



# GALAXY ETHEREUM FUND

## WHY INVEST IN ETHEREUM?

The Ethereum blockchain’s cryptocurrency, Ether (ETH), is commonly referred to as Ethereum. It is the second largest digital asset by market capitalization. The Ethereum blockchain introduces the concept of “smart contracts” to blockchain technology, allowing for logic and value to be implanted into computer code. Ethereum’s smart contracts significantly expand choices for programming and interacting with value digitally, and create the backbone for a new internet and its protocols. Just five years after its launch, hundreds of billions of dollars of value live on top of the Ethereum blockchain: \$130bn of ETH itself, \$20bn of stablecoins (digital representations of fiat money), and more than \$20bn of Ethereum-native assets called ERC-20s. Six applications in the Decentralized Finance space (“DeFi”) are now worth more than \$1bn and are generating up to \$100s of millions in annualized revenue. Galaxy Digital believes Ethereum is an emerging substrate for programming and interacting with digital value that will become ubiquitous in the future.

## FUND OVERVIEW

The Galaxy Ethereum Fund (the “Fund”) is a private fund designed to provide institutional-quality exposure to ETH. The Fund will invest directly in ETH and will be priced based on the Bloomberg Galaxy Ethereum Index, a pricing source administered and calculated by Bloomberg. The Fund seeks to mitigate the complexities of investing in digital assets by providing investors with outsourced trading, operations, finance, and custody / digital asset private key protection services.

## ABOUT GALAXY DIGITAL

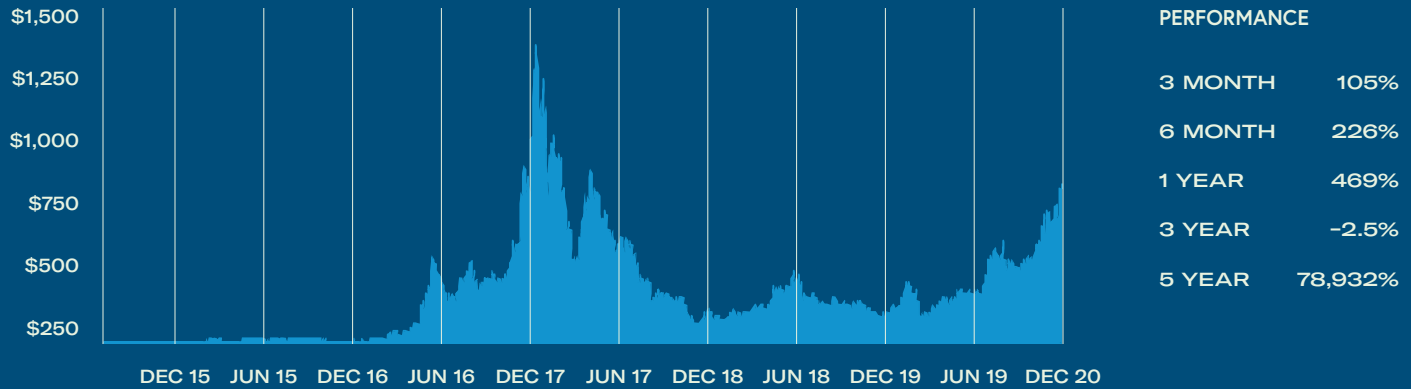
Galaxy Digital (“Galaxy”) is a diversified merchant bank dedicated to the digital assets and blockchain space. The company was founded by Michael Novogratz. The firm’s principals have been investing in digital assets since 2013 and began doing so on behalf of clients in 2018 when it established the firm’s asset management division, Galaxy Digital Capital Management (“GDCM”). GDCM invests client capital across various digital asset strategies. GDCM has \$815 million in assets under management.<sup>1</sup>

KEY FACTS	
ASSET CLASS	Digital Assets
PRICING SOURCE	Bloomberg Galaxy Ethereum Index
QUALIFICATION	Accredited Investors
PERFORMANCE FEE	None
MANAGEMENT FEE	1.00% (\$100K+) 1.25% (<\$100K)
REDEMPTIONS	Quarterly; 30-day notice
REDEMPTION FEE	None
SUBSCRIPTIONS	Daily
MINIMUM INVESTMENT	\$25K
INDEX PROVIDER	Bloomberg L.P.
CUSTODY	Gemini
LEGAL COUNSEL TO GALAXY DIGITAL	Davis Polk & Wardwell LLP Barnes and Thornburg LLP
AUDITOR	Deloitte
TAX	Ernst & Young LLP

## WHY GALAXY ETHEREUM FUND?

	GALAXY ETHEREUM FUND	DIRECT INVESTMENT
EXECUTION AND PRICING TRANSPARENCY	<ul style="list-style-type: none"> <li>The Fund expects to access liquidity across premier exchanges and OTC counterparties</li> <li>Compliance with best execution policies; the Fund expects to obtain more favorable execution pricing</li> <li>Bloomberg pricing feed</li> </ul>	<ul style="list-style-type: none"> <li>Primarily limited to exchange trading</li> <li>Exchange fees potentially significant on both entry and exit points of trade depending on size and market</li> </ul>
OPERATIONAL EASE	<ul style="list-style-type: none"> <li>Experienced and dedicated operations staff</li> <li>Manage relationships across numerous exchanges and OTC counterparties</li> </ul>	<ul style="list-style-type: none"> <li>Requires dedicated resources with expertise to manage in-house</li> </ul>
CUSTODY	<ul style="list-style-type: none"> <li>Partnered with Gemini</li> </ul>	<ul style="list-style-type: none"> <li>Self-custody requires superb technical expertise to manage in-house</li> <li>May pay higher custodian fees</li> </ul>
STRUCTURED REPORTING	<ul style="list-style-type: none"> <li>Familiar reporting; audited financial statements, tax reporting (e.g., K1, PFIC), periodic NAV reporting</li> </ul>	<ul style="list-style-type: none"> <li>Reporting and financial and tax compliance must be self-generated or outsourced</li> </ul>

## ETHEREUM PERFORMANCE (AS OF DECEMBER 31, 2020)<sup>2</sup>



## FUND NET PERFORMANCE SUMMARY\*

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	FY/YTD
2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\*From fund inception, February 15, 2021, through current month end, net performance assumes an investment in the 1% management fee share class.

References to the CFIX or other market indices are provided for your information only. Reference to the CFIX does not imply that the Fund will achieve returns or have similar results to such index. The composition of the Fund will differ from the CFIX in terms of achieved returns, investment holdings, portfolio guidelines, restrictions, sectors, correlations, concentrations, and/or volatility.

## ADDITIONAL INFORMATION

Strictly Private & Confidential.

- AUM details are as of December 31, 2020, preliminary and inclusive of committed capital in a closed-end vehicle.
- ETH pricing is sourced from the Bloomberg Ethereum Cryptocurrency Fixing Rate (CFIX). On any Index Business Day, the CFIX for a Cryptocurrency is the average of each BGN level for such Cryptocurrency occurring between 4:00 p.m. and 4:15 p.m. New York time. The CFIX was launched in May of 2018; prior data was provided retroactively by Bloomberg.

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