

December Prices Fade, Capping Off a Strong 2021

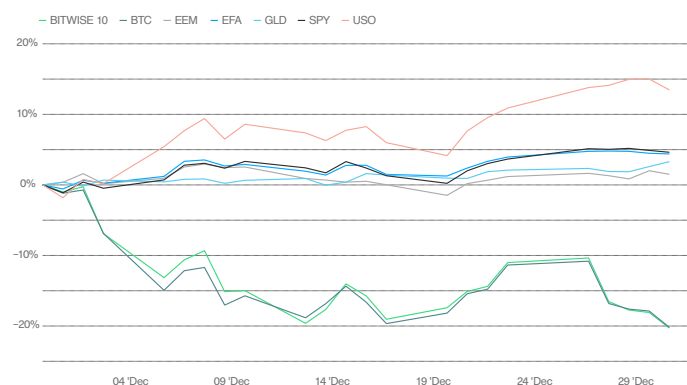
January 2022

MARKET COMMENTARY

The Bitwise 10 Large Cap Crypto Index posted a loss of 20.29% in December, as the crypto market retreated from all-time highs reached in November. The two largest crypto assets, Bitcoin (BTC) and Ethereum (ETH), fell in tandem, with BTC down 20.19% and ETH down 21.64%. For the year, the Bitwise 10 Large Cap Crypto Index posted a gain of 101.74% while BTC and ETH rose 57.25% and 389.36%, respectively.

DECEMBER 2021 RETURNS: CRYPTO ASSETS VERSUS MAJOR RISK ASSETS

Data from November 30, 2021 to December 31, 2021



Source: Bitwise Asset Management with data from IEX Cloud for traditional assets. The returns on this chart are historical and unaudited and do not represent the returns of any Fund or account managed by Bitwise or its affiliates. Crypto asset tickers refer to, in alphabetical order: Bitwise 10 Large Cap Crypto Index (BITWISE 10) and Bitcoin (BTC). Major asset classes are defined, in alphabetical order, as: iShares MSCI Emerging Markets ETF (EEM), iShares MSCI EAFE ETF (EFA), SPDR Gold Shares (GLD), SPDR S&P 500 ETF Trust (SPY), and U.S. Oil Fund (USO). The performance of the Bitwise 10 Large Cap Crypto Index does not represent the performance of any account or Fund managed or issued by Bitwise. The Fund will have losses, liabilities and expenses that will offset its income and gains and therefore the Fund's performance may be below the Index's performance. In addition, the performance of the Fund and the Index may vary somewhat due to other factors such as imperfect correlation between the Fund's investments and Index composition, regulatory restrictions, high portfolio turnover rate, rounding of prices, and timing differences associated with additions to and deletions from the Index and the Fund. Please see important disclosure information at the end of this document. Past performance does not guarantee future results.

BITWISE 10 CRYPTO INDEX FUND (OTCQX: BITW) TRADING SUMMARY

Benchmark Index	Bitwise 10 Large Cap Crypto Index
Ticker	BITW
Inception Date	11/22/2017
Expense Ratio	2.5%
AUM [^]	\$974.5 million (as of 12/31/2021)
Avg. Daily Volume	\$5.2 million (as of December 2021)
Market Price	\$38.15 (December 31, 2021) / -23.55% (monthly return)
Net Asset Value [^]	\$48.14 (December 31, 2021) / -21.70% (monthly return)
CUSIP	091749101

[^]Net Asset Value (NAV) and Assets Under Management (AUM) reflect non-GAAP, non-audited estimates by Bitwise Asset Management. Please refer to important disclosures at the end of this report.

The Shares of Funds that are publicly quoted on the OTCQX Best Market are Shares that have become "unrestricted" under Rule 144 of the Securities Act six months and a day subsequent to the date that the Shares were originally issued (although Shares held by affiliates and insiders will be subject to additional restrictions on resales, including restrictions on the number of Shares that may be resold within any three-month period). Shares that have become unrestricted may be quoted on the OTCQX Best Market and may be purchased and sold throughout the trading day through any brokerage account with access to such markets.

KEY DEVELOPMENTS

Crypto CEOs testify before Congress, receive positive reception

On December 8, the top executives of eight major cryptocurrency firms testified before the U.S. House Financial Services Committee. The CEOs urged lawmakers to establish effective rules for crypto, highlighted the impact of regulation on potential job creation within the U.S., and described the significance of innovation coming from the crypto space. In what was viewed as a constructive session, the hearing highlighted the increased importance of the industry.

In a first, Coinbase integrates DeFi protocol Compound

On December 9, Coinbase Global launched its first yield product, allowing customers to earn interest on their holdings of the Dai stablecoin through an integration with DeFi protocol Compound. Compound will programmatically pool Dai from Coinbase lenders and collect interest on that pool from borrowers on its platform. This marks the first step in Coinbase's ambition to connect its users with the growing world of decentralized finance applications.

Bitwise launches first NFT index fund, as NFT sales at Sotheby's cross \$100m

On December 16, Bitwise launched the Bitwise Blue-Chip NFT Index Fund, the world's first NFT index fund, giving investors broad exposure to the world's largest and most-established non-fungible token, or NFT, art collections. NFTs have penetrated beyond the crypto community in 2021, with renowned auction house Sotheby's reporting that it earned \$100 million from NFT sales this year.

INDEX UPDATE: INCREASED VOLATILITY LEADS BITWISE 10 LOWER IN DECEMBER

The dispersion of crypto asset returns widened in December, as indicated on the Callan-style chart of the Bitwise 10 Large Cap Crypto Index constituents. Nine of the 10 constituents fell during the month, with Polygon (MATIC) showing the strongest performance, up 35.07%, and Litecoin (LTC) showing the weakest performance, down 31.41%.

MONTHLY RETURNS OF BITWISE 10 CONSTITUENTS

Monthly performance of each individual constituent of the Bitwise 10 Large Cap Crypto Index

XLM	BTC	ETH	BCH	EOS	BTC	BTC	SOL	SOL	MATIC	LTC	MATIC
138.20%	36.58%	34.50%	87.96%	-2.21%	-5.80%	19.00%	233.57%	21.27%	67.48%	9.80%	35.07%
LINK	XLM	EOS	UNI	ETH	ETH	UNI	ADA	BTC	ETH	ETH	ALGO
100.11%	34.69%	32.07%	47.22%	-5.73%	-14.64%	16.21%	113.27%	-7.99%	42.07%	9.38%	-9.69%
ADA	LTC	BTC	ETH	AAVE	FIL	LINK	UNI	LTC	SOL	SOL	ADA
89.80%	28.22%	30.29%	46.77%	-17.61%	-16.55%	12.35%	39.27%	-12.42%	40.87%	8.30%	-17.53%
ETH	UNI	UNI	LTC	LINK	LTC	ETH	ETH	ETH	BTC	ALGO	BTC
76.17%	24.02%	24.46%	38.88%	-19.88%	-22.97%	9.64%	38.99%	-12.44%	39.58%	-0.38%	-20.19%
XTZ	EOS	LTC	LINK	XLM	BCH	BCH	MATIC	LINK	LTC	MATIC	UNI
40.60%	21.41%	17.75%	37.31%	-26.08%	-25.43%	3.73%	28.92%	-12.66%	26.15%	-2.75%	-20.22%
ATOM	XTZ	BCH	XLM	BCH	XLM	XLM	LINK	MATIC	LINK	BCH	SOL
29.63%	21.35%	14.97%	34.86%	-29.31%	-28.77%	1.79%	24.41%	-17.24%	25.61%	-4.10%	-20.83%
BCH	AAVE	LINK	ATOM	LTC	UNI	LTC	XLM	XLM	BCH	BTC	ETH
16.20%	18.18%	13.97%	20.23%	-31.49%	-33.73%	0.99%	22.35%	-20.13%	20.07%	-5.44%	-21.64%
BTC	BCH	AAVE	AAVE	UNI	EOS	SOL	LTC	BCH	UNI	LINK	LINK
12.85%	15.10%	8.38%	15.99%	-32.39%	-36.04%	0.27%	21.14%	-22.02%	8.26%	-12.18%	-26.51%
EOS	LINK	ATOM	BTC	BTC	LINK	ADA	BCH	UNI	ATOM	UNI	BCH
11.14%	9.39%	6.26%	-2.58%	-35.35%	-37.35%	-6.30%	18.09%	-22.38%	7.13%	-14.92%	-26.60%
LTC	ETH	XLM	FIL	FIL	MATIC	MATIC	BTC	ADA	ADA	ADA	LTC
2.81%	7.62%	-2.87%	-11.65%	-56.16%	-37.43%	-8.68%	14.43%	-24.26%	-7.30%	-19.76%	-31.41%
Jan '21	Feb '21	Mar '21	Apr '21	May '21	Jun '21	Jul '21	Aug '21	Sep '21	Oct '21	Nov '21	Dec '21

Source: Bitwise Asset Management. Crypto asset tickers refer to, in alphabetical order: Aave (AAVE), Cardano (ADA), Algorand (ALGO), Cosmos (ATOM), Bitcoin Cash (BCH), Bitcoin (BTC), EOS (EOS), Ether (ETH), Filecoin (FIL), Chainlink (LINK), Litecoin (LTC), Solana (SOL), Uniswap (UNI), Stellar Lumens (XLM), and Tezos (XTZ). The performance of the Bitwise 10 Large Cap Crypto Index does not represent the performance of any account or Fund managed or issued by Bitwise. This chart represents Index constituent performance only. The Fund will have losses, liabilities and expenses that will offset its income and gains and therefore the Fund's performance may be below the Index's performance. In addition, the performance of the Fund and the Index may vary somewhat due to other factors such as imperfect correlation between the Fund's investments and Index composition, regulatory restrictions, high portfolio turnover rate, rounding of prices, and timing differences associated with additions to and deletions from the Index and the Fund. The returns in this chart are historical and unaudited and do not represent the returns of an actual account or Fund. These historical returns do not include the fees and expenses that are charged by any Fund, and may differ materially from actual Fund returns. Please see important disclosure information at the end of this document. Past performance does not guarantee future results

CHART OF THE MONTH

Each month, Bitwise's research team highlights one chart that it monitors to gauge the health of the market.

BITCOIN NETWORK GLOBAL HASH RATE REACHES NEW HIGHS

Seven-day average of the Bitcoin network's estimated number of daily exahashes per second from December 31, 2018 to December 31, 2021.



Source: Bitwise Asset Management with data from Blockchain.com

WHY WE CARE

The Bitcoin network's global hash rate, a measure of a blockchain's security, reached an all-time high of 181.8 EH/s on December 9. The network's previous all-time high of 180.7 EH/s came in May, before China's all-out ban of bitcoin mining activity led to a sharp fall in the metric over the summer.

The network's hash rate has recovered at a faster pace than expected; many experts thought it would be 12-18 months before the hash rate recovered its all-time highs. This has been in large part due to North American bitcoin miners aggressively expanding their mining fleets during the second half of the year in an attempt to increase their market shares.

2021 was a banner year for crypto mining, with aggregate revenues from publicly traded miners expected to surpass \$1.0 billion, up from less than \$200 million in 2020. With aggregate mining capacity from listed miners forecasted to more than double over the coming year, both revenues and the bitcoin network's global hash rate should see a sustained surge.

IMPORTANT DISCLOSURES

Bitwise Asset Management, Inc. and its affiliates (collectively, the "Manager") have produced and distributed this Letter for informational purposes only and in relation to a potential opportunity to subscribe for units ("Units") or shares ("Shares") of any of several Funds offered by the Manager, including the Bitwise 10 Crypto Index Fund; the Bitwise 10 ex Bitcoin Crypto Index Fund; the Bitwise DeFi Crypto Index Fund; the Bitwise Bitcoin Fund; the Digital Asset Index Fund, LLC; the Bitwise 10 Index Offshore Fund, Ltd.; the Bitwise 10 Crypto Index Fund (non-OTC Trust); the Bitwise Aave Fund; the Bitwise Uniswap Fund; the Bitwise Polygon Fund; the Bitwise Compound Fund; and the Bitwise Ethereum Fund, LLC. Any offer to sell or the solicitation of an offer to buy Interests in those Funds will solely and exclusively be made through definitive offering documents, identified as such, in respect of each Fund and in compliance with the terms of all applicable securities and other laws. Such definitive offering documents, if any, will describe risks related to an investment in the Funds (including loss of the entire investment) and will qualify in their entirety the information set forth in this Letter.

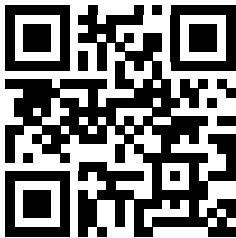
All Funds are speculative investments that involve a high degree of risk and uncertainty. Certain products may be limited to investment by accredited investors who can afford loss of the entire investment. For the Bitwise 10 Crypto Index Fund (Symbol: BITW), which has Shares available for trading on the OTCQX Best Market, there can be no assurance that the value of the Shares, if traded on this secondary market, will reflect the value of the Trust's net assets. Such Shares may trade at a substantial premium over, or a substantial discount to, the value of the Trust's net assets, because, among other factors, such Funds do not currently operate a redemption program, and because, among other factors, such Funds' Shares when initially issued are subject to the holding period under Rule 144 of the Securities Act. As a result of these factors, there is no arbitrage mechanism to keep the price of the Shares closely linked to the value of the Trust's net assets, and therefore the performance of the Funds' Shares may deviate significantly from the performance of the Funds' Net Asset Value per share ("NAV"). There is no guarantee that any Fund will meet its investment objective. For the Bitwise 10 Crypto Index Fund (Symbol: BITW), the shares of which are registered with the Securities and Exchange Commission pursuant to Section 12(g) of the Securities and Exchange Act of 1934, as amended, and are quoted on the OTCQX, the public filings and disclosures can be located on the website of the Securities and Exchange Commission at www.sec.gov.

Certain of the Bitwise investment products may be subject to the risks associated with investing in crypto assets, including cryptocurrencies and crypto tokens. Because crypto assets are a new technological innovation with a limited history, they are a highly speculative asset. The price of a crypto asset may be impacted by the transactions of a small number of holders of such crypto asset. Crypto assets may decline in popularity, acceptance or use, which may impact their price.

Prior to making any investment decision with respect to any Fund, each investor must undertake their own independent examination and investigation of the Fund, including the merits and risks involved in an investment in the Interests, and must base their investment decision — including a determination whether Interests would be a suitable investment for the investor — on such examination and investigation, and must not rely on the Manager or the Fund in making such investment decision. Prospective investors must not construe the contents of this Letter as legal, tax, investment, or other advice. Each prospective investor is urged to consult with its own advisors with respect to legal, tax, regulatory, financial, accounting, and similar consequences of investing in the Fund, the suitability of the investment for such investor, and other relevant matters concerning an investment in the Fund. The summary set forth in this Letter does not purport to be complete, and is qualified in its entirety by reference to the definitive offering documents relating to the Fund. Do not place undue reliance on this Letter. Performance information is provided for informational purposes only. Actual performance of any Fund may vary substantially from the performance provided in this Letter.

Backward-looking performance cannot predict how any investment strategy will perform in the future. Additionally, each Fund will have losses, liabilities and expenses that will offset its income and gains and therefore the Fund's performance may be below the Index's performance. The performance of the Fund and the Index will vary due to other factors such as imperfect correlation between the Fund's investments and Index composition, regulatory restrictions, high portfolio turnover rate, rounding of prices and timing differences associated with additions to and deletions from the Index and the Fund.

The Units of the Funds have not been registered under the Securities Act of 1933, the securities laws of any state, or the securities laws of any other jurisdiction, nor is such registration contemplated. The Interests will be offered and sold under the exemption provided by Section 4(a)(2) of the Securities Act of 1933 and Rule 506 of Regulation D promulgated thereunder and other exemptions of similar import in the laws of the states and jurisdictions where the offering will be made. The offer and sale of the Interests have not been registered with or approved or disapproved by the Securities and Exchange Commission (the "SEC") or the securities commission or regulatory authority of any state or foreign jurisdiction.



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