

## About

BlockFi Ether Trust is an investment vehicle that gives institutional and accredited investors access to Ethereum (“ether” or “ETH”), in a turnkey format, with transparency, minimal credit risk and cost efficiency. The investment objective of the Trust is to reflect the value of ether held by the Trust, as determined by reference to the Index<sup>1</sup>, less the Trust’s expenses and other liabilities.<sup>2</sup>

## Background on Ethereum

Ethereum is an open-source, blockchain-based, decentralized software platform that supports the cryptocurrency ether. Ethereum enables smart contracts and distributed applications and is the most actively used blockchain.

Investment Terms	
<b>Sponsor</b>	BlockFi NB LLC
<b>Investor Qualifications</b>	Accredited Investor <sup>3</sup>
<b>Index</b>	The Coin Metrics Bletchley Index (CMBI) ETH
<b>Sponsor's Fee</b>	1.75% per annum accrued daily
<b>Minimum Investment</b>	Ether equivalent of \$50,000
<b>Creation Frequency</b>	The Trust will issue shares in exchange for ether directly to investors from time to time in baskets.
<b>Redemption Frequency</b>	Redemptions are currently unavailable
<b>IRA Eligibility</b>	IRA eligible from select providers
<b>Taxation</b>	Structured as grantor trust for tax purposes
<b>Non-U.S. Investors</b>	Prospective investors who are not located in the U.S. must consult the section titled “Offering Legends” in the PPM for a listing of restrictions on sales in certain jurisdictions.
<b>Secondary Market Trading</b>	Currently none. If a secondary market develops, shares are eligible to become unrestricted and resold in the secondary market following a minimum one-year holding period.*

## Why a Trust Product

BlockFi believes that investors will be able to more effectively implement strategic and tactical asset allocation strategies that use ether by using the shares instead of directly purchasing and holding ether. For many investors, transaction costs related to the shares will be lower than those associated with the direct purchase, storage and safekeeping of ether.

## Safekeeping System

The Trust’s appointed custodian is Coinbase Custody Trust Company, LLC (“Coinbase Custody”). Coinbase Custody stores all of the Trust’s digital assets in totally offline, cold storage. Security includes, in addition to secure vaults, physical, cyber, and operational controls with multilevel safeguards. The Trust’s assets will not be lent out or used as collateral for borrowing or derivatives.

Service Providers	
<b>Custodian</b>	Coinbase Trust Company, LLC
<b>Transfer Agent</b>	American Stock Transfer & Trust Company
<b>Trustee</b>	Delaware Trust Company
<b>Index Provider</b>	Coin Metrics Inc.



Past performance is not a guarantee of future results. The graph above shows the historical price performance of ether and not of the Trust. The graph does not show the effect of the Sponsor’s Fee or any other fees or expenses the Trust may incur. The Trust was launched on April 9, 2021, therefore there is no actual historical data for the Trust prior to that date.

\*The Sponsor is seeking the creation of a secondary market for the Trust’s shares, but there can be no assurances that such a market will develop. Shares purchased from the Trust are restricted securities subject to significant transfer restrictions. Among other things, transfers of such shares require the Sponsor’s approval and are subject to a minimum one-year holding period (or, once the Trust’s shares have been registered under the Securities Exchange Act of 1934 for at least 90 days, a minimum six-month holding period). The Sponsor is currently seeking to so register the Trust’s shares, but there can be no assurances that such registration will be achieved.

Investors should carefully read the Trust's [private placement memorandum](#) before making an investment.

<sup>1</sup> Coin Metrics Bletchley Index (CMBI) ETH Disclaimer. CERTAIN PRODUCTS AND SERVICES OF BLOCKFI MANAGEMENT LLC AND ITS AFFILIATES ("BLOCKFI GROUP") USE INDEX AND OTHER DATA FROM COIN METRICS, INC. UNDER LICENSE AS A SOURCE OF INFORMATION. COIN METRICS, INC. HAS NO OTHER CONNECTION TO ANY BLOCKFI GROUP PRODUCT OR SERVICE AND DOES NOT SPONSOR, ENDORSE, RECOMMEND, MANAGE OR PROMOTE ANY BLOCKFI GROUP PRODUCT OR SERVICE. COIN METRICS, INC. HAS NO OBLIGATION OR LIABILITY IN CONNECTION WITH THE BLOCKFI GROUP PRODUCTS OR SERVICE. BLOCKFI IS NOT RESPONSIBLE FOR THE CALCULATION OF THE INDEX.

<sup>2</sup> Because the trust does not currently operate a redemption program, there can be no assurance that the value of the trust's shares will reflect the value of the ether held by the trust, minus the trust's fees and expenses, and the shares of the trust, if traded on any secondary market, may trade at a substantial premium over, or a substantial discount to, the value of the ether held by the trust, minus the trust's fees and expenses. There is currently no secondary market for shares of the trust and there can be no assurances that one will develop. The trust may also be unable to meet its investment objective.

<sup>3</sup> The shares of the trust are offered in private placements pursuant to the exemption from registration provided by Rule 506(c) under Regulation D of the Securities Act of 1933 (the "Securities Act") and is only available to "accredited investors," as such term is defined under Regulation D of the Securities Act. As a result, the shares of the trust are restricted and subject to significant limitations on transfers and resales.

Investors should carefully consider the investment objectives and risks as well as fees and expenses of the trust before investing. More information, including calculation methodologies for "Ethereum Holdings" and "Ethereum Holdings per Share," can be found in the trust's private placement memorandum (which can be accessed [here](#)). Investors should read the trust's private placement memorandum carefully before making an investment. Investments in the trust are speculative investments that involve high degrees of risk, including a partial or total loss of invested funds. An investment in the trust is not suitable for any investor that cannot afford loss of the entire investment. The shares of the trust are intended to reflect the price of the ether held by the trust (based on Ethereum per share), minus the trust's fees and expenses. The shares of the trust are not registered under the Securities Act, the Securities Exchange Act of 1934, the Investment Company Act of 1940, or any state or other securities laws. Investors should consider an investment in the trust's shares to be an illiquid investment and should invest only if prepared to hold the shares indefinitely. This information, which should not be relied upon as research, investment advice, or a recommendation regarding any products, strategies, or any security in particular, is strictly for illustrative, educational, or informational purposes and is subject to change