

The Bitcoin Fund

Interim Statements of Financial Position (Unaudited)

(In United States dollars, unless otherwise noted)

	June 30, 2021	December 31, 2020
ASSETS		
Current assets		
Cash	\$ 257,391	\$ 2,341,479
Digital assets at fair value (Note 5)	451,123,189	536,564,512
	<u>451,380,580</u>	<u>538,905,991</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	206,370	217,487
Management fees payable (Note 6)	913,065	620,690
Short term loan (Note 13)	–	10,000,000
	<u>1,119,435</u>	<u>10,838,177</u>
UNITHOLDERS' EQUITY		
Units	248,868,849	260,901,305
Retained earnings	201,392,296	267,166,509
	<u>450,261,145</u>	<u>528,067,814</u>
	<u>\$ 451,380,580</u>	<u>\$ 538,905,991</u>
Number of redeemable units outstanding	11,631,077	16,258,196
Net assets attributable to holders of redeemable units per unit	\$ 38.71	\$ 32.48

The Bitcoin Fund

Notes to the Interim Financial Statements

For the six month period ended June 30, 2021 (Unaudited)

(In United States dollars, unless otherwise noted)

7. Redeemable 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. Each unit of each class entitles the holder to vote, with one vote for each unit, and to participate equally with respect to any and all distributions made by the Fund. Units of a class may be consolidated and/or reclassified by the Manager.

The Class A units of the Fund are available to all investors. The Class F units are designed for fee-based and/or institutional accounts and are not listed on a stock exchange. Class F units in an offering have been reclassified as Class A units upon the closing of offerings. The Class B units were issued to 3iQ Bitcoin Trust for distribution to its unitholders in connection with its merger with the Fund as disclosed in Note 1 and were reclassified as Class A units upon the closing of the offering on April 9, 2020.

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, 2021, 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”). Payment of the proceeds of redemption will be made in United States dollars on or before the 15th business day following the Annual Redemption Date.

Monthly redemptions:

Class A units may be surrendered at the option of unitholders at any time for redemption on the first business day following the 15th day of each month, other than June, commencing in 2021 (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 (the “Monthly Cut-Off Date”, and together with the Annual Cut-Off Date, the “Cut-Off Date”). Payment of the proceeds of redemption will be made in United States dollars on or before the 15th business day following the Monthly Redemption Date (“Redemption Payment Date”).

Unitholders surrendering a Class A unit for redemption shall receive a redemption price (the “Class A Redemption Price”) equal to the lesser of: (i) 95% of the Closing Market Price of a Class A unit; and (ii) the Net Asset Value per Class A unit on the applicable Monthly Redemption Date less, in each case, any costs and expenses associated with the redemption, including commissions incurred by the Fund. In any event, the Class A Redemption Price will not be an amount that is more than the Net Asset Value per Class A unit as of the Monthly Redemption Date. Redemption proceeds will be paid in United States dollars.

