



Bitcoin and Ethereum investing made simple

ASX: QBTC

ASX: QETH

Betashares Bitcoin ETF (QBTC)

Betashares Ethereum ETF (QETH)

Betashares is proud to bring the growth potential of Bitcoin and Ethereum to Australian investors in the familiar form of an ETF.

Betashares Bitcoin ETF (ASX: QBTC) and Betashares Ethereum ETF (ASX: QETH) provide a simple, convenient way to invest in the world's two largest cryptocurrencies, and are subject to the same regulatory standards as any other ETF on the ASX.

Betashares Bitcoin ETF QBTC

Exposure to the performance of Bitcoin for a management fee of 0.45% p.a*.

Bitcoin Ethereum ETF QETH

Exposure to the performance of Ethereum for a management fee of 0.45% p.a*.

*Other costs apply. Please refer to the PDS.



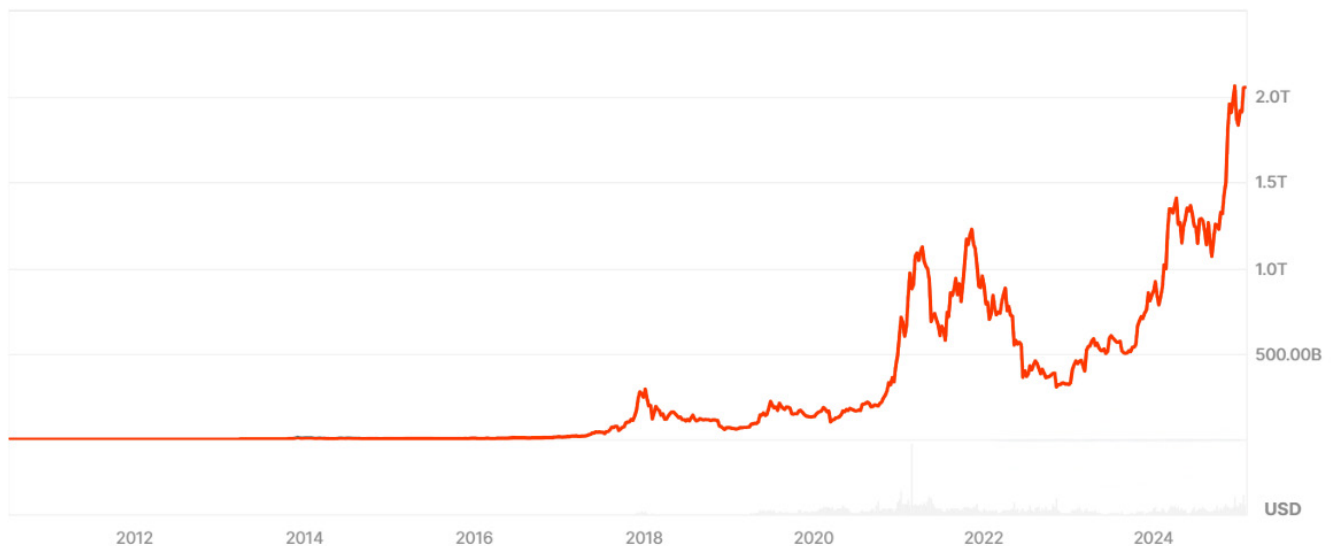
The cryptocurrency market

A cryptocurrency is a digital asset that uses cryptography to facilitate transactions, send cryptocurrency and control the issuance of new units. Most cryptocurrencies utilise distributed ledger technology (DLT) to record transactions digitally and transparently.

Bitcoin is the largest and most established cryptocurrency. It was released as open source software in 2009 by a programmer (or group of programmers) using the pseudonym Satoshi Nakamoto.

Since that time the market capitalisation of Bitcoin has grown exponentially. The chart below shows the increase in the market capitalisation of Bitcoin from July 2010 to 30 January 2025. As of 30 January 2025, Bitcoin accounted for ~58% of the market cap of all cryptocurrencies.

Market Capitalisation of Bitcoin - July 2010 to January 2025 (USD)



Source: www.coinmarketcap.com. As at January 2025. Past performance is not an indicator of future performance.

Ethereum, the second largest cryptocurrency, powers smart contracts and decentralised applications, in addition to being a means of payment for goods and services. As of 30 January 2025, it had a market cap of ~USD 376 billion, accounting for ~11% of total cryptocurrency market cap.

Gaining exposure to cryptocurrencies

Traditionally, investors wanting exposure to a cryptocurrency had to use cryptocurrency exchanges or set up private wallets to buy and receive cryptocurrency.

Buying via a cryptocurrency exchange involves opening an account, transferring fiat or cryptocurrency to fund that account, and nominating 'wallets' to which Bitcoin, Ethereum, or other cryptocurrency can be sent. Historically, such exchanges have been a target for hackers given the necessity for exchanges to facilitate fast execution, and hence be able to access private keys quickly, in the process potentially exposing the assets on exchange to online risks.

Alternatively, investors can set up their own wallets using third party software to secure the private keys, and send cryptocurrency to the relevant wallet address by signing the transaction with their private key (a digital signature that should be kept offline in secret).

A direct holding of cryptocurrency therefore involves risk beyond the risk of the cryptocurrency itself, including the risk that transactions made by mistake are irreversible once recorded on a distributed ledger such as blockchain.

If a holder of cryptocurrency loses or forgets their key, they can find themselves locked out of their wallet – permanently. Given that cryptocurrencies are created and held on decentralised networks, there is no central entity that provides and stores passwords – and therefore no-one who can reset forgotten passwords.

Just as importantly, cryptocurrency exchanges can be subject to varying levels of regulation. Investors do not have the peace of mind that comes with knowing that the operations of the exchange are regulated, nor do they have the investor protections that are available to investors on regulated exchanges such as the ASX.

How do QBTC and QETH gain their exposure?

QBTC and QETH offers investors exposure to Bitcoin and Ethereum respectively within the familiar, investor-friendly ETF structure. You invest in the Funds as you would invest in any ETF or stock on the ASX.

To obtain their exposure to physically-settled Bitcoin or Ethereum, QBTC and QETH invest in the NYSE-listed Bitcoin ETF or Ethereum ETF run by the largest crypto index fund manager in the US, Bitwise.

The Bitcoin and Ethereum assets underlying the Bitwise Funds are primarily held offline in cold storage by a leading global digital asset custodian applying institutional-grade security controls.



What are the benefits of using QBTC and QETH to gain cryptocurrency exposure?

Convenience

Investing in QBTC or QETH means you avoid the complications of investing in, and holding, cryptocurrency directly. You do not need a digital wallet or private key. You invest in the Funds as you would invest in any ETF on the ASX, with daily access on the ASX with T+2 settlement.

Regulation and professional custody

Unlike cryptocurrency trading platforms, which can be subject to varying levels of regulation, QBTC and QETH are subject to the same regulation as all ETFs.

The underlying holdings of Bitcoin and Ethereum are primarily held offline in cold storage by a leading global digital asset custodian.

Transparent valuation

The net asset value (NAV) of QBTC and QETH is published daily on the Betashares website under the relevant fund page along with the amount of Bitcoin/Ethereum held per unit.

An estimated indicative NAV (iNAV) is published on the Betashares website for each Fund during regular trading hours of the ASX.

Ease of administration

Investing in QBTC and QETH can make tax reporting simpler than an investment in physical Bitcoin or Ethereum on a cryptocurrency exchange. Investors in QBTC and QETH will receive a tax statement at the end of the financial year to assist with preparing their annual tax return. Holders of physical cryptocurrency typically must calculate their taxation obligations without assistance from the cryptocurrency exchange they used to make their investment.

QBTC/QETH vs. direct cryptocurrency investment

The table below highlights key differences between investing directly in cryptocurrency via a cryptocurrency exchange, and investing in Betashares Cryptocurrency ETFs.

	Betashares Cryptocurrency ETFs	Direct cryptocurrency
Digital wallet required	No	Yes
Private key required	No	Yes
Simple to trade	Yes	No
Hold in your share/ETF investing account	Yes	No
Trades on a regulated exchange	Yes	Varies
Trading hours	During ASX trading hours	24/7
Daily liquidity	Yes	Yes
Transparent pricing	Yes	Yes

Summary

Digital assets such as Bitcoin have been described as the next technological revolution on the scale of the internet¹. However, directly investing in, and holding, cryptocurrencies such as Bitcoin and Ethereum involves complications and certain risks, over and above the extremely high volatility of digital asset exposure, that many investors may not be comfortable with.

With this in mind, Betashares is pleased to offer the Betashares Bitcoin ETF (QBTC) and the Betashares Ethereum ETF (QETH), enabling investors to gain exposure to Bitcoin and Ethereum in the familiar and trusted ETF form.

¹Quote from Netscape cofounder, Marc Andreessen (2014)

Published February 2025

An investment in QBTC and QETH should be considered extremely high risk and should be considered only by informed investors seeking a very small allocation (5% or less) to an extremely high volatility investment.

An investment in the Fund is not suitable for all investors and should only be made by investors (i) who fully understand the features and risks of Bitcoin and Ether or after consulting a professional financial adviser, and (ii) who have an extremely high tolerance for risk and the capacity to absorb a rapid loss of some or all of their investment.

There are risks associated with an investment in the Funds including volatility risk, digital asset price risk, currency risk, political, legal and regulatory risk, immutability risk and digital asset custody risk. An investment in the Funds should only be made after considering your particular circumstances, including your tolerance for risk. For more information on risks and other features of the Funds, please see the relevant Product Disclosure Statement and Target Market Determination at www.betashares.com.au.