Ethereum blockchain (or the blockchain of another Fork Asset held by the Fund), the Fund would not be required to reflect ownership of any resulting Fork Asset on its financial statements until such asset is released by the Sub-Custodian (or the relevant Fork Asset custodian) into the Fund's account.

The Manager will ensure that redeeming Unitholders receive the appropriate redemption price for their Units of the Fund, including in circumstances where a Fork Asset held by the Fund cannot be liquidated due to restrictions imposed by the custodian of the Fork Asset or other market forces. However, the Manager does not guarantee that ultimately the right Fork Asset will be chosen.

Digital assets are also susceptible to "airdrops", whereby promoters entitle existing holders to claim a certain portion of the new digital asset at no-cost. Since airdrops are both uncertain and unguaranteed, the Fund may not derive any benefit from the airdrops.

Dependence on the Internet

ETH miners relay transactions to one another via the internet, and when blocks are mined they are also forwarded via the internet. Users and developers access Ethereum via the internet. Thus, the Ethereum Network is dependent upon the continued functioning of the internet.

Risk if Entity Gains a 51% Share of the Ethereum Network

If an entity gains controls over 51% of the compute power (hash rate) the entity could use its majority share to double spend ETH. Essentially, the entity would send ETH to one recipient, which is confirmed in the existing blockchain, while also creating a shadow blockchain that sends that same ETH to another entity under its control. After a period of time, the entity will release its hidden blockchain and reverse previously confirmed transactions, and due to the way mining works, that new blockchain will become the record of truth. This would significantly erode trust in the Ethereum Network to store value and serve as a means of exchange which may significantly decrease the value of the ETH and in turn the Net Asset Value of the Units. The two largest miners or pools of Ethereum control in the aggregate more than 51% of the Ethereum Network.

Possible Changes in Transaction Fees

ETH miners, functioning in their transaction confirmation capacity, collect fees for confirming blocks. Miners confirm transactions by adding previously unconfirmed transactions to new blocks in the blockchain. Miners are not forced to confirm any specific transaction, but they are economically incentivized to confirm valid transactions as a means of collecting fees. Miners have historically accepted relatively low transaction confirmation fees because miners have very low marginal cost of validating unconfirmed transactions. If miners collude in an anticompetitive manner to reject low transaction fees, then ETH users could be forced to pay higher fees, thus reducing the attractiveness of the Ethereum Network. ETH mining occurs globally and it may be difficult for authorities to apply antitrust regulations across multiple jurisdictions. Any collusion among miners to attempt an attack on the Ethereum Network may adversely impact the trust in the Ethereum Network, ETH, and thus the Net Asset Value of the Units.

Attacks on the Ethereum Network

The Ethereum Network is periodically subject to distributed denial of service attacks to clog the list of transactions being tabulated by miners, which can slow the confirmation of authentic transactions. Another avenue of attack would be if a large number of miners were taken offline then it could take some time before the difficulty of the mining process algorithmically adjusts, which would stall block creation time and therefore transaction confirmation time. Thus far these scenarios have not plagued the network for long or in a systemic manner.

Decrease in Block Reward

In the event of a material decrease in the block reward to the Ethereum Network, miners may cease to provide their computational power to the consensus mechanism for the Ethereum Network blockchain.

Competitors to ETH and the Ethererum Network

Currently, ETH is the second largest digital asset by market capitalization, with CoinMarketCap.com citing more than 5000 alternative digital assets. To the extent a competitor to ETH gains popularity and greater market share, the use and price of ETH could be negatively impacted, which may adversely affect an investment in Units of the Fund. Similarly, the price of ETH could be negatively impacted by competition from incumbents in the credit card and payments industries, which may adversely affect the Net Asset Value of the Units or from other developing blockchain protocols.

Significant Energy Consumption to run the Ethereum Network

Because of the significant computing power required to mine ETH, the network's energy consumption as a whole may ultimately be deemed to be or indeed become unsustainable (barring improvements in efficiency which could be designed for the protocol). This could pose a risk to broader and sustained acceptance of the network as a peer-to-peer transactional platform.

Moving from Proof-of-Work (PoW) to Proof-of-Stake (PoS) Consensus Mechanism

The Ethereum Network is attempting to move from a proof-of-work algorithm to a proof-of-stake mechanism called Ethereum 2.0 that may result is users potentially adopting the new mechanism or rejecting it in favour of other smart contract protocols. Beginning in December, 2020 the Ethereum 2.0 proof-of-stake protocol ("**ETH 2.0**") will begin its rollout. There is no guarantee that the ETH community will embrace ETH 2.0 and the new protocol may never reach critical mass. Although ETH 2.0 is supported by many of Ethereum's core developers as it is expected to improve network efficiency, scalability and security, the current ETH mining community may resist adoption of the new protocol and it may be slowed or stopped all together. It is possible that there will never be a complete transition to ETH 2.0 and the two protocols will both endure and compete going forward. Lack of adoption of ETH 2.0 may have a negative effect on the market value of Ether, and consequently the Net Asset Value of the Fund.

Risks Associated with Digital Asset Trading Platforms

Regulation of Digital Asset Trading Platforms

Digital asset trading platforms are spot markets in which ETH can be exchanged for U.S. dollars. Digital asset trading platforms are not regulated as securities exchanges or commodity futures exchanges under the securities or commodity futures laws of Canada, the United States or other global jurisdictions. The Manager will seek to ensure that the digital asset trading platforms on which the Fund transacts are reputable, stable and in compliance with AML Regulation. See "Investment Overview – Purchasing ETH for the Fund's Portfolio".

Limited Operating History of Digital Asset Trading Platforms

Digital asset trading platforms have a limited operating history. Since 2015, several digital asset trading platforms have been closed or experienced disruptions due to fraud, failure, security breaches or distributed denial of service attacks. In many of these instances, the customers of such trading platforms were not compensated or made whole for the partial or complete loss of funds held at digital asset trading platforms. The potential for instability of digital asset trading platforms and the closure or temporary shutdown of exchanges due to fraud, business failure, hackers, distributed denial of service attacks or malware or government-mandated regulation may reduce confidence in ETH, which may adversely affect the Net Asset Value of the Units.

Hacking of Digital Asset Trading Platforms May Have a Negative Impact on Perception of the Security of the Ethereum Network

While the Ethereum Network's blockchain has never been compromised by hackers, smart contracts and exchanges have suffered hacks. Digital asset trading platforms that adhere to best practices are insured, and most of these have not been hacked, or if they have the loss has been minimal. Although there is ample evidence which indicates that almost all of the economic trading volumes in ETH occur on the top ten global trading platforms, many of which are regulated by the New York State Department of Financial Services, carry insurance for their hot wallet assets, such exchanges, or other, smaller or less reputable exchanges, may get hacked. ETH's price is at risk if a platform is hacked as it can shake consumer confidence for those that do not understand the difference between a weakness in the platform versus a weakness in ETH and its blockchain. On June 17, 2016 a hacker attacked the crowdfunded $150 million Decentralized Autonomous Organization (DAO) due a flawed smart contract and stolen ETH having a market value of USD 50 million. The Ethereum community voted to fork the Ethereum blockchain and restore the stolen ETH to its holder. This resulted in the main blockchain, ETH and Ethereum Classic ("ETC"), a smaller blockchain.

Different Prices of ETH on the Digital Asset Trading Platforms May Adversely Affect the Net Asset Value of the Units

Most platforms operate as isolated pools of liquidity, and so when demand spikes for a specific platform the market price for ETH on that platform can also spike, making it trade at a premium to other platforms. This tendency is common geographically, with Chinese platforms frequently trading at a premium to platforms in Europe or America.

Closure of Digital Asset Trading Platform(s)

Since 2013, a number of digital asset trading platforms have been closed due to fraud, failure or security breaches. In many of these instances, the customers of such digital asset trading platforms were not compensated or made whole for the partial or complete losses of their account balances in such digital asset trading platforms. While smaller digital asset trading platforms are less likely to have the infrastructure and capitalization that make larger digital asset trading platforms more stable, larger digital asset trading platforms are more likely to be appealing targets for hackers and "malware" (i.e., software used or programmed by attackers to disrupt computer operation, gather sensitive information or gain access to private computer systems).

Liquidity Constraints on Digital Asset Trading Platforms may Impact the Fund's Holdings

While the liquidity and traded volume of ETH are continually growing, it is still a maturing asset. The Fund may not always be able to acquire or liquidate its assets at a desired price. It may become difficult to execute a trade at a specific price when there is a relatively small volume of buy and sell orders in the marketplace, including on digital asset trading platforms. When transacting in the ETH markets, the Fund will be competing for liquidity with other large investors, including speculators, miners and other investment funds and institutional investors.

Unexpected market illiquidity, and other conditions beyond the Manager's control, may cause major losses to the holders of a cryptoasset, including ETH. The large position in ETH that the Fund may acquire increases the risks of illiquidity by making its ETH difficult to liquidate. In addition, liquidation of significant amounts of ETH by the Fund may impact the market price of ETH.

Risk of Manipulation on Digital Asset Trading Platforms

Digital asset trading platforms are spot markets in which ETH can be exchanged for U.S. dollars. Digital asset trading platforms are not regulated as securities exchanges or commodity futures exchanges under the securities or commodity futures laws of Canada, the United States or other global jurisdictions.

Some digital asset trading platforms have been known to permit and/or report artificially high order volumes and/or trading volumes. Digital asset trading platforms are not required to adopt policies and procedures for the purpose detecting and preventing manipulative and deceptive trading activities and, in the event that manipulative and deceptive trading activities are detected, digital asset trading platforms may not have procedures for, or jurisdiction to, sanction or otherwise deter such activities and/or to detect, investigate and prosecute fraud.

The Manager will seek to ensure that the digital asset trading platforms on which the Fund transacts are reputable, stable and in compliance with AML Regulation. See "Investment Overview – Purchasing ETH for the Fund's Portfolio".

Settlement of Transactions on the Ethereum Network

There is no central clearing house for cash-to-ETH transactions. Current practice is for the purchaser of ETH to send fiat currency to a bank account designated by the seller, and for the seller to broadcast the transfer of ETH to the purchaser's public ETH address upon receipt of the cash. The purchaser and seller monitor the transfer with a transaction identification number that is available immediately upon transfer and is expected to be included in the next block confirmation. When the Fund purchases ETH from a ETH Source, there is a risk that the ETH Source will not initiate the transfer on the Ethereum Network upon receipt of cash from the Fund, or that the bank where the ETH Source's account is located will not credit the incoming cash from the Fund for the account of the ETH Source. The Manager mitigates this risk by transacting with regulated ETH Sources that have undergone due diligence, as described under "Management of the Fund – Purchasing ETH for the Fund's Portfolio" and by confirming the solvency of the ETH Source and the bank designated by each ETH Source based on publicly available information.

FEES AND EXPENSES

Fees and Expenses Payable by the Fund

Agents' Fees

The Fund has agreed to pay the Agents a fee of $0.59 per Class A Unit (5.50%) and $0.37 per Class F Unit (3.50%). The Agents' fees will be paid by the Fund out of the proceeds of the Offering.

Expenses of the Offering

The Fund will, subject to a maximum of 1.5% of the gross proceeds of the Offering, pay the expenses incurred in connection with the Offering (including the costs of creating the Fund, the costs of printing and preparing a prospectus, legal expenses of the Fund and Agents and marketing expenses). The Offering expenses are estimated to be $950,000.

Fees Payable to the Manager for Acting as Manager of the Fund

An annual management fee of 1.95% of the Net Asset Value of the Class A Units calculated daily and payable monthly, plus applicable taxes, will be paid to the Manager. The Manager manages the day-to-day business and operations of the Fund and provides certain general management and administrative services.

Ongoing Expenses of the Fund

In addition to the management fee, and any debt servicing costs, the Fund will pay all of its own expenses and all administration expenses incurred by the Manager for its duties as the manager to the Fund. Such fees and expenses to be borne by the Fund are estimated to be $510,000 per annum and will include, without limitation: fees and expenses payable to the independent review committee (the "**Independent Review Committee**") of the Fund; brokerage and trading commissions and other fees and expenses associated with the execution of transactions in respect of the Fund's investment in ETH; fees payable to the Registrar and Transfer Agent; fees payable to any custodians and/or sub-custodians for the assets of the Fund as well as the fees of the Administrator and other service providers; licensing fee payable to MVIS to license the MVIETH; expenses relating to the monitoring of the relationships with the Custodian, Sub-Custodian, the Registrar and Transfer Agent and other organizations serving the Fund; legal, audit, and valuation fees and expenses; fees payable for listings, the maintenance of listings and filings or other requirements of stock exchanges on which any of the Units of the Fund may become listed or quoted; securities regulatory authorities' participation fees; the preparation and supervision costs relating to the calculation and publication of the Net Asset Value; costs and expenses of preparing, printing, and mailing financial and other reports to Unitholders, material for Unitholders' meetings and securities regulatory filings; costs and expenses of communication with Unitholders; costs and expenses arising as a result of complying with all applicable securities legislation and other applicable laws, regulations and policies; all taxes (including income, capital, federal GST or HST, and Provincial/Territorial sales taxes); and costs associated with the provision of such other managerial and administrative services as may be reasonably required for the ongoing business and administration of the Fund.

DISTRIBUTION POLICY

The Fund does not intend to pay distributions to Unitholders.

On an annual basis, the Fund will ensure that its income and net realized capital gains, if any, have been distributed to Unitholders to such an extent that the Fund will not be liable for ordinary income tax thereon. To the extent that the Fund has not distributed the full amount of its net income or capital gains in any year, the difference between such amount and the amount actually distributed by the Fund will be paid as a "reinvested distribution". Reinvested distributions by the Fund, net of any required withholding taxes, will be reinvested automatically in additional Units at a price equal to the Net Asset Value per Unit and the Units will be immediately consolidated such that the number of outstanding Units following the distribution will equal the number of Units outstanding prior to the distribution. The tax treatment to Unitholders of reinvested distributions is discussed under the heading "Canadian Federal Income Tax Considerations – Taxation of Unitholders".

In addition to the distributions described above, the Fund may from time to time pay additional distributions on its Units, including without restriction in connection with a special distribution or in connection with returns of capital.

REDEMPTION OF UNITS

Annual Redemptions

Units may be redeemed at the option of Unitholders on the first business day following the 15th day of June in each year (each, an "**Annual Redemption Date**"), commencing on June 16, 2022, subject to the Fund's right to suspend redemptions in certain circumstances. Units so redeemed will be redeemed at a redemption price equal to the Net Asset Value per Unit on the Annual Redemption Date, less any costs and expenses associated with the redemption, including commissions incurred by the Fund to fund such redemptions. Units must be surrendered for redemption on or before the last business day of the month of May preceding the applicable Annual Redemption Date (the "**Annual Cut-Off Date**").

Redemption proceeds will be paid in U.S. dollars on or before the 15th business day following the Annual Redemption Dates, provided that upon receipt of a large redemption request the Manager may exercise its discretion, considering the best interests of all Unitholders, for the Fund to satisfy the redemption in-kind by delivering ETH valued based on the MVIETH price as of 4:00 p.m. on the applicable Annual Redemption Date (the "**Annual In-Kind Redemption**"). The Manager shall provide notice to the redeeming Unitholder if it determines to proceed with an Annual In-Kind Redemption and upon receiving such notice the redeeming Unitholder may withdraw its notice of redemption.

See "Risk Factors – Liquidity Constraints on Digital Asset Trading Platforms may Impact the Fund's Holdings" and "Financial Institutions may Refuse to Support Transactions Involving ETH".

Monthly Redemptions

Units may also be surrendered at the option of Unitholders at any time for redemption on a Monthly Redemption Date, subject to certain conditions and, in order to effect such a redemption, the Units must be surrendered for redemption no later than 5:00 p.m. (Toronto time) on the last business day of the month prior to the month of the applicable Monthly Redemption Date (the "**Monthly Cut-Off Date**"). Payment of the proceeds of redemption will be made on or before the 15th business day following the Monthly Redemption Date. See "Risk Factors – Liquidity Constraints on Digital Asset Trading Platforms may Impact the Fund's Holdings" and "Financial Institutions may Refuse to Support Transactions Involving ETH".

Unitholders surrendering a Class A Unit for redemption will receive a redemption price (the "**Class A Redemption Price**") equal to 95% of the Closing Market Price of a Class A Unit on the applicable Monthly Redemption Date less any costs and expenses associated with the redemption, including commissions incurred by the Fund, but the Class A Redemption Price will not be an amount that is more than 95% of the Net Asset Value per Unit as of the Monthly Redemption Date.

Redemption proceeds will be paid in U.S. dollars, provided that upon receipt of a large redemption request the Manager may exercise its discretion, considering the best interests of all Unitholders, for the Fund to satisfy the redemption in-kind by delivering ETH valued based on the MVIETH price as of 4:00 p.m. on the applicable Monthly Redemption Date (the "**Monthly In-Kind Redemption**"). The Manager shall provide notice to the redeeming Unitholder if it determines to proceed with a Monthly In-Kind Redemption and upon receiving such notice the redeeming Unitholder may withdraw its notice of redemption.

Exercise of Redemption Right

A Unitholder who desires to exercise redemption privileges must do so by causing the CDS Participant through which he or she holds his or her Units to deliver to CDS at its office in the City of Toronto on behalf of the Unitholder, a written notice of the Unitholder's intention to redeem Units by no later than 5:00 p.m. (Toronto time) on the applicable Cut-Off Date described above. A Unitholder who desires to redeem Units should ensure that the CDS Participant is provided with notice of his or her intention to exercise his or her redemption right sufficiently in advance of the applicable Cut-Off Date so as to permit the CDS Participant to deliver a notice to CDS by 5:00 p.m. (Toronto time) on the applicable Cut-Off Date.

By causing a CDS Participant to deliver to CDS a notice of the Unitholder's intention to redeem Units, the Unitholder will be deemed to have irrevocably surrendered his or her Units for redemption and appointed such CDS Participant to act as his or her exclusive settlement agent with respect to the exercise of such redemption privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise, provided that the Manager may from time to time prior to the Annual Redemption Date or Monthly Redemption Date permit the withdrawal of a redemption notice on such terms and conditions as the Manager may determine, in its sole discretion, provided that such withdrawal will not adversely affect the Fund. Any expense associated with the preparation and delivery of the redemption notice will be for the account of the Unitholder exercising the redemption privilege.

Any redemption notice that CDS determines to be incomplete, not in proper form or not duly executed will, for all purposes, be void and of no effect and the redemption privilege to which it relates will be considered, for all purposes, not to have been exercised thereby. A failure by a CDS Participant to exercise redemption privileges or to give effect to the settlement thereof in accordance with a Unitholder's instructions will not give rise to any obligations or liability on the part of the Fund, the Fund or the Manager to the CDS Participant or the Unitholder.

Unitholders redeeming pursuant to an In-Kind Redemption must have an account with a segregated wallet at the Sub-Custodian into which the Fund will transfer ETH delivered as in-kind redemption proceeds. Unitholders that do not already have an account at the Sub-Custodian at the time of submitting a request for an In-Kind Redemption should be aware that it can take three to five business days to open an account at the Sub-Custodian. Redeeming Unitholders will not be charged any account-opening fees or transaction charges for opening such accounts, receiving and withdrawing the ETH in-kind, provided however that the Sub-Custodian will charge ongoing custody fees in respect of ETH that redeeming Unitholders leave in their accounts for more than 5 business days.

Allocations of Capital Gains to Redeeming Unitholders

Pursuant to the Declaration of Trust, the Fund may allocate and designate as payable any capital gains realized by the Fund as a result of any disposition of property of the Fund undertaken to permit or facilitate the redemption of Units to a Unitholder whose Units are being redeemed. Any such allocations will reduce the redemption price otherwise payable to the redeeming Unitholder. Provided that certain Tax Proposals are enacted as proposed, an amount so allocated and designated to a redeeming Unitholder may only be deductible to the Fund to the extent of the gain that would otherwise be realized by the Unitholder on the redemption of Units. Assuming that such Tax Proposals are enacted in their current form, the taxable component of distributions by the Fund to non-redeeming Unitholders could be greater than it would be in the absence of such amendments.

Resale of Units Tendered for Redemption

The Fund may enter into a recirculation agreement with a recirculation agent pursuant to which such agent will agree to use commercially reasonable efforts to find purchasers for any Units tendered for redemption prior to the relevant Annual Redemption Date or Monthly Redemption Date, provided that the holder of Units so tendered has not withheld consent thereto. Pursuant to such agreement, the Fund may, but will not be obligated to, require the recirculation agent to seek such purchasers and, in such event, the amount to be paid to the redeeming Unitholder will be an amount equal to the proceeds of the sale of the Units less any applicable commission, provided that such amount will not be less than the applicable redemption price described above.

Suspension of Redemptions

The Manager may suspend the redemption of Units or payment of redemption proceeds of the Fund with the prior permission of the securities regulatory authorities, for any period during which the Manager determines that conditions exist that render impractical the sale of assets of the Fund or that impair the ability of the Administrator to determine the value of the assets of the Fund. The suspension may apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised by the Manager of the suspension and that the redemption will be effected at a price determined on the first Valuation Date following the termination of the suspension. All such Unitholders shall have and shall be advised that they have the right to withdraw their requests for redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Fund, any declaration of suspension made by the Manager shall be conclusive.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Osler, Hoskin & Harcourt LLP and Blake, Cassels & Graydon LLP, the following is a summary of the principal Canadian federal income tax considerations under the Tax Act for the Fund and for a prospective investor in the Fund who, for the purpose of the Tax Act at all relevant times, is an individual (other than a trust), is resident in Canada, holds Units of the Fund as capital property, is not affiliated and deals at arm's length with the Fund, and has not entered into a "derivative forward agreement" (as defined in the Tax Act) with respect to Units of the Fund. This summary is based upon the current provisions of the Tax Act and regulations thereunder, the Tax Proposals and counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency publicly available prior to the date hereof. This summary does not take into account or anticipate any other changes in law whether by legislative, administrative or judicial action and it does not take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the considerations described below.

This summary is of a general nature only and is not exhaustive of all possible income tax considerations. Prospective investors should therefore consult their own tax advisors about their individual circumstances.

This summary assumes that at no time will the Fund be a SIFT trust. Even if units of the Fund are listed or traded on a stock exchange or other public market, provided the Fund only invests in ETH, the Fund should not be a SIFT trust; however, no assurance can be given in this regard.

Under the SIFT Rules, trusts or partnerships (defined as "**SIFT trusts**" and "**SIFT partnerships**", respectively) the securities of which are listed or traded on a stock exchange or other public market, and that hold one or more "nonportfolio properties" (as defined), are effectively taxed on income and taxable capital gains in respect of such nonportfolio properties at combined rates comparable to the rates that apply to income earned and distributed by Canadian corporations. Distributions of such income received by unitholders of SIFT trusts (and allocations of such income made to members of SIFT partnerships) are treated as eligible dividends from a taxable Canadian corporation.

The SIFT Rules could affect the Fund and its Unitholders to the extent that the Fund is a SIFT trust to which the SIFT Rules apply, and the Fund earns income from non-portfolio property or taxable capital gains from the disposition of "non-portfolio property". Counsel believes that the SIFT Rules were not intended to apply to trusts such as the Fund and the Fund is subject to investment restrictions intended to restrict its ability to hold "non-portfolio property". If the Fund is considered to be a SIFT trust, "non-portfolio earnings" of the Fund will be subject to the tax under the SIFT Rules when such amounts are distributed by the Fund to its Unitholders and such distributions will be treated in the hands of such Unitholders as eligible dividends from a taxable Canadian corporation.

The Fund and Unitholders are required to compute their income and gains for tax purposes in Canadian dollars. Amounts denominated in another currency generally must be converted into Canadian dollars based on the exchange rate quoted by the Bank of Canada on the date such amounts arise or such other rate of exchange as is acceptable to the CRA. Therefore, the amount of income, cost, proceeds of disposition and other amounts in respect of investments that are not Canadian dollar denominated will be affected by fluctuations in the exchange rate of the Canadian dollar against the relevant foreign currency.

Status of the Fund

This summary is based on the assumption that the Fund will comply at all material times with the conditions prescribed in the Tax Act and otherwise so as to qualify as a "mutual fund trust" as defined in the Tax Act. Counsel is advised that the Fund is expected to qualify as a "mutual fund trust" under the Tax Act at all material times. If the Fund were to not qualify as a "mutual fund trust" for the purposes of the Tax Act for any period of time, the tax considerations could be materially different from those described below.

In the opinion of counsel, provided that the Fund qualifies as a "mutual fund trust" within the meaning of the Tax Act, or the Units of a class of the Fund are listed on a "designated stock exchange" within the meaning of the Tax Act, such Units will be qualified investments for Registered Plans. However, in the case of a tax-free savings account ("**TFSA**"), a registered retirement savings plan ("**RRSP**"), a registered retirement income fund ("**RRIF**"), a registered disability savings plan ("**RDSP**"), and a registered education savings plan ("**RESP**"), if the holder of such TFSA or RDSP, the subscriber of such RESP, or annuitant under such RRSP or RRIF, as the case may be, holds a "significant interest" in the Fund, or if such holder, subscriber or annuitant does not deal at arm's length with the Fund for purposes of the Tax Act, the Units of the Fund will be a "prohibited investment" for such TFSA, RDSP, RESP, RRSP or RRIF. If Units of the Fund are a "prohibited investment" for a TFSA, RDSP, RESP, RRSP or RRIF that acquires such Units, the holder of the TFSA or RDSP, subscriber of the RESP, or annuitant under the RRSP or RRIF will be subject to a penalty tax as set out in the Tax Act. Generally, a holder, subscriber or annuitant will not be considered to have a "significant interest" in the Fund unless the holder, subscriber or annuitant owns 10% or more of the value of the outstanding Units of the Fund, either alone or together with persons and partnerships with which the holder, subscriber or annuitant does not deal at arm's length. Holders of TFSAs and RDSPs, subscribers of RESPs, and annuitants under RRSPs and RRIFs should consult their own tax advisors to ensure Units of the Fund would not be a "prohibited investment" for purposes of the Tax Act in their particular circumstances.

ETH acquired by a Unitholder in exchange for Units of the Fund would not as of the date hereof be qualified for investment by Registered Plans.

At the date hereof, the assets of a pension plan may be invested in Units provided that the assets of such plan are invested in accordance with the applicable laws and regulations, investment criteria and statement of investment policies and procedures established for such pension plan. However, no purchase of Units should be made solely in reliance on the above general statement. A pension plan wishing to invest in Units should make its own assessment, including by consulting its advisors, of its ability to make such an investment in its particular circumstances.

Taxation of the Fund

The Fund will include in computing its income, taxable distributions received or deemed to be received on assets held by it, the taxable portion of capital gains realized by the Fund on the disposition of assets held by it, and other income. The Declaration of Trust requires that the Fund distribute its net income and net realized capital gains, if any, for each taxation year of the Fund to Unitholders to such an extent that the Fund will not be liable in any taxation year for ordinary income tax (after taking into account any applicable losses of the Fund and any capital gains refunds to which the Fund is entitled). If in a taxation year the income for tax purposes of the Fund exceeds the cash available for distribution by the Fund, the Fund will distribute its income through a payment of reinvested distributions.

The CRA has stated that it generally treats cryptocurrency like a commodity for purposes of the Tax Act. The CRA has also expressed the opinion that gains (or losses) of mutual fund trusts resulting from transactions in commodities should generally be treated for tax purposes as ordinary income rather than as capital gains, although the treatment in each particular case remains a question of fact to be determined having regard to all the circumstances. As the Fund intends to be a long-term holder of ETH, the Manager anticipates that the Fund will generally treat gains (or losses) as a result of any disposition of ETH as capital gains (or capital losses) although, depending on the circumstances, the Fund may instead include the full amount in (or deduct the full amount from) income.

Gains or losses on derivatives entered into by the Fund as a substitute for direct investment will be treated by the Fund on income account. Such gains or losses will be recognized for tax purposes at the time they are realized by the Fund.

If the Fund realizes capital gains as a result of a transfer or disposition of its property undertaken to permit an exchange or redemption of Units by a Unitholder, all or a portion of the amount received by the Unitholder may be designated and treated for income tax purposes as a distribution to the Unitholder out of such capital gains rather than being treated as proceeds of disposition of the Units. Legislative proposals released by the Minister of Finance (Canada) on July 30, 2019 proposed amendments to the Tax Act that would, effective for taxation years of the Fund beginning on or after March 19, 2019, deny the Fund a deduction for the portion of a capital gain designated to a Unitholder on a redemption of Units that is greater than the Unitholder's accrued gain on those Units, where the Unitholders' proceeds of disposition are reduced by the designation. If such proposed amendments to the Tax Act are enacted in their current form, any taxable capital gains that would otherwise have been designated to redeeming unitholders may be made payable to the remaining, non-redeeming Unitholders to ensure the Fund will not be liable for non-refundable income tax thereon. Accordingly, the amounts of taxable distributions made to Unitholders of the Fund may be greater than they would have been in the absence of such amendments.

Any losses incurred by the Fund may not be allocated to Unitholders, but may generally be carried forward and back and deducted in computing the taxable income of the Fund in accordance with the detailed rules and limitations in the Tax Act.

The Fund is subject to the suspended loss rules contained in the Tax Act. A loss realized on a disposition of capital property is considered to be a suspended loss when the Fund acquires a property (a "substituted property") that is the same as or identical to the property disposed of, within 30 days before and 30 days after the disposition and the Fund owns the substituted property 30 days after the original disposition. If a loss is suspended, the Fund cannot deduct the loss until the substituted property is sold and is not reacquired within 30 days before and after the sale, which may increase the amount of net realized capital gains of the Fund to be made payable to its Unitholders.

Taxation of Unitholders

Distributions

A Unitholder will be required to include in the Unitholder's income for tax purposes for any year the amount of net income and net taxable capital gains of the Fund, if any, paid or payable to the Unitholder in the year and deducted by the Fund in computing its income, whether or not such amounts are reinvested in additional Units. The non-taxable portion of any net realized capital gains of the Fund that is paid or payable to a Unitholder in a taxation year will not be included in computing the Unitholder's income for the year and, provided appropriate designations are made by the Fund, will not reduce the adjusted cost base of the Unitholder's Units. Any returns of capital will reduce the Unitholder's adjusted cost base. To the extent that a Unitholder's adjusted cost base would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by the Unitholder and the Unitholder's adjusted cost base will be nil immediately thereafter. The Fund will designate, to the extent permitted by the Tax Act, the portion of the net income distributed to Unitholders as may reasonably be considered to consist of net taxable capital gains realized or considered to be realized by the Fund. Any such designated amount will be deemed for tax purposes to be realized by Unitholders in the year as a taxable capital gain. Capital gains so designated will be subject to the general rules relating to the taxation of capital gains described below. Any loss of the Fund for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, the Unitholders of the Fund.

Composition of Distributions

Unitholders will be informed each year of the composition of the amounts distributed to them, including amounts in respect of both cash and reinvested distributions. This information will indicate whether distributions are to be treated as ordinary income, taxable capital gains and returns of capital, as those items are applicable.

Tax Implications of the Fund's Distribution Policy

When a Unitholder acquires Units of the Fund, a portion of the price may reflect income and capital gains of the Fund that have not been realized or distributed. This may particularly be the case near year-end before year-end distributions have been made. When such income and capital gains are distributed by the Fund, they must be taken into account by the Unitholder in computing its income for tax purposes even though such amounts may have been reflected in the price paid by the Unitholder.

Disposition of Units

Upon the actual or deemed disposition of a Unit, including the exchange or redemption of a Unit, a capital gain (or a capital loss) will generally be realized by the Unitholder to the extent that the proceeds of disposition of the Unit exceed (or are less than) the aggregate of the adjusted cost base to the Unitholder of the Unit and any reasonable costs of disposition. In general, the adjusted cost base of all Units held by the Unitholder is the total amount paid for the Units (including brokerage commissions paid and the fair market value of any ETH provided in satisfaction of the subscription price for the Units), regardless of when the investor bought them, less any returns of capital and less the adjusted cost base of any Units previously disposed of by the Unitholder. For the purpose of determining the adjusted cost base of Units to a Unitholder, when Units are acquired, the cost of the newly acquired Units will be averaged with the adjusted cost base of all Units owned by the Unitholder as capital property immediately before that time.

Where Units of the Fund are exchanged by the redeeming Unitholder for ETH, the proceeds of disposition to the Unitholder of the Units will be equal to the fair market value of the ETH so received, plus the amount of any cash received on the exchange, and less any capital gain or income realized by the Fund as a result of the transfer of the ETH which has been designated by the Fund to the Unitholder. If any capital gain realized by the Fund as a result of the transfer of ETH on the redemption of Units were designated by the Fund to a redeeming Unitholder, the Unitholder would be required to include in income the taxable portion of the capital gain so designated. The cost for tax purposes of ETH acquired by a redeeming Unitholder on the exchange or redemption of Units will generally be the fair market value of the ETH at that time.

Based on counsels' understanding of the current published administrative policies and assessing practices of the CRA, the reclassification of Class F Units as Class A Units will not constitute a disposition of such Class F Units for the purposes of the Tax Act.

Taxation of Capital Gains and Capital Losses

One-half of any capital gain realized by an investor and the amount of any net taxable capital gains realized or considered to be realized by the Fund and designated by the Fund in respect of an investor will be included in the investor's income as a taxable capital gain. One-half of a capital loss will be an allowable capital loss realized by an investor that will be deducted from taxable capital gains subject to and in accordance with detailed rules in the Tax Act.

Taxation of Registered Plans

In general, the amount of a distribution paid or payable to a Registered Plan from the Fund and gains realized by a Registered Plan on a disposition of a Unit will not be taxable under the Tax Act. As is the case for all investments held in Registered Plans, amounts withdrawn from a Registered Plan (other than from a TFSA or a return of contributions from a RESP or certain withdrawals from a RDSP) will generally be subject to tax. To the extent Units of the Fund are exchanged by the redeeming Unitholder for ETH, or liquidation of the ETH of the Fund is not practicable upon termination of the Fund, any ETH received by a Unitholder would not be a qualified investment for Registered Plans.

EXCHANGE OF TAX INFORMATION

The Fund is required to comply with due diligence and reporting obligations in the Tax Act enacted to implement the Canada-United States Enhanced Tax Information Exchange Agreement. As long as Units of a class of the Fund continue to be listed on the TSX, the Fund should not have any U.S. reportable accounts and, as a result, it should not be required to provide information to the CRA in respect of Unitholders. However, dealers through which Unitholders hold the Units are subject to due diligence and reporting obligations with respect to financial accounts that they maintain for their clients. Unitholders (and, if applicable, the controlling person(s) of a Unitholder) may be requested to provide information to their dealer in order to allow the dealer to identify U.S. persons holding Units. If a Unitholder, or its controlling person(s), is a "Specified U.S. Person" (including a U.S. citizen who is resident in Canada) or if a Unitholder does not provide the requested information and indicia of U.S. or non-Canadian status is present, then the Unitholder's dealer will generally be required under Part XVIII of the Tax Act to report certain information to the CRA about such Unitholder's investment in the Fund, unless the Units are held within a Registered Plan. The CRA will then provide that information to the U.S. Internal Revenue Service.

In addition, reporting obligations in the Tax Act which came into force on July 1, 2017, have implemented the Organisation for Economic Co-operation and Development's (the "**OECD**") Common Reporting Standard (the "**CRS Rules**"). Pursuant to the CRS Rules, in order to meet the objectives of the OECD'S Common Reporting Standard (the "**CRS**"), Canadian financial institutions are required to have procedures in place to identify accounts held by tax residents of foreign countries which have agreed to a bilateral information exchange with Canada under the CRS (the "**Participating Jurisdictions**"), or by certain entities any of whose "controlling persons" are tax residents in a

Participating Jurisdiction, and to report the required information to the CRA. Such information will generally be exchanged on a reciprocal, bilateral basis with the Participating Jurisdictions in which the Unitholders, or such controlling persons, are tax residents. Under the CRS Rules, Unitholders will be required to provide the required information regarding their investment in the Fund to the Unitholder's dealer for the purpose of the information exchange, unless the Units are held within a Registered Plan.

ORGANIZATION AND MANAGEMENT DETAILS OF THE FUND

Trustee, Manager, Portfolio Manager and Promoter of the Fund

3iQ Corp. will be the trustee, manager and portfolio manager of the Fund and will provide, or cause to be provided, all administrative services required by the Fund. The Manager may be considered to be a promoter of the Fund within the meaning of applicable securities legislation by reason of its initiative in forming and establishing the Fund.

The Manager was incorporated under the *Canada Business Corporations Act* on July 9, 2012. The Manager's head office is located at 4800-1 King Street West, Suite 160, Toronto, Ontario, M5H 1A1.

Officers and Directors of the Manager

The board of directors of the Manager currently consists of seven members. The name, municipality of residence and office with the Manager of each director and senior officer is set out below. The directors do not have a fixed term of office.

Name	Municipality of Residence	Office with the Manager	Principal Occupation
Howard Atkinson	Toronto, Ontario	Chairman and Director	Financial Executive
Frederick T. Pye	Pointe Claire, Quebec	President, Chief Executive Officer and Director	President of 3iQ Corp.
John Loeprich	Moffat, Ontario	Executive Vice President, Chief Financial Officer and Chief Operating Officer	Chief Financial Officer of 3iQ Corp.
Ashley Peters	Calgary, Alberta	Chief Compliance Officer	Chief Compliance Officer of 3iQ Corp.
Robert Kidd	Toronto, Ontario	Managing Director	Managing Director of 3iQ Corp.
Tanvir S. Sodhi	Toronto, Ontario	Vice-President of Operations	Vice-President of Operations of 3iQ Corp.
Anthony Cox	Toronto, Ontario	Director	Financial Executive
Steven McClurg	Thousand Oaks, California	Director	Chief Investment Officer, Exponential Ventures
Thomas Staudt	Hoboken, New Jersey	Director	Chief Operating Officer, ARK Investment Management LLC
Richard Strauss	Boca Raton, Florida, USA	Director	Investor

Chris Jouppi	Etobicoke, Ontario	Director	Consultant

A description of the experience, background relevant to the business of the Fund and information regarding the principal occupations held by the above noted individuals during the past five years is set out below.

Howard Atkinson

Howard J. Atkinson was a founder and president of Horizons ETFs Management Inc. and over his three decades in financial services has held executive positions with Mackenzie Financial Corporation, CI Funds and Barclays Global Investors Canada Ltd. His board experience spans public and private companies as well as non – profit organizations. He is the past founding chair of the Canadian ETF Association and a past president of CFA Society Toronto. He is the author of four books including The New Investment Frontier III: A Guide to Exchange Traded Funds for Canadians, (Insomniac Press, 2005). Mr. Atkinson holds the CFA, CIMA® and ICD.D designations.

Frederick T. Pye

Frederick T. Pye is the President and Chief Executive Officer of 3iQ Corp. Mr. Pye is recognized for creating and promoting creative and unique investment products for the investment industry. For the prior 10 years, Mr. Pye managed private client portfolios with National Bank Financial Inc., Wellington West Capital Inc. and MacDougall, MacDougall & MacTier Inc. Prior to this, Mr. Pye was Founder, President & Chief Executive Officer of Argentum Management and Research Corporation, a company dedicated to managing and distributing quantitative investment portfolios including the first long-short mutual fund in Canada. He was also Senior Vice-President and National Sales Manager of Fidelity Investments Canada and an integral part of the team that saw assets under management rise from C$80 million to over C$7.5 billion during his tenure. He also held various positions with Guardian Trust Company, which listed the first Gold Silver and Platinum Certificates on the Montreal Exchange, Ivory and Sime Pembroke, Gordon Private Client Corporation and Marleau, Lemire Securities Inc. Mr. Pye obtained a Masters in Business Administration from Concordia University and is a member of the Board of the Anglican Funds and the West Island Youth Residence.

John Loeprich

John Loeprich is the Chief Financial Officer at 3iQ Corp. and is responsible for overseeing all the aspects of operations, finance, as well as assisting with sales & marketing and strategic planning. Mr. Loeprich brings over 35 years of experience in the financial services industry, ranging from public accounting to finance and operations with multi-national corporations to finance and sales and marketing and strategic planning with a number of investment management firms. Mr. Loeprich started his investment industry tenure at Fidelity Investments Canada Ltd. where he became Chief Financial Officer before starting his own business specializing in assisting companies launch themselves into the mutual fund market. Prior to 3iQ Corp., Mr. Loeprich was EVP & CFO at Qwest Investment Fund Management, helping grow the business into a profitable IFM/PM platform. Prior to Qwest, Mr. Loeprich was Senior Vice-President, Partner and head of the Private Client Division at Hillsdale Investment Management, responsible for sales and marketing to investment advisors and high net worth individuals. During his time at Hillsdale, the firm's assets grew from C$12 million to over C$500 million. Mr. Loeprich is a Chartered Professional Accountant, Certified General Accountant and a graduate of the University of Waterloo (Bachelor of Mathematics).

Ashley Peters

Ashley Peters is the Chief Compliance Officer at 3iQ Corp. Ms. Peters is an experienced Chief Compliance Officer and compliance consultant. Her experience in the Canadian investment industry has focused on compliance with IIROC, MFDA, exempt market dealer, investment fund manager and portfolio manager rules and regulations. Ms. Peters served as the Chief Compliance Officer for Solium Financial and Ross Smith Asset Management. As Chief Compliance Officer and Chief Anti-Money Laundering Officer, Ms. Peters oversaw the launch of the Ross Smith Cryptocurrency Fund.

Ms. Peters is a past member of various IIAC and IIROC compliance committees and the IIROC Alberta District Council. Ashley has a background in finance and compliance.

Robert Kidd

Robert Kidd is a Managing Director of 3iQ as of April 2020. Prior to this appointment he was a consultant to firms in the financial services industry as well the CEO & Director of Logica Ventures Corp. (TSXV:LOG.P) a Capital Pool Company, and a Director of the Gold Miners Split Corp (NEO: GLC, GLC.PR.A). Mr. Kidd was the Chief Executive Officer and Director of Marquest Asset Management Inc. from December 2016 to January 2018. Previously, Mr. Kidd was the Chief Executive Officer, President, and Director of Artemis Investment Management Limited, a Canadian asset management firm. Prior to his appointment as Chief Executive Officer in January of 2016, Mr. Kidd was Vice President, Business Development of Artemis. From January 2009 to May 2014 he was the Chief Executive Officer of Gradient Power Ltd., a private renewable energy developer based in Ontario, and a Vice President of 3IQ Corp. from July 2012 until July 2013. Prior to founding Gradient Power he was Chairman, Chief Executive Officer, President and a Director of Gatehouse Capital Inc., a manager of closed-end investment trusts from July 2004 to December 2008. From March 1997 to June 2004, Mr. Kidd was a Managing Director of Brenton Reef Capital Inc. and the President, Chief Executive Officer and a Director of Connor, Clark & Lunn Capital Markets Inc. from April 2001 to June 2004. Prior to such time, Mr. Kidd was a Vice-President, Investments of Triax Investment Management Inc., now First Asset Investment Management Inc., from May 1999 to March 2001. Mr. Kidd attended Queen's University in Kingston, Ontario.

Tanvir S. Sodhi

Tanvir S. Sodhi is the Vice President of Operations of 3iQ Corp. Prior to joining 3iQ Corp., Mr. Sodhi was Director of Operations at Questrade Wealth Management Inc., where he played an integral role in launching exchange traded funds on the Toronto Stock Exchange. Over the course of his career, Mr. Sodhi has held various roles in the financial services industry including fund administration, product development, operations and compliance. Mr. Sodhi graduated from the University of Windsor with a Bachelor of Arts.

Anthony Cox

Anthony Cox has more than 15 years of experience in Canada and the United Kingdom with major accounting firms and over 25 years of experience in the investment fund industry in Canada. Mr. Cox's background includes: eleven years as Vice President and Chief Financial Officer of Spectrum United Mutual Funds Inc. (a wholly-owned subsidiary of SunLife Assurance Company of Canada) from its inception in 1987 to C$7 billion of assets under management in 1998; eleven years as Director and Chief Operating Officer of NBF Turnkey Solutions Inc. (a wholly-owned subsidiary of National Bank Financial Inc.). Prior to joining 3iQ Corp. as Chief Financial Officer (from May 31, 2017 to June 30, 2018), Mr. Cox was President of Canadian Fund Management Inc. which provided consulting and contract services to investment fund managers. He has been very active in the industry, serving on many Investment Funds Institute of Canada committees. Mr. Cox is a member the Independent Review Committees of PIMCO Canada funds and Connor, Clark & Lunn funds. He is a CPA, CA and holds the ICD.D designation (ICD.D 2010).

Steven McClurg

Steven McClurg is the Chief Investment Officer of Exponential Ventures, a firm specializing in digital assets. Mr. McClurg was a managing director at Galaxy Digital, through the acquisition of his previous company, Theseus Capital, where he was a founding partner and Chief Executive Officer/Chief Investment Officer. Mr. McClurg started his asset management career at Guggenheim Partners, where he was managing director and portfolio manager, including oversight of Emerging Markets and Sovereign Credit.

Thomas Staudt

Thomas Staudt has been with ARK Investment Management, LLC (New York) for over 5 years, and currently serves as the Chief Operating Officer, managing the daily operation of ARK's products and strategies, in addition to managing the strategic operations of the firm. Mr. Staudt also serves as Director of Product Development, evaluating and implementing ARK's product portfolio, and as a Director on the Manager's board of directors. Prior to joining ARK, he worked in a media sales and consulting role for WILX. Prior thereto, he worked for Fidelity Investments in their mutual fund department, and has also consulted on millennial investing behavior to TIAA-CREF. Mr. Staudt received his Bachelor of Business Administration, magna cum laude, in Finance and Economics from the University of Notre Dame, a Master of Arts in Telecommunications Policy from Michigan State University, a Master of Science in New Media Management from the Newhouse School at Syracuse University, and his Master of Business Administration from Cornell University. He is also the President of ARK ETF Trust.

Richard Strauss

Richard Strauss has over 25 years of experience in the U.S. securities industry. Most of his career was spent at Goldman Sachs where he was a senior Financial Services analyst in charge of Investment Management, Brokerage, Investment Banking and Money Center Bank research coverage. While at Goldman, Mr. Strauss played an important role in marketing the firm's 1999 initial public offering to institutional investors worldwide. After leaving Goldman, he was a Director at Deutsche Bank covering Financial Services. Prior thereto, he was at Salomon Brothers, covering superregional and regional banks. Currently, Mr. Strauss is President and a managing member of Kensington Partners, a trading operation. He holds both an MBA and BA from Cornell University.

Chris Jouppi

Chris Jouppi has over 37 years of professional experience, including 28 years at a senior management level involved in managing profit and loss for global technology companies. For the first 19 years he was employed at Rockwell Automation. He started as an engineer there and rose to the level of vice president and general manager and, in that role, lead its complete Canadian operations and its global Medium Voltage business unit. The Medium Voltage business was one of Rockwell Automation's fastest growing businesses with sales success in 43 countries. Subsequently, Mr. Jouppi moved to Eaton Corporation, and was initially responsible for its Canadian operation. He then moved to Europe to lead its electrical division for Europe, the Middle East and Africa, Southeast Asia and Australia. This role was a financial turn around opportunity where profitability improved from a negative position to a business that was making double digit EBITDA and growing 10% annually. After Eaton Corporation, Mr. Jouppi led the Canadian business unit of Stryker Corporation, a leading supplier of orthopedic medical devices and endoscopic operating equipment. Subsequently, he became the vice president and general manager at ATS Automation, one of the world's largest factory automation companies. His last role was the President of SAI Global where he ran the total operations in the Americas and led the global Assurance business. He spent the last two years positioning the Assurance business for sale to a private equity firm. Mr. Jouppi holds a degree in Electrical Engineering from the University of Waterloo and an MBA, specializing in International Business, from Wilfred Laurier university.

Duties and Services to be Provided by the Manager

The Fund has retained the Manager to manage and administer the day-to-day business and affairs of the Fund. The Manager is responsible for providing managerial, administrative and compliance services to the Fund pursuant to the Declaration of Trust, including, without limitation, acquiring or arranging to acquire ETH on behalf of the Fund, calculating the Net Asset Value of the Fund and Net Asset Value per Unit of the Fund, net income and net realized capital gains of the Fund, authorizing the payment of operating expenses incurred on behalf of the Fund, preparing financial statements and financial and accounting information as required by the Fund, ensuring that Unitholders are provided with financial statements (including interim and annual financial statements) and other reports as are required by applicable law from time to time, ensuring that the Fund complies with regulatory requirements and applicable stock exchange listing requirements, preparing the Fund's reports to unitholders and the securities regulatory authorities and negotiating contractual agreements with third-party providers of services, including the Custodian, the Sub-Custodian, the Registrar and Transfer Agent, the auditor and printers. The Manager may from time to time employ or retain any other person or entity to perform, or to assist the Manager in the performance of management, administrative and advisory services to all or any portion of the Fund's assets and in performing other duties of the Manager as set out in the Declaration of Trust.

Details of the Declaration of Trust

The Manager is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of Unitholders of the Fund, and in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent trustee and manager would exercise in similar circumstances.

The Manager may resign as trustee and manager of the Fund upon 60 days' notice to the Unitholders. If the Manager resigns it may appoint its successor but, unless its successor is an affiliate of the Manager, its successor must be approved by the Unitholders. If the Manager is in material default of its obligations under the Declaration of Trust and such default has not been cured within 30 days after notice of the same has been given to the Manager, the Unitholders may remove the Manager and appoint a successor trustee and/or manager.

The Manager is entitled to fees for its services as manager under the Declaration of Trust as described under "Fees and Expenses – Management Fees". In addition, the Manager and its affiliates and each of their directors, officers, employees and agents will be indemnified by the Fund for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced or other claim that is made against any of them in the exercise of the Manager's duties under the Declaration of Trust, if they do not result from the Manager's wilful misconduct, bad faith, negligence or breach of its obligations thereunder.

The services of the Manager are not exclusive and nothing in the Declaration of Trust or any agreement prevents the Manager from providing similar services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Fund) or from engaging in other business activities.

Conflicts of Interest – Manager

The Manager and its affiliates or associates may be managers or investment managers of trusts or funds that invest in ETH. The services of the Manager are not exclusive to the Fund. The Manager may in the future act as the manager or investment advisor to other trusts, funds and companies and may in the future act as the manager or investment advisor to other trusts or funds which invest in ETH and which are considered competitors of the Fund.

Ownership of Securities of the Manager

As of the date hereof, the directors and executive officers of the Manager own beneficially or of record, directly or indirectly, shares in the capital of the Manager representing a large majority of the votes attached to all of the issued and outstanding shares in the capital of the Manager.

Independent Review Committee

In accordance with National Instrument 81-107 – *Independent Review Committee for Investment Funds*, the Manager has appointed an independent review committee comprised of three members, each of whom is independent of the Manager, entities related to the Manager, and the Fund. The Independent Review Committee has engaged Independent Review Inc. to provide an independent secretariat service to assist the Independent Review Committee and provide an independent secretariat for Independent Review Committee members. The mandate of the Independent Review Committee is to review and provide its decisions to the Manager on conflict of interest matters that the Manager has referred to the Independent Review Committee for review. The Manager is required to identify conflict of interest matters inherent in its management of the Fund and request input from the Independent Review Committee in respect of how it manages those conflicts of interest, as well as its written policies and procedures outlining its management of those conflicts of interest. The Independent Review Committee has adopted a written charter which it follows when performing its functions and is subject to requirements to conduct regular assessments. In performing their duties, members of the Independent Review Committee are required to act honestly, in good faith, and in the best interests of the Fund and to exercise the degree of care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances.

The Independent Review Committee will prepare a report, at least annually, of its activities for Unitholders which will be available on the Manager's website at www.3iQ.ca, or at the Unitholder's request at no cost, by contacting the Manager at 1(416) 639-2130 or by emailing the Manager at investors@3iQ.ca.

The members of the Independent Review Committee are Gregory Koegl, Eamonn McConnell and William Woods. The following is a brief description of the backgrounds of the members of the Independent Review Committee.

Gregory Koegl

Gregory Koegl founded and is President of Koebra Development Corporation (Gestion Koebra) in 1991, initially to reposition underperforming real estate assets for many national and international financial institutions. During the mid to late 1990's Koebra began to develop real estate again for its own account as well as to consult with third party property owners. In 2007, Mr. Koegl founded Capital Wapati (name subsequently changed to Investus), a newly formed CPC public company listed on the TSX Venture Exchange. This company, destined to become a REIT, specialized in the development and acquisition of industrial real estate across Canada. Koebra has been working in partnership with a variety of equity partners, to invest and create value real estate assets in various classes within the Province of Quebec. Prior to forming his own company, Mr. Koegl was the President of Terravon Developments (1989-1991), a company specializing in industrial real estate development and management. He was the Director of Development for the Alexis Nihon Corporation (1987-1989), and Manager of Development and Acquisitions for Marathon Realty Company Limited (1984-1987). Prior to moving to Montreal, Mr. Koegl worked for the F.W. Woolworth Company (Woolco division) in Toronto as a Project Manager for new store construction across Canada. Mr. Koegl has a Bachelor of Architectural Technology from Ryerson Polytechnical Institute (1981), an MBA from McGill University (1984) and was a part time faculty lecturer at McGill University between 1985 and 1993.

Eamonn McConnell (Chair)

Eamonn McConnell is a Managing Director and Portfolio Manager at Kensington Capital Partners. For over 30 years, Eamonn McConnell has been involved in the investment banking and global fund management business. Eamonn has worked in Canada, the UK and Asia during his career. He has worked for many large international institutions including Barclays Global Investors, Deutsche Bank and Merrill Lynch. In the late 1990s, he was a Managing Director at Deutsche Bank responsible for the pricing, underwriting and risk management of Deutsche Bank's debt new issue business (Asia and Europe). His areas of activity have ranged from capital markets work in both debt and equity products, the establishment of a mutual fund investment management company and the subsequent launch of several funds, to the establishment of a private equity fund management company. Eamonn has been an active investor in all types of assets and the management of risk products. He is currently a Partner with Gryphus Capital, a private equity firm he co-founded in 2002, which is based in Singapore. Eamonn served as the Deputy Chairman of the Alternative Investment Management Association (AIMA) Canada from 2008 – 2013. Eamonn has an MBA from McGill University and HEC France, and the CAIA designation.

William Woods

William Woods co-founded, and is currently the Chairman Emeritus of, Independent Review Inc. (a firm that specializes in investment fund governance and sound governance for public companies) in Canada. IRI supports over 35 Independent Review Committees on an ongoing basis and has assisted Investment Managers to establish over 45 IRCs over the last ten years. He currently serves as an independent director on the boards of Canadian corporations and offshore hedge funds, as an independent review committee member for several public investment fund groups in Canada, and as an independent trustee. He is the Chair of two IRCs. He has served on Hedge Fund Boards for more than 16 years and has had experience dealing successfully with fund launches, fund closures, fund liquidations and various liquidity crisis during that period. He has been a capital markets consultant since January 2002. From 1995 to December 2001, he was the Chief Executive Officer of the Bermuda Stock Exchange. Prior to that, he co-founded the International Securities Consultancy, a consulting group based in Hong Kong and London that specializes in advising on the development of both emerging and mature securities markets. He is a lawyer, admitted to practice in Bermuda, England & Wales and Hong Kong. He was a solicitor with Linklaters & Paines in Hong Kong where he specialized in corporate finance work. For three years, he acted as Legal Counsel to the Stock Exchange of Hong Kong. Institute of Corporate Directors (ICD.D 2017).

Remuneration of Directors, Officers and Independent Review Committee Members

The officers of the Manager will receive their remuneration from the Manager. The expenses of the officers and directors of the Manager are paid by the Manager. The directors of the Manager do not receive any director's fees. Compensation for members of the Independent Review Committee is C$5,000 per annum and C$6,000 for the chair of the committee. The fees and other reasonable expenses of members of the Independent Review Committee, as well as premiums for insurance coverage for such members are paid proportionately by the funds managed by the Manager to which NI 81-107 applies, including the Fund. In addition, the Fund and the Manager have agreed to indemnify the members of the Independent Review Committee against certain liabilities.

Custodian

Cidel Trust Company will be appointed as the custodian of the assets of the Fund. The Custodian is a federally regulated trust company based in Calgary, Alberta and will provide services to the Fund from its office in Toronto, Ontario. The Custodian is a wholly-owned subsidiary of Cidel Bank Canada, a Schedule II Bank regulated by the Office of the Superintendent of Financial Institutions. The Custodian will be responsible for safekeeping of all the investments and other assets of the Fund delivered to it (but not those assets of the Fund not directly controlled or held by the Custodian, as the case may be). The Custodian may appoint a sub-custodian from time to time in accordance with National Instrument 81-102 – *Investment Funds*.

The Manager, on behalf of the Fund, or the Custodian may terminate the Custodian Agreement upon at least 120 days' written notice. The Manager, on behalf of the Fund, may terminate the Custodian Agreement immediately if the Custodian ceases to be qualified to act as a custodian of the Fund under applicable law. The Custodian may terminate the Custodian Agreement on 30 days' written notice to the Fund in the event that the Custodian has delivered a termination notice to Gemini, or is entitled to deliver a termination notice to Gemini upon the occurrence of certain termination events, pursuant to the terms of the Sub-Custodian Agreement. The Custodian is entitled to receive fees from the Fund as described under "Fees and Expenses – Ongoing Expenses of the Fund" and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the Fund.

The Custodian, in carrying out its duties concerning the safekeeping of, and dealing with, the portfolio assets of the Fund, is required to exercise (a) the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances; or (b) at least the same degree of care as they exercise with respect to their own property of a similar kind, if this is a higher degree of care than the degree of care referred to in (a).

Sub-Custodian

Gemini will act as sub-custodian of the Fund in respect of the Fund's holdings of ETH pursuant to a sub-custody agreement between the Custodian, the Fund, and Gemini to be entered into on or prior to the Closing Date (the "**Sub-Custodian Agreement**").

Gemini is a trust company licensed and regulated by the New York State Department of Financial Services and is qualified to act as a sub-custodian of the Fund for assets held outside of Canada in accordance with National Instrument 81-102 – *Investment Funds*. Gemini operates in 49 U.S. states, Canada and certain other international jurisdictions.

As a fiduciary under Section 100 of the New York Banking Law, Gemini is held to specific capital reserve requirements and banking compliance standards. Gemini is also subject to the laws, regulations and rules of applicable governmental or regulatory authorities, including: money service business regulations under the Financial Crimes Enforcement Network ("**FinCEN**"); U.S. state money transmission laws; laws, regulations, and rules of relevant tax authorities; applicable regulations and guidance set forth by FinCEN; the Bank Secrecy Act of 1970; the USA PATRIOT Act of 2001; AML Regulations as mandated by U.S. federal law and any other rules and regulations regarding anti-money laundering/counter-terrorist financing; issuances from the Office of Foreign Assets Control; the New York Banking Law; regulations promulgated by the New York State Department of Financial Services from time to time; the National Futures Association; the Financial Industry Regulatory Authority; and the Commodity Exchange Act.

Gemini will use segregated cold storage ETH addresses for the Fund which are separate from the ETH addresses that Gemini uses for its other customers and which are directly verifiable via the ETH blockchain. Gemini will at all times record and identify in its books and records that such ETH constitute the property of the Fund. Gemini will not loan, hypothecate, pledge or otherwise encumber the Fund's ETH without the Fund's instruction. Gemini, in carrying out its duties concerning the safekeeping of, and dealing with, the Fund's ETH, is required to take reasonable care and use commercially reasonable efforts in executing its responsibilities under the Sub-Custodian Agreement, and has agreed to adhere to the standard of care required by law, including National Instrument 81-102 – *Investment Funds*.

ETH Storage, Security Polices and Practices

ETH private keys are stored in two different forms: "hot wallet" storage, whereby the private keys are connected to the internet, and "cold" storage, where digital currency private keys are stored completely offline. The ETH that Gemini will hold for the Fund will be stored offline in cold storage. When under the purview of Gemini, ETH will only enter "hot" storage in the case of deposits and redemptions, meaning that the ETH will only be in "hot" storage for a temporary period.

Gemini has adopted the following security policies and practices with respect to digital assets held in cold storage: hardware security modules ("**HSMs**") are used to generate, store and manage cold storage private keys; multi-signature technology is used to provide both security against attacks and tolerance for losing access to a key or facility, eliminating single points of failure; all HSMs are stored offline in air-gapped environments within a diverse network of guarded, monitored and access-controlled facilities that are geographically distributed; multiple levels of physical security and monitoring controls are implemented to safeguard HSMs within storage facilities; and all fund transfers require the coordinated actions of multiple employees.

Gemini has adopted the following security policies and practices with respect to digital assets held in its hot wallet: HSMs are used to store and manage hot wallet private keys; operational redundancy is achieved through geographic disbursement of failover storage facilities and hardware, thus protecting against service disruptions and single points of failure; all hot wallet HSMs are stored within secured facilities that are access-controlled, guarded, and monitored; tiered access-controls are applied to Gemini's production environment to restrict access to employees based on role, following the principle of least-privilege; administrative access to its production environment requires multi-factor authentication; and Gemini offers additional account level protections such as crypto address whitelisting, which allows customers to restrict withdrawals to addresses only included in the customer's whitelist.

Gemini BSA/AML Program

Gemini has adopted the Gemini BSA/AML Program for its digital asset exchange and custody service in an effort to maintain the highest possible compliance with applicable laws and regulations relating to anti-money laundering in the United States and other countries where it conducts business. This program includes robust internal policies, procedures and controls that combat any attempted use of Gemini for illegal or illicit purposes, including a customer identification program, annual training of all employees and officers in AML Regulation, filing of Suspicious Activity Reports and Currency Transaction Reports with the U.S. Financial Crimes Enforcement Network and annual internal and independent audits of the Gemini BSA/AML Program.

Website Security

Gemini has implemented certain security policies and practices to enhance security on its website, including through the use of two-factor authentication for certain user actions, such as withdrawals; a requirement for strong passwords from its users, which are cryptographically hashed using modern standards; encryption of sensitive user information, both in transit and at rest; the application of rate-limiting procedures to certain account operations such as login attempts to thwart brute force attacks; the transmission of website data over encrypted transport layer security connections; the leveraging of content-security policy and HTTP strict transport security features in modern browsers; partnerships with enterprise vendors to mitigate potential distributed denial-of-service attacks; and the use of separate access controls on internal-only sections of Gemini's website.

Internal Controls

In addition to the security policies and procedures discussed above, Gemini has also instituted the following internal controls: multiple signatories are required to transfer funds out of cold storage; Gemini's Chief Executive Officer and President are unable to individually or jointly transfer funds out of cold storage; all private keys are stored offsite in secure facilities; all employees undergo criminal and credit background checks, and are subject to ongoing background checks throughout their employment; and all remote-access by employees uses public-key authentication (e.g. no passwords, one-time passwords or other phishable credentials are used).

Insurance

As sub-custodian, Gemini is responsible for securing the ETH owned by the Fund.

Gemini currently maintains $200 million in specie coverage for digital assets held in Gemini's cold storage system. The amounts and continuing availability of this coverage are subject to change at Gemini's sole discretion.

Gemini also maintains separate commercial crime insurance coverage for digital assets custodied in its "hot wallet". To date, Gemini has never experienced a loss due to unauthorized access from its hot wallet or the cold storage vaults where the Fund's ETH will be custodied.

Auditor

Raymond Chabot Grant Thornton LLP is the auditor of the Fund. The office of the auditor is located in Montreal, Quebec.

Registrar and Transfer Agent

TSX Trust Company will act as registrar and transfer agent for the Units and will maintain the securities registers at its office in Toronto, Ontario.

Administrator

The Manager has engaged SGGG Fund Services Inc. to provide certain administrative services to the Fund including calculation of Net Asset Value and Net Asset Value per Unit and related fund accounting services. The principal office of the Administrator is located in Toronto, Ontario.

The Administrator is entitled to receive fees from the Fund as described under "Fees and Expenses – Fees and Expenses Payable by the Fund – Ongoing Expenses of the Fund" and to be reimbursed for all expenses and liabilities which are properly incurred by the Administrator in connection with the activities of the Fund.

CALCULATION OF NET ASSET VALUE

Calculation of Net Asset Value

The Net Asset Value of the Fund and the Net Asset Value per Unit will be calculated by the Administrator as at 4:00 p.m. (Toronto time) on each Valuation Date. The Fund will make available to the financial press for publication, on a daily basis, the Net Asset Value per Unit. Such amount will also be available on the Manager's website at www.3iQ.ca.

Valuation Policies and Procedures

The Net Asset Value of the Fund on a particular date will be equal to (i) the aggregate fair value of the assets of the Fund less (ii) the aggregate fair value of the liabilities of the Fund. The Net Asset Value of Units for each class of Units on a particular date will be equal to the Net Asset Value of the Fund allocated to the Units of such class, including an allocation of any net realized capital gains or other amounts payable to Unitholders on or before such date. The Net Asset Value of the Fund will be calculated in U.S. dollars. The Net Asset Value per Unit of a class on any day will be obtained by dividing the Net Asset Value of the Fund allocated to the Units of such class on such day by the number of Units of that class then outstanding.

For the purpose of calculating Net Asset Value of the Fund on a Valuation Date, the value of the aggregate assets of the Fund on such Valuation Date will be determined by the Administrator as follows:

(a) the value of any cash on hand or on deposit, bill, demand note, account receivable, prepaid expense, dividend, or other amount receivable (or declared to holders of record of securities owned on a date before the Valuation Date as of which the value of the assets is being determined, and to be receivable) and interest accrued and not yet received will be deemed to be the full amount thereof provided that if the Manager has determined that any such deposit, bill, demand note, account receivable, prepaid expense, dividend, or other amount receivable (or declared to holders of record of securities owned on a date before the Valuation Date as of which the value of the assets is being determined, and to be receivable) or interest accrued and not yet received is not otherwise worth the full amount thereof, the value thereof will be deemed to be such value as the Manager determines to be the fair value thereof;

(b) the Fund's ETH will be valued based on the MVIS CryptoCompare Institutional Ethereum Index ("**MVIETH**") maintained by MV Index Solutions GmbH ("**MVIS**"), as described below under "The MVIS CrytoCompare Institutional Ether Index" (https://www.mvis-indices.com/indices/digital-assets/mvis-cryptocompare-institutional-Ether);

(c) any market price reported in currency other than U.S. dollars will be translated into U.S. currency at the rate of exchange available from the Administrator on the Valuation Date on which the value of the assets is being determined;

(d) estimated operating expenses by the Fund shall be accrued to the Valuation Date; and

(e) the value of any security, property or other assets (including any illiquid investments) to which, in the reasonable opinion of the Manager, the above principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, no published market exists or for any other reason) shall be the fair market value thereof determined in good faith in such manner as the Manager, in consultation with the Administrator, adopts from time to time.

Each portfolio transaction will be reflected in the calculation of the Net Asset Value per Unit no later than the calculation of Net Asset Value per Unit next made after the date on which the transaction becomes binding. The issue of Units will be reflected in the calculation of Net Asset Value per Unit next made after the issue date for such Units, which may be up to three Trading Days after the date that the subscription order for such Units is accepted. The exchange or redemption of Units will be reflected in the calculation of the Net Asset Value per Unit next made after the exchange request or redemption request is accepted.

The Net Asset Value per Unit of a class of the Fund is calculated in U.S. dollars in accordance with the rules and policies of the Canadian Securities Administrators or in accordance with any exemption therefrom that the Fund may obtain. The Net Asset Value per Unit of a class determined in accordance with the principles set out above may differ from the Net Asset Value per Unit determined under International Financial Reporting Standards.

MVIS CrytoCompare Institutional Ethereum Index

The MVIS CryptoCompare Institutional Ethereum Index, maintained by MVIS, is an index which is intended to track the U.S. dollar price of one ETH. It is representative of the bids and offers of market participants to buy or sell ETH on those exchanges selected by MVIS, in consultation with the Manager, as digital asset trading platforms with the most economically significant trading volumes in the world in the ETH-USD trading pair, currently: Binance, Coinbase, Kraken, Bitstamp, bitFlyer, Gemini and itBit. MVIS retains discretion to exclude exchanges based on reputational risk concerns. A majority of these exchanges employ KYC procedures in compliance with applicable AML Regulation and several are regulated by the New York State Department of Financial Services under the BitLicence or trust registration.

The index may be viewed at: https://www.mvis-indices.com/indices/digital-assets/mvis-cryptocompare-institutional-Ether.

MVIETH is geared towards timeliness and represents an unbiased estimator of the ETH price. MVIS is an index provider based in Frankfurt, Germany and regulated as an index administrator by the German Federal Financial Supervisory Authority (BaFin). MVIS had adopted indexing practices and operations for its digital assets indices, including MVIETH, which comply with the EU benchmark regulations. MVIS's pricing benchmarks are also compliant with International Organisation of Securities Commissions regulations. At this time, there are no guidelines for the calculation of indices based upon digital assets under the EU benchmark regulations, however MVIS as a leader in this space is expected to comply with any such guidelines when they are created.

The index for the MVIETH is calculated by Crypto Coin Comparison Ltd., an independent pricing provider based in the United Kingdom. Any proposal to change the constituents or calculation methodology of the MVIETH must be approved by the Review Committee of Crypto Coin Comparison Ltd.

Reporting of Net Asset Value

The Net Asset Value per Unit of a class will be available to Unitholders at no cost on the Manager's website at www.3iQ.ca posted daily and displaying the date upon which it was calculated. The Manager will also provide such information at no cost to the Unitholders who so request by calling the Manager at 1(416) 639-2130.

Suspension of Calculation of Net Asset Value

The Manager may suspend the calculation of the Net Asset Value of the Fund and the Net Asset Value per Unit for the whole or any part of a period during which the right to redeem Units is suspended.

DESCRIPTION OF THE UNITS

The Units

The Fund is authorized to issue an unlimited number of redeemable units of an unlimited number of classes, each of which represents an equal and undivided beneficial interest in the net assets and net income of the Fund attributable to such class. As of the date hereof, Class A Units and Class F Units are authorized for issuance and only one (1) Class A Unit is issued and outstanding. The Class A Units and Class F Units are referred to herein as the "Units".

The Class A Units are available to all investors. The Class F Units are designed for fee-based and/or institutional accounts and will not be listed on a stock exchange. The Class F Units offered under this prospectus will be reclassified as Class A Units on a one-for-one basis immediately upon the closing of the Offering. Accordingly, investors purchasing the Class F Units will, upon closing of the Offering, become holders of Class A Units. Additional Class F Units may be issued in the future that may not be reclassified immediately as Class A Units and as such, there may be outstanding Class F Units in the future. Class A Units and Class F Units are U.S. dollar denominated and are not available for purchase in Canadian dollars.

Each Unit entitles the holder to the same rights and obligations as a Unitholder and no Unitholder is entitled to any privilege, priority or preference in relation to any other holder of Units other than as set out herein. Each Unitholder is entitled to one vote for each Unit held and is entitled to participate equally with respect to any and all distributions made by the Fund, including distributions of net realized capital gains, if any. On the redemption of Units, however, the Fund may in its sole discretion, designate payable to redeeming Unitholders, as part of the redemption price, any capital gains realized by the Fund in the taxation year in which the redemption occurred. On termination or liquidation of the Fund, Unitholders of record are entitled to receive on a *pro rata* basis all of the assets of the Fund remaining after payment of all debts, liabilities and liquidation expenses of the Fund.

On December 16, 2004, the *Trust Beneficiaries' Liability Act, 2004* (Ontario) came into force. This statute provides that holders of units of a trust are not, as beneficiaries, liable for any act, default, obligation or liability of the trust if, when the act or default occurs or the liability arises, (i) the trust is a reporting issuer under the *Securities Act* (Ontario); and (ii) the trust is governed by the laws of Ontario. The Fund is a reporting issuer under the *Securities Act* (Ontario) and the Fund is governed by the laws of the Province of Ontario by virtue of the provisions of the Declaration of Trust.

Reclassification of Class F Units upon Closing

Purchasers who subscribe for Class F Units are deemed to have requested for the Fund to reclassify such Class F Units as Class A Units immediately upon closing of the Offering. Class F Units will be reclassified as Class A Units on a one-for-one basis upon the closing of the Offering. Accordingly, investors purchasing Class F Units will upon the closing of the Offering become holders of Class A Units. No fractions of Class A Units will be issued upon any reclassification of Class F Units and any fractional amounts will be rounded down to the nearest whole number of Class A Units. After the reclassification of the Class F Units as Class A Units upon the closing of the Offering all remaining outstanding units of the Fund will be Class A Units. A reclassification of Class F Units as Class A Units will not constitute a disposition of such Class F Units for the purposes of the Tax Act. See "Canadian Federal Income Tax Considerations".

Purchase for Cancellation

The Declaration of Trust provides that the Fund may, in its sole discretion, from time to time, purchase (in the open market or by invitation for tenders) Class A Units for cancellation subject to applicable law and stock exchange requirements, based on the Manager's assessment that such purchases are accretive to Unitholders, in all cases at a price per Class A Unit not exceeding the most recently calculated Net Asset Value per Unit of a Class A Unit immediately prior to the date of any such purchase of Class A Units. It is expected that these purchases will be made as normal course issuer bids through the facilities and under the rules of the stock exchange or such other exchange or market on which the Units are then listed.

Take-over Bids

The Declaration of Trust contains provisions to the effect that if a take-over bid is made for the Class A Units and not less than 90% of the aggregate of the Class A Units (but not including any Class A Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Class A Units held by the Unitholders who did not accept the take-over bid on the terms offered by the offeror.

The Declaration of Trust also provides that if, prior to the termination of the Fund, a formal bid (as defined in National Instrument 62-104 *Take-Over Bids and Issuer Bids*) is made for all of the Class F Units and such bid does not include a concurrent identical take-over bid, including in terms of price (relative to the Net Asset Value per Unit of the class), for the Class A Units, then the Fund shall provide the holders of Class A Units the right to have all or a part of their Class A Units reclassified as Class F Units and to tender such units to the offer for the Class F Units. In the circumstances described above, the Fund shall by press release provide written notice to the holders of the Class A Units that such an offer has been made and of the right of such holders to have all or a part of their Class A Units reclassified as Class F Units and to tender such units to the offer for the Class F Units.

Book-Based System

Registrations of interests in, and transfers of, the Units will be made only through the book-based system of CDS. Units may be purchased, transferred or surrendered for redemption only through a CDS Participant. All rights of an owner of Units must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Units. Upon purchase of any Units, the owner will receive only the customary confirmation from the registered dealer which is a CDS Participant and from or through which the Units are purchased. References in this prospectus to a Unitholder means, unless the context otherwise requires, the owner of the beneficial interest in such Units.

The Fund, the Manager and the Agents will not have any liability for (i) the records maintained by CDS or CDS Participants relating to the beneficial interests in the Units or the book-based accounts maintained by CDS in respect thereof; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS or CDS Participants, including with respect to the rules and regulations of CDS or any action taken by CDS, its participants or at the direction of those participants.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to such owner's interest in such Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

The Fund has the option to terminate registration of the Units through the book-based system, in which case certificates in fully-registered form for the Units will be issued to beneficial owners of such Units or to their nominees.

UNITHOLDER MATTERS

Meetings of Unitholders

A meeting of the Unitholders voting as a single class (unless the circumstances are such that one class is affected differently in which case the holders of each class of the Fund will vote separately) may be called at any time by the Manager and shall be called by the Manager upon the request of two or more Unitholders holding, in aggregate, at least 25% of the issued and outstanding Units. Except as otherwise required or permitted by law, meetings of Unitholders will be held if called by the Manager or such Unitholders upon written notice of not less than 21 days nor more than 50 days before the meeting. At any meeting of the Unitholders, a quorum shall consist of five or more individuals present in person either holding personally or representing as proxies not less in aggregate than 10% of the Units outstanding entitled to vote at such meeting. In the event of such quorum not being present at the appointed place on the date for which the meeting is called within 30 minutes after the time fixed for the holding of such meeting, the meeting, if called at the request of Unitholders, shall be terminated (and not adjourned) and, if otherwise called, shall stand adjourned to such day being not less than three days later and to such place and time as may be appointed by the chairperson of the meeting. If at such adjourned meeting a quorum as above defined is not present, the Unitholders present either personally or by proxy shall form a quorum, and any business may be brought before or dealt with at such an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same. If the meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as for the original meeting. Unitholders present in person or represented by proxy will constitute a quorum.

Amendment of the Declaration of Trust

Except as provided below, the Declaration of Trust may be amended by an Ordinary Resolution approved at a meeting of unitholders duly convened and held in accordance with the provisions in that regard contained in the Declaration of Trust, or by the written consent in lieu of a meeting if there is only one unitholder.

The following matters may only be undertaken with the approval of Unitholders by an Extraordinary Resolution (a separate class vote is also required if one class of Units would be affected differently):

(a) any change in the investment objectives or investment restrictions of the Fund, unless such changes are necessary to ensure compliance with applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time;

(b) any increase in the Management Fee;

(c) any amendment, modification or variation in the provisions or rights attaching to the Units;

(d) any change in the frequency of calculating the Net Asset Value per Unit;

(e) after the Closing, the issuance of additional Units, including any offering of rights, warrants or options, if permitted by applicable law, to existing Unitholders to acquire Units, other than: (i) for net proceeds per Unit equal to or greater than 100% of the most recently calculated Net Asset Value per Unit calculated prior to the entering into of the commitment by the subscriber to purchase such Units or prior to the pricing of the offering, as the case may be; (ii) by way of Unit distribution; or (iii) related to the reclassification of Class F Units;

(f) any merger, arrangement or similar transaction or the sale of all or substantially all of the assets of the Fund other than in the ordinary course of business;

(g) any liquidation, dissolution or termination of the Fund except if it is determined by the Manager, in its sole discretion, to be in the best interest of Unitholders or otherwise in accordance with the terms of the Declaration of Trust; and

(h) any amendment to the above provisions except as permitted by the Declaration of Trust.

Notwithstanding the foregoing, the Manager is entitled to amend the Declaration of Trust without the consent of, or notice to, Unitholders, to:

(a) remove any conflicts or other inconsistencies which may exist between any terms of the Declaration of Trust and any provisions of any law, regulation or requirements of any governmental authority applicable to or affecting the Fund;

(b) make any change or correction in the Declaration of Trust which is of a typographical nature or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission, mistake or manifest error contained therein;

(c) bring the Declaration of Trust into conformity with applicable laws, rules and policies of Canadian securities regulators or with current practice within the securities or investment fund industries, provided such amendments do not in the opinion of the Manager adversely affect the pecuniary value of the interest of Unitholders or restrict any protection for the Manager or increase its responsibilities;

(d) maintain the status of the Fund as a "mutual fund trust" for the purposes of the Tax Act or to respond to amendments to the Tax Act or to the interpretation or administration thereof;

(e) provide added protection or benefit to Unitholders; or

(f) create new classes of Units from time to time and specify the rights and attributes associated with such Classes, provided that no Unit shall have any priorities over any other Unit.

Reporting to Unitholders

The Fund will make available to Unitholders such financial statements and other continuous disclosure documents as are required by applicable law, including (i) unaudited interim and audited annual financial statements of the Fund, prepared in accordance with International Financial Reporting Standards and (ii) interim and annual management reports of fund performance in respect of the Fund. The Fund will make also available to each Unitholder annually and before March 31 of the following year information necessary to enable such Unitholder to complete an income tax return with respect to the amounts payable by the Fund.

TERMINATION OF THE FUND

The Manager may, in its discretion, terminate the Fund at any time without the approval of Unitholders if, in its opinion, it is no longer economically feasible to continue the Fund and/or it would be in the best interests of the Unitholders to terminate the Fund. The Manager will provide at least 30 days' prior notice of such termination to Unitholders by way of press release. Upon such a termination, the Fund will liquidate its portfolio and distribute to Unitholders their *pro rata* portions of the remaining assets of the Fund after all liabilities of the Fund have been satisfied or appropriately provided for, and which will include cash and, to the extent liquidation of certain assets is not practicable prior to the termination date, such unliquidated assets *in specie* rather than in cash, subject to compliance with any securities or other laws applicable to such distributions. Following such distribution, the Fund will be dissolved.

USE OF PROCEEDS

The Fund will use the proceeds from the sale of Units as follows:

	Maximum Offering(2)	**Minimum Offering**(2)
Gross proceeds to the Fund	\$107,500,000.00	\$20,000,009.50
Agents' fees	\$5,912,500.00	\$1,100,000.52
Estimated expenses of the Offering(1)	\$950,000.00	\$300,000.14
Net proceeds to the Fund	\$100,637,500.00	\$18,600,008.84

Notes:

(1) The expenses of the Offering to be borne by the Fund shall not exceed 1.5% of the gross proceeds of the Offering.

(2) The values presented in the Maximum Offering and Minimum Offering columns assume that only Class A Units are sold and does not include the Class A Units resulting from the reclassification of Class F Units.

The Fund will use substantially all of the net proceeds of the Offering to acquire ETH for the Fund's portfolio in accordance with the investment objectives and investment strategies of the Fund.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement, the Agents have agreed to act as, and have been appointed as, the sole and exclusive agents of the Fund to offer the Class A Units and Class F Units for sale, subject to prior sale, on a best efforts basis, if, as and when issued by the Fund in accordance with the conditions contained in the Agency Agreement. Such Units will be issued at a price of $10.75 per Class A Unit and $10.53 per Class F Unit. The offering price per such Unit was determined by negotiation between the Agents and the Manager on behalf of the Fund.

There is currently no market through which the Units may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Units and the extent of issuer regulation. See "Risk Factors".

In consideration for its services in connection with the Offering, the Agents will be paid a fee of $0.59 (5.50%) per Class A Unit sold and $0.37 (3.50%) per Class F Unit sold under the Offering and will be reimbursed for reasonable out of pocket expenses incurred by them. The Agents' fees and expenses will be paid by the Fund. The Agents may form a sub-agency group including other qualified investment dealers and determine the fee payable to the members of such group, which fee will be paid by the Agents out of their fees. While the Agents have agreed to use their best efforts to sell the Class A Units and the Class F Units offered hereby, the Agents will not be obligated to purchase any Class A Units or Class F Units which are not sold.

This prospectus also qualifies the distribution of the Class A Units resulting from the reclassification of the Class F Units immediately upon the closing of the Offering.

If subscriptions for Class A Units and/or Class F Units do not total at least 1,000,000 Units within 90 days after a final receipt for this prospectus is issued, the Offering may not continue without the consent of the securities regulatory authorities and those who have subscribed for Units on or before such date.

In the event such consents are not obtained or if the Closing does not occur for any reason, subscription proceeds received from prospective purchasers in respect of the Offering will be returned to such purchasers promptly without interest or deduction. The maximum number of Class A Units and Class F Units which will be issued is $107,500,000. Under the terms of the Agency Agreement, the Agents, at their discretion on the basis of their assessment of the state of the financial markets and upon the occurrence of certain stated events, may terminate the Agency Agreement and withdraw all subscriptions for Class A Units and Class F Units on behalf of subscribers. Subscriptions for Class A Units and Class F Units will be received subject to rejection or allotment in whole or in part and the Fund reserves the right to close the subscription books at any time without notice. The Closing will take place on or about December 10, 2020 or such later date as the Fund and the Agents may agree, but in any event not later than 90 days after a final receipt for this prospectus has been issued.

The Units have not been, nor will they be, registered under the *United States Securities Act of 1933*, as amended (the "**1933 Act**") or any state securities legislation and these securities may not be offered or sold in the United States or to or for the account of a person in the United States or a U.S. person except in transactions exempt from the registration requirements of the 1933 Act and applicable state securities legislation. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States.

Pursuant to policy statements of the Ontario Securities Commission, an Agent may not, throughout the period of distribution under this prospectus, bid for or purchase Units. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Units. These exceptions include a bid or purchase permitted under the by-laws and rules of the stock exchange relating to market stabilization and passive market-making activities and a bid or purchase made for or on behalf of a customer where the order was not solicited during the period of distribution.

In-Kind Exchange of ETH for Units

The Fund will accept ETH in respect of subscriptions for at least 100,000 Units under this Offering. Purchasers will need to inform their dealer of their intent to subscribe for Units with ETH and will need to contribute their ETH to the Fund from an account with a segregated wallet at the Sub-Custodian. The Sub-Custodian will comply with the Gemini AML/BSA protocol when opening all such segregated wallet accounts and transferring ETH to the Fund's account in connection with in-kind subscriptions. In connection with such subscriptions, ETH will be valued at the MVIETH price as of 9:00 a.m. on the day immediately preceding the Closing Date.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Manager is entitled to receive the Management Fee in respect of the Fund. See "Organization and Management Details of the Fund – The Trustee and Manager of the Fund" and "Fees and Expenses – Fees and Expenses Payable by the Fund – Fees Payable to the Manager for Acting as Manager of the Fund".

MVIS is a wholly-owned subsidiary of Van Eck Associates Corporation ("**Van Eck**") and will receive an annual licensing fee based on the Net Asset Value of the Fund in consideration for providing the MVIS CryptoCompare Institutional Ethereum Index. Van Eck is a shareholder of the Manager and may nominate up to two directors to the Board of Directors of the Manager. Van Eck has nominated one director to the Board of Directors of the Manager. See "Fees and Expenses – Ongoing Expenses of the Fund" and "Calculation of Net Asset Value – Valuation Policies and Procedures".

Minority shareholders of the Manager and independent advisors of the Manager may be shareholders, directors, officers or employees of ETH Sources which trade ETH with the Manager on behalf of the Fund. Trade execution on behalf of the Fund is conducted on a best price basis and no preference is given to digital asset trading platforms or counterparties in respect of which minority shareholders or independent advisors of the Manager are shareholders, directors, officers or employees.

Minority shareholders of the Manager may invest in Units of the Fund on their own behalf or on behalf of clients or funds managed by them.

The Fund is not sponsored, endorsed, sold or promoted by MVIS. MVIS makes no representation or warranty, express or implied, to the owners of the Fund or any member of the public regarding the advisability of investing in securities generally or in the Fund particularly or the ability of MVIETH to track the U.S. dollar price of one ETH. MVIS's only direct relationship to the Fund and the Manager is the licensing of certain service marks and trade names of MVIS and of MVIETH that is determined, composed and calculated by MVIS without regard to the Fund or the Manager. MVIS has no obligation to take the needs of the Fund or the owners of the Fund into consideration in determining, composing or calculating MVIETH. MVIS is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the Fund to be issued or in the determination or calculation of the equation by which the Fund is to be converted into cash. MVIS has no obligation or liability in connection with the administration, marketing or trading of the Fund.

MVIS DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF MVIETH OR ANY DATA INCLUDED THEREIN AND MVIS SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. MVIS MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE MANAGER, THE FUND, OWNERS OF THE FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF MVIETH OR ANY DATA INCLUDED THEREIN. MVIS MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO MVIETH OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL MVIS HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

The Fund is not sponsored, promoted, sold or supported in any other manner by CryptoCompare Data Limited nor does CryptoCompare Data Limited offer any express or implicit guarantee or assurance either with regard to the results of using MVIETH and/or MVIETH trade mark or MVIETH price at any time or in any other respect. MVIBTC is calculated and published by CryptoCompare Data Limited. CryptoCompare Data Limited uses its best efforts to ensure that MVIETH is calculated correctly. Irrespective of its obligations towards MVIS, CryptoCompare Data Limited has no obligation to point out errors in MVIBTC to third parties including but not limited to investors and/or financial intermediaries of the Fund. Neither publication of MVIETH by CryptoCompare Data Limited nor the licensing of MVIETH or MVIETH trade mark for the purpose of use in connection with the Fund constitutes a recommendation by CryptoCompare Data Limited to invest capital in the Fund nor does it in any way represent an assurance or opinion of CryptoCompare Data Limited with regard to any investment in the Fund. CryptoCompare Data Limited is not responsible for fulfilling the legal requirements concerning the accuracy and completeness of the Fund's prospectus.

The Fund is not sponsored, endorsed, sold or promoted by Van Eck Associates Corporation or any of its affiliates or any other VanEck entity (altogether, "**VanEck**"). VanEck makes no representation or warranty, express or implied, nor accepts any responsibility, regarding the accuracy or completeness of this Prospectus, or the advisability of investing in securities or financial instruments, or in the Fund.

VANECK SHALL NOT HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS, AND MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY OWNERS OF THE FUND OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE FUND. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL VANECK OR ANY OF ITS AFFILIATES HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES OR LOSSES, EVEN IF NOTIFIED OF THE POSSIBILITY THEREOF.

MATERIAL CONTRACTS

The only material contracts entered into by or on behalf of the Fund at or prior to the Closing other than during the ordinary course of business, are as follows:

(a) the Declaration of Trust referred to under "Overview of the Legal Structure of the Fund";

(b) the Custodian Agreement referred to under "Organization and Management Details of the Fund – Custodian";

(c) the Sub-Custodian Agreement referred to under "Organization and Management Details of the Fund – Sub-Custodian";

(d) the Index Licensing Agreement with MVIS; and

(e) the Agency Agreement referred to under "Plan of Distribution".

Copies of the foregoing agreements, after the execution thereof, may be inspected during business hours at the principal office of the Fund during the course of distribution of the Units of the Fund offered hereby.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

There are no legal or administrative proceedings material to the Fund or the Manager to which the Fund or the Manager is a party or to which any of their respective property is subject and no such legal or administrative proceedings are known to be contemplated.

EXPERTS

Certain legal matters in connection with the issuance and sale of the Units offered by this prospectus will be passed upon on behalf of the Fund by Osler, Hoskin & Harcourt LLP and on behalf of the Agents by Blake, Cassels & Graydon LLP.

Raymond Chabot Grant Thornton LLP the auditor of the Fund has consented to the use of their report dated December 1, 2020 on the statement of financial position of the Fund. Raymond Chabot Grant Thornton LLP has confirmed that they are independent with respect to the Fund within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the Provinces and Territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment thereto. In several of the Provinces and Territories of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province or Territory. The purchaser should refer to any applicable provisions of the securities legislation of his or her Province or Territory of residence for the particulars of these rights or consult with a legal advisor.

INDEPENDENT AUDITOR'S REPORT

To the Unitholder of The Ether Fund and the Board of Directors of 3iQ Corp.

Opinion

We have audited the statement of financial position of The Ether Fund (hereafter the "**Fund**"), as at December 1, 2020 and the notes to the statement of financial position, including a summary of significant accounting policies.

In our opinion, the accompanying statement of financial position presents fairly, in all material respects, the financial position of the Fund as at December 1, 2020 in accordance with International Financial Reporting Standards ("**IFRS**").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the statement of financial position" section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial position in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the statement of financial position

Management is responsible for the preparation and fair presentation of the statement of financial position in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of the statement of financial position that is free from material misstatement, whether due to fraud or error.

In preparing the statement of financial position, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the statement of financial position

Our objectives are to obtain reasonable assurance about whether the statement of financial position as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the statement of financial position.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement of financial position, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the statement of financial position or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the statement of financial position, including the disclosures, and whether the financial position represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

(Signed) Raymond Chabot Grant Thornton LLP[1]

Montréal

December 1, 2020

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1 CPA auditor, CA public accountancy permit no. A125741

THE ETHER FUND

STATEMENT OF FINANCIAL POSITION

(Expressed in U.S.$)

As at December 1, 2020

Cash	$10.75
Net Assets attributable to holders of redeemable Class A Units (one unit issued and redeemable)	$10.75

The accompanying notes are an integral part of this statement of financial position.

Approved by the board of directors of 3iQ Corp., the trustee and manager of The Ether Fund.

(Signed)	(Signed)
Howard Atkinson	Anthony L. Cox
Director	Director

NOTES TO STATEMENT OF FINANCIAL POSITION

As at December 1, 2020

(1) GENERAL INFORMATION

The Ether Fund (the “**Fund**”) is a closed-end investment trust established under the laws of the Province of Ontario pursuant to a declaration of trust dated as of December 1, 2020. The Class A Units are available to all investors. The Class F Units are designed for fee-based and/or institutional accounts and will not be listed on a stock exchange, but will be reclassified as Class A Units upon the closing of the Offering. Accordingly, investors purchasing and/or receiving the Class F Units will, upon closing of the Offering, become holders of Class A Units. Class A Units and Class F Units are U.S. dollar denominated and are not available for purchase in Canadian dollars.

On December 1, 2020, the Fund was settled and issued one Class A Unit for cash consideration of $10.75 to 3iQ Corp., the manager of the Fund (the “**Manager**”).

The Fund’s investment objectives are to seek to provide holders of units of the Fund with:

(a) exposure to digital currency Ether (“**ETH**”) and the daily price movements of the U.S. dollar price of ETH; and

(b) the opportunity for long-term capital appreciation.

To achieve its investment objectives, the Fund will invest in long-term holdings of ETH, purchased from reputable digital asset trading platforms and OTC counterparties, in order to provide investors with a convenient, secure alternative to a direct investment in ETH. The Fund will not speculate with regard to short-term changes in ETH prices.

The statement of financial position was approved by the board of directors of the Manager on December 1, 2020.

(2) SIGNIFICANT ACCOUNTING POLICIES

The financial statement of the Fund has been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) relevant to preparing a statement of financial position. In applying IFRS, management may make estimates and assumptions that affect the reported amounts of assets and liabilities. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statement.

Cash

Cash is comprised of cash on deposit with a Canadian financial institution.

Functional and Presentation Currency

The U.S. dollar is the functional and presentation currency for the Fund.

Valuation of Units for Transaction Purposes

The Net Asset Value per Unit on any day will be obtained by dividing the Net Asset Value of the Fund allocable to the Units of such class on such day, by the total number of Units of such class outstanding on such day.

As used herein, (i) “Net Asset Value” means the net asset value of the Fund determined by subtracting the aggregate liabilities of the Fund from the Total Assets on the date on which the calculation is being made; and (ii) "Total Assets" means the aggregate value of the assets of the Fund.

Classifications of Redeemable Units

International Accounting Standard 32 *Financial Instruments: Presentation* ("**IAS 32**") requires that redeemable units or shares of an entity that are equally subordinated but are not identical be classified as a financial liability. The Fund's redeemable Class A Units meet the criteria in IAS 32 for classification as equity, as a result of having only one class of units outstanding at the financial position date.

(3) RELATED PARTY TRANSACTIONS

As at December 1, 2020, the Manager has subscribed for one Class A Unit for $10.75 in the Fund, and therefore holds all of the issued and outstanding Units of the Fund. An annual management fee equal to 1.95% of the Net Asset Value of the Fund will be paid to the Manager by the Fund, calculated daily and payable monthly in arrears, plus applicable taxes. The Fund will not pay trailing commissions on Class A Units or Class F Units.

(4) REDEMPTIONS

Units may be redeemed at the option of Unitholders on the first business day following the 15^{th} day of June in each year (each, an "**Annual Redemption Date**"), commencing on June 16, 2022, subject to the Fund's right to suspend redemptions in certain circumstances. Units so redeemed will be redeemed at a redemption price equal to the Net Asset Value per Unit on the Annual Redemption Date, less any costs and expenses associated with the redemption, including commissions incurred by the Fund to fund such redemptions. Units must be surrendered for redemption on or before the last business day of the month of May preceding the applicable Annual Redemption Date. Payment of the proceeds of redemption will be made in U.S. dollars on or before the 15th business day following the Annual Redemption Date.

Units may also be surrendered at the option of Unitholders at any time for redemption on the first business day following the 15th day of each month (the "**Monthly Redemption Date**"), subject to certain conditions and, in order to effect such a redemption, the Units must be surrendered for redemption no later than 5:00 p.m. (Toronto time) on the last business day of the month prior to the month of the applicable Monthly Redemption Date. Payment of the proceeds of redemption will be made in U.S. dollars on or before the 15^{th} business day following the Monthly Redemption Date.

(5) SUBSEQUENT EVENTS

The Fund and the Manager have entered into an agency agreement with Canaccord Genuity Corp., Richardson Wealth Limited, Echelon Wealth Partners Inc., Leede Jones Gable Inc., Mackie Research Capital Corporation and PI Financial Corp. (collectively, the "**Agents**") dated as of December 1, 2020 pursuant to which the Fund has agreed to create, issue and sell, and the Agents have agreed to offer the Class A Units and Class F Units for sale to the public, on a best efforts basis, if, as and when issued by the Fund at $10.75 per Class A Unit and $10.53 per Class F Unit. In consideration for its services in connection with the Offering, the Agents will be paid a fee of $0.59 per Class A Unit and $0.37 per Class F Unit out of the proceeds of the Offering.

The expenses of the initial public offering (the "**Offering**"), which are estimated to be $950,000, will be paid out of the gross proceeds of the Offering by the Fund. The Fund will, subject to a maximum of 1.5% of the gross proceeds of the Offering, pay the expenses incurred in connection with the Offering (including the costs of creating the Fund, the costs of printing and preparing a prospectus, legal expenses of the Fund and Agents and marketing expenses).

CERTIFICATE OF THE FUND AND THE TRUSTEE, MANAGER AND PROMOTER OF THE FUND

Dated: December 1, 2020

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada.

3iQ CORP.
(as trustee and manager of The Ether Fund)

By: (Signed) Frederick T. Pye President and Chief Executive Officer	By: (Signed) John Loeprich Chief Financial Officer

On behalf of the Board of Directors of
3iQ CORP.

By: (Signed) Howard Atkinson Director	By: (Signed) Anthony L. Cox Director

3iQ CORP.
(as promoter of The Ether Fund)

By: (Signed)
Frederick T. Pye
President and Chief Executive Officer

CERTIFICATE OF THE AGENTS

Dated: December 1, 2020

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada.

CANACCORD GENUITY CORP.

By: (Signed)
Michael D. Shuh

RICHARDSON WEALTH LIMITED

By: (Signed)
Nargis Sunderji

ECHELON WEALTH PARTNERS INC.

By: (Signed)
Farooq Moosa

LEEDE JONES GABLE INC.

By: (Signed)
Richard H. Carter

MACKIE RESEARCH CAPITAL CORPORATION

By: (Signed)
David Keating

PI FINANCIAL CORP.

By: (Signed)
Trina Wang