No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

PROSPECTUS

Continuous Offering March 29, 2024

3iQ Bitcoin ETF
3iQ Ether Staking ETF

(collectively, the "3iQ ETFs" and each, a "3iQ ETF")

3iQ Bitcoin ETF and 3iQ Ether Staking ETF invest in the digital currency bitcoin and ether, respectively. Given the speculative nature of bitcoin and ether and the volatility of the digital asset markets, there is considerable risk that the 3iQ ETFs will not be able to meet their investment objectives. An investment in the 3iQ ETFs 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 3iQ ETFs is considered high risk.

This prospectus qualifies the distribution of units ("**Units**") of the 3iQ ETFs, each of which is an alternative mutual fund trust within the meaning of National Instrument 81-102 – *Investment Funds* ("**NI 81-102**") created under the laws of the Province of Ontario. The 3iQ ETFs have the ability to invest in asset classes and use investment strategies that are not permitted for conventional mutual funds. While these strategies will be used in accordance with the 3iQ ETF's investment objective and strategies, during certain market conditions, they may accelerate the pace at which your investment decreases in value. The 3iQ ETFs are subject to restrictions and practices contained in Canadian securities legislation applicable to alternative mutual funds, including NI 81-102, and are managed in accordance with these restrictions, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities. The Units are purchased and sold in Canadian dollars and U.S. dollars.

3iQ Corp. (the "**Manager**") is the trustee and manager of the 3iQ ETFs and is responsible for providing certain general management and administrative services to the 3iQ ETFs. See "Organization and Management Details – The Trustee, Manager and Promoter".

The 3iQ Bitcoin ETF's investment objectives are to seek to provide holders of Units ("**Unitholders**") of the 3iQ Bitcoin ETF with: (a) exposure to the digital currency bitcoin ("**bitcoin**") and the daily price movements of the U.S. dollar price of bitcoin; and (b) the opportunity for long-term capital appreciation. See "Investment Objectives – 3iQ Bitcoin ETF".

The 3iQ Ether Staking ETF's investment objectives are to seek to provide Unitholders of the 3iQ Ether Staking ETF with: (a) exposure to the digital currency ether ("**ether**") and the daily price movements of the U.S. dollar price of ether; and (b) the opportunity for long-term capital appreciation. See "Investment Objectives - 3iQ Ether Staking ETF".

To achieve its investment objectives, the 3iQ Bitcoin ETF invests in long-term holdings of bitcoin and the 3iQ Ether Staking ETF invests in long-term holdings of ether. Bitcoin and ether are purchased from reputable digital asset trading platforms and OTC counterparties, in order to provide investors with a convenient, safer alternative to a direct investment in bitcoin or ether, as applicable. See "Investment Strategies".

The 3iQ ETFs will not speculate with regard to short-term changes in bitcoin or ether prices, as applicable. See "Investment Strategies".

The Manager believes an investment in bitcoin and/or ether provides investors with a low-correlated asset class which complements traditional investment strategies.

Purchase and Listing of Units

The Units of the 3iQ ETFs are listed for trading on the Toronto Stock Exchange (the "**TSX**") and offered on a continuous basis, and an investor is able to buy or sell Units of the 3iQ ETFs on the TSX through registered brokers and dealers in the Province or Territory where the investor resides. The TSX ticker symbol for the Units of (a) the 3iQ Bitcoin ETF is "BTCQ" (in Canadian dollars) and "BTCQ.U" (in U.S. dollars) and (b) the 3iQ Ether Staking ETF is "ETHQ" (in Canadian dollars) and "ETHQ.U" (in U.S. dollars). Investors may incur customary brokerage commissions in buying and selling the Units. See "Purchases of Units – Buying and Selling Units".

Additional Considerations

No underwriter has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus. The 3iQ ETFs have received an exemption from the requirement to include a certificate of an underwriter in this prospectus. The Designated Broker (as defined herein) and Dealers (as defined herein) are not underwriters of the 3iQ ETFs in connection with the distribution of Units under this prospectus.

The Manager, on behalf, of the 3iQ ETF has entered into agreements with the Designated Broker and Dealers, which amongst other things enables the Designated Broker and Dealers to purchase and redeem Units directly from the 3iQ ETFs. The 3iQ ETFs issue Units directly to the Designated Broker and Dealers. Unitholders are able to redeem Units for cash at a redemption price equal to the lesser of 95% of (a) the closing price for the Units on the TSX on the effective day of the redemption and (b) the net asset value per Unit.

The Units of the 3iQ ETFs are highly speculative and involve a high degree of risk. You may lose a substantial portion or even all of the money you place in a 3iQ ETF. The risk of loss in buying, holding and selling bitcoin and ether can be substantial. In considering whether to invest in a 3iQ ETF, you should be aware that an investment in bitcoin and/or ether can quickly lead to large losses as well as gains. Such investment losses can sharply reduce the net asset value of the 3iQ ETFs and consequently the value of your interest in a 3iQ ETF. Also, market conditions may make it difficult or impossible for a 3iQ ETF to liquidate a position.

For a discussion of the risks associated with an investment in Units of the 3iQ ETFs, see "Risk Factors".

In the opinion of counsel, provided that a 3iQ ETF qualifies as a mutual fund trust within the meaning of the *Income Tax Act* (Canada) (the "**Tax Act**"), or the Units of a 3iQ ETF are listed on a "designated stock exchange" within the meaning of the Tax Act (which currently includes the TSX), such Units will be qualified investments for trusts governed by Registered Plans (as defined herein). See "Income tax considerations – Status of the 3iQ ETFs".

Registration of interests in, and transfer of, the Units will be made only through CDS Clearing and Depository Services Inc. Beneficial owners will not have the right to receive physical certificates evidencing their ownership.

Additional information about the 3iQ ETFs is available in the most recently-filed annual financial statements, any interim financial statements filed after the most recent annual financial statements, the most recently-filed annual management report of fund performance ("**MRFP**"), any interim MRFP filed after the most recently-filed annual MRFP and the most recently-filed ETF Facts for the 3iQ ETFs. These documents are incorporated by reference into, and legally form an integral part of, this prospectus. See "Documents Incorporated by Reference".

TABLE OF CONTENTS

GLOSSARY OF TERMS

Unless otherwise indicated, all references to dollar amounts in this prospectus are to U.S. dollars and all references to times in this prospectus are to Toronto time.

3iQ Corp. – 3iQ Corp., a corporation established under the laws of Canada and registered as an investment fund manager, commodity trading manager, exempt market dealer and portfolio manager with the Ontario Securities Commission.

Administrator – the company appointed from time to time by the Manager to calculate the NAV and the NAV per Unit, currently CIBC Mellon Global Securities Services Company.

AML Regulation – 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.

ATR Rule – has the meaning given to it under "Redemption and Exchange of Units – Allocations of Capital Gains to Redeeming or Exchanging Unitholders".

Benchmark Rating – as described under "Calculation of Net Asset Value – The Indices".

Bitcoin – refers to the digital currency that is the native unit of account within the Bitcoin Network.

Bitcoin Network – is the network of computers running the software protocol underlying bitcoin, which maintains the database of bitcoin ownership and facilitates the transfer of bitcoin among parties.

Canadian securities legislation – the applicable securities legislation in force in each province and territory of Canada, all regulations, rules, orders and policies made thereunder and all multilateral and national instruments adopted by the securities regulatory authorities.

CDS – CDS Clearing and Depository Services Inc.

CDS Participant – a participant in CDS that holds Units on behalf of beneficial owners of Units.

Coinbase – Coinbase Custody Trust Company, LLC.

Coinbase Cloud – has the meaning given to it under "Organization and Management Details – Sub-Custodian".

CRA – Canada Revenue Agency.

CRS Rules – has the meaning given to it under "International Information Reporting".

CFTC – U.S. Commodity Futures Trading Commission.

CME – Chicago Mercantile Exchange.

Custodian – Tetra Trust Company.

Custodian Agreement – the custodianship agreement dated October 11, 2022 between the Manager, in its capacity as manager of the 3iQ ETFs, The Bitcoin Fund, and The Ether Fund, and the Custodian, as it may be amended from time to time.

dApps – has the meaning given to it under "Overview of the Sector in which the 3iQ ETFs Invest".

Dealer – a registered dealer (that may or may not be the Designated Broker) that has entered into a Dealer Agreement with the Manager, on behalf of the 3iQ ETFs, pursuant to which the Dealer may subscribe for Units of the 3iQ ETFs as described under "Purchases of Units – Issuance of Units".

Dealer Agreement – an agreement between the Manager, on behalf of the 3iQ ETFs, and a Dealer, as amended from time to time.

Declaration of Trust – the amended and restated master declaration of trust dated April 19, 2021, as it may be amended and restated from time to time, governing the 3iQ ETFs.

Dencun Upgrade – has the meaning given to it under "Overview of the Sector in Which the 3iQ ETFs Invest – 3iQ Ether Staking ETF – History and Progression of the Ethereum Network".

Designated Broker – a registered dealer that has entered into a Designated Broker Agreement with the Manager, on behalf of a 3iQ ETF pursuant to which the Designated Broker agrees to perform certain duties in relation to the 3iQ ETF.

Designated Broker Agreement – an agreement between the Manager, on behalf of a 3iQ ETF, and a Designated Broker, as amended from time to time.

Digital Asset Source – has the meaning given to it under "Overview of the Sector in which the 3iQ ETFs Invest – Purchasing Digital Assets for the 3iQ ETFs' Portfolios".

DPSPs – deferred profit sharing plans as defined in the Tax Act.

ETF – an exchange traded fund.

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

Ethereum Network – 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 2.0 – has the meaning given to it under "Risk Factors – Additional Risks Associated with Investing in the 3iQ Staking Ether ETF – Moving from Proof-of-Work (PoW) to Proof-of-Stake (PoS) Consensus Mechanism".

FATF – 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.

FHSAs –first home savings accounts as defined in the Tax Act.

FinCEN – has the meaning given to it under "Organization and Management Details – Sub-Custodian".

Fork Asset – has the meaning given to it under "Risk Factors – Risks Associated with the Bitcoin Network and the Ethereum Network – Blockchain may Temporarily or Permanently Fork and/or Split".

Fund Costs – has the meaning given to it under "Fees and Expenses – Fees and Expenses Payable by the 3iQ ETFs – Operating Expenses".

futures contracts – standardized contracts entered into on domestic or foreign exchanges that call for the future delivery of specified quantities of various assets, such as stocks, bonds, agricultural commodities, industrial commodities (including bitcoin and ether), currencies, financial instruments, energy products or metals at a specified time and place. The terms and conditions of a futures contract with respect to a particular asset are standardized and, as such, are not subject to negotiation between the buyer and the seller of the contract. Contractual obligations under the contract may be satisfied either by taking (in the case of the buyer) or making (in the case of the seller) physical delivery of an approved quantity or grade of the asset or commodity or by making an offsetting sale (in the case of the

buyer) or purchase (in the case of the seller) of an equivalent but opposite futures contract on the same exchange prior to the designated date of delivery. The difference between the price at which the futures contract is sold or purchased and the price paid for brokerage commissions constitutes the profit or loss to the trader.

GST **–** the goods and services tax imposed under the *Excise Tax Act, Part IX* (Canada) that is applicable in certain provinces of Canada.

HSMs – has the meaning given to it under "Organization and Management Details – Sub-Custodian".

HST – the harmonized sales tax imposed under the *Excise Tax Act, Part IX* (Canada) that is applicable in certain provinces of Canada.

IFRS – International Financial Reporting Standards.

Index Licensing Agreements – has the meaning given to it under "Material Contracts – Index Licensing Agreements".

IRC – the Independent Review Committee of the 3iQ ETFs.

KYC – identity verification and recordkeeping procedures under AML Regulation and applicable securities laws.

Mainnet – has the meaning given to it under "Overview of the Sector in Which the 3iQ ETFs Invest – 3iQ Ether Staking ETF – History and Progression of the Ethereum Network".

Manager – 3iQ Corp.

Management Fee – has the meaning given to it under "Fees and Expenses – Fees and Expenses Payable by the 3iQ ETFs – Management Fees and Additional Fees".

Management Fee Distributions – has the meaning given to it under "Fees and Expenses – Fees and Expenses Payable by the 3iQ ETFs – Management Fees and Additional Fees".

MER – management expense ratio.

Merge – has the meaning given to it under "Overview of the Sector in Which the 3iQ ETFs Invest – 3iQ Ether Staking ETF – History and Progression of the Ethereum Network".

MRFP **–** management report of fund performance.

BBR – MarketVector Bitcoin Benchmark Rate, described at https://marketvector.com/indices/digital-assets/marketvector-bitcoin-benchmark-rate.

BBR Index Licensing Agreement – has the meaning given to it under "Material Contracts – Index Licensing Agreements".

EBR – MarketVector Ethereum Benchmark Rate, described at https://marketvector.com/indices/digital-assets/marketvector-ethereum-benchmark-rate.

EBR Index Licensing Agreement – has the meaning given to it under "Material Contracts – Index Licensing Agreements".

MVIS – MarketVector Indexes GmbH, an index provider based in Frankfurt, Germany regulated under the EU benchmark regulations.

NAV and ***NAV per Unit*** **–** the net asset value of a 3iQ ETF and the net asset value per Unit of a 3iQ ETF, calculated by the Administrator as described under "Calculation of Net Asset Value".

NI 81-102 – National Instrument 81-102 *Investment Funds*.

NI 81-107 – National Instrument 81-107 *Independent Review Committee for Investment Funds.*

Operating Expenses – has the meaning given to it under "Fees and Expenses – Fees and Expenses Payable by the 3iQ ETFs – Operating Expenses".

OTC – "over the counter".

Permitted Merger – has the meaning given to it under "Unitholder Matters – Matters Requiring Unitholder Approval".

Prescribed Number of Units – the number of Units determined by the Manager from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

RDSPs – registered disability savings plans as defined in the Tax Act.

Registered Plans – collectively, RRSPs, RRIFs, DPSPs, RDSPs, RESPs, FHSAs and TFSAs.

Registrar and Transfer Agent – TSX Trust Company or its successor.

Reportable Jurisdictions – has the meaning given to it under "International Information Reporting".

RESPs – registered education savings plans as defined in the Tax Act.

RRIFs – registered retirement income funds as defined in the Tax Act.

RRSPs – registered retirement savings plans as defined in the Tax Act.

securities regulatory authorities – the securities commission or similar regulatory authority in each province and territory of Canada that is responsible for administering the Canadian securities legislation in force in such province or territory.

SEDAR – System for Electronic Document Analysis and Retrieval.

Shanghai Upgrade – has the meaning given to it under "Overview of the Sector in Which the 3iQ ETFs Invest – 3iQ Ether Staking ETF – History and Progression of the Ethereum Network".

SIFT Rules – has the meaning given to it under "Risk Factors – Risk Factors Relating to an Investment in the 3iQ ETFs – Tax Risk".

SIFT Trust – has the meaning given to it under "Risk Factors – Risk Factors Relating to an Investment in the 3iQ ETFs – Tax Risk".

Staking Activities – means the staking of ether held in the 3iQ Ether Staking ETF's portfolio by certain third-party service providers at the discretion of the Manager, including the Sub-Custodian and select validators.

Staking Service Fee – has the meaning given to it under "Management Fees and Additional Fees".

Sub-Custodian – Coinbase in its capacity as sub-custodian under the Sub-Custodian Agreement.

Sub-Custodian Agreement – the sub-custody agreement dated October 11, 2022 between the Manager, in its capacity as manager of the 3iQ ETFs, The Bitcoin Fund, and The Ether Fund, the Custodian and Coinbase, as it may be amended from time to time.

substituted property – has the meaning given to it under "Income Tax Considerations – Taxation of the 3iQ ETFs".

Tax Act – *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time.

Tax Proposals – has the meaning given to it under "Income Tax Considerations".

TER – trading expense ratio.

Tetra – Tetra Trust Company.

TFSAs – tax-free savings accounts as defined in the Tax Act.

Trading Day – a day on which: (i) a regular session of the TSX is held; and (ii) the primary market or exchange for the majority of the assets held by the 3iQ ETFs is open for trading.

TSX – the Toronto Stock Exchange.

Unbonding – has the meaning given to it under "Risk Factors – Additional Risks Associated with Investing in the 3iQ Ether Staking ETF – The Staking Activities: Illiquidity During Unbonding Periods".

Unit – a redeemable, transferable Unit of a 3iQ ETF, which represents an equal, undivided interest in the net assets of the 3iQ ETF.

Unitholder – a holder of Units of a 3iQ ETF.

Valuation Date – each Trading Day and any other day designated by the Manager on which the NAV and NAV per Unit of a 3iQ ETF is calculated. If a 3iQ ETF elects to have a December 15 year-end for tax purposes as permitted by the Tax Act, the NAV per Unit will be calculated on December 15.

Valuation Time – 4:00 p.m. (Toronto time) or such other time the Manager deems appropriate on each Valuation Date.

Van Eck – has the meaning given to it under "Interests of Management and Others in Material Transactions".

PROSPECTUS SUMMARY

The following is a summary of the principal features of the Units of the 3iQ ETFs offered hereby and should be read together with the more detailed information and statements contained elsewhere in this prospectus or incorporated by reference in this prospectus.

Certain general information contained in this prospectus regarding bitcoin, ether, digital asset trading platforms, the Bitcoin Network and the Ethereum Network has been obtained from publicly available information from third party sources. While the Manager believes such sources are reliable, the Manager has not verified the accuracy or completeness of any information contained in such publicly available information. In addition, the Manager has not determined if there has been any omission by any such third party to disclose any facts, information or events which may have occurred prior to or subsequent to the date as of which any such information became publicly available or which may affect the significance or accuracy of any information contained in any such information and summarized herein.

Issuer:

3iQ Bitcoin ETF
3iQ Ether Staking ETF
(collectively, the "**3iQ ETFs**" and each, a "**3iQ ETF**")

The 3iQ ETFs are alternative mutual fund trusts within the meaning of National Instrument 81-102 – *Investment Funds* ("**NI 81-102**") created under the laws of the Province of Ontario. While the 3iQ ETFs are mutual funds under the securities legislation of certain Provinces and Territories of Canada, certain provisions of Canadian securities legislation applicable to conventional mutual funds do not apply to the 3iQ ETFs because each of the 3iQ ETFs is an "alternative mutual fund" within the meaning of NI 81-102. The 3iQ ETFs are subject to restrictions and practices contained in Canadian securities legislation applicable to alternative mutual funds, including NI 81-102, and are managed in accordance with these restrictions, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities.

3iQ Corp. is the trustee, manager, portfolio manager and promoter of the 3iQ ETFs. See "Overview of the Legal Structure of the 3iQ ETFs".

Offering:

Each 3iQ ETF is offering one class of units (the "**Units**"). The Units are purchased and sold in Canadian dollars and U.S. dollars.

Continuous Distribution:

Units of the 3iQ ETFs are issued and sold on a continuous basis and there is no maximum number of Units that may be issued.

The Units of the 3iQ ETFs are listed on the Toronto Stock Exchange (the "**TSX**"). The Units of the 3iQ ETFs are offered on a continuous basis and an investor is able to buy or sell Units of the 3iQ ETFs on the TSX through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying or selling Units of the 3iQ ETFs.

Each 3iQ ETF issues Units directly to its Designated Broker (as defined herein) and Dealers (as defined herein). See "Purchases of Units – Offerings and Continuous Distribution" and "Purchases of Units – Buying and Selling Units".

Investment Objectives:

3iQ Bitcoin ETF

The 3iQ Bitcoin ETF's investment objectives are to seek to provide holders of Units ("**Unitholders**") of the 3iQ Bitcoin ETF with: (a) exposure to the digital currency bitcoin

("**bitcoin**") and the daily price movements of the U.S. dollar price of bitcoin; and (b) the opportunity for long-term capital appreciation. See "Investment Objectives – 3iQ Bitcoin ETF".

3iQ Ether Staking ETF

The 3iQ Ether Staking ETF's investment objectives are to seek to provide Unitholders of the 3iQ Ether Staking ETF with: (a) exposure to the digital currency ether ("**ether**") and the daily price movements of the U.S. dollar price of ether; and (b) the opportunity for long-term capital appreciation. See "Investment Objectives - 3iQ Ether Staking ETF".

Investment Strategies:

To achieve its investment objectives, the 3iQ Bitcoin ETF invests in long-term holdings of bitcoin and the 3iQ Ether Staking ETF invests in long-term holdings of ether. Bitcoin and ether are purchased from reputable digital asset trading platforms and OTC counterparties, in order to provide investors with a convenient, safer alternative to a direct investment in bitcoin or ether, as applicable.

Digital asset trading platforms are spot markets in which bitcoin and ether 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 seeks to ensure that the digital asset trading platforms on which the 3iQ ETFs transact are reputable, stable and in compliance with AML Regulation. See "Overview of the Sector in which the 3iQ ETFs Invest – Purchasing Digital Assets for the 3iQ ETFs' Portfolio".

The 3iQ Ether Staking ETF will also engage in the Staking Activities. For a description of the Staking Activities, see "Investment Strategies."

The 3iQ ETFs will not speculate with regard to short-term changes in bitcoin or ether prices, as applicable.

The 3iQ ETFs do not and will not hedge any U.S. dollar currency exposure back to the Canadian dollar. See "Investment Strategies".

For a description of how the 3iQ ETFs purchase digital assets for their portfolios see "Overview of the Sector in which the 3iQ ETFs Invest – Purchasing Digital Assets for the 3iQ ETFs' Portfolios".

Generally, the 3iQ ETFs do not intend to borrow money or employ other forms of leverage for investment purposes. The 3iQ ETFs may however borrow money on a temporary short-term basis to acquire bitcoin or ether, as applicable, in connection with a subscription for Units by a Dealer or as a temporary measure to accommodate redemption requests. Any borrowing by a 3iQ ETF will be made in accordance with the borrowing restrictions applicable to an alternative mutual fund under NI 81-102.

See "Investment Strategies".

Special Considerations for Purchasers:

The provisions of the so-called "early warning" requirements set out in Canadian securities legislation do not apply in connection with the acquisition of Units. In addition, the Manager, on behalf of the 3iQ ETFs, has obtained exemptive relief from the securities regulatory authorities to permit Unitholders to acquire more than 20% of the Units of a 3iQ ETF through purchases on the TSX without regard to the take-over bid requirements of Canadian securities legislation, provided that any such Unitholder, and any person acting jointly or in concert with the Unitholder, undertakes to the Manager not to vote more than 20% of the Units of the 3iQ ETF at any meeting of Unitholders.

See "Purchases of Units – Special Considerations for Unitholders".

Distributions: On an annual basis, the 3iQ ETFs will ensure that their income and net realized capital gains, if any, have been distributed to Unitholders to such an extent that the 3iQ ETFs are not liable for ordinary income tax thereon. To the extent that a 3iQ ETF 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 3iQ ETF will be paid as a "reinvested distribution". Reinvested distributions by a 3iQ ETF, net of any required withholding taxes, will be reinvested automatically in additional Units of the 3iQ ETF at a price equal to the NAV per Unit and the Units will be immediately consolidated such that the number of outstanding Units of the 3iQ ETF following the distribution will equal the number of Units of the 3iQ ETF outstanding prior to the distribution.

In addition to the distributions described above, the 3iQ ETFs may from time to time pay additional distributions on their Units, including without restriction in connection with a special distribution or in connection with returns of capital.

See "Distribution Policy".

Exchanges and Redemptions: Unitholders of a 3iQ ETF may redeem Units of the 3iQ ETF for cash, subject to a redemption discount. Unitholders of a 3iQ ETF may also exchange a Prescribed Number of Units (or integral multiple thereof) for cash, or if agreed to by the Manager, for cash and portfolio assets held by the 3iQ ETF. See "Redemption and Exchange of Units".

Termination: The 3iQ ETFs do not have a fixed termination date but may be terminated by the Manager upon not less than 60 days' written notice to Unitholders. See "Termination of the 3iQ ETFs".

Documents Incorporated by Reference: Additional information about the 3iQ ETFs is available in the most recently-filed annual financial statements, any interim financial statements filed after the most recent annual financial statements, the most recently-filed annual MRFP, any interim MRFP filed after the most recently-filed annual MRFP and the most recently-filed ETF Facts for a 3iQ ETF. These documents are incorporated by reference into, and legally form an integral part of, this prospectus. These documents are publicly available on the Manager's website at www.3iQ.ca and may be obtained upon request, at no cost, by calling (416) 639-2130 or by contacting a registered dealer. These documents and other information about the 3iQ ETFs are publicly available at www.sedar.com. See "Documents Incorporated by Reference".

Risk Factors: The following are certain risks relating to an investment in Units of the 3iQ ETFs which prospective investors should consider before purchasing such securities.

Risk Factors Relating to an Investment in the 3iQ ETFs

(a) No Assurance in Achieving Investment Objectives
(b) Trading Price of Units
(c) Loss of Investment
(d) Fluctuations in NAV, NAV per Unit and the Value of Digital Assets
(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) Valuation of the 3iQ ETFs
(m) Manager, Custodian and Sub-Custodian Standard of Care
(n) SOC 2 Type 2 Report of the Sub-Custodian
(o) Potential Conflicts of Interest
(p) Risk of No Active Market for the Units
(q) Not a Trust Company

(r) U.S. Currency Exposure
(s) Cyber Security Risk
(t) Tax Risk
(u) Large Investor Risk
(v) COVID-19 Outbreak

Additional Risks Associated with Investing in the 3iQ Ether Staking ETF

(a) Moving from Proof-of-Work (PoW) to Proof-of-Stake (PoS) Consensus Mechanism
(b) Short History Risk for Proof-of-Stake Blockchain Networks
(c) The Staking Activities: Illiquidity During Unbonding Periods
(d) The Staking Activities: Reliance on Third-Party Vendors
(e) The Staking Activities: Slashing and Missed Rewards
(f) The Staking Activities: Due Diligence on Validators May Be Insufficient
(g) Due Diligence on the Ethereum Network May Be Insufficient
(h) The Staking Activities: Tax Consequences
(i) The Staking Activities: No Guarantee of Receiving Rewards
(j) The Staking Activities: Regulatory Changes to Staking

Risks Associated with Investing in Bitcoin and Ether

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

Risks Associated with the Bitcoin Network and the Ethereum Network

(a) Dependence on Network Developers
(b) Issues with the Cryptography Underlying the Bitcoin Network and Ethereum Network
(c) Disputes on the Development of the Network may Lead to Delays in the Development of the Network
(d) Significant Increase in Bitcoin and Ether Interest Could Affect the Ability of the Applicable Network to Accommodate Demand
(e) Blockchain may Temporarily or Permanently Fork and/or Split
(f) Dependence on the Internet
(g) Risk if Entity Gains a 51% Share of the Network
(h) Possible Increase in Transaction Fees
(i) Attacks on the Network
(j) Decrease in Block Reward
(k) Competitors to Bitcoin and Ether
(l) Significant Energy Consumption to run the Networks

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 Networks
(d) Different Prices of Bitcoin and Ether on the Digital Asset Trading Platforms May Adversely Affect the NAV of the Units
(e) Closure of Digital Asset Trading Platform(s)
(f) Liquidity Constraints on Digital Asset Markets may Impact a 3iQ ETF's Holdings
(g) Risk of Manipulation on Digital Asset Trading Platforms
(h) Settlement of Transactions on the Networks

See "Risk Factors".

Income Tax Considerations:

This summary of Canadian federal income tax considerations for the 3iQ ETFs and for Canadian resident Unitholders of the 3iQ ETFs is subject in its entirety to the qualifications, limitations and assumptions set out under "Income Tax Considerations".

A Unitholder of a 3iQ ETF who is an individual (other than a trust) resident in Canada and who holds Units of a 3iQ ETF 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 3iQ ETF paid or payable to the Unitholder (including any reinvested distributions) in the year and deducted by the 3iQ ETF in computing its income. Any non-taxable distributions from the 3iQ ETF (other than the non-taxable portion of any net realized capital gains of the 3iQ ETF) paid or payable to a Unitholder of a 3iQ ETF in a taxation year, such as a return of capital, will reduce the adjusted cost base of the Unitholder's Units of the 3iQ ETF. To the extent that a Unitholder's adjusted cost base would otherwise be a negative amount, the negative amount is deemed to be a capital gain realized by the Unitholder and the adjusted cost base of the Unit of the 3iQ ETF to the Unitholder is nil immediately thereafter. Any loss of a 3iQ ETF cannot be allocated to, and cannot be treated as a loss of, the Unitholders of the 3iQ ETF. Upon the actual or deemed disposition of a Unit of a 3iQ ETF, including the exchange or redemption of a Unit, a capital gain (or a capital loss) will generally be realized by the Unitholder of the 3iQ ETF 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 3iQ ETFs distribute their net income and net realized capital gains, if any, for each taxation year to their Unitholders to such an extent that the 3iQ ETFs 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 "Income Tax Considerations".

Taxation of Registered Plans:

In the opinion of Renno & Co Inc., counsel to the 3iQ ETFs, provided that a 3iQ ETF qualifies as a "mutual fund trust" within the meaning of the Tax Act, or the Units of the 3iQ ETF 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, first home savings accounts and tax-free savings accounts (collectively, "**Registered Plans**"). Holders of tax-free savings accounts, first home 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 of a 3iQ ETF would not be a "prohibited investment" for the purposes of the Tax Act in their particular circumstances. See "Income Tax Considerations – Status of the 3iQ ETFs".

Organization and Management Details

Trustee, Manager and Promoter:	3iQ Corp. is the trustee, manager, portfolio manager and promoter of the 3iQ ETFs. The Manager operates as the manager of investment funds in Canada. The head office and principal place of business of the 3iQ ETFs is located at 161 Bay Street, Suite 2700, Toronto, Ontario M5J 2S1. The Manager may be considered a promoter of the 3iQ ETFs within the meaning of applicable securities legislation by reason of its initiative in organizing the 3iQ ETFs. See "Organization and Management Details – The Trustee, Manager and Promoter".
Custodian:	Tetra Trust Company is the custodian of the assets of the 3iQ ETFs and has been given the authority to appoint sub-custodians. The address of the Custodian is Suite 425 - 441 5th Avenue SW, Calgary, Alberta T2P 2V1. The Custodian is entitled to receive fees from the Manager as described under "Fees and Expenses – Fees and Expenses Payable by the 3iQ ETFs – Operating Expenses" and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the 3iQ ETFs. See "Organization and Management Details – Custodian".
Sub-Custodian:	Coinbase Custody Trust Company, LLC acts as sub-custodian of the 3iQ ETFs. The address of the Sub-Custodian is 200 Park Avenue South, Suite 1208, New York, New York 10003. See "Organization and Management Details – Sub-Custodian".
Administrator:	CIBC Mellon Global Securities Services Company acts as the administrator of the 3iQ ETFs at its principal offices in Toronto, Ontario. The administrator is responsible for providing certain fund accounting and valuation services to the 3iQ ETFs including, without limitation, calculating the NAV, NAV per Unit, net income and net realized capital gains of the 3iQ ETFs. See "Organization and Management Details – Administrator".
Registrar and Transfer Agent:	TSX Trust Company, at its principal offices in Toronto, Ontario, is the registrar and transfer agent for the Units of the 3iQ ETFs. The register of each of the 3iQ ETFs is kept in Toronto. See "Organization and Management Details – Registrar and Transfer Agent".
Auditor:	Raymond Chabot Grant Thornton LLP, at its principal offices in Montreal, Quebec, is the auditor of the 3iQ ETFs. See "Organization and Management Details – Auditor".

SUMMARY OF FEES AND EXPENSES

This table lists the fees and expenses that you may have to pay if you invest in a 3iQ ETF. You may have to pay some of these fees and expenses directly. A 3iQ ETF may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in such 3iQ ETF. For further particulars, see "Fees and Expenses".

Fees and Expenses Payable by the 3iQ ETFs

Management Fees and Additional Fees:	Each 3iQ ETF pays an annual management fee (the "**Management Fee**") to the Manager for acting as trustee, manager and portfolio manager of the 3iQ ETF equal to 1.00% of the NAV of the 3iQ ETF, calculated daily and payable monthly in arrears, plus applicable taxes. The Manager may, at its discretion, agree to charge a reduced Management Fee (or reimburse all or a portion of such Management Fee) for some Unitholders as compared to the Management Fee that the Manager would otherwise be entitled to receive from a 3iQ ETF, provided that the difference between the fee otherwise chargeable and the reduced fee is distributed periodically by the applicable 3iQ ETF to the applicable Unitholders as a management fee distribution (the "**Management Fee Distributions**"). Any reduction will depend on a number of factors, including the amount invested, the NAV of the 3iQ ETF and the expected amount of account activity.

Management Fee Distributions are paid first out of net income of the 3iQ ETF then out of capital gains of the 3iQ ETF and thereafter out of capital. See "Fees and Expenses – Fees and Expenses Payable by the 3iQ ETFs – Management Fees and Additional Fees".

In addition to the Management Fee, the Manager is entitled to receive a portion of the staking rewards generated for the 3iQ Ether Staking ETF by the Staking Activities (net of the fees payable to the Sub-Custodian) such that 75% of the rewards accrue to the 3iQ Ether Staking ETF and 25% of the awards accrue to the Manager (the "**Staking Service Fee**"). The Staking Service Fee shall be calculated and paid monthly, in arrears, plus applicable taxes, and is intended to compensate the Manager for the additional work required to administer the Staking Activities for the 3iQ Ether Staking ETF as described above under "Investment Strategies". The Staking Service Fee charged by the Manager will only be deducted from any rewards generated by the Staking Activities which will generate income to the 3iQ Ether Staking ETF.

Operating Expenses:

In addition to the Management Fee, and any debt servicing costs, each 3iQ ETF bears and pays all of its costs, expenses and liabilities ("**Operating Expenses**") including all of its administrative and operating expenses as well as those incurred by the Manager in the performance of its duties as manager of the 3iQ ETF. Such fees and expenses include, without limitation: fees and expenses payable to the independent review committee ("**IRC**") of the 3iQ ETF; brokerage and trading commissions and other fees and expenses associated with the execution of transactions in respect of the 3iQ ETF's investment in bitcoin or ether, as applicable; fees payable to the Registrar and Transfer Agent; fees payable to any custodians and/or sub-custodians for the assets of the 3iQ ETF as well as the fees of the Administrator and other service providers; licensing fee payable to MVIS to license the BBR or the EBR, as applicable; expenses relating to the monitoring of the relationships with the Custodian, Sub-Custodian, the Registrar and Transfer Agent and other organizations serving the 3iQ ETF; 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 3iQ ETF may become listed or quoted; the preparation and supervision costs relating to the calculation and publication of the NAV; 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 3iQ ETF. In the case of the 3iQ Ether Staking ETF, the Staking Service Fee shall be included in the Operating Expenses.

The Manager may, from time to time, in its sole discretion, pay all or a portion of any Operating Expenses which would otherwise be payable by a 3iQ ETF.

See "Fees and Expenses – Fees and Expenses Payable by the 3iQ ETFs – Operating Expenses" and "Organization and Management Details – The Trustee, Manager and Promoter".

Fees and Expenses Payable Directly by the Unitholders

Administrative Fee:

An amount as may be agreed to between the Manager and the Designated Broker or a Dealer that may be charged to offset certain transaction costs associated with an issue, exchange or redemption of Units. This charge does not apply to Unitholders who buy and sell their Units through the facilities of a stock exchange.

See "Fees and Expenses – Fees and Expenses Payable Directly by the Unitholders – Administrative Fee".

OVERVIEW OF THE LEGAL STRUCTURE OF THE 3IQ ETFs

Each of the 3iQ ETFs is an alternative mutual fund within the meaning of NI 81-102 established as a trust under the laws of the Province of Ontario. The 3iQ ETFs have been established pursuant to the Declaration of Trust.

While the 3iQ ETFs are mutual funds under the securities legislation of certain provinces and territories of Canada, certain provisions of Canadian securities legislation applicable to conventional mutual funds do not apply to the 3iQ ETFs because each of the 3iQ ETFs is an "alternative mutual fund" within the meaning of NI 81-102. The 3iQ ETFs are subject to the restrictions and practices contained in Canadian securities legislation applicable to alternative mutual funds, including NI 81-102, and are managed in accordance with these restrictions, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities.

Each of the 3iQ ETFs is offering one class of units. The Units are purchased and sold in Canadian dollars and U.S. dollars.

The Units of the 3iQ ETFs are listed on the TSX. The Units of the 3iQ ETFs are offered on a continuous basis and an investor is able to buy or sell Units of the 3iQ ETFs on the TSX through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying and selling the Units of the 3iQ ETFs.

The head and registered office of the 3iQ ETFs and the Manager is located at 161 Bay Street, Suite 2700, Toronto, Ontario M5J 2S1.

The 3iQ ETFs were originally known as the 3iQ CoinShares Bitcoin ETF and the 3iQ CoinShares Ether ETF. On March 20, 2023, the funds' names were changed to 3iQ Bitcoin ETF and 3iQ Ether ETF, respectively. On October 19, 2023, the name of the 3iQ Ether ETF was changed to 3iQ Ether Staking ETF.

The following table sets out the full legal name as well as the TSX ticker symbols for the 3iQ ETFs:

Legal Name	Ticker Symbol
3iQ Bitcoin ETF	BTCQ / BTCQ.U
3iQ Ether Staking ETF	ETHQ / ETHQ.U

INVESTMENT OBJECTIVES

The 3iQ Bitcoin ETF's investment objectives are to seek to provide holders of Units ("**Unitholders**") of the 3iQ Bitcoin ETF with: (a) exposure to the digital currency bitcoin ("**bitcoin**") and the daily price movements of the U.S. dollar price of bitcoin; and (b) the opportunity for long-term capital appreciation.

The 3iQ Ether Staking ETF's investment objectives are to seek to provide Unitholders of the 3iQ Ether Staking ETF with: (a) exposure to the digital currency ether ("**ether**") and the daily price movements of the U.S. dollar price of ether; and (b) the opportunity for long-term capital appreciation.

INVESTMENT STRATEGIES

To achieve its investment objectives, the 3iQ Bitcoin ETF invests in long-term holdings of bitcoin and the 3iQ Ether Staking ETF invests in long-term holdings of ether. Bitcoin and ether are purchased from reputable digital asset trading platforms and OTC counterparties, in order to provide investors with a convenient, safer alternative to a direct investment in bitcoin or ether, as applicable.

Digital asset trading platforms are spot markets on which bitcoin and ether 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 seeks to ensure that the digital asset trading platforms on which the 3iQ ETFs transact are reputable, stable and in compliance

with AML Regulation. See "Overview of the Sector in which the 3iQ ETFs Invest – Purchasing Digital Assets for the 3iQ ETFs' Portfolios".

The 3iQ ETFs will not speculate with regard to short-term changes in bitcoin or ether prices, as applicable. The 3iQ ETFs provide investors with the ability to effectively invest in bitcoin or ether, as applicable, without the inconvenience and additional transaction and storage costs associated with a direct investment in bitcoin and ether.

The 3iQ ETFs do not and will not hedge any U.S. dollar currency exposure back to the Canadian dollar.

For a description of how the 3iQ ETFs purchase bitcoin and ether for their portfolios see "Overview of the Sector in which the 3iQ ETFs Invest – Purchasing Digital Assets for the 3iQ ETFs' Portfolios".

The Manager may also indirectly invest in bitcoin or ether, as applicable, through the use of futures contracts, the underlying interest of which is bitcoin or ether, as applicable, for non-hedging purposes consistent with the 3iQ ETF's investment objectives and investment strategies to gain exposure to bitcoin or ether, as applicable, subject to its investment restrictions. For example, a 3iQ ETF may trade in bitcoin futures listed on the CME (CME:BTC) and other commodity futures exchanges regulated by the CFTC. Any trading in futures by a 3iQ ETF will be incidental to the 3iQ ETF's core investment strategy of investing in the bitcoin or ether, as applicable. A 3iQ ETF will not transact in any futures contract if, as a result of such transaction, the 3iQ ETF's aggregate exposure to derivatives would exceed 5% of the NAV of the 3iQ ETF.

Generally, the 3iQ ETFs do not intend to borrow money or employ other forms of leverage for investment purposes. The 3iQ ETFs may however borrow money on a temporary short-term basis to acquire bitcoin or ether, as applicable, in connection with a subscription for Units by a Dealer or as a temporary measure to accommodate redemption requests. Any borrowing by the 3iQ ETFs will be made in accordance with the borrowing restrictions applicable to an alternative mutual fund under NI 81-102.

The Manager expects to engage in the Staking Activities in order to earn rewards for the 3iQ Ether Staking ETF, which rewards will, following the deduction of applicable fees, be reinvested in the 3iQ Ether Staking ETF for the benefit of the 3iQ Ether Staking ETF's Unitholders. In carrying out the Staking Activities, the Manager will stake ether held in the 3iQ Ether Staking ETF's portfolio through an affiliate of the Sub-Custodian with experience acting as a validator. Before the Manager allows any third-party service provider to act as validator in respect of the 3iQ Ether Staking ETF's assets held with the Sub-Custodian, the Manager will conduct due diligence on the third-party service provider. For more information on the due diligence that the Manager will conduct in respect of validators, see "Risk Factors – Additional Risks Associated with Investing in the 3iQ Ether Staking ETF – The Staking Activities: Due Diligence on Validators May Be Insufficient" below.

The Staking Activities will generally occur as follows:

- the Manager will direct the Sub-Custodian to stake a certain amount of ether to the validator directly out of the cold wallet administered by the Sub-Custodian on behalf of the 3iQ Ether Staking ETF;
- the Sub-Custodian, acting through its affiliate, will act as validator in respect of the staked ether;
- rewards, which will be paid in ether subject to any bonding or lock-up period, may be earned in connection with the staking of the ether;
- the Sub-Custodian will be entitled to a fee in respect of the rewards and will pay a portion of that fee to any party acting as validator; and
- a portion of the rewards will be delivered to a wallet of the Manager held via the Sub-Custodian as payment of the Staking Service Fee (as defined below), and the balance of the rewards will be delivered to a custodial wallet of the 3iQ Ether Staking ETF held with the Sub-Custodian to be reinvested in the 3iQ Ether Staking ETF.

Although there is currently no minimum or maximum amount of the portfolio assets of the 3iQ Ether Staking ETF that may be staked, the Manager intends to adopt a measured approach to the Staking Activities, taking into account the liquidity needs of the 3iQ Ether Staking ETF, the novelty of the investment strategy as well as any applicable regulatory requirements and approvals. The Manager intends to initially target staking up to 50% of the

ether held in the portfolio of the 3iQ Ether Staking ETF. See also the following under "Risk Factors" below: "The Staking Activities: Illiquidity During Unbonding Periods".

OVERVIEW OF THE SECTOR IN WHICH THE 3IQ ETFs INVEST

3iQ Bitcoin ETF

The 3iQ Bitcoin ETF invests substantially all of its assets in bitcoin. Bitcoin is a digital asset that is not issued by any government, bank or central organization. Bitcoin is based on the decentralized, open source protocol of the peer-to-peer bitcoin computer network (the "**Bitcoin Network**"), which creates the decentralized public transaction ledger, known as the "blockchain", on which all bitcoin transactions are recorded. Movement of bitcoin is facilitated by a digital, transparent and immutable ledger, enabling the rapid transfer of value across the internet without the need for centralized intermediaries. The Bitcoin Network software source code includes the protocol that governs the creation of bitcoin and the cryptographic operations that verify and secure bitcoin transactions. It is common practice to refer to Bitcoin with a capital "B" when referring to the protocol or network, and bitcoin with a lowercase "b" when referring to the digital asset. The blockchain is an official record of every bitcoin transaction (including creation or "mining" of new bitcoin) and every bitcoin address associated with a quantity of bitcoin. The Bitcoin Network, and software applications built atop it, can interpret the blockchain to determine the exact bitcoin balance, if any, of any public bitcoin address listed in the blockchain. A bitcoin private key controls the transfer or "spending" of bitcoin from its associated public bitcoin address. A bitcoin "wallet" is a collection of public bitcoin addresses and their associated private key(s). It is designed such that only the owner of bitcoin can send bitcoin, only the intended recipient of bitcoin can unlock what the sender sent and the transactional validation and bitcoin ownership can be verified by any third party anywhere in the world.

The entire Bitcoin Network can be described using the analogy of a computer. The most basic level of any computer is the hardware that all of the software runs upon. The hardware providers for the Bitcoin Network are called "miners". Miners buy specialized computational equipment in the form of servers that are composed of primarily application specific integrated circuits (ASICs), and these servers have been constructed entirely for the purpose of verifying bitcoin transactions, building bitcoin's blockchain and thereby minting new bitcoin.

Miners' servers run Bitcoin software, which can be thought of as the operating system on top of the hardware, just as personal computers have installed an operating system. Bitcoin software is maintained in the open source model, with the community collaborating on GitHub. GitHub is a platform for software creation, orchestrating the storage, version control and integration of code for different software projects. Bitcoin's software is available for all developers and non-developers to peruse and discuss. For example, from GitHub one can download the entire source code of Bitcoin software. While there are a few different implementations of Bitcoin software, the one used by most miners is called "Bitcoin Core" and is maintained by over 600 developers. By running similar software on similar hardware the miners have created a basic worldwide computer that operates in sync, despite being geographically distributed.

Just as one may run applications on top of the hardware and operating system of their computer, various companies have built applications that run on top of the hardware and operating system of the Bitcoin Network. Applications include wallets that store users' bitcoin, exchanges that allow users to swap bitcoin for other currencies, remittances providers that send money to people in other countries and decentralized marketplaces that function similar to an online distributor (e.g. eBay). Accordingly, there is no central company. While Bitcoin's application ecosystem is still in its early development, the Manager believes that, as more developers and users adopt the platform over time there will be an increasing number of applications, which will provide greater functionality to the system as a whole.

The end user relies on the hardware, operating system, and applications provided by bitcoin miners, developers and companies, respectively. The greater the number of bitcoin users, the greater the incentive will be potentially for miners, developers and companies to continue to develop their systems, which in turn should promote the Bitcoin Network as a whole.

The Manager believes that there are a few key metrics that determine the security of the Bitcoin Network. First, there are the number of nodes connected to the network. A "node" is a computer that is connected directly to the

Bitcoin 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 not appended to Bitcoin's blockchain. While some of these nodes are miners, not all of them are miners. Some are there to forward transactions around the network and keep track of Bitcoin's blockchain while not getting involved with Bitcoin's proof of work process to create new blocks. Non-mining nodes are referred to as "full nodes", and many bitcoin companies and enthusiasts run full nodes so that they have their own store of the blockchain, which proves useful for interacting with the network and creates strong redundancy within the system.

The Bitcoin Network is dispersed across the globe. If a nation banned miners from supporting Bitcoin, 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 Bitcoin 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 bitcoin, the "hash rate" is the frequency at which a miner guesses a new solution to create a valid "block hash" (i.e., proof-of-work), which allows a miner to append a new block of transactions to Bitcoin's 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 bitcoin. For the Bitcoin 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 of January 31, 2024, no single miner or pool controlled more than 29.28% of the Bitcoin Network. In terms of the Herfindahl-Hirschman Index, which is commonly used to measure market concentration, the Bitcoin Network classifies as a competitive industry.

By 2140, the Manager anticipates that the number of bitcoin available to the public will have reached an equilibrium state of 21 million units. 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 "minting" of new bitcoin is part of the mining process. Each time a block is created, the first transaction in the block issues a certain number of bitcoin to the miner who created the block. This transaction is called a "coinbase transaction". Every 210,000 blocks, or roughly every 4 years, the amount of bitcoin issued to miners in the coinbase transaction is cut in half. This is called "block reward halving" or "halving".

For example, from the time of launch of the Bitcoin Network on January 3, 2009 up until November 28, 2012, coinbase transactions issued 50 bitcoin to the miner who created the block. Starting from a base of zero bitcoin outstanding, this made the currency highly inflationary. However, on November 28, 2012, the coinbase transaction was switched to 25 bitcoin. This switch was hard wired into Bitcoin's protocol, so that once the 210,000th block had been mined all subsequent blocks created only issued 25 bitcoin as the miner's fee transaction. On July 9, 2016, the issuance was cut in half again, to only 12.5 bitcoin per miner's fee transaction. The most recent halving event occurred on May 11, 2020 when the block reward decreased from 12.5 bitcoin to 6.25 bitcoin, which means that currently there are only 900 newly minted bitcoin issued per day.

User Behavior, Identity, and Adoption

Those wishing to use or hold bitcoin directly must establish a bitcoin wallet. A wallet provides the user with a public key that is used to derive an address for others to send them bitcoin, as well as a private key which is used to unlock balances of the user's bitcoin to send to others. A bitcoin wallet can be a desktop client, which is a software application running on a computer. It can also be a hardware wallet provided by a company that offers such products. With a desktop client or hardware wallet, the user is in control of the private keys that control the bitcoin they own. Alternatively, consumers may use a hosted bitcoin wallet where a provider protects the private keys, and the consumer accesses their accounts through a web browser or mobile application. Many people who are new to bitcoin make their initial purchases through a hosted bitcoin wallet.

Most wallet providers require customers to establish their true identity 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 bitcoin, then they also need to connect a bank account or credit card to the wallet, providing another point of connection to the user's identity. It is a common misconception that users of bitcoin are completely anonymous. If they have passed through the above checks, their identity may be traced. However, if they have not passed through the above processes, they are pseudonymous, with their identity represented by an alphanumeric string of characters as the wallet address. Since Bitcoin's blockchain is transparent, the actions of pseudonymous users can be tracked, and using network forensics their identity can potentially be unearthed if necessary.

Bitcoin as a Means of Exchange

The use of bitcoin, as a means of exchange, is increasing rapidly throughout the world, particularly in nations where faith in central bank backed fiat currencies (a currency that a government has declared a legal currency) has been unstable, or where necessary banking infrastructure is lacking. Bitcoin makes it possible for users to accept and send global transactions directly from their smart phone, twenty-four hours a day.

3iQ Ether Staking ETF

The 3iQ Ether Staking ETF invests substantially all of its assets in ether. Ether 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 ether and the cryptographic operations that verify and secure ether 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 below.

Application developers and other participants on the Ethereum Network use ether 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 ether. Additionally, ether 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 ether, the Ethereum Network remains sustainable.

The Manager believes that investing in Units of the 3iQ Ether Staking ETF to obtain exposure to ether will be advantageous for the following reasons:

- *Convenient way to own ether.* The 3iQ Ether Staking ETF provides investors with the ability to gain exposure to ether and the ether market as well as having the ability to buy and sell Units on the TSX. The 3iQ Ether Staking ETF will be eligible for registered accounts in Canada for a tax-efficient, long-term investment horizon. See "Income Tax Considerations – Status of the 3iQ ETFs".

- *Staking rewards.* The 3iQ Ether Staking ETF provides investors with the opportunity for yield enhancement by staking a portion of the ether held in the 3iQ Ether Staking ETF's portfolio. Through staking, the 3iQ Ether Staking ETF will earn rewards in the form of ether, which will be reflected in the NAV of the 3iQ Ether Staking ETF through accretive yield while augmenting the 3iQ Ether Staking ETF's exposure to ether.

- *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 3iQ Ether Staking ETF's ongoing expenses will be lower than the costs and risks associated with buying, holding and selling ether at a regulated digital asset trading platform or through opening an individual digital asset wallet that supports ether.

- *Cold Storage at Sub-Custodian.* Coinbase is a regulated and licensed custodian of ether. Storage of ether by Coinbase can either be in a "hot wallet", which is online and stored within a high security environment, or in "cold storage", where private keys are generated offline and split into redundant shards. The decryption keys

for these shards are stored in secure hardware security modules. The final shards are stored and managed in geo-redundant, physical secure storage lockers within Coinbase's secure facilities.

The 3iQ Ether Staking ETF's ether will be held in the Sub-Custodian's cold storage system, protected in accordance with the industry-leading protocols described under "Organization and Management Details – Sub-Custodian".

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

On September 15, 2022, the Ethereum Network transitioned from a "proof-of-work" protocol to a "proof-of-stake" protocol (the "**Merge**") whereby the original execution layer of the Ethereum Mainnet (the "**Mainnet**") was merged with Ethereum's new proof-of-stake consensus layer, the Beacon Chain. Prior to the Merge, the Ethereum Network operated as a proof-of-work protocol. As a proof-of-work protocol, ether was previously generated through a process known as progressive mining, which involved new ether transactions being settled and validated by miners across the Ethereum Network. The Merge eliminated the need for energy-intensive mining and instead enabled the network to be secured using staked ether. Proof-of-work secured the Mainnet from the Ethereum Network's creation until the Merge. The successful completion of the Merge represented a transition to using the Beacon Chain as the engine of block production. Following the Merge, mining is no longer the means of producing valid blocks. Instead, proof-of-stake validators have adopted this role and are now responsible for processing the validity of all transactions and proposing blocks. As the Mainnet merged with the Beacon Chain, it also merged the transaction history of the Ethereum Network.

Like mining, validating mints new ether into circulation. However, unlike mining, validating requires a staked deposit of ether. The shift to proof-of-stake enhances the Ethereum Network's efficiency as it requires a significantly lower amount of computational power and, therefore, less electricity consumption, to operate. Under proof-of-stake, the Ethereum Network can burn ether out of circulation when base gas fees are high. By burning ether, this decreases the circulating supply of ether and makes ether a deflationary asset. As of January 31, 2024, there were 29,475,949 ether staked on the Ethereum Network representing 24.53% of the 120,182,590 circulating supply of ether.

To simplify and maximize focus on a successful transition to proof-of-stake, the Merge upgrade did not include certain anticipated features (such as the ability to withdraw staked ether). On April 12, 2023, the "**Shanghai Upgrade**" was implemented on the Ethereum Network. Since the completion of the Shanghai Upgrade, those who have staked ether have gained the ability to withdraw their staked ether and rewards from the Ethereum Network.

The "**Dencun Upgrade**", the next major upgrade of the Ethereum Network, was implemented on March 13, 2024. The Dencun Upgrade introduced "proto-danksharding", a scaling solution which is expected to reduce the fees for transactions on auxiliary "layer-2" networks built on top of Ethereum, through the introduction of data "blobs", a new method for data storage.

What is Staking?

The blockchain networks associated with certain digital assets enable holders to earn rewards by participating in transaction confirmation activities through a process known as "staking". Staking refers to proof-of-stake consensus protocols, which are mechanisms for ensuring that transactions are properly recorded on a blockchain. Owners who stake a particular blockchain's native currency validate the block transactions, and those with the most holdings are generally able to validate at a higher rate, proportional to their amount staked. Blockchain networks that employ proof-of-stake protocols generally rely on "validators". Validators are network node operators that serve to verify the accuracy of data being recorded on the blockchain. Validators are typically rewarded in digital assets for their transaction confirmation activities. In order to become a validator, a node operator is required to "stake" digital assets, which is generally accomplished by locking digital assets in the relevant blockchain network. Staked digital assets essentially function as a form of collateral. If validators act maliciously or incompetently, they may lose their staked digital assets and their access to the particular blockchain network through processes known as "slashing" and "jailing". Slashing and jailing are designed to incentivise validators to act with integrity while validating transactions.

Staking has become one of the most common technologies used by blockchains, including the Ethereum Network, to secure their networks. Unlike traditional digital currency mining, which is used to mine older blockchains like Bitcoin and Ethereum 1.0, staking is not reliant on specialized hardware that can rapidly become outdated and does not consume vast amounts of electricity. Instead, staking technology uses validation rights attached to digital asset ownership to make digital asset transactions secure, reliable and sustainable.

How Does Staking Work on the Ethereum Network?

Since the Merge, the Ethereum Network now uses a proof-of-stake consensus mechanism to achieve distributed consensus. The proof-of-stake mechanism relies on validator nodes to stake, a process for verifying transactions included in each new block. Validators are incentivized with ether rewards in exchange for verifying transactions. The Ethereum Network computes and issues staking rewards once per epoch (roughly every 6 minutes). Any accrued rewards in a given epoch are issued in the first block of the subsequent epoch. Notably, the Merge upgrade did not include certain anticipated features, including the ability to withdraw staked ether and rewards earned from staking. This feature was introduced as a result of Shanghai Upgrade, which was completed on April 12, 2023.

Staking ether is not a passive activity and requires the active function of running validator software and equipment. Rewards are paid in ether and are variable depending, primarily, on the total amount of ether staked to the Ethereum Network. Validators participating in the Ethereum Network's proof-of-stake protocol risk the loss of their staked ether in the event that such validators fail to comply with the rules of the Ethereum Network (a process called slashing, as referenced in "What is Staking?" above). By engaging in the Staking Activities, the 3iQ Ether Staking ETF is exposed to such risk of losses caused by the 3iQ Ether Staking ETF's validators. See the following under "Risk Factors" below: "The Staking Activities: Reliance on Third-Party Vendors", "The Staking Activities: Slashing and Missed Rewards" and "The Staking Activities: Due Diligence on Validators May Be Insufficient".

Transacting on the Ethereum Network

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

Users require a digital asset wallet that supports ether (an "**ether wallet**") to use or hold ether on the network. A digital asset wallet that supports ether 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 ether, while the private key is used to unlock balances of the user's ether to send to others. Effectively, a compatible wallet address' private key controls the transfer and use of ether from its associated public Ethereum address. The Ethereum Network, and applications subsequently built on it, can interpret its blockchain to determine the exact ether balance of any public ether wallet address. To complete a transaction directly on the Ethereum Network, users must have sufficient ether 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 ether 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 ether and the Ethereum Network make their initial purchases through a hosted ether wallet.

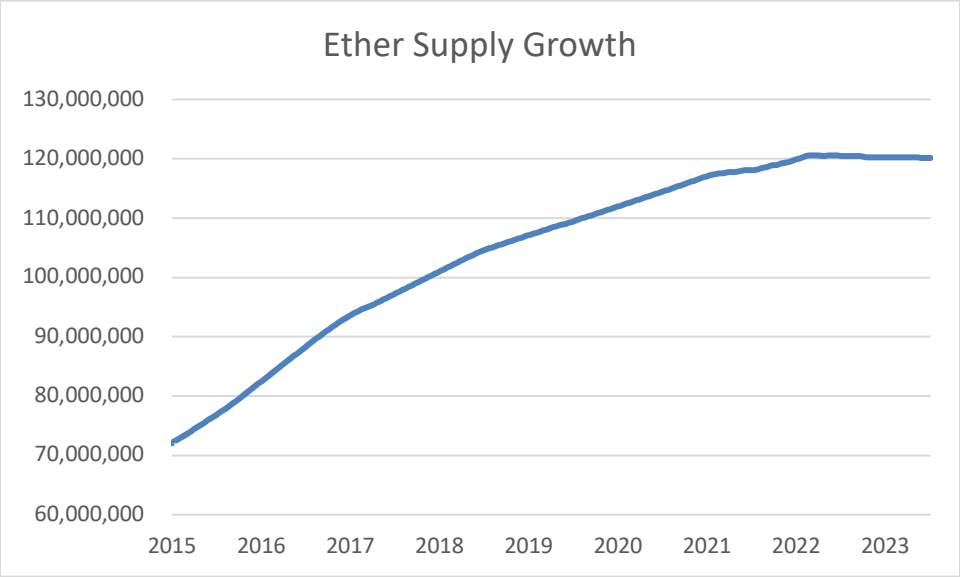
Once the appropriate address information is exchanged between the spending user and the receiving user, the data from the transaction is distributed across the Ethereum Network, to be included in the blockchain.

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 ether, 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 ether's blockchain is transparent, the actions of pseudonymous users can be tracked. If necessary, network forensics can uncover a user's identity.

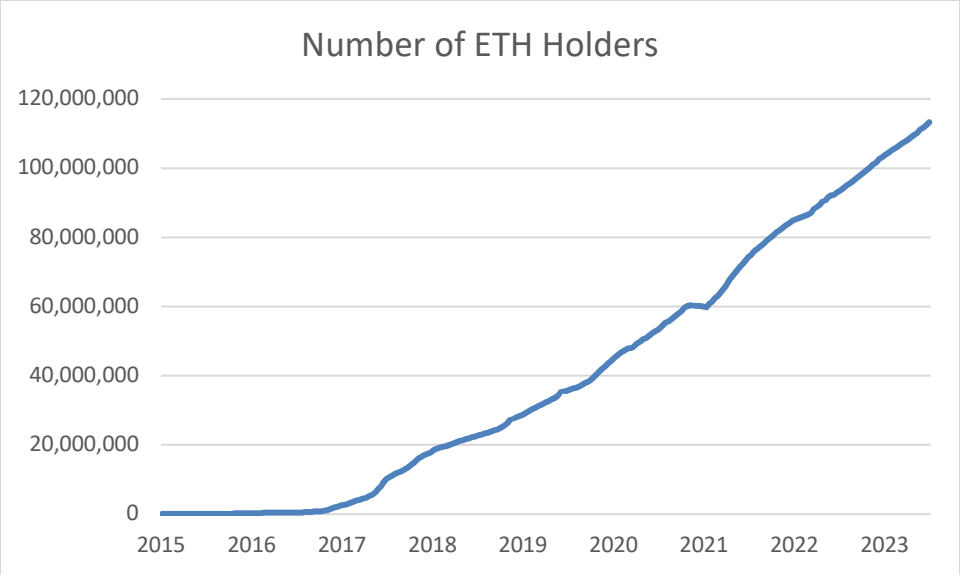
Supply Characteristics

By 2050, the Manager anticipates that the number of ether available to the public will have declined to be under its current circulating supply of 120,182,590 ether. This is due to recent upgrades to the protocol which enable the Ethereum Network to burn a greater number of ether than those newly minted by validators. This differs from a traditional currency, which does not have deterministic supply properties.

The following graphs illustrate the growth and supply of ether, and the number of holders.



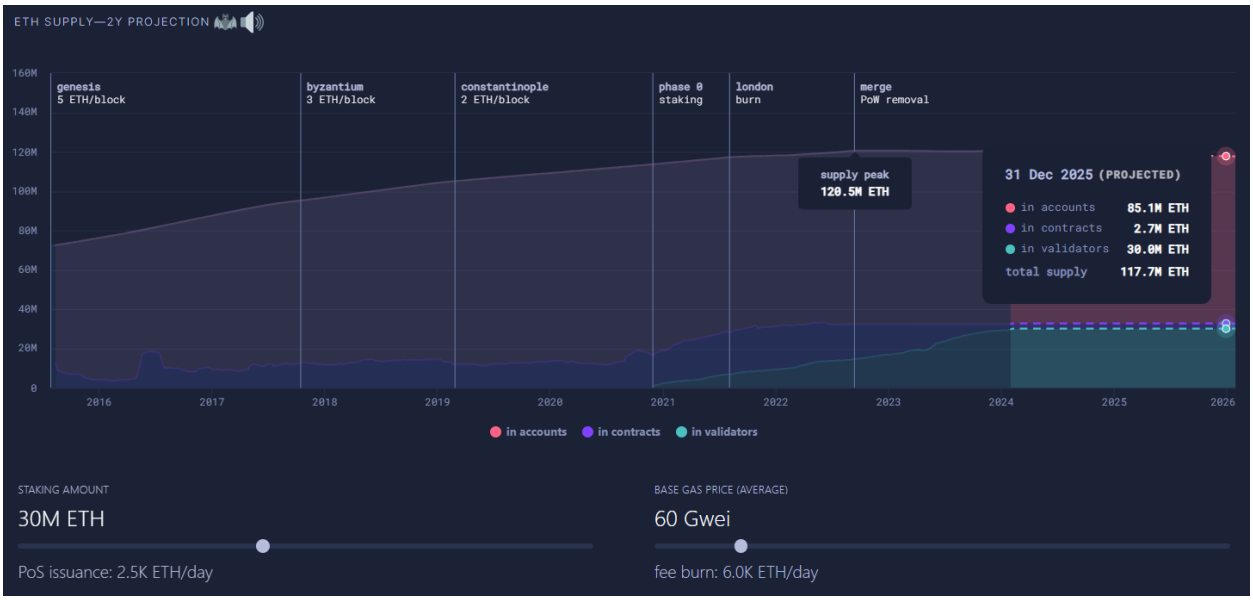
Note:
(1) Data as of January 31, 2024
Source: https://etherscan.io/chart/ethersupplygrowth



Notes:
(1) Data as of January 31, 2024
(2) Only native units are considered (e.g., a 0 ETH balance address with ERC-20 tokens would not be considered).
Source: https://charts.coinmetrics.io/crypto-data

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

The supply of ether increases according to a disinflation protocol that is subject to adjustment in the development of the network. As previously noted, Ethereum has since transitioned from a proof-of-work to a proof-of-stake consensus mechanism for the distributed ledger which introduces a burn mechanism. Assuming a constant base gas price of 60 gwei, and a 30 million total ether staked amount, the network would be deflationary, with a 2-year projected ether supply of under 118 million. The following graph shows the historical and projected 2-year issuance rate of Ethereum since its inception.



Note:
(1) Image as of January 31, 2024
Source: https://ultrasound.money/

The Manager believes that by the middle of the next decade, it is likely that ether will be one of the least inflationary currencies in the world, given its projected circulating supply.

Ether as a Means of Exchange

The use of ether as a means of exchange through smart contracts and a basis for decentralized finance, 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 DApp radar (https://dappradar.com/rankings/protocol/ethereum)).

Security of the Ethereum Network

The Manager believes the following are key metrics that determine the security of the Ethereum Network under its proof-of-stake model. 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 validators, not all of them are. Validators are responsible for proposing and attesting to new blocks in the proof-of-stake process, requiring them to stake their ether as a form of security. Other nodes, which do not participate in the staking process, still play a crucial role in forwarding transactions around the network and maintaining an accurate record of the Ethereum blockchain. As of January 31, 2024, there were over 5,500 unique nodes connected to the Ethereum Network.

The Ethereum Network is dispersed across the globe. If a nation banned miners from supporting ether, 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.

Digital Asset Trading Platforms

Digital asset trading platforms operate websites that facilitate the purchase and sale of digital assets such as bitcoin and ether for various government-issued currencies, including the U.S. dollar and the Canadian dollar. Activity on the digital asset trading platforms should not be confused with the process of users sending bitcoin or ether from one address to another bitcoin or ether address. The latter is an activity that uses bitcoin as a means of exchange and is largely conducted directly using Bitcoin's blockchain, whereas the former is mostly an activity around bitcoin as a store of value and largely occurs within the trade books of exchanges (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 digital asset. 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 digital assets. Price differentials across digital asset trading platforms may enable arbitrage between digital asset prices on the various digital asset trading platforms 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, KuCoin, Gate.io, Bitfinex, OKX, Bybit, Bitstamp, and Gemini. A majority of these digital asset trading platforms employ KYC procedures in compliance with applicable AML Regulation.

Volatility

The price of bitcoin and ether is volatile and fluctuations are expected to have a direct impact on the NAV of the Units. However, movements in the price of bitcoin and ether 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.

Purchasing Digital Assets for the 3iQ ETFs' Portfolios

Bitcoin and ether will be purchased for the 3iQ ETFs from digital asset trading platforms and OTC counterparties (each, a "**Digital Asset Source**"). The Manager conducts due diligence on each proposed Digital Asset Source prior to transacting with such Digital Asset Source in order to confirm its reputation and stability and the regulatory regime, if any, applicable to the Digital Asset Source. The Manager also confirms that each Digital Asset 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 Digital Asset Source. The Manager ensures that each Digital Asset 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 the 3iQ ETFs' Digital Asset Sources will include Coinbase Inc. and Cumberland DRW LLC and other regulated trading platforms and OTC counterparties. The Manager also expects that established investment dealers will offer trading of digital assets in the near future. The Manager will consider such broker-dealers as potential Digital Asset Sources at such time.

The Manager determines where to place a 3iQ ETF's bitcoin or ether orders based on the price and liquidity available through the Digital Asset Sources with a view to achieving best execution for the 3iQ ETF. Once a bitcoin or ether order has been executed and allocated to a 3iQ ETF, the Manager reviews and approves the transaction. Upon approval, the Custodian is notified and payment for the trade is settled. Once the Sub-Custodian receives the bitcoin or ether, as applicable, on behalf of the 3iQ ETF, the Sub-Custodian immediately places the bitcoin or ether, as applicable, in cold storage, ensuring that such bitcoin or ether, as applicable, is allocated to the applicable 3iQ ETF's account on a segregated basis with the Sub-Custodian. See "Organization and Management Details – Sub-Custodian".

INVESTMENT RESTRICTIONS

The 3iQ ETFs are subject to certain restrictions and practices contained in Canadian securities legislation applicable to alternative mutual funds, including NI 81-102. Additionally, the 3iQ ETFs are subject to certain investment restrictions that, among other things, limit the assets that the 3iQ ETFs may acquire for their portfolio. Specifically, each ETF is restricted to primarily investing in the digital asset that is mentioned in their respective name. The 3iQ ETFs are managed in accordance with these restrictions and practices, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities. See "Exemptions and Approvals". A change to the fundamental investment objective of a 3iQ ETF would require the approval of the Unitholders of the 3iQ ETF. See "Unitholder Matters – Matters Requiring Unitholder Approval".

FEES AND EXPENSES

Fees and Expenses Payable by the 3iQ ETFs

Management Fees and Additional Fees

Each 3iQ ETF pays an annual management fee (the "**Management Fee**") to the Manager for acting as trustee, manager and portfolio manager of the 3iQ ETF equal to 1.00% of the NAV of the 3iQ ETF, calculated daily and payable monthly in arrears, plus applicable taxes. See "Organization and Management Details – The Trustee, Manager and Promoter".

The Manager may, at its discretion, agree to charge a reduced Management Fee (or reimburse all or a portion of such Management Fee) for some Unitholders as compared to the Management Fee that the Manager would otherwise be entitled to receive from a 3iQ ETF, provided that the difference between the fee otherwise chargeable and the reduced fee is distributed periodically by the applicable 3iQ ETF to the applicable Unitholders as a management fee distribution (the "**Management Fee Distributions**"). Any reduction will depend on a number of factors, including the amount invested, the NAV of the 3iQ ETF and the expected amount of account activity. Management Fee Distributions are paid first out of net income of the 3iQ ETF then out of capital gains of the 3iQ ETF and thereafter out of capital.

In addition to the Management Fee, the Manager is entitled to receive a portion of the staking rewards generated for the 3iQ Ether Staking ETF by the Staking Activities (net of the fees payable to the Sub-Custodian) such that 75% of the rewards accrue to the 3iQ Ether Staking ETF and 25% of the awards accrue to the Manager (the "**Staking Service Fee**"). The Staking Service Fee shall be calculated and paid monthly, in arrears, plus applicable taxes, and is intended to compensate the Manager for the additional work required to administer the Staking Activities for the 3iQ Ether Staking ETF as described above under "Investment Strategies". The Staking Service Fee charged by the Manager will only be deducted from any rewards generated by the Staking Activities which will generate income to the 3iQ Ether Staking ETF.

Operating Expenses

In addition to the Management Fee, and any debt servicing costs, each 3iQ ETF bears and pays all of its costs, expenses and liabilities ("**Operating Expenses**") including all of its administrative and operating expenses as well as those incurred by the Manager in the performance of its duties as manager of the 3iQ ETF. Such fees and expenses include, without limitation: fees and expenses payable to the independent review committee ("**IRC**") of the 3iQ ETF; brokerage and trading commissions and other fees and expenses associated with the execution of transactions in respect of the 3iQ ETF's investment in bitcoin or ether, as applicable; fees payable to the Registrar and Transfer Agent; fees payable to any custodians and/or sub-custodians for the assets of the 3iQ ETF as well as the fees of the Administrator and other service providers; licensing fee payable to MVIS to license the BBR or the EBR, as applicable; expenses relating to the monitoring of the relationships with the Custodian, Sub-Custodian, the Registrar and Transfer Agent and other organizations serving the 3iQ ETF; 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 3iQ ETF may become listed or quoted; the preparation and supervision costs relating to the calculation and publication of the NAV; 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 3iQ ETF. In the case of the 3iQ Ether Staking ETF, the Staking Service Fee shall be included in the Operating Expenses.

The Manager may, from time to time, in its sole discretion, pay all or a portion of any Operating Expenses which would otherwise be payable by a 3iQ ETF.

Fees and Expenses Payable Directly by the Unitholders

Administrative Fee

An amount as may be agreed to between the Manager and the Designated Broker or a Dealer that may be charged to offset certain transaction costs associated with an issue, exchange or redemption of Units. This charge does not apply to Unitholders who buy and sell their Units through the facilities of a stock exchange.

RISK FACTORS

In addition to the considerations set out elsewhere in this prospectus, the following are risks relating to an investment in Units that prospective investors should consider before purchasing such Units.

Risks Factors Relating to an Investment in the 3iQ ETFs

No Assurance in Achieving Investment Objectives

There is no assurance that the 3iQ ETFs will achieve their investment objectives.

Trading Price of Units

Units of the 3iQ ETFs may trade in the market at a premium or discount to the NAV per Unit. There can be no assurance that Units will trade at prices that reflect their NAV. The trading price of the Units of a 3iQ ETF will fluctuate in accordance with changes in the 3iQ ETF's NAV, as well as market supply and demand on the TSX. However, given that generally only a Prescribed Number of Units are issued to the Designated Broker and Dealers, and that holders of a Prescribed Number of Units (or an integral multiple thereof) may redeem such Units at their NAV, the Manager believes that large discounts or premiums to the NAV of the Units should not be sustained.

Loss of Investment

An investment in the 3iQ ETFs is appropriate only for investors who have the capacity to absorb a loss on their investment.

Fluctuations in NAV, NAV per Unit and the Value of Digital Assets

The NAV of the Units of a 3iQ ETF will vary according to, among other things, the value of bitcoin and ether, as applicable, included in the 3iQ ETF's portfolio. The value of the bitcoin or ether, as applicable, will be influenced by factors which are not within the control of the 3iQ ETF or the Manager, including factors that affect the cryptocurrency markets generally such as general economic and political conditions, fluctuations in interest rates and factors unique to bitcoin or ether, as applicable.

Concentration Risk

The 3iQ ETFs were created to invest in bitcoin or ether, as applicable, and are not expected to have exposure to any other investments or assets. Other than cash or cash equivalents, the 3iQ ETFs invest substantially all of their assets in bitcoin or ether, as applicable. The NAV per Unit of the 3iQ ETFs 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 NAV of the Units of a 3iQ ETF.

Use of Leverage

A 3iQ ETF may borrow money on a temporary short term basis to acquire bitcoin or ether, as applicable, in connection with a subscription for Units of the 3iQ ETF by a Dealer. Any borrowing by the 3iQ ETFs will be made in accordance with the borrowing restrictions applicable to an alternative mutual fund under NI 81-102.

Reliance on the Manager

Unitholders depend on the abilities of the Manager to effectively administer the affairs of the 3iQ ETFs. The Manager depends, to a great extent, on a very limited number of individuals in the administration of its activities as manager of the 3iQ ETFs. 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 3iQ ETFs.

Use of Derivatives

The 3iQ ETFs may use derivative instruments from time to time as described under "Investment Strategies". The use of derivative instruments involves risks different from, and possibly greater than, the risks associated with investing directly in securities and other traditional investments. Risks associated with the use of derivatives include: (a) there is no guarantee that hedging to reduce risk will not result in a loss or that there will be a gain; (b) there is no guarantee that a market will exist when a 3iQ ETF wants to complete or settle the derivative contract, which could prevent the 3iQ ETF from reducing a loss or making a profit; (c) securities exchanges may impose trading limits on options and futures contracts, and these limits may prevent a 3iQ ETF from completing or settling the derivative contract; (d) a 3iQ ETF could experience a loss if the other party to the derivative contract is unable to fulfill its obligations; (e) if a 3iQ ETF has an open position in an option, a futures contract or a forward contract with a dealer who goes bankrupt, the 3iQ ETF could experience a loss and, for an open futures or forward contract, a loss of margin deposited with that dealer; and (f) if a derivative is based on a market index and trading is halted or disrupted on a

substantial number of stocks or bonds in the index or there is a change in the composition of the index, there could be an adverse effect on the derivative.

No Ownership Interest in the Portfolio

An investment in Units of a 3iQ ETF does not constitute an investment by Unitholders in the bitcoin, ether or cash and cash equivalents included in the 3iQ ETF's portfolio. Unitholders do not own the bitcoin, ether or cash or cash equivalents held by a 3iQ ETF.

Changes in Legislation

There can be no assurance that certain laws applicable to the 3iQ ETFs, 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 3iQ ETFs or their 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 3iQ ETFs. Although none of the directors or officers of the Manager devotes his or her full time to the business and affairs of the 3iQ ETFs, 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 3iQ ETFs and the Manager.

Valuation of the 3iQ ETFs

Valuation of the 3iQ ETFs may involve uncertainties and judgement determinations, and, if such valuations should prove to be incorrect, the NAV of the 3iQ ETFs could be adversely affected. The Manager may face a conflict of interest in valuing the bitcoin or ether, as applicable, held by the 3iQ ETFs because the values assigned will affect the calculation of the Management Fee payable by the 3iQ ETFs to it. This risk is mitigated by the fact that the bitcoin and ether held by the 3iQ ETFs is valued based on the MarketVector Bitcoin Benchmark Rate and MarketVector Ethereum Benchmark Rate, respectively, as described in "Calculation of Net Asset Value".

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 3iQ ETFs (See "Organization and Management Details – Details of the Declaration of Trust", "Organization and Management Details – Custodian" and "Organization and Management Details – Sub-Custodian"). In the case that a 3iQ ETF suffers a loss of its bitcoin or ether, as applicable, and each of the Manager, the Custodian and the Sub-Custodian satisfied its respective standard of care, the 3iQ ETF bears 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 3iQ ETFs for any loss of a 3iQ ETF's bitcoin or ether, as applicable, 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 has advised the Manager that a SOC 2 Type 2 Report of its internal controls is available for review by the auditor of the 3iQ ETFs in connection with the audit of the annual financial statements of the 3iQ ETFs. 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 3iQ ETFs 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. Each of the 3iQ ETFs filed an undertaking with applicable securities regulatory authorities that provides that while it remains a reporting issuer, the 3iQ ETF will obtain from the Sub-Custodian of the 3iQ ETF's bitcoin or ether, as applicable, a SOC 2 – Type 2 report or written confirmation from the Sub-Custodian to permit the auditor of the 3iQ ETF to test its controls.

In the event that the auditor of the 3iQ ETFs 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 3iQ ETF's annual financial statements, the auditor would not be able to complete its audit of the annual financial statements of the 3iQ ETF in accordance with the current guidance of the Canadian Public Accountability Board.

Potential Conflicts of Interest

The Manager and its directors, officers, affiliates and associates may engage in the promotion, management or investment management of other accounts, funds or trusts that invest primarily in the assets or securities held by the 3iQ ETFs or that have similar investment objectives to the 3iQ ETFs.

Although officers, directors and professional staff of the Manager devote as much time to the 3iQ ETFs as is deemed appropriate to perform their duties, the staff of the Manager may have conflicts in allocating their time and services among the 3iQ ETFs and the other funds managed by the Manager.

Risk of No Active Market for the Units

Although the 3iQ ETFs are listed on the TSX, there can be no assurance that an active public market for the Units will continue to develop or be sustained.

Not a Trust Company

The 3iQ ETFs are not trust companies and, accordingly, are 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 3iQ ETFs' functional and presentation currency is and the investor's investment is made in U.S. dollars. The 3iQ ETFs purchase bitcoin or ether, as applicable, which is currently denominated in U.S. dollars.

Canadian investors should be aware that the 3iQ ETFs do not hedge the investor's investment in the 3iQ ETFs 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 bitcoin and ether 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 3iQ ETFs 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 3iQ ETFs to lose proprietary information or other information subject to privacy laws, suffer data corruption, or lose operational capacity. This in turn could cause the 3iQ ETFs 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 3iQ ETFs' 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 3iQ ETFs' third-party service providers (e.g., the Registrar and Transfer Agent, the Custodian and the Sub-Custodian) can also subject the 3iQ ETFs to many of the same risks associated with direct cyber security breaches. Like with operational risk in general, the 3iQ ETFs 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, a 3iQ ETF must comply with various requirements contained in the Tax Act, including to restrict its undertaking to the investment of its funds in property. If a 3iQ ETF 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 a 3iQ ETF 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 a 3iQ ETF 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 a 3iQ ETF 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 a 3iQ ETF are listed or traded on a stock exchange or other public market, provided the 3iQ ETF only invests in bitcoin or ether, as applicable, the 3iQ ETF should not be a SIFT trust; however, no assurance can be given in this regard.

Treatment of gains and losses on dispositions of bitcoin and ether - A 3iQ ETF generally will treat gains (or losses) as a result of any disposition of bitcoin or ether, as applicable, as capital gains (or capital losses). Generally, the determination of whether or not an event, transaction or transfer related to cryptocurrencies such as bitcoin and ether, including the transfer of same to a centralized cryptoasset exchange and lending platform, constitutes a disposition will be made by the CRA in light of all the facts, the relevant clauses of the contract and the applicable private law. The CRA has taken the administrative position that virtual currencies, such as bitcoin and ether, are treated as a commodity for income tax purposes. 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 a 3iQ ETF 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 3iQ ETF, including that which is automatically distributed by the 3iQ ETF to its Unitholders under the terms of the Declaration of Trust at the 3iQ ETF'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 a 3iQ ETF for a failure of the 3iQ ETF 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 a 3iQ ETF 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 a 3iQ ETF may not be able to recover such withholding taxes from the non-resident Unitholders whose Units are redeemed, payment of any such amounts by a 3iQ ETF would reduce the NAV of the 3iQ ETF.

"Loss restriction event" - If a 3iQ ETF experience a "loss restriction event", they will: (i) be deemed to have a year-end for tax purposes (which would result in an allocation of the 3iQ ETF's taxable income at such time to Unitholders so that the 3iQ ETF 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, a 3iQ

ETF is subject to a loss restriction event when a person becomes a "majority-interest beneficiary" of the 3iQ ETF, or a group of persons becomes a "majority-interest group of beneficiaries" of the 3iQ ETF, as those terms are defined in the affiliated persons rules contained in the Tax Act, with appropriate modifications. Generally, a majority-interest beneficiary of a 3iQ ETF is 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 3iQ ETF.

"*ATR Rule*" - Under the ATR Rule, a 3iQ ETF that qualifies as a mutual fund trust through a taxation year could be limited in its ability to claim a deduction in computing its income for amounts of capital gains that are allocated to redeeming or exchanging Unitholders such that the taxable component of distributions to non-redeeming or exchanging Unitholders in a 3iQ ETF may be higher than it would be in the absence of the ATR Rule. See "Redemption and Exchange of Units – Allocations of Capital Gains to Redeeming or Exchanging Unitholders".

Large Investor Risk

A significant portion of the Units of a 3iQ ETF may be held by a single investor. If a significant investor were to buy or sell a substantial portion of Units of a 3iQ ETF, the market value of the Units might temporarily decline or increase, as the case may be, resulting in the Units being bought or sold at a discount or premium to the NAV per Unit. However, given that Unitholders may subscribe for or exchange a Prescribed Number of Units at the NAV per Unit, the Manager believes that large discounts to the NAV per Unit of the 3iQ ETFs should not be sustained. If a Unitholder purchases Units of a 3iQ ETF at a time when the market price of a Unit of the 3iQ ETF is at a premium to the NAV per Unit or sells Units of a 3iQ ETF at a time when the market price of a Unit is at a discount to the NAV per Unit, the Unitholder may sustain a loss.

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 negatively affected asset values and increased volatility in the financial markets, including the market price and volatility of bitcoin and ether. Other future public health emergencies and the measures taken by companies and governments to combat such public health emergencies may also negatively affect asset values and increase volatility in the financial markets, including the market price and volatility of bitcoin and ether. The extent to which COVID-19 or other future public health emergencies may impact, or may continue to impact, the market price of bitcoin and ether and, in turn, the market price of the Units, is uncertain and cannot be predicted.

Additional Risks Associated with Investing in the 3iQ Ether Staking ETF

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

In September 2022, the Ethereum Network moved from a proof-of-work algorithm to a proof-of-stake consensus mechanism known as Ethereum 2.0 ("**ETH 2.0**"). The proof-of-stake network has been embraced by the Ethereum Foundation and the vast majority of the community and developers as the official Ethereum protocol. However, a forked network relying on proof-of-work has also emerged and has been operational since approximately one day after the merge. This Ethereum proof-of-work network has not gained the same adoption, but it does operate and is traded on certain cryptocurrency exchanges. Lack of adoption of ETH 2.0 may have a negative effect on the market value of ether, and consequently the NAV of the 3iQ Ether Staking ETF.

Short History Risk for Proof-of-Stake Blockchain Networks

After the Merge, the Ethereum Network became a proof-of-stake blockchain network. Proof-of-stake blockchain networks are newer and generally not as widely used as proof-of-work blockchain networks and may be untested at scale. As a result, proof-of-stake blockchain networks may not work as intended. If proof-of-stake blockchain networks do not function as intended or fail to gain adoption, the value of crypto assets relying on proof-

of-stake mechanisms (such as ether) may be negatively affected, which could adversely affect the value of the staked ether and any rewards earned by the 3iQ Ether Staking ETF.

The Staking Activities: Illiquidity During Unbonding Periods

On September 15, 2022, the Ethereum Network completed the Merge. To simplify and maximize focus on a successful transition to proof-of-stake, the Merge upgrade did not include certain anticipated features (such as the ability to withdraw staked ether, as described below). On April 12, 2023, the Ethereum Network implemented the Shanghai Upgrade. As a result of the implementation of the Shanghai Upgrade, those who have staked ether are now able to withdraw their staked ether and rewards from the Ethereum Network. Despite the fact that the Shanghai Upgrade has been implemented, there are still risks associated with withdrawing all or some of the staked ether ("**unbonding**"). The process of unbonding ether will take time (i.e., weeks or months). During the unbonding period, the Manager will not be able to withdraw or liquidate the staked ether. The illiquidity of ether during the unbonding period may prevent the 3iQ Ether Staking ETF from realizing the fiat value of the staked ether and rewards earned on staked ether during the unbonding period. Given the volatility of ether, the value of the staked ether at the time of completion of the unbonding period may be significantly less than the value of the ether at the time a decision is taken to withdraw staked ether. Such delay may adversely affect the business and liquidity of the 3iQ Ether Staking ETF, and the value of the Units.

The Staking Activities: Reliance on Third-Party Vendors

The Staking Activities could be disrupted if any third-party service providers selected to act as validators, or even the vendors and third-party service providers of any third-party service providers acting as validators, experience operational or other systems difficulties, terminate their services, fail to comply with regulations, raise their prices or dispute key intellectual property rights sold or licensed to, or developed for, the 3iQ Ether Staking ETF. The 3iQ Ether Staking ETF may also suffer the consequences of such vendors' and third-party service providers' mistakes. For example, if the Sub-Custodian or any third-party service providers selected to act as validators fail to behave as expected, suffer cybersecurity attacks, experience security issues or encounter other problems, the assets of the 3iQ Ether Staking ETF may be irretrievably lost. The failure or capacity restraints of vendors and third-party services, a cybersecurity breach involving any third-party service providers or the termination or change in terms or price of a vendor, third-party software license or service agreement on which the 3iQ Ether Staking ETF relies, could disrupt the Staking Activities. Replacing vendors and third-party service providers or addressing other issues with vendors and third-party service providers could entail significant delay, expense and disruption for the 3iQ Ether Staking ETF. As a result, if these vendors and third-party service providers experience difficulties, are subject to cybersecurity breaches, terminate their services, dispute the terms of intellectual property agreements or raise their prices, and the Manager is unable to replace them with other vendors and service providers, particularly on a timely basis, the Staking Activities could be interrupted or disrupted.

The Staking Activities: Slashing and Missed Rewards

The Ethereum Network dictates requirements for participation in the relevant decentralized governance activity and may impose slashing penalties if the relevant activities are not performed correctly, such as if the validator acts maliciously on the network, "double signs" any transactions or experiences extended downtime. If any service provider selected to act as validator for the Staking Activities is slashed by the Ethereum Network, a variable amount of assets of the 3iQ Ether Staking ETF may be confiscated, withdrawn or burnt by the network. Even if the validator does not incur slashing penalties as a result of extended downtime, the 3iQ Ether Staking ETF and the Unitholders would not be able to benefit from any rewards missed by the validator on account of its inactivity. There is no assurance that the 3iQ Ether Staking ETF or any service providers will not be subject to slashing penalties or that the 3iQ Ether Staking ETF will be able to recover any percentage of ether that has been subject to slashing penalties.

The Ethereum Network also imposes "bonding" periods on newly staked ether during which staked ether is ineligible for rewards. Once staking is initiated, a validator enters a queue to become "activated," which takes approximately seven and a half hours. Once initiated, the network acknowledges the ether to be deposited to the staking smart contract. Once completed, the ether deposit is officially accessible to the Beacon Chain and remains in a "pending state" until activated. Since only four validators are activated per epoch, activation may take days or weeks to complete. During the bonding period, the staked assets of the 3iQ Ether Staking ETF will not be eligible to receive

any staking rewards and may not be withdrawn. See "*The Staking Activities: Illiquidity During Unbonding Periods*" above.

The Staking Activities: Due Diligence on Validators May Be Insufficient

As noted in "*The Staking Activities: Slashing and Missed Rewards*" above, the 3iQ Ether Staking ETF and the Unitholders will be exposed to the risk of loss of staked ether if any third-party service provider selected to act as a validator fails to operate its network node(s) in accordance with the rules of the Ethereum Network, as ether may be "slashed" or inactivity penalties may be applied if the validator node "double signs" or experiences extended downtime. The 3iQ Ether Staking ETF and the Unitholders may also be prevented from obtaining rewards in respect of periods during which the validator is inactive on the Ethereum Network. The Manager intends to mitigate these risks by conducting due diligence on the third-party service providers it selects to act as validators for the Staking Activities. In particular, the Manager intends to consider the following factors in selecting third-party service providers to act as validators for the Staking Activities:

- the persons that manage and direct the operations of the validator;
- the reputation of the validator and its use by others;
- the amount of crypto assets the validator has staked on its own nodes;
- the measures in place by the validator to operate the nodes securely and reliably;
- the financial status of the validator;
- the quality of the validator's work (i.e., the amount of downtime of the validator, past history of "double signing" and "double attestation/voting"); and
- any slashing penalties previously incurred by the validator.

Notwithstanding these efforts to mitigate risks related to malicious or incompetent validators, new facts may come to light which demonstrate that the Manager's initial assessment of a validator was flawed. In such instances, the 3iQ Ether Staking ETF and the Unitholders may be subject to the risks identified in "*The Staking Activities: Slashing and Missed Rewards*", and the Staking Activities could be interrupted or disrupted. If the Manager believes that its initial assessment of a validator was flawed, it will likely seek out new vendors and third-party service providers to assist it in providing the Staking Activities, which could cause significant interruptions, disruptions or delays. In addition, notwithstanding the occurrence of an event that demonstrates that the Manager's initial assessment of a validator was flawed, the ether staked with that validator may still be subject to an unbonding period during which the 3iQ Ether Staking ETF will continue to have to rely on the services provided by such validator. See "*The Staking Activities: Illiquidity During Unbonding Periods*" above.

Due Diligence on the Ethereum Network May Be Insufficient

In addition to the review described in "*The Staking Activities: Due Diligence on Validators May Be Insufficient*" above, the Manager has conducted due diligence on how the Ethereum Network operates and the staking mechanism for ether. The Manager's review focused on, among other things, publicly available information concerning: (i) material technical risks associated with the Ethereum Network's staking mechanism, including any code defects, security breaches and other threats concerning the staking mechanism; (ii) the scope and applicability of slashing and other penalties; (iii) whether the staking mechanism used by the Ethereum Network could be efficiently integrated into the 3iQ Ether Staking ETF's staking infrastructure; (iv) the legal and regulatory risks associated with the Ethereum Network's staking mechanism, including any pending, potential, or prior civil, regulatory, criminal or enforcement action relating to the issuance, distribution or use of ether; (v) bonding and unbonding periods; (vi) limits on the number of active validators; (vii) the mechanism for selecting validators; and (viii) token inflation.

Should new facts come to light which demonstrate that the Manager's initial review of the Ethereum Network's staking mechanism did not account for an unacceptable risk to the 3iQ Ether Staking ETF and the Unitholders, the Manager may determine that it is advisable to discontinue the Staking Activities. The Manager's undertaking of these steps may occur concurrently with a rapid decline in the value of ether and may also be a contributing factor to such decline. The 3iQ Ether Staking ETF and the Unitholders are subject to the risk that there may be very little liquidity in ether while the Manager is undertaking these steps – especially if ether continues to be staked or subject to the unbonding period referenced above in "*The Staking Activities: Illiquidity During Unbonding Periods*".

The Staking Activities: Tax Consequences

The application to the 3iQ Ether Staking ETF of income, sales and other taxes to staking rewards earned through the Staking Activities is currently unclear as Canadian tax authorities have not yet published any guidance directly relating to this matter. The CRA has a published position that taxpayers in the business of crypto-asset mining must include in business income the value of crypto-assets received for mining activities at the time it is earned. The 3iQ Ether Staking ETF has taken the position that the staking rewards earned through the Staking Activities will be treated as ordinary income, and not as capital gains, for Canadian tax purposes.

The Staking Activities: No Guarantee of Receiving Rewards

There is no guarantee that the 3iQ Ether Staking ETF will receive any rewards in respect of staked ether. Past rewards are not indicative of future returns. The staking rewards that the 3iQ Ether Staking ETF may receive from staking ether, if any, may be affected by, among other factors:

- fluctuations in the inflation rate of the Ethereum Network;
- the total amount of ether staked by users of the Ethereum Network;
- the total amount of ether staked pursuant to the Staking Activities;
- changes to the Ethereum Network as a result of protocol governance decisions;
- changes to validator fees set by approved validators;
- anticipated or unanticipated downtime by approved validators;
- halts, outages or other anticipated or unanticipated interruptions affecting the Ethereum Network;
- temporary outages or other anticipated or unanticipated interruptions affecting third-party service providers involved in the Staking Activities;
- "slashing" of delegated ether as a result of a violation of Ethereum Network rules by approved validators;
- validators ceasing to be eligible to participate in the Ethereum Network's proof-of-stake mechanism and earn rewards;
- "bonding," "unbonding" or other lock-up periods specified by the Ethereum Network;
- whether staking rewards are re-staked, either automatically by the Ethereum Network or as part of the operational processes of the Manager;
- re-delegation of the ether of the 3iQ Ether Staking ETF to different validators; and
- delays or other operational factors related to or otherwise impacting the Staking Activities.

The Staking Activities: Regulatory Changes to Staking

The effect of any future regulatory change on the 3iQ Ether Staking ETF or ether is impossible to predict, but any such change could be substantial and adverse to the 3iQ Ether Staking ETF and its Unitholders.

Risks Associated with Investing in Bitcoin and Ether

Cryptocurrency Risk

Cryptocurrency (notably, bitcoin and ether), 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., bitcoin and ether) may experience high volatility and related investment vehicles may be affected by such volatility. Funds holding cryptocurrency may also trade at a significant premium 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 NAV of the Units.

Short History Risk

Bitcoin and ether as digital assets or tokens have a limited history. Due to this short history, it is not clear how all elements of bitcoin and ether 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 bitcoin and/or ether decreases. Since the bitcoin and ether communities have successfully navigated a considerable number of technical and political challenges since their inception, the Manager believes that they will continue to engineer their 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 a 3iQ ETF's portfolio.

Limited History of the Digital Asset Markets

Bitcoin and ether are new technological innovations with limited history. There is no assurance that usage of bitcoin and ether and their blockchains will continue to grow. A contraction in use of bitcoin or ether or their blockchains may result in increased volatility or a reduction in the price of bitcoin and/or ether, which could adversely impact the NAV of the Units.

Volatility in the Price of Bitcoin and Ether

The bitcoin and ether 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 NAV of the Units.

The price of bitcoin and ether on public digital asset trading platforms has a limited history. Bitcoin and ether 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 bitcoin or ether on the digital asset trading platform market and resulting in volatile prices and a reduction in confidence in the Bitcoin Network, the Ethereum Network and the digital asset trading platform market generally. Volatility in the price of bitcoin or ether on digital asset trading platforms could adversely affect the NAV of the Units of a 3iQ ETF.

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 bitcoin and ether has resulted, and may continue to result, in speculation regarding future appreciation in the value of bitcoin and ether, inflating and making more volatile the value of a bitcoin and ether. As a result, bitcoin and ether 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 of a 3iQ ETF.

Despite the advantage of the Bitcoin Network and 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 Bitcoin Network or Ethereum Network protocol that is not immediately addressed by the bitcoin and ether contributor community or a perceived advantage of an alternative digital token or "altcoin" that includes features not incorporated into bitcoin or ether. If a digital asset obtains significant market share (either in market capitalization, mining power or use as a payment technology), this could reduce bitcoin and ether's market share and have a negative impact on the demand for, and price of, bitcoin and ether and thereby adversely affect the NAV of the Units of a 3iQ ETF.

Potential Decrease in Global Demand for Bitcoin and Ether

As a currency bitcoin and ether must serve as a means of exchange, store of value, and unit of account. Many people using bitcoin and ether as money-over-internet-protocol (MoIP) do so with it as an international means of exchange. Speculators and investors using bitcoin and ether as a store of value then layer on top of means of exchange users, creating further demand. If consumers stop using bitcoin or ether as a means of exchange, or its adoption therein slows, then bitcoin's or ether's, as applicable, price may suffer, adversely affecting a 3iQ ETF.

Investors should be aware that there is no assurance that bitcoin and ether will maintain their long-term value in terms of purchasing power in the future or that the acceptance of bitcoin and ether for payments by mainstream retail merchants and commercial businesses will continue to grow. In the event that the price of bitcoin or ether declines, the Manager expects the NAV of the Units of the applicable 3iQ ETF to decline proportionately. As relatively new products and technologies, bitcoin and ether and the Bitcoin Network and 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 bitcoin and ether by consumers to pay such retail and commercial outlets remains limited. Banks and other established financial institutions may refuse to process funds for bitcoin and ether based transactions, process wire transfers to or from digital asset trading platforms, bitcoin- or ether- related companies or service providers, or maintain accounts for persons or entities transacting in bitcoin and ether. Conversely, a significant portion of bitcoin and ether demand is generated by speculators and investors seeking to profit from the short- or long-term holding of bitcoin and ether. The Manager believes that, like any commodity, bitcoin and ether 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 Bitcoin and Ether

In the uncertain regulatory climate for digital assets, including bitcoin and ether, Canadian and/or non-Canadian regulated financial institutions may cease to support transactions involving digital assets, including the receipt of cash proceeds from sales of digital assets.

Limited Insurance

Neither the 3iQ ETFs nor the Custodian maintains insurance against risk of loss of bitcoin and ether held by the 3iQ ETFs, as such insurance is not currently available in Canada on economically reasonable terms.

The 3iQ ETFs' bitcoin and ether are held by the Sub-Custodian offline in "cold storage". Digital assets held in cold storage are protected by the Sub-Custodian's security measures, which reflect best practices in the cryptoasset custody space. The 3iQ ETFs' bitcoin and ether may also be temporarily held online in a "hot wallet".

Coinbase Global, Inc., the parent company of Coinbase, maintains commercial crime insurance that is available to cover losses of customer digital assets custodied in "hot wallets".

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 3iQ ETFs are unit trusts and as such their 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 of a 3iQ ETF could not be made party to legal action in connection with the 3iQ ETF. However, the Declaration of Trust provides that no Unitholder, in its capacity as such, is subject to any liability whatsoever, in tort, contract or otherwise, to any person in connection with a 3iQ ETF's property or the obligations or the affairs of a 3iQ ETF and all such persons are to look solely to the 3iQ ETF's property for satisfaction of claims of any nature arising out of or in connection therewith and only the 3iQ ETF's property is subject to levy or execution. Pursuant to the Declaration of Trust, a 3iQ ETF will indemnify and hold harmless each Unitholder of the 3iQ ETF 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.

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 a 3iQ ETF, such Unitholder shall be entitled to reimbursement from any available assets of the 3iQ ETF.

Underlying Value Risk

Bitcoin and ether represent 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 bitcoin and ether 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 are bitcoin and ether priced by the supply and demand of global markets for its own utility within remittances, B2B payments, time-stamping, etc.

Top Bitcoin and Ether Holders Control a Significant Percentage of the Outstanding Bitcoin and Ether

The top 100 bitcoin addresses hold 14.89% of the bitcoin currently outstanding. While this concentration has decreased significantly over the years it is still concentrated. If one of these top holders were to exit their bitcoin position it could cause volatility that may adversely affect the NAV of the Units of the 3iQ Bitcoin ETF. However, this risk is slightly overstated as several of these wallets are exchange omnibus wallets that hold bitcoin on behalf of thousands of individuals.

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

Regulation of Digital Assets

The regulation of bitcoin and ether continues to evolve in North America and within foreign jurisdictions, which may restrict the use of bitcoin and/or ether or otherwise impact the demand for bitcoin and ether.

Loss of "Private Keys"

The loss or destruction of certain "private keys" (numerical codes required by the 3iQ ETFs to access its bitcoin or ether, as applicable) could prevent the 3iQ ETFs from accessing their bitcoin or ether, as applicable. Loss of these private keys may be irreversible and could result in the loss of all or substantially all of an investment in a 3iQ ETF.

Risk that Holdings May Become Illiquid

A 3iQ ETF may not always be able to liquidate its bitcoin or ether, as applicable, 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 bitcoin or ether, as applicable. The large size of bitcoin or ether, as applicable, that a 3iQ ETFs may acquire increases the risks of illiquidity by both making its bitcoin or ether, as applicable, difficult to liquidate and in liquidating, the 3iQ ETF may affect bitcoin's or ether's, as applicable, price significantly.

Improper Transfers

Bitcoin and ether transfers are irreversible. An improper transfer (whereby bitcoin or ether is accidentally sent to the wrong recipient), whether accidental or resulting from theft, can only be undone by the receiver of the bitcoin or ether, as applicable, agreeing to send the bitcoin or ether back to the original sender in a separate subsequent transaction. To the extent a 3iQ ETF erroneously transfers, whether accidental or otherwise, bitcoin or ether in incorrect amounts or to the wrong recipients, the 3iQ ETF may be unable to recover such bitcoin or ether, which could adversely affect an investment in the Units of the 3iQ ETF.

Uncertain Regulatory Framework

Due to bitcoin and ether's short history, and their emergence as a new asset class, regulation of bitcoin and ether 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 bitcoin and ether are commodities, however, they have not made a formal statement regarding its classification. Bitcoin and ether each meet the definition of "virtual payment instrument" in the Excise Tax Act and, as such, constitute a "financial instrument" for purposes of the Excise Tax Act. Other jurisdictions, like the European Union, Russia and Japan have moved to treat bitcoin and ether like a currency for taxation purposes, which the Manager believes is likely helping to fuel adoption in those areas. The Manager believes that the bitcoin and ether regulatory situation will continue to evolve to allow for innovation while also protecting consumers. Regulators worldwide are increasingly recognizing the powerful innovation of bitcoin and ether 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 bitcoin and ether, it could have an adverse impact on the NAV of the Units of a 3iQ ETF.

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 uses all reasonable efforts to confirm that each digital asset trading platform and institutional liquidity provider from which the 3iQ ETFs may purchase bitcoin or ether, as applicable, 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 complies with federal and state anti-money laundering laws, as well as federal trade and economic sanctions. As a Money Services Business registered with FinCEN, the Sub-Custodian must comply with applicable provisions of the Bank Secrecy Act, as amended by the USA PATRIOT Act of 2001, the laws, regulations and Executive Orders administered by OFAC as well as state regulations enforced by the New York State Department of Financial Services and other state regulators.

Risks Associated with the Bitcoin Network and Ethereum Network

Dependence on Network Developers

While many contributors to bitcoin and ether'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 bitcoin's or ether's software.

Issues with the Cryptography Underlying the Bitcoin Network and Ethereum Network

Although the Bitcoin Network and the Ethereum Network are the most established digital asset networks, the Bitcoin Network, 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 bitcoin and/or ether 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 a 3iQ ETF's bitcoin or ether, as applicable, which would adversely affect an investment in the Units of the 3iQ ETF. Moreover, functionality of the Bitcoin Network and the Ethereum Network may be negatively affected such that it is no longer attractive to users, thereby dampening demand for bitcoin or ether, as applicable. Even if another digital asset other than bitcoin or ether, as applicable, 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 of the 3iQ ETFs.

Disputes on the Development of the 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 bitcoin's and ether's software. Furthermore, the miners supporting the networks and companies using it can disagree with the contributors as well, creating greater debate. Therefore, the bitcoin and ether communities often iterate slowly upon contentious protocol issues, which many perceive as prudently conservative, while others worry that it inhibits innovation.

Significant Increase in Digital Assets Interest Could Affect the Ability of the Network to Accommodate Demand

One of the most contentious issues within the bitcoin and ether communities has been around how to scale the networks as user demand continues to rise. The debate goes back to the earliest days of bitcoin and ether. There are many possible solutions, and most of them boil down to different ideologies on how bitcoin and ether should be used. However, it is important for the community to continue to develop at a pace that meets the demand for transacting in bitcoin and ether, otherwise users may become frustrated and lose faith in the network.

Blockchain may Temporarily or Permanently Fork and/or Split

The bitcoin and ether 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 Bitcoin Network or Ethereum Network, as applicable, continue 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 applicable network (and the blockchains). 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., bitcoin 1 and bitcoin 2).

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

In the event that a fork in the bitcoin or ether blockchain results in: (i) issuance to a 3iQ ETF of an additional digital asset alongside the bitcoin or ether held by the 3iQ ETF; or (ii) a choice to keep the existing bitcoin or ether, as applicable, or exchange or replace it with a different digital asset, the Manager will make the investment decision that it believes is in the best interest of the 3iQ ETF and its Unitholders at the time.

The Sub-Custodian Agreement provides that the Sub-Custodian may, in its discretion, choose to not support a forked network.

It is ultimately an investment decision of the Manager to determine how a 3iQ ETF will deal with a fork in its 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 3iQ ETF. As such, if it was in the best interest of the 3iQ ETF to receive a Fork Asset or otherwise participate in a fork in the blockchain that is not supported by the Sub-Custodian, the Manager could instruct the Custodian to move the 3iQ ETF's bitcoin or ether, as applicable, 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 3iQ ETFs to ensure that all Fork Assets held by a 3iQ ETF are properly valued in accordance with International Financial Reporting Standards for the purpose of calculating the NAV of the 3iQ ETF. The Manager has confirmed with the auditor of the 3iQ ETFs that in the event of a fork or split of the applicable blockchain (or the blockchain of another Fork Asset held by the applicable 3iQ ETF), the 3iQ ETF 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 3iQ ETF's account.

The Manager will ensure that redeeming Unitholders of the 3iQ ETF receive the appropriate redemption price for their Units of the 3iQ ETF, including in circumstances where a Fork Asset held by the 3iQ ETF 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 3iQ ETFs may not derive any benefit from the airdrops.

Dependence on the Internet

Bitcoin and ether 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 bitcoin and ether via the internet. Thus, the Bitcoin Network and Ethereum Network is dependent upon the continued functioning of the internet.

Risk if Entity Gains a 51% Share of the Network

If an entity gains controls over 51% of the compute power (hash rate) of the Bitcoin Network or Ethereum Network the entity could use its majority share to double spend bitcoin or ether, as applicable. Essentially, the entity would send bitcoin or ether, as applicable, to one recipient, which is confirmed in the existing blockchain, while also creating a shadow blockchain that sends that same bitcoin or ether, as applicable, 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 Bitcoin Network or the Ethereum Network, as applicable, to store value and serve as a means of exchange which may significantly decrease the value of the bitcoin or ether, as applicable, and in turn the NAV of the Units of a 3iQ ETF.

The two largest miners or pools of Ethereum control in the aggregate more than 51% of the Ethereum Network.

Possible Changes in Transaction Fees

Bitcoin and ether 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 bitcoin or ether users, as applicable, could be forced to pay higher fees, thus reducing the attractiveness of the Bitcoin Network and the Ethereum Network. Bitcoin and Ether 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 Bitcoin Network or Ethereum Network, as the case may be, may adversely impact the trust in the Bitcoin Network or Ethereum Network, as applicable, bitcoin or ether, as applicable, and thus the NAV per Unit of a 3iQ ETF.

Attacks on the Network

The Bitcoin Network and the Ethereum Network are 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

The block reward on the Bitcoin Network will decrease over time. On May 11, 2020, the block reward on the Bitcoin Network reduced from 12.5 to 6.25 bitcoin. The block reward on the Bitcoin Network will decrease to 3.125 bitcoin in 2024. As the block reward on the Bitcoin Network continues to decrease over time, the mining incentive structure will transition to a higher reliance on transaction verification fees in order to incentivize miners to continue to dedicate processing power to the blockchain. If transaction verification fees become too high, the marketplace may be reluctant to use bitcoin. Decreased demand for bitcoin may adversely affect the NAV of the Units of the 3iQ Bitcoin ETF.

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 Bitcoin and Ether

To the extent a competitor to bitcoin or ether gains popularity and greater market share, the use and price of bitcoin or ether, as applicable, could be negatively impacted, which may adversely affect an investment in Units of a 3iQ ETF. Similarly, bitcoin and ether and the price of bitcoin and ether could be negatively impacted by competition from incumbents in the credit card and payments industries, which may adversely affect the NAV of the Units of the 3iQ ETFs.

Significant Energy Consumption to run the Networks

Because of the significant computing power required to mine bitcoin and ether, the Bitcoin Network's and Ethereum 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, including, in particular, the move of the Ethereum Network to proof-of-stake). This could pose a risk to broader and sustained acceptance of the applicable network as a peer-to-peer transactional platform.

Risks Associated with Digital Asset Trading Platforms

Regulation of Digital Asset Trading Platforms

Digital asset trading platforms are spot markets in which bitcoin and ether 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 seeks to ensure that the digital asset trading platforms on which the 3iQ ETFs transact are reputable, stable and in compliance with AML Regulation. See "Overview of the Sector in which the 3iQ ETFs Invest – Purchasing Digital Assets for the 3iQ ETFs' Portfolios".

Limited Operating History of Digital Asset Trading Platforms

Digital asset trading platforms have a limited operating history. Since 2009 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 digital asset trading platforms due to fraud, business failure, hackers, distributed denial of service attacks or malware or government-mandated regulation may reduce confidence in bitcoin and ether, which may adversely affect the NAV of the Units of the 3iQ ETFs.

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

While bitcoin's and ether's blockchains have never been compromised by hackers, digital asset trading platforms frequently have. 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 bitcoin and ether 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 digital asset trading platforms, or other, smaller or less reputable digital asset trading platforms, may get hacked. Bitcoin's and ether'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 bitcoin or ether, as applicable, and its blockchain.

Different Prices of Digital Assets on the Digital Asset Trading Platforms May Adversely Affect the NAV of the Units

Most platforms operate as isolated pools of liquidity, and so when demand spikes for a specific platform the market price for bitcoin and ether on that platform can also spike, making it trade at a premium to other platforms.

Closure of Digital Asset Trading Platform(s)

Prior to 2019, a number of digital asset trading platforms had 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 Markets may Impact a 3iQ ETF's Holdings

While the liquidity and traded volume of bitcoin and ether are continually growing, they are still maturing assets. A 3iQ ETF 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 assets exchanges. When transacting in the digital asset markets, the 3iQ ETFs are 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 digital asset, including bitcoin and ether. The large position in bitcoin and ether that a 3iQ ETF may acquire increases the risks of illiquidity by making its bitcoin or ether, as applicable, difficult to liquidate. In addition, liquidation of significant amounts of bitcoin and ether by a 3iQ ETF may impact the market price of bitcoin or ether, as applicable.

Risk of Manipulation on Digital Asset Trading Platforms

Digital asset trading platforms are spot markets in which bitcoin and ether 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 seeks to ensure that the digital asset trading platforms on which the 3iQ ETFs transacts are reputable, stable and in compliance with AML Regulation. See "Overview of the Sector in which the 3iQ ETFs Invest – Purchasing Digital Assets for the 3iQ ETFs' Portfolios".

Settlement of Transactions on the Network

There is no central clearing house for cash-to-bitcoin or cash-to-ether transactions. Current practice is for the purchaser of bitcoin or ether to send fiat currency to a bank account designated by the seller, and for the seller to broadcast the transfer of bitcoin or ether to the purchaser's public bitcoin or ether 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 3iQ ETFs purchase bitcoin or ether, as applicable, from a Digital Asset Source, there is a risk that the Digital Asset Source will not initiate the transfer on the Bitcoin Network or the Ethereum Network, as applicable, upon receipt of cash from the 3iQ ETF, or that the bank where the Digital Asset Source's account is located will not credit the incoming cash from the 3iQ ETF for the account of the Digital Asset Source. The Manager mitigates this risk by transacting with regulated Digital Asset Sources that have undergone due diligence, as described under "Overview of the Sector in which the 3iQ ETFs

Invest – Purchasing Digital Assets for the 3iQ ETFs' Portfolios" and by confirming the solvency of the Digital Asset Source and the bank designated by each Digital Asset Source based on publicly available information.

Risk Rating of the 3iQ ETFs

The Manager assigns a risk rating to each 3iQ ETF as an additional guide to help investors decide whether it is right for them. This information is only a guide. The Manager determines the risk rating for the 3iQ ETFs in accordance with NI 81-102. The investment risk level of the 3iQ ETFs is required to be determined in accordance with standardized risk classification methodology that is based on the historical volatility of a 3iQ ETF as measured by the 10-year standard deviation of the returns of the 3iQ ETF. Just as historical performance may not be indicative of future returns, a 3iQ ETF's historical volatility may not be indicative of its future volatility. Investors should be aware that other types of risk, both measurable and non-measurable, also exist.

Standard deviation is a statistical measure used to estimate the dispersion of a set of data around the average value of the data. In the context of investment returns, it measures the amount of variability of returns that has historically occurred relative to the average return. The higher the standard deviation, the greater the variability of returns it has experienced in the past.

Using this methodology, the Manager assigns a risk rating to the 3iQ ETFs as either low, low to medium, medium, medium to high, or high risk as follows:

- *Low* – for funds with a level of risk typically associated with investments in Canadian fixed income funds and money market funds;
- *Low to medium* – for funds with a level of risk typically associated with investments in balanced funds and global or corporate fixed income funds;
- *Medium* – for funds with a level of risk typically associated with investments in equity portfolios diversified among a number of large-capitalization Canadian or international equity securities;
- *Medium to high* – for funds with a level of risk typically associated with investments in equity funds that may concentrate their investments in specific regions or specific sectors of the economy; and
- *High* – for funds with a level of risk typically associated with investments in equity portfolios that may concentrate their investments in specific regions or specific sectors of the economy where there is a substantial risk of loss (such as emerging markets or precious metals).

Each 3iQ ETF's risk rating is determined by calculating its standard deviation for the most recent 10 years using monthly returns and assuming the reinvestment of all income and capital gains distributions in additional Units of the 3iQ ETF. As the 3iQ ETFs do not have at least 10 years of performance history, the Manager uses a reference index that is reasonably expected to approximate, the standard deviation of the 3iQ ETFs as a proxy. There may be times when the Manager believes this methodology produces a result that does not reflect a 3iQ ETF's risk based on other qualitative factors. As a result, the Manager may place a 3iQ ETF in a higher risk rating category, as appropriate. The Manager reviews the risk rating for the 3iQ ETFs on an annual basis or if there has been a material change to a 3iQ ETF's investment objectives or investment strategies.

A copy of the methodology used by the Manager to identify the investment risk levels of the 3iQ ETFs is available on request, at no cost, by calling (416) 639-2130 or by writing to 3iQ Corp., 161 Bay Street, Suite 2700, Toronto, Ontario, M5J 2S1. The Manager has assigned the 3iQ ETFs the risk rating in the table below, such risk rating does not necessarily correspond to an investor's risk tolerance assessment. Investors are advised to consult their financial advisor for advice regarding their personal circumstances.

Legal Name	Risk Rating
3iQ Bitcoin ETF	High

Legal Name	Risk Rating
3iQ Ether Staking ETF	High

The 3iQ Bitcoin ETF's risk classification is based on the 3iQ ETF's return and the return of the BBR as described under "Calculation of Net Asset Value – The Indices".

The 3iQ Ether Staking ETF's risk classification is based on the 3iQ ETF's return and the return of the EBR as described under "Calculation of Net Asset Value – The Indices".

DISTRIBUTION POLICY

Distributions

On an annual basis, the 3iQ ETFs will ensure that their income and net realized capital gains, if any, have been distributed to Unitholders to such an extent that the 3iQ ETFs are not liable for ordinary income tax thereon. To the extent that a 3iQ ETF 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 3iQ ETF will be paid as a "reinvested distribution". Reinvested distributions by a 3iQ ETF, net of any required withholding taxes, will be reinvested automatically in additional Units of the 3iQ ETF at a price equal to the NAV per Unit and the Units will be immediately consolidated such that the number of outstanding Units of the 3iQ ETF following the distribution will equal the number of Units of the 3iQ ETF outstanding prior to the distribution.

In addition to the distributions described above, the 3iQ ETFs may from time to time pay additional distributions on their Units, including without restriction in connection with a special distribution or in connection with returns of capital.

PURCHASES OF UNITS

Offerings and Continuous Distribution

Units of the 3iQ ETFs are issued and sold on a continuous basis and there is no maximum number of Units that may be issued.

Designated Broker

The Manager, on behalf each of the 3iQ ETFs, has entered into a Designated Broker Agreement with a Designated Broker pursuant to which the Designated Broker agreed to perform certain duties relating to the 3iQ ETF including, without limitation: (i) to subscribe for a sufficient number of Units of the 3iQ ETF to satisfy the TSX's original listing requirements; (ii) to subscribe for Units of the 3iQ ETF on an ongoing basis in connection with the rebalancing of and adjustments to the 3iQ ETF's portfolio when redemptions of Units occur as described under "Redemption and Exchange of Units – Redemption of Units"; and (iii) to post a liquid two-way market for the trading of Units of the 3iQ ETF on the TSX. The Manager may, in its discretion from time to time, reimburse the Designated Broker for certain expenses incurred by the Designated Broker in performing these duties.

The Designated Broker Agreement provides that the Manager may from time to time and, in any event not more than once quarterly, require the Designated Broker to subscribe for Units of a 3iQ ETF for cash in a dollar amount not to exceed 0.30% of the NAV of the 3iQ ETF. The number of Units of he 3iQ ETF issued is the subscription amount divided by the NAV per Unit of the 3iQ ETF next determined following the delivery by the Manager of a subscription notice to the Designated Broker. Payment for the Units must be made by the Designated Broker, and the Units will be issued, by no later than the second Trading Day after the subscription notice has been delivered.

Issuance of Units

To the Designated Broker and Dealers

All orders to purchase Units directly from the 3iQ ETFs must be placed by the Designated Broker or Dealers. The 3iQ ETFs reserve the absolute right to reject any subscription order placed by the Designated Broker or Dealer. No fees are payable by the 3iQ ETFs to the Designated Broker or Dealer in connection with the issuance of Units. On the issuance of Units, the Manager may, in its discretion, charge an administrative fee to the Designated Broker or a Dealer to offset the expenses (including any applicable TSX additional listing fees) incurred in issuing the Units.

On any Trading Day, the Designated Broker or Dealer may place a subscription order for the Prescribed Number of Units (or an integral multiple thereof) of a 3iQ ETF. If a subscription order is received by a 3iQ ETF by 9:00 a.m. (Toronto time) on a Trading Day (or such later time on such Trading Day as the Manager may permit), the 3iQ ETF will issue to the Designated Broker or Dealer the Prescribed Number of Units (or an integral multiple thereof) by no later than the second Trading Day after the date on which the subscription order is accepted, provided that payment for such Units has been received.

The Designated Broker or Dealer must deliver cash, or bitcoin or ether, as applicable, in an amount equal to the NAV of the Units next determined following the receipt of the subscription order.

The Manager may, in its discretion, increase or decrease the Prescribed Number of Units from time to time. The Prescribed Number of Units are available on the Manager's website at www.3iQ.ca.

Buying and Selling Units

The Units of the 3iQ ETFs are listed for trading on the Toronto Stock Exchange (the "**TSX**") and offered on a continuous basis, and an investor is able to buy or sell Units of the 3iQ ETFs on the TSX through registered brokers and dealers in the Province or Territory where the investor resides. The TSX ticker symbol for the Units of (a) the 3iQ Bitcoin ETF is "BTCQ" (in Canadian dollars) and "BTCQ.U" (in U.S. dollars) and (b) the 3iQ Ether Staking ETF is "ETHQ" (in Canadian dollars) and "ETHQ.U" (in U.S. dollars). Investors may incur customary brokerage commissions in buying and selling Units of the 3iQ ETFs. The 3iQ ETFs issue Units directly to the Designated Broker and Dealers.

Special Considerations for Unitholders

The provisions of the so-called "early warning" requirements set out in Canadian securities legislation do not apply in connection with the acquisition of Units. In addition, the Manager, on behalf of the 3iQ ETFs, has obtained exemptive relief from the securities regulatory authorities to permit Unitholders to acquire more than 20% of the Units of a 3iQ ETF through purchases on the TSX without regard to the take-over bid requirements of Canadian securities legislation, provided that any such Unitholder, and any person acting jointly or in concert with the Unitholder, undertakes to the Manager not to vote more than 20% of the Units of the 3iQ ETF at any meeting of Unitholders.

Registration and Transfer through CDS

Registration of interests in, and transfers of, the Units of the 3iQ ETFs are made only through CDS. Units must be purchased, transferred and surrendered for exchange or 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 are made or delivered by, CDS or the CDS Participant through which the owner holds such Units. Upon purchase of any Units, the owner receives only the customary confirmation and physical certificates evidencing ownership are not issued. References in this prospectus to a Unitholder mean, unless the context otherwise requires, the owner of the beneficial interest in such Units.

Neither the 3iQ ETFs nor the Manager have any liability for: (i) records maintained by CDS relating to the beneficial interests in the Units or the book entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or

given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS 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 3iQ ETFs have the option to terminate registration of the Units through the book based system in which case certificates for Units in fully registered form may be issued to beneficial owners of such Units or to their nominees.

REDEMPTION AND EXCHANGE OF UNITS

Redemption of Units

On any Trading Day, Unitholders of a 3iQ ETF may redeem Units for cash at a redemption price per Unit equal to the lesser of 95% of (a) the closing price for the Units of the 3iQ ETF on the TSX on the effective day of the redemption and (b) the NAV per Unit of the 3iQ ETF. Because Unitholders are generally able to sell Units at the market price on the TSX through a registered broker or dealer subject only to customary brokerage commissions, Unitholders are advised to consult their brokers, dealers or investment advisors before redeeming their Units for cash.

In order for a cash redemption to be effective on a Trading Day, a cash redemption request in the form prescribed by the Manager from time to time must be delivered to the applicable 3iQ ETF at its registered office by 9:00 a.m. (Toronto time) on the Trading Day (or such later time on such Trading Day as the Manager may permit). If a cash redemption request is not received by the delivery deadlines noted immediately above on a Trading Day, the cash redemption request will be effective only on the next Trading Day. Payment of the redemption price will be made by no later than the second Trading Day after the effective day of the redemption. The cash redemption request forms may be obtained from any registered broker or dealer.

Investors that redeem Units prior to the distribution record date for any distribution are not entitled to receive that distribution.

In connection with the redemption of Units, the 3iQ ETFs may dispose of securities or other assets to satisfy the redemption.

Exchange of Units

On any Trading Day, Unitholders of a 3iQ ETF may exchange the Prescribed Number of Units (or an integral multiple thereof) for cash or, if agreed to by the Manager, for cash and/or portfolio assets held by the 3iQ ETF.

To effect an exchange of Units, a Unitholder must submit an exchange request in the form prescribed by the Manager from time to time to the applicable 3iQ ETF at its registered office by 9:00 a.m. (Toronto time) on a Trading Day (or such later time on such Trading Day as the Manager may permit). The exchange price will be equal to the NAV of the Units of the 3iQ ETF on the effective day of the exchange request, payable by delivery of cash or, if applicable, assets. The Units will be redeemed in the exchange.

If an exchange request is not received by the submission deadline noted immediately above on a Trading Day, the exchange order will be effective only on the next Trading Day. Settlement of exchanges will be made by no later than the second Trading Day after the effective day of the exchange request.

Unitholders should be aware that the NAV per Unit of a 3iQ ETF will decline on the date of declaration of any distribution payable in cash on Units of the 3iQ ETF. A Unitholder that is no longer a holder of record on the applicable distribution record date is not entitled to receive that distribution.

Requests for Exchange and Redemption

A Unitholder submitting an exchange or redemption request is deemed to represent to the 3iQ ETF(s) and the Manager that: (a) it has full legal authority to tender the Units for exchange or redemption and to receive the proceeds of the exchange or redemption; and (b) the Units have not been loaned or pledged and are not the subject of a repurchase agreement, securities lending agreement or a similar arrangement that would preclude the delivery of the Units to the 3iQ ETF(s). The Manager reserves the right to verify these representations at its discretion. Generally, the Manager requires verification with respect to an exchange or redemption request if there are unusually high levels of exchange or redemption activity or short interest in a 3iQ ETF. If the Unitholder, upon receipt of a verification request, does not provide the Manager with satisfactory evidence of the truth of the representations, the Unitholder's exchange or redemption request will not be considered to have been received in proper form and will be rejected.

Suspension of Exchange and Redemption

The Manager may suspend the redemption of Units or payment of redemption proceeds of a 3iQ ETF: (i) during any period when normal trading is suspended on a stock exchange or other market on which securities owned by the 3iQ ETF are listed and traded, if these securities represent more than 50% by value or underlying market exposure of the total assets of the 3iQ ETF, without allowance for liabilities, and if these securities are not traded on any other exchange that represents a reasonably practical alternative for the 3iQ ETF; or (ii) with the prior permission of the securities regulatory authorities for any period not exceeding 30 days during which the Manager determines that conditions exist that render impractical the sale of assets of the 3iQ ETF or that impair the ability of the Valuation Agent to determine the value of the assets of the 3iQ ETF. 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 3iQ ETFs, any declaration of suspension made by the Manager shall be conclusive.

Costs Associated with Exchange and Redemption

Unitholders who buy and sell Units of the 3iQ ETFs through the facilities of the TSX on which Units of the 3iQ ETFs are traded do not pay a fee directly to the Manager or the 3iQ ETFs in respect of those purchases and sales.

An amount as may be agreed to between the Manager and the Designated Broker or a Dealer that may be charged to offset certain transaction costs associated with an issue, exchange or redemption of Units. This charge does not apply to Unitholders who buy and sell their Units through the facilities of a stock exchange.

Allocations of Capital Gains to Redeeming or Exchanging Unitholders

Pursuant to the Declaration of Trust, a 3iQ ETF may allocate and designate as payable any capital gains realized by the 3iQ ETF as a result of any disposition of property of the 3iQ ETF. In addition, a 3iQ ETF has the authority to distribute, allocate and designate any capital gains of the 3iQ ETF to a Unitholder of the 3iQ ETF who has redeemed or exchanged Units during a year in an amount equal to the Unitholder's share, at the time of redemption, of the 3iQ ETF's capital gains for the year. Any such allocations and designations reduce the redemption price otherwise payable to the redeeming Unitholder.

The taxable portion of the capital gain so designated must be included in the income of the redeeming Unitholder (as taxable capital gains). Subsection 132(5.31) together with subsection 132(5.3) of the Tax Act (collectively the "**ATR Rule**"), provide that amounts of taxable capital gains so allocated and designated to redeeming Unitholders will be deductible to a 3iQ ETF to the extent of the redeeming Unitholders' pro rata share (as determined under the ATR Rule) of the net taxable capital gains of the 3iQ ETF for the year. Any taxable capital gains that are not deductible by a 3iQ ETF under the ATR Rule may be made payable to non-redeeming Unitholders so that the 3iQ ETF will not be liable for non-refundable income tax thereon. Accordingly, the amounts and taxable component of

distributions to non-redeeming Unitholders of a 3iQ ETF (who will be taxable thereon) may be greater than would have been the case in the absence of the ATR Rule.

Exchange and Redemption of Units through CDS Participants

The exchange and redemption rights described above must be exercised through the CDS Participant through which the owner holds Units. Beneficial owners of Units should ensure that they provide exchange and/or redemption instructions to the CDS Participants through which they hold Units sufficiently in advance of the cut-off times described above to allow such CDS Participants to notify CDS and for CDS to notify the Manager prior to the relevant cut-off time.

Short-Term Trading

At the present time, the Manager is of the view that it is not necessary to impose any short-term trading restrictions on the 3iQ ETFs as Units of the 3iQ ETFs are generally traded by investors on an exchange in the secondary market in the same way as other listed securities. In the few situations where the 3iQ ETFs are not purchased in the secondary market, purchases usually involve the Designated Broker or a Dealer upon whom the Manager may impose a redemption fee, which is intended to compensate the 3iQ ETFs for any costs and expenses incurred in relation to the trade.

PRICE RANGE AND TRADING VOLUME OF UNITS

The following tables set forth the market price range and trading volume of the Units of the 3iQ ETFs on the TSX for the calendar periods indicated. The greatest volume of trading of the 3iQ ETFs generally occurs on the TSX.

	3iQ Bitcoin ETF (BTCQ.U)			**3iQ Ether Staking ETF (ETHQ.U)**		
	Price Range (US$)			**Price Range (US$)**		
	High	**Low**	**Volume**	**High**	**Low**	**Volume**
2024						
February	$10.32	$6.87	106,070	$13.56	$9.06	125,460
January	$7.92	$6.24	128,819	$10.55	$8.62	160,083
2023						
December	$7.19	$6.28	50,187	$9.38	$8.32	35,877
November	$6.15	$5.64	84,750	$8.35	$7.11	24,805
October	$5.63	$4.34	95,321	$7.19	$6.04	34,521
September	$4.46	$4.12	60,636	$6.64	$6.11	37,408
August	$4.87	$4.21	40,054	$7.35	$6.47	141,975
July	$5.11	$4.75	39,637	$7.96	$7.32	59,801
June	$5.05	$4.11	146,597	$7.68	$6.51	235,585
May	$4.83	$4.31	135,679	$8.00	$6.97	91,210
April	$5.02	$4.46	175,660	$8.34	$7.24	16,368
March	$4.70	$3.25	57,432	$7.39	$5.60	56,818
February	$4.09	$3.56	3,219	$6.85	$5.94	16,441

	3iQ Bitcoin ETF (BTCQ)			**3iQ Ether Staking ETF (ETHQ)**		
	Price Range (C$)			**Price Range (C$)**		
	High	**Low**	**Volume**	**High**	**Low**	**Volume**
2024						
February	$14.06	$9.16	940,615	$18.71	$12.09	322,111
January	$10.62	$8.37	1,575,754	$14.28	$11.58	228,999

	3iQ Bitcoin ETF (BTCQ)			3iQ Ether Staking ETF (ETHQ)		
	Price Range (C$)			Price Range (C$)		
	High	Low	Volume	High	Low	Volume
2023						
December	$9.77	$8.37	901,195	$12.70	$11.12	233,005
November	$8.50	$7.62	609,463	$11.50	$9.72	381,710
October	$7.86	$5.87	615,807	$9.98	$8.21	240,805
September	$6.00	$5.52	355,617	$8.99	$8.25	161,510
August	$6.57	$5.69	212,471	$9.95	$8.74	192,089
July	$6.80	$6.22	209,854	$10.50	$9.60	171,414
June	$6.75	$5.41	637,985	$10.24	$8.60	372,013
May	$6.52	$5.79	363,056	$10.72	$9.50	112,949
April	$6.76	$6.04	308,871	$11.30	$9.64	208,014
March	$6.50	$4.47	975,092	$10.09	$7.76	285,728
February	$5.57	$4.69	419,516	$9.33	$7.86	258,103

INCOME TAX CONSIDERATIONS

The following is a summary of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) (the "**Tax Act**") for the 3iQ ETFs and for a prospective investor in a 3iQ ETF 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 a 3iQ ETF as capital property, is not affiliated and deals at arm's length with the 3iQ ETF, and has not entered into a "derivative forward agreement" (as defined in the Tax Act) with respect to Units of the 3iQ ETF. This summary is based upon the current provisions of the Tax Act and regulations thereunder, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and the Manager'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 a 3iQ ETF be a SIFT trust. Even if Units of a 3iQ ETF are listed or traded on a stock exchange or other public market, provided the 3iQ ETF only invests in bitcoin or ether, as applicable, the 3iQ ETF 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 "non-portfolio properties" (as defined), are effectively taxed on income and taxable capital gains in respect of such non-portfolio 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 a 3iQ ETF and its Unitholders to the extent that the 3iQ ETF is a SIFT trust to which the SIFT Rules apply, and the 3iQ ETF earns income from non-portfolio property or taxable capital gains from the disposition of "non-portfolio property". The Manager believes that the SIFT Rules were not intended to apply to trusts such as the 3iQ ETFs and the 3iQ ETFs are subject to investment restrictions intended to restrict its ability to hold "non-portfolio property". If a 3iQ ETF is considered to be a SIFT trust, "non-portfolio earnings" of the 3iQ ETF will be subject to the tax under the SIFT Rules when such amounts are distributed by the 3iQ ETF to its Unitholders and such distributions will be treated in the hands of such Unitholders as eligible dividends from a taxable Canadian corporation.

Status of the 3iQ ETFs

This summary is based on the assumption that each of the 3iQ ETFs 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. The 3iQ ETFs are expected to qualify as a "mutual fund trust" under the Tax Act at all material times. If a 3iQ ETF 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.

Provided that a 3iQ ETF qualifies as a "mutual fund trust" within the meaning of the Tax Act, or the Units of a class of the 3iQ ETF continue to be listed on a "designated stock exchange" within the meaning of the Tax Act, such Units of the 3iQ ETF will be qualified investments for Registered Plans. However, in the case of a tax-free savings account, a first home savings account, a registered retirement savings plan, a registered retirement income fund, a registered disability savings plan, and a registered education savings plan, if the holder of such TFSA, FHSA 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 3iQ ETF, or if such holder, subscriber or annuitant does not deal at arm's length with the 3iQ ETF for purposes of the Tax Act, the Units of the 3iQ ETF will be a "prohibited investment" for such TFSA, FHSA, RDSP, RESP, RRSP or RRIF. If Units of a 3iQ ETF are a "prohibited investment" for a TFSA, FHSA, RDSP, RESP, RRSP or RRIF that acquires such Units, the holder of the TFSA, FHSA 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 a 3iQ ETF unless the holder, subscriber or annuitant owns 10% or more of the value of the outstanding Units of the 3iQ ETF, 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, FHSAs and RDSPs, subscribers of RESPs, and annuitants under RRSPs and RRIFs should consult their own tax advisors to ensure Units of the 3iQ ETFs would not be a "prohibited investment" for purposes of the Tax Act in their particular circumstances.

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 3iQ ETFs

Each of the 3iQ ETFs 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 3iQ ETF on the disposition of assets held by it, and other income. The Declaration of Trust requires that a 3iQ ETF distribute its net income and net realized capital gains, if any, for each taxation year of the 3iQ ETF to Unitholders to such an extent that the 3iQ ETF will not be liable in any taxation year for ordinary income tax (after taking into account any applicable losses of the 3iQ ETF and any capital gains refunds to which the 3iQ ETF is entitled). If in a taxation year the income for tax purposes of a 3iQ ETF exceeds the cash available for distribution by the 3iQ ETF, the 3iQ ETF will distribute its income through a payment of reinvested distributions.

The CRA has taken the administrative position that virtual currencies, such as bitcoin and ether, are generally treated as a commodity for the purposes of the Tax Act. The CRA has 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 3iQ ETFs intend to be a long-term holder of bitcoin or ether, as applicable, the Manager anticipates that the 3iQ ETFs will generally treat gains (or losses) as a result of any disposition of bitcoin or ether, as applicable, as capital gains (or capital losses) although, depending on the circumstances, the 3iQ ETFs may instead include the full amount in (or deduct the full amount from) income. Generally, the determination of whether an event, transaction or transfer related to cryptocurrencies such as bitcoin and ether, including the transfer of same to a centralized crypto-asset exchange and lending platform, constitutes a taxable disposition will be made by the CRA in light of all the facts, the relevant clauses of the contract and the applicable private law. No assurance can be given that the Canadian tax authorities will agree with the position taken by the 3iQ ETFs, in connection with any transactions involving bitcoin or ether, as to whether there is a disposition

and as to whether the resulting gain or loss is on account of income or capital. The CRA conducts audit activities related to crypto-assets, and any contrary position taken by Canadian tax authorities may materially and adversely impact the 3iQ ETFs and their Unitholders.

Gains or losses on derivatives entered into by a 3iQ ETF as a substitute for direct investment will be treated by the 3iQ ETF on income account. Such gains or losses will be recognized for tax purposes at the time they are realized by the 3iQ ETF.

If a 3iQ ETF 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. Any such allocations and designations will reduce the redemption price otherwise payable to the redeeming unitholder. The taxable portion of the capital gain in respect of an amount so allocated and designated must be included in the income of the redeeming Unitholder (as taxable capital gains) and may be deductible by a 3iQ ETF in computing its income to the extent of the redeeming Unitholders' pro rata share (as determined under the ATR Rule) of the net taxable capital gains of the applicable 3iQ ETF for the year. The portion of taxable capital gains that is not deductible by a 3iQ ETF under the ATR Rule may be made payable to non-redeeming Unitholders so that the 3iQ ETF will not be liable for non-refundable income tax thereon. Accordingly, the amounts and taxable component of distributions to non-redeeming Unitholders of a 3iQ ETF (who will be taxable thereon) may be greater than would have been the case in the absence of the ATR Rule.

Any losses incurred by a 3iQ ETF may not be allocated to Unitholders of the 3iQ ETF, but may generally be carried forward and back and deducted in computing the taxable income of the 3iQ ETF in accordance with the detailed rules and limitations in the Tax Act.

The 3iQ ETFs are 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 3iQ ETF 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 3iQ ETF own the substituted property 30 days after the original disposition. If a loss is suspended, the 3iQ ETF 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 3iQ ETF to be made payable to its Unitholders.

The 3iQ ETFs are required to compute their income and gains for tax purposes in Canadian dollars. 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.

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 a 3iQ ETF, if any, paid or payable to the Unitholder in the year and deducted by the 3iQ ETF in computing its income, whether or not such amounts are reinvested in additional Units of the 3iQ ETF. The non-taxable portion of any net realized capital gains of a 3iQ ETF 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 3iQ ETF, will not reduce the adjusted cost base of the Unitholder's Units of the 3iQ ETF. 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 3iQ ETFs 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 3iQ ETFs. 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 a 3iQ ETF for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, the Unitholders of the 3iQ ETF.

Composition of Distributions

Unitholders are 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 3iQ ETFs' Distribution Policy

When a Unitholder acquires Units of a 3iQ ETF, a portion of the price may reflect income and capital gains of the 3iQ ETF 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 3iQ ETF, 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), regardless of when the Unitholder 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 are averaged with the adjusted cost base of all Units owned by the Unitholder as capital property immediately before that time.

Taxation of Capital Gains and Capital Losses

One-half of any capital gain realized by a Unitholder and the amount of any net taxable capital gains realized or considered to be realized by a 3iQ ETF and designated by the 3iQ ETF in respect of a Unitholder will be included in the Unitholder's income as a taxable capital gain. One-half of a capital loss will be an allowable capital loss realized by a Unitholder that will be deducted from taxable capital gains subject to and in accordance with detailed rules in the Tax Act. Capital gains realized by a Unitholder will not qualify for the lifetime capital gains exemption under section 110.6 of the Tax Act.

Taxation of Registered Plans

In general, the amount of a distribution paid or payable to a Registered Plan from a 3iQ ETF 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 an RESP or certain withdrawals from an RDSP and an FHSA) will generally be subject to tax as ordinary income. To the extent Units of a 3iQ ETF are exchanged by the redeeming Unitholder for bitcoin or ether, as applicable, or liquidation of the 3iQ ETF's bitcoin or ether, as applicable, is not practicable upon termination of the 3iQ ETF, any bitcoin or ether, as applicable, received by a Unitholder would not be a qualified investment for Registered Plans and could result in adverse tax treatment and penalties under the Tax Act if held in a Registered Plan.

INTERNATIONAL INFORMATION REPORTING

The 3iQ ETFs are 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 (the "**IGA**"). Dealers through which Unitholders hold their 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 to identify U.S. persons holding Units. If a Unitholder, or its controlling person(s), is a "Specified U.S. Person", as defined under the IGA (including a U.S. citizen who is a resident of Canada), if no such determination has been made but the information provided includes indicia of U.S. status and sufficient evidence to the contrary is not timely provided, or if the Unitholder fails to provide the requested information and indicia of U.S. status are present, then Part XVIII of the Tax Act will generally require information about the Unitholder's investments held in the financial account maintained by the dealer to be reported to the CRA, unless the investments are held within a Registered Plan. The CRA will then provide that information to the U.S. Internal Revenue Service.

In addition, pursuant to Part XIX of the Tax Act implementing the Organization for Economic Co-operation and Development Common Reporting Standard (the "**CRS Rules**"), Canadian financial institutions are required to have procedures in place to identify accounts held by tax residents of foreign countries other than the U.S. ("**Reportable Jurisdictions**") or by certain entities any of whose "controlling persons" are tax residents of Reportable Jurisdictions. The CRS Rules provide that Canadian financial institutions must report certain account information and other personal identifying details of Unitholders (and, if applicable, of the controlling persons of such Unitholders) who are tax residents of Reportable Jurisdictions to the CRA annually. Such information would generally be exchanged on a reciprocal, bilateral basis with Reportable Jurisdictions in which the account holders or such controlling persons are tax resident under the provisions and safeguards of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters or the relevant bilateral tax treaty. Under the CRS Rules, Unitholders will be required to provide such information regarding their investment in the 3iQ ETFs to their dealer for the purpose of such information exchange, unless the investment is held within a Registered Plan.

ORGANIZATION AND MANAGEMENT DETAILS

The Trustee, Manager and Promoter

3iQ Corp. is the trustee, manager, portfolio manager and promoter of the 3iQ ETFs and provides, or causes to be provided, all administrative services required by the 3iQ ETFs pursuant to the Declaration of Trust. See "Organization and Management Details – Details of the Declaration of Trust". The Manager may be considered to be a promoter of the 3iQ ETFs within the meaning of applicable securities legislation by reason of its initiative in forming and establishing the 3iQ ETFs.

The Manager was incorporated under the *Canada Business Corporations Act* on July 9, 2012. The Manager's head office is located at 161 Bay Street, Suite 2700, Toronto, Ontario, M5J 2S1.

The 3iQ ETFs have retained the Manager to manage and administer the day-to-day business and affairs of the 3iQ ETFs. The Manager is responsible for providing managerial, administrative and compliance services to the 3iQ ETFs pursuant to the Declaration of Trust, including, without limitation, acquiring or arranging to acquire bitcoin or ether, as applicable, on behalf of the 3iQ ETFs, calculating the NAV of the 3iQ ETFs and NAV per Unit of the 3iQ ETFs, net income and net realized capital gains of the 3iQ ETFs, authorizing the payment of operating expenses incurred on behalf of the 3iQ ETFs, preparing financial statements and financial and accounting information as required by the 3iQ ETFs, 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 3iQ ETFs comply with regulatory requirements and applicable stock exchange listing requirements, preparing 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 a 3iQ ETF's assets and in performing other duties of the Manager as set out in the Declaration of Trust.

Officers and Directors of the Trustee, Manager and Promoter

The board of directors of the Manager currently consists of three 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
Frederick T. Pye	Pointe Claire, Quebec	Chairman, Chief Executive Officer and Director	Chief Executive Officer of 3iQ Corp.
Pascal St-Jean	Ottawa, Ontario	President	President of 3iQ Corp.
John Loeprich	Moffat, Ontario	Chief Financial Officer, Chief Operating Officer and Director	Chief Financial Officer and Chief Operating Officer of 3iQ Corp.
Diana Escobar Bold	Toronto, Ontario	Chief Compliance Officer	Chief Compliance Officer of 3iQ Corp.
Anthony L. Cox	Toronto, Ontario	Executive Vice President and Director	Financial Executive

A description of the experience and 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.

Frederick T. Pye

Frederick T. Pye is the Chairman and Chief Executive Officer of 3iQ Corp. Mr. Pye is recognized for creating and promoting creative and unique investment products for the investment industry. Prior to founding 3iQ Corp., 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 has a Masters in Business Administration.

Pascal St-Jean

Pascal St-Jean is the President of 3iQ Corp. Throughout his career, Mr. St-Jean has focused on the transformation and disruption of industries via rapid scaling of businesses under his leadership. Having successfully created and grown multiple business ventures, Mr. St-Jean was recognized as one of the youngest recipients of Ottawa's Forty Under 40 award. Mr. St-Jean is the co-founder of STAND Advisors where he served as Strategic Advisor and Fractional Executive to over 5% of the Globe and Mail's 500 fastest growing companies in Canada. He is also a founding partner of Futuring, an executive coaching business, and the Chair of TEC Canada. Mr. St-Jean's experience in open-source technologies and distributed systems led him to invest in cryptocurrency in 2016, and act as an educational resource on digital asset investments to several organizations. Mr. St-Jean has served as a strategic consultant to bitcoin mining start-ups such as Hydra Mining and founded Quasar Strategy, a private multi-strategy bitcoin fund.

John Loeprich

John Loeprich is the Chief Financial Officer and Chief Operating 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 40 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 joining 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).

Diana Escobar Bold

Diana Escobar Bold is the Chief Compliance Officer at 3iQ Corp. Ms. Escobar Bold's experience in the Canadian investment industry has focused on compliance with exempt market dealer, investment fund manager and portfolio manager rules and regulations. Ms. Escobar Bold served as the Chief Compliance Officer for Roadmap Capital Inc. for over seven years. Prior to that, Ms. Escobar Bold was Senior Legal Counsel in the Corporate Finance Branch of the Ontario Securities Commission and an associate at a Canadian corporate, securities and business transactions law firm. Ms. Escobar Bold is a member of the Law Society of Ontario and a graduate of Osgoode Hall Law School (Bachelor of Laws).

Anthony L. Cox

Anthony L. Cox has more than 15 years of experience 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 Next Edge Capital funds. He is a CPA, CA and holds the ICD.D designation (ICD.D 2010).

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 3iQ ETFs, 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 3iQ ETFs 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 – Fees and Expenses Payable by the 3iQ ETFs – Management Fees and Additional Fees". In addition, the Manager and its affiliates and each of their directors, officers, employees and agents are indemnified by the 3iQ ETFs 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 3iQ ETFs) or from engaging in other business activities.

Conflicts of Interest

The Manager and its affiliates may be managers or portfolio advisors of funds that invest in the same securities and/or assets as the 3iQ ETFs. Such transactions will only be undertaken where permitted by applicable securities legislation and upon obtaining any required regulatory or IRC approvals.

Independent Review Committee

In accordance with NI 81-107, 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 3iQ ETFs. The IRC has engaged Independent Review Inc. to provide an independent secretariat service to assist the IRC and provide an independent secretariat for IRC members. The mandate of the IRC 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 3iQ ETFs and request input from the IRC 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 IRC 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 IRC are required to act honestly, in good faith, and in the best interests of the 3iQ ETFs and to exercise the degree of care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances.

The IRC prepares a report, at least annually, of its activities for Unitholders which is available on the Manager's website at www.3iQ.ca, or at the Unitholder's request at no cost, by contacting the Manager at (416) 639-2130 or SEDAR at www.sedar.com.

The members of the IRC are Gregory Koegl, Eamonn McConnell (Chair) and William Woods.

Compensation for members of the IRC in respect of the investment funds managed by the Manager and subject to NI 81-107 is currently C$5,000 per member per annum and C$6,250 per annum for the chair of the committee, plus applicable taxes in each case. The fees and other reasonable expenses of members of the IRC, including fees payable to IRI, as well as premiums for insurance coverage for such members are paid by the 3iQ ETFs and other public funds managed by the Manager. In addition, the 3iQ ETFs and the Manager have agreed to indemnify the members of the IRC against certain liabilities. All such IRC costs are allocated to the funds on a pro rata basis. The expenses of the officers and directors of the Manager are paid by the Manager.

Custodian

Tetra Trust Company is the custodian of the assets of the 3iQ ETFs, pursuant to the Custodian Agreement. The Custodian is a provincially regulated trust company based in Calgary, Alberta and provides services to the 3iQ ETFs from its office in Calgary, Alberta. The Custodian is responsible for safekeeping of all the investments and other assets of the 3iQ ETFs delivered to it (but not those assets of the 3iQ ETFs 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 NI 81-102.

The Manager, on behalf of the 3iQ ETFs, or the Custodian may terminate the Custodian Agreement upon at least 90 days' written notice. The Manager, on behalf of a 3iQ ETF, may terminate the Custodian Agreement immediately if the Custodian ceases to be qualified to act as a custodian of the 3iQ ETFs under applicable law. The Custodian may terminate the Custodian Agreement on 60 days' written notice to the 3iQ ETFs in the event that the Custodian has delivered a termination notice to the Sub-Custodian, or is entitled to deliver a termination notice to the Sub-Custodian 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 3iQ ETFs as described under "Fees and Expenses – Fees and Expenses Payable by the 3iQ ETFs – Operating Expenses" and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the 3iQ ETFs.

The Custodian, in carrying out its duties concerning the safekeeping of, and dealing with, the portfolio assets of the 3iQ ETFs, 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

Coinbase Custody Trust Company, LLC acts as sub-custodian of the 3iQ ETFs in respect of the 3iQ ETFs' holdings of bitcoin or ether, as applicable, pursuant to the Sub-Custodian Agreement.

Coinbase 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 3iQ ETFs for assets held outside of Canada in accordance with NI 81-102. Coinbase operates in the U.S., Canada and certain other international jurisdictions. The Sub-Custodian shall administer the Staking Activities through one or more validators selected by the Sub-Custodian. Initially, the Sub-Custodian intends to use Coinbase Cloud Inc. ("**Coinbase Cloud**"), which is an affiliate of the Sub-Custodian, to provide the Staking Activities. In connection with the validation activities performed by Coinbase Cloud, the Sub-Custodian has agreed to provide the 3iQ Ether Staking ETF with financial coverage for any slashing penalties arising in connection with slashing events caused by Coinbase Cloud in an amount calculated by reference to the fees earned by the Sub-Custodian for administering the Staking Activities on behalf of the 3iQ Ether Staking ETF. The Custodian, Sub-Custodian or Manager may terminate the Staking Activities upon 30 days' written notice to the other parties.

As a fiduciary under Section 100 of the New York Banking Law, Coinbase is held to specific capital reserve requirements and banking compliance standards. Coinbase 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; and regulations promulgated by the New York State Department of Financial Services from time to time.

Coinbase uses segregated cold storage bitcoin and ether addresses for the 3iQ ETFs which are separate from the bitcoin and ether addresses that Coinbase uses for its other customers and which are directly verifiable via the Bitcoin blockchain and the Ether blockchain. Coinbase will at all times record and identify in its books and records that such bitcoin and ether constitute the property of the 3iQ ETFs. Coinbase will not loan, hypothecate, pledge or otherwise encumber the 3iQ ETFs' bitcoin and ether without the applicable 3iQ ETF's instruction. Coinbase, in carrying out its duties concerning the safekeeping of, and dealing with, the 3iQ ETFs' bitcoin and ether, 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).

Bitcoin and Ether Storage, Security Polices and Practices

Bitcoin and ether private keys are stored in two different forms: "hot wallet" storage, whereby the private keys are online and stored within a high security environment, and "cold" storage, where digital currency private keys are stored completely offline. The bitcoin and ether that Coinbase holds for the 3iQ ETFs are stored offline in cold storage. When under the purview of Coinbase, bitcoin and ether will only enter "hot" storage in the case of deposits and redemptions, meaning that the bitcoin and ether will only be in "hot" storage for a temporary period and only when appropriate consensus requirements are met by 3iQ Corp. to initiate such a transaction.

Coinbase has adopted the following security policies and practices with respect to digital assets held in cold storage: keys are generated offline and split into redundant shards. The decryption keys for these shards are stored in secure HSMs. The final shards are stored and managed in geo-redundant, physical secure storage lockers within Coinbase's secure facilities. Multi-signature technology is used to provide both security against attacks and tolerance for losing access to a key, eliminating single points of failure; all final key shards 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 the private keys within storage facilities; and all fund transfers require the coordinated actions of multiple employees.

Coinbase has adopted the following security policies and practices with respect to digital assets held in its hot wallet: hot private keys are managed online within high security environments; operational redundancy is achieved through geographic disbursement of failover storage facilities and hardware, thus protecting against service disruptions and single points of failure; the secure environment can only be accessed via limited programmatic access from pre-defined environments; all human access to the environment is exceptional and requires going through additional authentication mechanisms; and Coinbase offers additional account level protections such as crypto address allowlisting, which allows customers to restrict withdrawals to addresses only included in the customer's allowlist.

Coinbase Anti-Money Laundering Policies

Coinbase has adopted anti-money laundering and sanctions policies for its digital asset exchange and custody service in an effort to maintain a risk-based program for 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 the attempted use of Coinbase for illegal or illicit purposes, including a customer identification program, annual training of all employees and officers in anti-money laundering obligations and requirements, filing of Suspicious Activity Reports with the U.S. Financial Crimes Enforcement Network and annual independent audits of the Coinbase anti-money laundering program.

Website Security

Coinbase has implemented certain security policies and practices to enhance security on its website, including through the use of two-factor hardware authentication consensus for certain 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 Coinbase's website.

Internal Controls

In addition to the security policies and procedures discussed above, Coinbase has also instituted the following internal controls: multiple consensus participants are required to bring a cold storage wallet online to transfer funds out of cold storage; Coinbase's Chief Executive Officer and President are unable to individually or jointly transfer funds out of cold storage; all cold storage private keys are stored offsite in secure facilities; all employees undergo background checks, and certain employees with privileged access undergo enhanced background checks; and all remote-access by employees requires multi-factor authentication.

Insurance

As sub-custodian, Coinbase is responsible for securing the bitcoin and ether owned by the 3iQ ETFs.

Coinbase Global, Inc., the parent company of Coinbase, maintains commercial crime insurance coverage that is available to cover losses of customer digital assets custodied in "hot wallets". To date, Coinbase has never experienced a loss due to unauthorized access from its hot wallet or the cold storage vaults where the 3iQ ETFs' bitcoin and ether is custodied.

The Sub-Custodian does not otherwise insure the bitcoins or ether held by it (e.g. bitcoins held in "cold storage"), which is consistent with industry practice for many custodians of bitcoin and ether.

Administrator

The Manager has engaged CIBC Mellon Global Securities Services Company to provide certain administrative services to the 3iQ ETFs including calculation of NAV and NAV 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 3iQ ETFs as described under "Fees and Expenses – Operating Expenses" and to be reimbursed for all expenses and liabilities which are properly incurred by the Administrator in connection with the activities of the 3iQ ETFs.

Auditor

Raymond Chabot Grant Thornton LLP is the auditor of the 3iQ ETFs. The office of the auditor is located in Montreal, Quebec.

Registrar and Transfer Agent

TSX Trust Company, at its principal offices in Toronto, is the registrar and transfer agent for the Units. The register of each of the 3iQ ETFs is kept in Toronto.

An investment fund is required to post certain regulatory disclosure documents on a designated website. The designated website(s) of the 3iQ ETFs can be found at the following location: www.3iQ.ca.

CALCULATION OF NET ASSET VALUE

The NAV and NAV per Unit of the 3iQ ETFs are calculated by the Administrator as of the Valuation Time on each Valuation Date. The NAV of a 3iQ ETF on a particular date is equal to the aggregate value of the assets of the 3iQ ETF less the aggregate value of the liabilities of the 3iQ ETF, expressed in U.S. dollars at the applicable exchange rate on such date. The NAV is calculated using the fair value of the 3iQ ETF's assets and liabilities. The NAV per Unit of a class on any day is obtained by dividing the NAV of the 3iQ ETF attributable to such class on such day by the number of Units of the applicable 3iQ ETF then outstanding.

Valuation Policies and Procedures

In determining the NAV of a 3iQ ETF, at any time the Administrator will take into account the following:

(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;

(a) as applicable, the 3iQ ETF's (i) bitcoin will be valued based on the MarketVector Bitcoin Benchmark Rate or (ii) ether will be valued based on the MarketVector Ethereum Benchmark Rate (see "The Indices" below for further information);

(b) 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;

(c) the value of any futures contract or forward contract shall be the gain or loss with respect thereto that would be realized if, at the Valuation Time, the position in the futures contract, or the forward contract, as the case may be, were to be closed out unless daily limits are in effect in which case fair value shall be based on the current market value of the underlying interest;

(d) estimated operating expenses by the 3iQ ETF 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 NAV per Unit of the 3iQ ETF no later than the calculation of NAV per Unit of the 3iQ ETF next made after the date on which the transaction becomes binding. The issue of Units of a 3iQ ETF will be reflected in the calculation of NAV per Unit of the 3iQ ETF 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 of a 3iQ ETF will be reflected in the calculation of the NAV per Unit of the 3iQ ETF next made after the exchange request or redemption request is accepted.

The NAV per Unit of the 3iQ ETFs 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 3iQ ETFs may obtain. The NAV per Unit of a class of a 3iQ ETF determined in accordance with the principles set out above may differ from the NAV per Unit determined under International Financial Reporting Standards.

Reporting of Net Asset Value

The NAV per Unit of the 3iQ ETFs is 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 also provides such information at no cost to the Unitholders who so request by calling the Manager at (416) 639-2130.

The Indices

MarketVector Bitcoin Benchmark Rate, maintained by MVIS, is designed to be a robust price for bitcoin in U.S. dollars. There is no component other than bitcoin in the BBR. The BBR is reviewed by MVIS on a semi-annual basis. MVIS selects the top 5 rated bitcoin trading platforms for inclusion in the BBR based on their Benchmark Rating. All bitcoin trading platforms that provide input data to the calculation of the BBR adhere to AML and KYC regulations, as they are requirements enforced by the benchmark administrator. Further information regarding BBR is available at https://marketvector.com/indices/digital-assets/marketvector-bitcoin-benchmark-rate.

MarketVector Ethereum Benchmark Rate, maintained by MVIS, is designed to be a robust price for ETH in U.S. dollars. There is no component other than ETH in the EBR. The EBR is reviewed by MVIS on a semi-annual basis. MVIS selects the top 5 rated ether trading platforms for inclusion in the EBR based on their Benchmark Rating. All ether trading platforms that provide input data to the calculation of the EBR adhere to AML and KYC regulations, as they are requirements enforced by the benchmark administrator. Further information regarding EBR is available at https://marketvector.com/indices/digital-assets/marketvector-ethereum-benchmark-rate.

The Benchmark ranks more than 165 global digital currency trading platforms through an assessment of their risk profile based on the following factors: legal/regulatory, data provision, security, team/exchange, market quality, KYC/transaction risk, asset quality/diversity and includes a penalty factor for negative events. MarketVector employs a qualitative (due diligence) and quantitative (market quality, based on order book and trade data) approach and uses correlation of volume to volatility and standard deviation of volume as inputs to the analysis.

MVIS is an index provider based in Frankfurt, Germany and regulated as an index administrator by the German Federal Financial Supervisory Authority (BaFin). MVIS has adopted indexing practices and operations for its digital assets indices, including BBR and EBR, 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 that are based on digital assets under the EU benchmark regulations, however MVIS expects to comply with any such guidelines when they are released. MVIS follows the ESMA Regulatory Technical Standards (RTS) in the creation and maintenance of its indices.

ATTRIBUTES OF THE UNITS

Description of the Securities Distributed

Each 3iQ ETF is authorized to issue an unlimited number of redeemable, transferable units designated as Units, each of which represents an equal, undivided interest in the net assets of the 3iQ ETF.

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 default, obligation or liability of the trust if, when the 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 the Province of Ontario. Each of the 3iQ ETFs is governed by the laws of the Province of Ontario by virtue of the provisions of the Declaration of Trust and is a reporting issuer under the *Securities Act* (Ontario).

Certain Provisions of the Units

All Units of the 3iQ ETFs have equal rights and privileges. Each whole Unit is entitled to one vote at all meetings of Unitholders and is entitled to participate equally with respect to any and all distributions made by the 3iQ ETF to Unitholders other than management fee distributions, including distributions of net income and net realized capital gains and distributions upon the termination of the 3iQ ETF. Units are issued only as fully-paid and are non-assessable.

Exchange of Units

On any Trading Day, Unitholders of a 3iQ ETF may exchange the Prescribed Number of Units (or an integral multiple thereof) for cash or, if agreed to by the Manager, for cash and/or portfolio assets. See "Redemption and Exchange of Units – Exchange of Units".

Redemption of Units

On any Trading Day, Unitholders of a 3iQ ETF may redeem Units of the 3iQ ETF for cash at a redemption price per Unit of the 3iQ ETF equal to the lesser of 95% of (a) the closing price for the Units of the 3iQ ETF on the TSX on the effective day of the redemption and (b) the NAV per Unit of the 3iQ ETF on the effective day of the redemption. See "Redemption and Exchange of Units – Redemption of Units".

Modification of Terms

The rights attached to the Units of the 3iQ ETFs may only be modified, amended or varied in accordance with the terms of the Declaration of Trust. See "Unitholder Matters – Matters Requiring Unitholder Approval".

UNITHOLDER MATTERS

Meeting of Unitholders

A meeting of the Unitholders of a 3iQ ETF may be called at any time by the Manager and shall be called by the Manager upon written request of Unitholders of the 3iQ ETF holding in the aggregate not less than 5% of the Units of the 3iQ ETF. Except as otherwise required or permitted by law, meetings of Unitholders of a 3iQ ETF are held if called by the Manager upon written notice of not less than 21 days nor more than 50 days before the meeting. At any meeting of Unitholders of a 3iQ ETF, a quorum shall consist of two or more Unitholders of the 3iQ ETF present in person or by proxy and holding 10% of the Units of the 3iQ ETF. If no quorum is present at such meeting, the meeting, if convened upon the request of Unitholders or for the purpose of considering a change in the manager of the 3iQ ETF, shall be cancelled, but in any other case, the meeting shall stand adjourned and held at the same time and place on the day which is not less than 10 days later. The Manager gives at least three days' notice by press release to Unitholders of the date of the reconvened meeting, and at the reconvened meeting, Unitholders present in person or represented by proxy constitute a quorum.

Matters Requiring Unitholder Approval

NI 81-102 requires a meeting of Unitholders of a 3iQ ETF to be called to approve certain changes as follows:

(a) the basis of the calculation of a fee or expense that is charged to the 3iQ ETF is changed in a way that could result in an increase in charges to the 3iQ ETF, except where:

(i) the 3iQ ETF is at arm's length with the person or company charging the fees;

(ii) the Unitholders have received at least 60 days' notice before the effective date of the change; and

(iii) the right to notice described in (ii) is disclosed in the prospectus of the 3iQ ETF;

(b) a fee or expense is introduced that is to be charged to the 3iQ ETF or directly to its Unitholders by the 3iQ ETF or the Manager in connection with the holding of Units of the 3iQ ETF that could result in an increase in charges to the 3iQ ETF or its Unitholders, except where:

(i) the 3iQ ETF is at arm's length with the person or company charging the fees;

(ii) the Unitholders have received at least 60 days' notice before the effective date of the change; and

(iii) the right to notice described in (ii) is disclosed in the prospectus of the 3iQ ETF;

(c) the Manager is changed, unless the new manager of the 3iQ ETF is an affiliate of the Manager;

(d) any change to the fundamental investment objectives of the 3iQ ETF;

(e) the 3iQ ETF decreases the frequency of calculating its NAV per Unit;

(f) any change to the investment restrictions of the 3iQ ETF, unless such change is necessary to ensure compliance with all applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time;

(g) the 3iQ ETF undertakes a reorganization with, or transfers its assets to, another mutual fund, if the 3iQ ETF ceases to continue after the reorganization or transfer of assets and the transaction results in the Unitholders of the 3iQ ETF becoming securityholders in the other mutual fund unless:

(i) the IRC of the 3iQ ETF has approved the change;

(ii) the 3iQ ETF is being reorganized with, or its assets are being transferred to, another mutual fund that is managed by the Manager, or an affiliate of the Manager;

(iii) the Unitholders have received at least 60 days' notice before the effective date of the change;

(iv) the right to notice described in (iii) is disclosed in the prospectus of the 3iQ ETF; and

(v) the transaction complies with certain other requirements of applicable Canadian securities legislation;

(h) the 3iQ ETF undertakes a reorganization (other than a Permitted Merger as defined below) with, or acquisition of assets of, a mutual fund trust, if:

(i) the 3iQ ETF continues after the reorganization or acquisition of assets;

(ii) the transaction results in the securityholders of the mutual fund trust becoming Unitholders of the 3iQ ETF; and

(iii) the transaction would be a material change to the 3iQ ETF;

(i) a reorganization that results in the 3iQ ETF becoming a non-redeemable investment fund or an issuer that is not an investment fund; or

(j) any matter which is required by the constating documents of the 3iQ ETF or by the laws applicable to the 3iQ ETF or by any agreement to be submitted to a vote of the Unitholders of the 3iQ ETF.

Approval of the foregoing matters is deemed to have been given by a resolution passed by at least a majority of the votes cast at a meeting called and held for such purpose. Unitholders are entitled to one vote per whole Unit held on the record date established for voting at any meeting of Unitholders.

A 3iQ ETF may, without Unitholders' approval, enter into a merger or other similar transaction that has the effect of combining the 3iQ ETF or its assets (a "**Permitted Merger**") with any other investment fund or funds managed by the Manager or an affiliate of the Manager that have investment objectives that are substantially similar to those of the 3iQ ETF, subject to:

(a) approval of the merger by the IRC;

(b) compliance with certain merger pre-approval conditions set out in section 5.6 of NI 81-102; and

(c) written notice to Unitholders at least 60 days before the effective date of the merger.

In connection with a Permitted Merger, the merging funds are valued at their respective net asset values for the purpose of such transaction.

In addition, the auditor of a 3iQ ETF may not be changed unless:

(a) the IRC has approved the change; and

(b) Unitholders have received at least 60 days' notice before the effective date of the change.

Amendments to the Declaration of Trust

The Manager may, without the approval of or notice to Unitholders, amend the Declaration of Trust for certain limited purposes specified therein, including 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 or regulation applicable to or affecting the 3iQ ETFs;

(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, including the rules and policies of Canadian securities regulators or with current practice within the securities or investment fund industries provided that any such amendment does not adversely affect the rights, privileges or interests of Unitholders;

(d) maintain, or permit the Manager to take such steps as may be desirable or necessary to maintain, the status of a 3iQ ETF as a "mutual fund trust" and a "unit trust" for the purposes of the Tax Act or to respond to amendments to the Tax Act or to the interpretation or administration thereof; or

(e) provide added protection to Unitholders.

Except for changes to the Declaration of Trust which require the approval of Unitholders or changes described above which do not require approval of or prior notice to Unitholders, the Declaration of Trust may be amended from time to time by the Manager upon not less than 30 days' prior written notice to Unitholders.

Reporting to Unitholders

The 3iQ ETFs' fiscal year is the calendar year. The taxation year is the calendar year or such other fiscal period permitted under the Tax Act as the 3iQ ETFs elect. The annual financial statements of the 3iQ ETFs shall be audited by the 3iQ ETFs' auditor in accordance with Canadian generally accepted auditing standards. The auditor is asked to report on the fair presentation of the annual financial statements in accordance with IFRS. The Manager ensures that the 3iQ ETFs comply with all applicable reporting and administrative requirements.

The Manager, on behalf of the 3iQ ETFs, furnishes Unitholders of the 3iQ ETFs with unaudited interim financial statements, audited annual financial statements, interim MRFPs and the annual MRFPs of the 3iQ ETFs, in accordance with applicable laws.

Any tax information necessary for Unitholders to prepare their annual federal income tax returns are distributed to them within 90 days after the end of each financial year of the 3iQ ETFs.

The Manager keeps adequate books and records reflecting the activities of the 3iQ ETFs. A Unitholder or his or her duly authorized representative has the right to examine the books and records of the applicable 3iQ ETF during normal business hours at the registered office of the Manager. Notwithstanding the foregoing, a Unitholder shall not have access to any information that, in the opinion of the Manager, should be kept confidential in the interests of the 3iQ ETF.

TERMINATION OF THE 3IQ ETFs

The 3iQ ETFs may be terminated by the Manager on at least 60 days' notice to Unitholders of such termination and the Manager issues a press release in advance thereof. Upon termination of a 3iQ ETF, the cash and other assets remaining after paying or providing for all liabilities and obligations of the 3iQ ETF, determined in accordance with the 3iQ ETF's valuation policies and procedures, shall be distributed *pro rata* among the Unitholders of the 3iQ ETF.

The rights of Unitholders to exchange and redeem Units described under "Redemption and Exchange of Units" ceases as and from the date of termination of the 3iQ ETF.

PRINCIPAL UNITHOLDERS OF THE 3IQ ETFs

CDS & Co., the nominee of CDS, is the registered owner of the Units of the 3iQ ETFs, which it holds for various brokers and other persons on behalf of their clients and others. From time to time, the Designated Broker, Dealers, or another investment fund managed by the Manager or an affiliate thereof, may beneficially own, directly or indirectly, more than 10% of the Units of a 3iQ ETF.

To the knowledge of the Manager, as of February 29, 2024, no person beneficially owns, directly or indirectly, or exercises control or direction of Units of a 3iQ ETF carrying 10% or more of the voting rights attached to the outstanding Units of the 3iQ ETFs. CoinShares International Limited ("**CoinShares**"), a public limited liability company incorporated in Jersey, Channel Islands, has redeemed all of its Units of the 3iQ ETFs, and is no longer a Unitholder of a 3iQ ETF. See "Risk Factors – Risks Relating to an Investment in the 3iQ ETFs – Large Investor Risk".

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Manager receives fees for its services to the 3iQ ETFs. See "Fees and Expenses".

Shareholders of the Manager may be shareholders, directors, officers or employees of Digital Asset Sources which trade bitcoin or ether, as applicable, with the Manager on behalf of the 3iQ ETFs. Trade execution on behalf of the 3iQ ETFs is conducted on a best price basis and no preference is given to digital asset trading platforms or counterparties in respect of which shareholders of the Manager are shareholders, directors, officers or employees.

Shareholders of the Manager may invest in Units of the 3iQ ETFs on their own behalf or on behalf of clients or funds managed by them.

MVIS is a wholly-owned subsidiary of Van Eck Associates Corporation ("**Van Eck**") and receives an annual licensing fee based on the NAV of the 3iQ ETFs in consideration for providing the MarketVector Bitcoin Benchmark Rate and the MarketVector Ethereum Benchmark Rate. Van Eck is a shareholder of the parent company of the Manager and may nominate up to two directors to the Board of Directors of such parent company. Van Eck has nominated one director to such Board of Directors. See "Fees and Expenses – Fees and Expenses Payable by the 3iQ ETFs – Operating Expenses" and "Calculation of Net Asset Value – Valuation Policies and Procedures".

The 3iQ ETFs are not sponsored, endorsed, sold or promoted by MVIS. MVIS makes no representation or warranty, express or implied, to the owners of the 3iQ ETFs or any member of the public regarding the advisability of investing in securities generally or in the 3iQ ETFs particularly or the ability of BBR or EBR to provide a robust rate for bitcoin or ether, as applicable, in U.S. dollars. MVIS's only direct relationship to the 3iQ ETFs and the Manager is the licensing of certain service marks and trade names of MVIS and of BBR and EBR that is determined, composed and calculated by MVIS without regard to the 3iQ ETFs or the Manager. MVIS has no obligation to take the needs of the 3iQ ETFs or the owners of the 3iQ ETFs into consideration in determining, composing or calculating BBR and EBR. MVIS is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the 3iQ ETFs to be issued or in the determination or calculation of the equation by which the 3iQ ETFs is to be converted into cash. MVIS has no obligation or liability in connection with the administration, marketing or trading of the 3iQ ETFs.

MVIS DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF BBR or EBR 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 3iQ ETFS, OWNERS OF THE 3iQ ETFS, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF BBR or EBR 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 BBR and EBR 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 3iQ ETFs are 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 3iQ ETFs.

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 3iQ ETFS OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE 3iQ ETFS. 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 following contracts can reasonably be regarded as material to purchasers of Units:

(a) the Declaration of Trust – see "Organization and Management Details – The Trustee, Manager and Promoter";

(b) the Custodian Agreement – see "Organization and Management Details – Custodian"; and

(c) the Sub-Custodian Agreement – see "Organization and Management Details – Sub-Custodian"; and

(d) the Index Licensing Agreements – see "Index Licensing Agreements" below.

Copies of the agreements referred to above may be inspected during business hours at the registered office of the Manager.

Index Licensing Agreements

The Manager and MVIS entered into a license agreement on March 31, 2021 (the "**BBR Index Licensing Agreement**"), pursuant to which MVIS granted the Manager the right to use the BBR in connection with the 3iQ Bitcoin ETF subject to the terms and conditions provided for in the BBR Index Licensing Agreement. The term of the BBR Index Licensing Agreement will automatically renew for successive renewal terms of one year unless the Manager provides MVIS with at least 180 days' prior written notice of its intention not to renew the BBR Index Licensing Agreement effective on the expiration of the then-current-term or renewal term however either party may terminate the BBR Index Licensing Agreement if among others, in the event of a material breach by the other party of the terms of the agreement.

The Manager and MVIS entered into a license agreement on April 19, 2021 (the "**EBR Index Licensing Agreement**" and together with the BBR Index Licensing Agreement, the "**Index Licensing Agreements**"), pursuant to which MVIS has granted the Manager the right to use the EBR in connection with the 3iQ Ether Staking ETF subject to the terms and conditions provided for in the EBR Index Licensing Agreement. The term of the EBR Index Licensing Agreement will automatically renew for successive renewal terms of one year unless the Manager provides MVIS with at least 180 days' prior written notice of its intention not to renew the EBR Index Licensing Agreement effective on the expiration of the then-current-term or renewal term however either party may terminate the EBR Index Licensing Agreement if among others, in the event of a material breach by the other party of the terms of the agreement.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

The 3iQ ETFs are not involved in any legal proceedings nor is the Manager aware of existing or pending legal or arbitration proceedings involving the 3iQ ETFs.

EXPERTS

Renno & Co Inc., legal counsel to the 3iQ ETFs and the Manager, has provided certain legal opinions on the principal Canadian federal income tax considerations that apply to an investment in the Units by an individual resident in Canada. See "Income Tax Considerations" and "Income tax considerations – Status of the 3iQ ETFs". As of the date hereof, partners and associates of Renno & Co Inc. beneficially owned, directly or indirectly, less than 1% of the outstanding Units of the 3iQ ETFs.

Raymond Chabot Grant Thornton LLP is the auditor of the 3iQ ETFs and has consented to the incorporation by reference of its reports on the annual financial statements of the 3iQ ETFs dated March 28, 2024. Raymond Chabot Grant Thornton LLP has confirmed that it is independent with respect to the 3iQ ETFs within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

EXEMPTIONS AND APPROVALS

The Manager, on behalf of the 3iQ ETFs, has obtained exemptive relief from the Canadian securities regulatory authorities to permit the following:

(a) the purchase by a Unitholder of the 3iQ ETFs of more than 20% of the Units of a 3iQ ETF through purchases on the TSX without regard to the take-over bid requirements of Canadian securities legislation;

(b) the acceptance by the 3iQ ETFs of bitcoin or ether, as applicable, as subscription proceeds for Units of a 3iQ ETF; and

(c) to relieve the 3iQ ETFs from the requirement that a prospectus contain a certificate of the underwriters.

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 ETF securities within 48 hours after the receipt of a confirmation of a purchase of such securities. In several of the provinces and territories, 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 for non-delivery of the ETF Facts, provided that the 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 the applicable provisions of the securities legislation of the province or territory for the particulars of these rights or consult with a legal advisor.

DOCUMENTS INCORPORATED BY REFERENCE

Additional information about the 3iQ ETFs is available in the following documents:

(a) the most recently-filed comparative annual financial statements of the 3iQ ETFs, together with the accompanying report of the auditor;

(b) any interim financial statements of the 3iQ ETFs filed after the most recently-filed comparative annual financial statements of the 3iQ ETFs;

(c) the most recently-filed annual MRFP of the 3iQ ETFs;

(d) any interim MRFP of the 3iQ ETFs filed after that most recently-filed annual MRFP of the 3iQ ETFs; and

(e) the most recently filed ETF Facts of the 3iQ ETFs.

These documents are incorporated by reference in this prospectus, which means that they legally form part of this prospectus. An investor can get a copy of these documents, upon request and at no cost by calling the Manager at (416) 639-2130 or by contacting a registered dealer. These documents are also available on the Manager's website at www.3iQ.ca as well as on SEDAR at www.sedar.com. In addition, any such types of documents, if filed by the 3iQ ETFs after the date of this prospectus and before the termination of the distribution of Units, are deemed to be incorporated by reference into this prospectus.

CERTIFICATE OF 3iQ ETFs AND THE TRUSTEE, MANAGER AND PROMOTER

Dated: March 29, 2024

This prospectus together with the documents incorporated herein by reference, 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 British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut.

3iQ CORP.
(as trustee and manager of the 3iQ ETFs)

By: *"Frederick T. Pye"*
Frederick T. Pye
Chief Executive Officer

By: *"John Loeprich"*
John Loeprich
Chief Financial Officer

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

By: *"Frederick T. Pye"*
Frederick T. Pye
Director

By: *"John Loeprich"*
John Loeprich
Director

By: *"Anthony L. Cox"*
Anthony L. Cox
Director

3iQ CORP.
(as promoter of the 3iQ ETFs)

By: *"Frederick T. Pye"*
Frederick T. Pye
Chief Executive Officer