



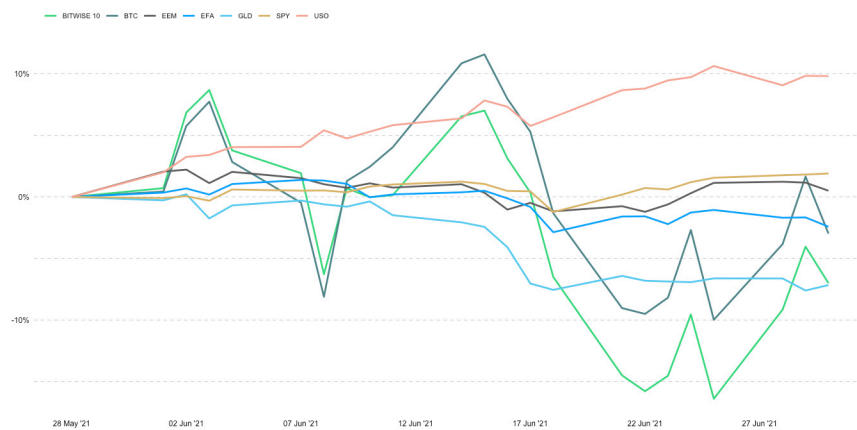
Crypto Market Retreat Continues; Volatility Drops

Market Commentary

The Bitwise 10 Large Cap Crypto Index fell 10.1% in June, continuing May's sharp 28.6% decline. Lingering concerns about the impact of China's recent crackdown on bitcoin mining, as well as nervous anticipation of a coming regulatory push on crypto from D.C., weighed on the market. Polygon (MATIC), Chainlink (LINK) and EOS (EOS) led large-cap assets downwards, falling 37.4%, 37.4% and 36.0%, respectively. Decentralized finance (DeFi) assets also fell sharply, with the Bitwise DeFi Crypto Index dropping 32.9%.

JUNE 2021 RETURNS: CRYPTOASSETS VERSUS MAJOR RISK ASSETS

Data from May 28, 2021 to June 30, 2021



Source: Bitwise Asset Management with data from IEX Cloud for traditional assets. The returns on this chart do not represent the returns of any Fund or account managed by Bitwise or its affiliates. Cryptoasset 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), 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. This represents Index or Index Constituents 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 historical performance of Bitcoin (BTC) is not illustrative of the performance of the Bitwise Bitcoin Fund. These returns are historical and unaudited and do not represent the returns of an actual account. These historical returns do not include the fees and expenses that are charged by any Fund. Actual Fund returns may differ materially from the historical returns of Bitcoin (BTC) or the Bitwise 10 Large Cap Crypto Index (BITWISE 10). Please see important disclosure information at the end of this document. Past performance does not guarantee future results.

Key Developments

CRYPTO VC FIRMS RAISE RECORD FUNDS

Andreessen Horowitz announced the largest crypto VC fund on record, raising \$2.2 billion to invest in the next generation of crypto innovation. The blue chip VC firm said that it was "radically optimistic about crypto's potential" despite recent volatility. Blockchain Capital, the longest-running crypto VC, added a new \$300 million fund, its largest ever.

REGULATORS CRACK DOWN ON BINANCE

Regulators in the U.K. and Canada announced a synchronous crackdown on the popular crypto trading venue Binance, effectively banning it from local operations. Binance has historically avoided regulatory oversight and pushed regulatory boundaries. The market reacted positively, with crypto prices rising sharply, as many saw the step as a sign of a maturing market.

EL SALVADOR DECLARES BITCOIN LEGAL TENDER

El Salvador became the first country to pass a law making bitcoin legal tender, a stunning development and a significant milestone in bitcoin's journey into the mainstream. Bitcoin will coexist in El Salvador with the U.S. dollar, which has been the official currency of El Salvador since 2001. Merchants will be required to accept bitcoin throughout the country.

Bitwise 10 Crypto Index Fund (OTCQX: BITW) Trading Summary

Benchmark Index	Bitwise 10 Large Cap Crypto Index
Ticker	BITW
Inception Date	11/21/2017
Expense Ratio	2.5%
AUM[^]	\$698 million (as of 06/30/2021)
Avg. Daily Volume	\$3.3 million (as of June 2021)
CUSIP	091749101

MARKET PRICE

\$39.65

June 30, 2021

NET ASSET VALUE[^]

\$34.72

June 30, 2021

-38.5%

Monthly Return

-7.0%

Monthly Return

[^]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 one year 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.

Index Update: Altcoins Leader Bitwise 10 Lower in June

Bitwise 10 constituents showed a significant dispersion of returns in June. Blue chip assets like Bitcoin (BTC) and Ethereum (ETH) held up relatively well, falling just 5.8% and 14.6%, respectively, while altcoins suffered. As mentioned, Polygon (MATIC) was the worst performer, falling 37.4%. All assets were down for the month.

MONTHLY RETURNS OF BITWISE 10 CONSTITUENTS

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

LINK	LINK	BTC	BTC	XRP	BTC	XLM	BTC	ETH	BCH	EOS	BTC
68.35%	112.32%	-8.72%	28.82%	170.26%	50.21%	138.20%	36.58%	34.50%	87.96%	-2.21%	-5.80%
ADA	ETH	XRP	LTC	XLM	LTC	LINK	XLM	EOS	UNI	ETH	ETH
68.14%	27.14%	-15.31%	21.35%	154.43%	43.89%	100.11%	34.69%	32.07%	47.22%	-5.73%	-14.64%
ETH	BCH	BCH	ADA	ETH	ADA	ADA	LTC	BTC	ETH	AAVE	FIL
52.83%	18.54%	-18.56%	16.23%	81.08%	23.01%	89.80%	28.22%	30.29%	46.77%	-17.61%	-16.55%
XRP	XRP	ETH	LINK	ETH	BCH	ETH	UNI	UNI	LTC	LINK	LTC
45.69%	10.40%	-18.69%	14.06%	56.82%	9.32%	76.17%	24.02%	24.46%	38.88%	-19.88%	-22.97%
XLM	LTC	EOS	ETH	LTC	ADA	BTC	EOS	LTC	LINK	XLM	BCH
44.79%	5.16%	-21.17%	8.59%	55.20%	7.30%	25.82%	21.41%	17.75%	37.31%	-26.08%	-25.43%
LTC	EOS	ADA	XLM	BTC	EOS	ATOM	BCH	BCH	XLM	BCH	XLM
41.77%	4.72%	-21.20%	7.37%	40.69%	-19.02%	29.63%	14.97%	14.97%	34.86%	-29.31%	-28.77%
BCH	BTC	LTC	XRP	EOS	BTC	BCH	AAVE	LINK	ATOM	LTC	UNI
35.81%	3.60%	-25.19%	0.43%	26.71%	19.87%	16.20%	18.18%	13.97%	20.23%	-31.49%	-33.73%
EOS	XLM	XLM	EOS	LINK	LINK	BTC	BCH	AAVE	AAVE	UNI	EOS
31.73%	1.23%	-25.39%	-1.47%	25.89%	-20.21%	12.85%	15.10%	8.38%	15.99%	-32.39%	-36.04%
BTC	BCH	BTC	ADA	BTC	XLM	EOS	LINK	ATOM	BTC	BTC	LINK
23.95%	-7.80%	-13.77%	-6.27%	19.27%	-36.71%	11.14%	9.39%	6.26%	-2.58%	-35.35%	-37.35%
BTC	ADA	LINK	BTC	BCH	XRP	LTC	ETH	XLM	FIL	FIL	MATIC
19.75%	-9.75%	-40.37%	9.24%	19.15%	-65.90%	2.81%	7.62%	-2.87%	-11.65%	-56.16%	-37.43%
Jul '20	Aug '20	Sep '20	Oct '20	Nov '20	Dec '20	Jan '21	Feb '21	Mar '21	Apr '21	May '21	Jun '21

Source: Bitwise Asset Management. XRP was removed from the Bitwise 10 Large Cap Crypto Index on December 22, 2020; the full-month performance of XRP is shown for illustrative purposes only. Cryptoasset tickers refer to, in alphabetical order: Aave (AAVE), Cardano (ADA), Cosmos (ATOM), Bitcoin Cash (BCH), Bitcoin (BTC), EOS (EOS), Ether (ETH), Filecoin (FIL), Chainlink (LINK), Litecoin (LTC), Stellar Lumens (XLM), XRP (XRP), Tezos (XTZ), and Uniswap (UNI). 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 represents Index 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. Also, the historical performance of Bitcoin (BTC) is not illustrative of the performance of the Bitwise Bitcoin Fund. The returns of Bitcoin are historical and unaudited and do not represent the returns of an actual account. These historical returns do not include the fees and expenses that are charged by any Fund. Actual Fund returns may differ materially from the historical returns of Bitcoin (BTC). Please see important disclosure information at the end of this document. Past performance does not guarantee future results.

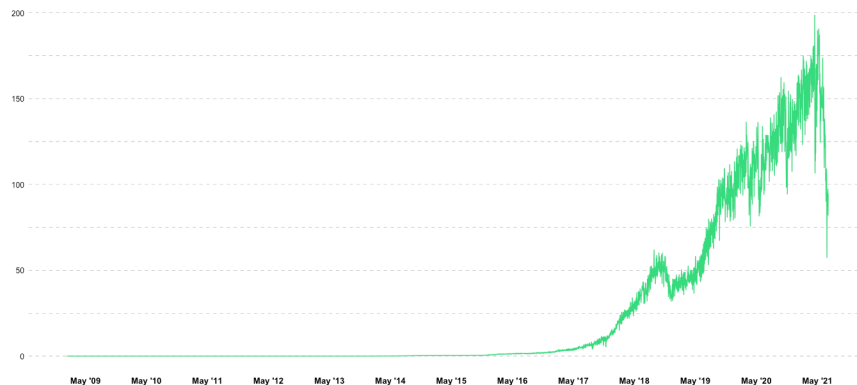
Chart of the Month

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

BITCOIN MINING HASH RATE FALLS FOLLOWING CHINA BAN

Bitcoin Hash Rate

Daily Values, in Exahashes per Second (EH/s)



Source: Bitwise Asset Management with data from CoinMetrics.

Why We Care

- 1 The bitcoin hash rate — the amount of computer power spent to secure the bitcoin blockchain — suffered its largest pullback in history, following China's move to ban industrial mining. From its all-time high on May 9, the hash rate has fallen 52%.
- 2 Despite the pullback, mining power remains well above levels seen during the previous (late 2017) bull market peak, and on par with levels seen in late 2019. Experts believe mining power remains orders of magnitude above the levels needed to successfully secure the blockchain from attacks.
- 3 We expect the hash rate to recover over time as Chinese mining equipment is relocated to other areas of the world, including the U.S. In the interim, mining companies with installed capacity should enjoy higher profits as they operate in a less competitive environment.

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