

THE VALKYRIE BITCOIN TRUST



The maturity of bitcoin as an asset and its surrounding infrastructure has led to increased institutional, corporate, and even nation-state adoption throughout 2021; while also sparking renewed significance for retail investors. Unprecedented levels of fiscal and monetary policy have resulted in a paradigm shift, leading investors to search for a more dynamic asset for portfolio construction. Bitcoin may provide both a store of value and a potential hedge against inflation that may result from policy decisions.

Key Highlights

The Valkyrie Bitcoin Trust ("VBTC") aims to deliver a solution for any investor seeking to diversify a portfolio with exposure to the cryptocurrency asset class by providing technologically secure and transparent access to bitcoin.

- Structure aims to mitigate the difficulties and risks inherent in buying physical bitcoin.
- May qualify for an institution's allocation to alternative investments.
- IRA eligible from certain providers.

Strategy Description

VBTC aims to capture the total return available to investors in bitcoin. The trust invests exclusively in bitcoin and aims to offer investors a safe, cost-efficient, and effective way to access bitcoin.

Investment Manager - Valkyrie Investments, Inc.

Valkyrie Investments Inc. is a specialized alternative asset financial services firm at the intersection of traditional finance and the emerging cryptocurrency sector whose affiliates aim to offer asset management, research and other services.

Headquartered in Nashville, the firm and its affiliates aim to provide exposure to the emerging digital asset class through traditional financial vehicles. The Valkyrie team has deep expertise in traditional asset management with extensive backgrounds in building, launching, and scaling financial products with major financial firms. We aim to be the experts across the universe of investment management and digital assets.

Valkyrie Bitcoin Trust Inception Date: 1/1/2021

Data as of 9/30/2021

	Bitcoin	The Valkyrie Bitcoin Trust	SP500TR
3 Month ROR	25.33%	25.14%	0.58%
6 Month ROR	-25.67%	-25.83%	9.18%
Since Inception ROR	49.11%	48.79%	15.92%

Performance figures for Bitcoin, Valkyrie Bitcoin Trust, and S&P 500 (TR) Index are calculated using CoinCap.io 4PM ET pricing, daily NAV per share amounts, and Yahoo! Finance daily close prices, respectively.

Investing involves risk, including the loss of principal. Past performance is not indicative of future results. There is no guarantee that any specific outcome will be achieved. Investments may be illiquid, speculative and there is a risk of loss. Financial numbers are estimated, unaudited and subject to change.

General Information

Investment Objective	Provide exposure to the value of Bitcoin held by the Trust.
Strategy	Direct ownership of Bitcoin (BTC)
Benchmark	The price of bitcoin in US dollars as calculated by CoinCap.io using 4PM EST, a financial data website integrating spot market prices from various digital asset trading platforms.
Investor Qualifications	Accredited Investors
Minimum Investment	25,000 USD
Management Fee	0.40%
Performance Fee	0.00%
Redemptions	Weekly. No withdrawal fee. Valkyrie will terminate the availability of redemptions before the commencement of quotations of the Shares on the OTC Market.
Fund Registration	Exempt from registration; Regulation D private placement
Taxation	Grantor Trust for Tax purposes; no K-1
Subscriptions	Accepted on an ongoing basis
IRA Eligible	VBTC may be IRA eligible from certain providers
Contributions	US bank wires and BTC only

Service Providers

Valkyrie Digital Assets LLC - Sponsor

Coinbase Custody - Custodian

Theorem Fund Services, LLC - Administrator

Cohen & Company - Audit & Tax

Chapman + Cutler LLP - Legal Counsel

Valkyrie Digital Assets LLC and its affiliates (collectively, the “Manager”) are furnishing this presentation (this “Presentation”) to sophisticated prospective investors for informational purposes only in relation to a potential opportunity to subscribe for limited liability company interests (“Interests”) in Valkyrie Bitcoin Trust, LLC (the “Trust”). This is neither an offer to sell nor a solicitation for an offer to buy Interests in the Trust. Any offer to sell or solicitation of an offer to buy Interests will be made solely through definitive offering documents, identified as such, in respect of the Trust in compliance with the terms of all applicable securities and other laws. Such definitive offering documents, if any, will describe risks related to an investment in the Trust (including loss of the entire investment) and will qualify in their entirety the information set forth in this Presentation. The Units have not been registered under the Securities Act of 1933, the securities laws of any state or the securities laws of any other jurisdiction, nor is such registration contemplated. The Interests will be offered and sold, as amended, under the exemption provided by Section 4(a)(2) of the Securities Act of 1933 and Rule 506 of Regulation D promulgated thereunder and other exemptions of similar import in the laws of the states and jurisdictions where the offering will be made. The offer and sale of the Interests have not been registered with or approved or disapproved by the Securities and Exchange Commission (the “SEC”) or the securities commission or regulatory authority of any state or foreign jurisdiction. No Advice on Investment; Risk of Loss: Prior to making any investment decision in respect of the Trust, each investor must undertake its own independent examination and investigation of the Trust, including the merits and risks involved in an investment in the Interests, and must base its investment decision—including a determination whether Interests would be a suitable investment for the investor—on such examination and investigation and must not rely on the Manager or the Trust in making such investment decision. Prospective investors must not construe the contents of this Presentation as legal, tax, investment, or other advice. Each prospective investor is urged to consult with its own advisors with respect to legal, tax, regulatory, financial, accounting, and similar consequences of investing in the Trust, the suitability of the investment for such investor, and other relevant matters concerning an investment in the Trust. This Presentation contains an overview summary of the terms of the Trust. The summary set forth in this Presentation does not purport to be complete, and is qualified in its entirety by reference to the definitive offering documents relating to the Trust. Do not place undue reliance on this Presentation. Information May Change and Be Inaccurate, Incomplete, or Outdated: The information in this Presentation is for discussion purposes only and no representations or warranties are given or implied. The information contained in this Presentation is subject to further discussion, completion, and amendment. All of the information presented herein is subject to change without notice. For example, the Trust may select new service providers such as custodians and administrators. This Presentation may be updated to provide additional information and its methodology. Any use of this Presentation is on an “as is” and “as available” basis and is at the user’s sole risk. You should consider carefully the risks described below before making an investment decision. You should also refer to the other information included in this Memorandum, as well as information found in documents incorporated by reference in this Memorandum, before you decide to purchase any Shares. The Trust was recently formed and has a limited operating history. The Trust is subject to risks due to its concentration in a single asset: bitcoin. Any losses suffered as a result of a decrease in the value of bitcoin would be expected to reduce the value of the Shares. Digital assets such as bitcoin were only introduced within the past decade, and the medium-to-long term value of the Shares is subject to a number of factors relating to the capabilities and development of blockchain technologies and to the fundamental investment characteristics of digital assets. The trading prices of many digital assets have experienced extreme volatility in recent periods and may continue to do so. The bitcoin markets may still be experiencing a bubble or may experience a bubble again in the future. Extreme volatility in the future, including further declines in the trading prices of bitcoin, could have a material adverse effect on the value of the Shares and the Shares could lose all or substantially all of their value. Moreover, because digital assets, including Bitcoin, have been in existence for a short period of time and are continuing to develop, there may be additional risks in the future that are impossible to predict. The loss or destruction of a private key required to access bitcoin may be irreversible. As a result, any incorrectly executed bitcoin transactions could adversely affect the value of the Shares. Shareholders may not receive the benefits of any forks or “airdrops.” There is currently no secondary market for the Shares. Potential conflicts of interest may arise among the Sponsor and/or its affiliates and the Trust, which may be detrimental to the Trust and its Shareholders. The liquidity of the Shares may be affected by the withdrawal from participation of Authorized Participants. The Sponsor is permitted, but not required, to allow individual investors to create and redeem Shares; however, typically Share creation and redemption is expected to be conducted through Authorized Participants. Shareholders could incur a tax liability without an associated distribution of the Trust. The historical performance of Bitcoin is not illustrative of the performance of the Valkyrie Bitcoin Trust. The returns of Bitcoin are historical and unaudited and do not represent the returns of an actual account. These historical returns do not include the fees and expenses that are charged by any Trust. Actual Trust returns may differ materially from the historical returns of Bitcoin. Actual returns from live portfolios will differ materially from the historical, unaudited Bitcoin returns. Historical returns do not reflect the macroeconomic risks of using an investment strategy in a different time period or the financial risk of executing trades in a live portfolio which include the potential market impact on cryptocurrency prices caused by buying or selling that could cause price impact. The historical Bitcoin price performance does not include Hypothetical returns and do not reflect the macroeconomic risks of using an investment strategy in a different time period. They also do not reflect the financial risk of executing trades in a live portfolio, including the potential market impact on cryptocurrency prices caused by buying or selling, which could cause the model’s buy or sell prices to differ from the frictionless trades of the back-tested model. They also do not reflect the financial risk of executing trades in a live portfolio, including the potential market impact on cryptocurrency prices caused by buying or selling, which could cause the model’s buy or sell prices to differ from the frictionless trades of the back-tested model. Those estimated fees have not been included in (by reducing) the historical performance. Although the information on this Fact Sheet provides some idea of the historic risks involved in investing in a portfolio investing in Bitcoin, past hypothetical performance is not a guarantee of future returns. Backward-looking performance cannot predict how any investment strategy will perform in the future.