THE BITCOIN FUND

Interim Financial Statements

June 30, 2026 (Unaudited)

NOTICE TO UNITHOLDERS

The Auditors of the Fund have not reviewed these interim financial statements.

3iQ Corp., the Manager of the Fund, appoints an independent auditor to audit the Fund's annual financial statements. Applicable securities laws require that if an auditor has not reviewed the Fund's interim financial statements, this must be disclosed in an accompanying notice.

THE BITCOIN FUND

Interim Financial Statements

June 30, 2026 (Unaudited)

The Bitcoin Fund

Statements of Financial Position
(Unaudited)

(Expressed in United States dollars)

	June 30, 2026	December 31, 2025
ASSETS		
Cash	$ 75,588	$ 26,203
Digital assets at fair value (Note 5)	209,729,627	381,854,101
	209,805,215	381,880,304
LIABILITIES		
Accounts payable and accrued liabilities	54,169	58,531
Management fees payable (Note 6)	444,151	713,458
	498,320	771,989
Net assets attributable to holders of redeemable units	$ 209,306,895	$ 381,108,315
Number of redeemable units outstanding	3,638,455	4,389,276
Net assets attributable to holders of redeemable units per unit	$ 57.53	$ 86.83

The accompanying notes are an integral part of these interim financial statements.

The Bitcoin Fund

Statements of Comprehensive Income (Loss)
For the six month periods ended June 30 (Unaudited)

(Expressed in United States dollars)

	2026	2025
Income		
Net realized gains (losses) on sale of digital assets	$ 37,190,180	$ 81,755,699
Net change in unrealized appreciation (depreciation) in fair value of digital assets	(156,729,591)	(7,902,390)
Foreign exchange gain (loss) on cash	(729)	(373)
Other income	—	8,798
	(119,540,140)	73,861,734
Expenses (Note 10)		
Management fees (Note 6)	3,397,717	5,389,443
Custodian fees	216,227	338,763
Operating costs	166,776	201,308
Audit fees	31,701	30,879
Administration fees	28,063	28,956
Unitholder reporting costs	6,461	6,397
Independent review committee fees and expenses	2,161	4,188
	3,849,106	5,999,934
Net increase (decrease) in net assets attributable to holders of redeemable units	$ (123,389,246)	$ 67,861,800
Weighted average number of redeemable units outstanding during the period	4,331,139	5,177,288
Net increase (decrease) in net assets attributable to holders of redeemable units per unit*	$ (28.49)	$ 13.11

* Based on the weighted average number of units outstanding during the periods.

The accompanying notes are an integral part of these interim financial statements.

The Bitcoin Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units
For the six month periods ended June 30 (Unaudited)

(Expressed in United States dollars)

	2026	2025
Net assets attributable to holders of redeemable units, January 1	$ 381,108,315	$ 500,537,156
Increase (decrease) in net assets attributable to holders of redeemable units	(123,389,246)	67,861,800
Payments for units redeemed	(48,412,174)	(93,475,923)
Net assets attributable to holders of redeemable units, June 30	$ 209,306,895	$ 474,923,033

The accompanying notes are an integral part of these interim financial statements.

The Bitcoin Fund

Statements of Cash Flows
For the six month periods ended June 30 (Unaudited)

(Expressed in United States dollars)

	2026	2025
Cash provided by (used in):		
Operating Activities		
Net increase (decrease) in net assets attributable to holders of redeemable units	$ (123,389,246)	$ 67,861,800
Adjustments for non-cash items		
Net realized (gains) losses on sale of digital assets	(37,190,180)	(81,755,699)
Net change in unrealized (appreciation) depreciation in fair value of digital assets	156,729,591	7,902,390
Foreign exchange (gain) loss on cash	729	373
Change in non-cash balances		
Increase (decrease) in accounts payable and accrued liabilities	(4,362)	(43,895)
Increase (decrease) in management fees payable	(269,307)	(47,987)
Proceeds from sale of digital assets	52,585,063	99,678,051
Cash provided by (used in) operating activities	48,462,288	93,595,033
Financing Activities		
Redemption of redeemable units	(48,412,174)	(93,475,923)
Cash provided by (used in) financing activities	(48,412,174)	(93,475,923)
Increase (decrease) in cash during the period	50,114	119,110
Foreign exchange gain (loss) on cash	(729)	(373)
Cash, beginning of period	26,203	39,646
Cash, end of period	$ 75,588	$ 158,383

The accompanying notes are an integral part of these interim financial statements.

The Bitcoin Fund

Schedule of Investment Portfolio
As at June 30, 2026 (Unaudited)

(Expressed in United States dollars)

Quantity	Digital Assets owned	Average cost	Fair value	% of net asset value
3,579	Bitcoin	$ 69,335,173	$ 209,729,627	100.20
	Net investments owned	**$ 69,335,173**	209,729,627	100.20
	Other liabilities, net		(422,732)	(0.20)
	Net Assets Attributable to Holders of Redeemable Units		**$ 209,306,895**	**100.00**

The accompanying notes are an integral part of these interim financial statements.

1. Fund Organization and Nature of Operations

The Bitcoin Fund (the "Fund") is a closed-ended investment fund, established as a trust, which was created under the laws of the Province of Ontario pursuant to a Declaration of Trust dated March 31, 2020 as may be amended from time to time (the "Declaration of Trust"). The address of the Fund's registered office is Suite 2700 – 161 Bay St, Toronto, Ontario, M5J 2S1. The Fund commenced active operations on April 9, 2020. The Class A units of the Fund are listed on several stock exchanges, including the Toronto Stock Exchange ("TSX") (equity symbols: QBTC and QBTC.U). There is no fixed termination date for the Fund.

3iQ Corp. is the trustee, manager, portfolio manager and promoter of the Fund (the "Trustee" and "Manager"). Monex Group Inc. ("Monex", TYO: 8698), a Japanese financial services public company, had a majority stake in 3iQ Digital Holdings Inc. ("3iQ"), the parent company of the Manager until February 27, 2026. From February 28, 2026, Coincheck Group N.V. acquired a majority stake in 3iQ Digital Holdings Inc. ("3iQ"), the parent company of the Manager.

The Manager is responsible for the management and administration of the Fund, including managing and directing the investments of the Fund. The Fund uses Tetra Trust Company as the custodian and Anchorage Digital as the sub-custodian to oversee the retention, security and transfer of digital assets for the Fund (the "Custodian" and "Sub-Custodian"). The Custodian and Sub-Custodian are independent of the Manager. The Manager's authorized staff are responsible for coordinating and executing transfers of digital assets between the source of the digital assets, primarily OTC brokers and trading platforms, and the custodial platform in use for the Fund. SGGG Fund Services Inc. is the administrator ("Administrator") of the Fund.

Coinbase Custody Trust Company, LLC was the sub-custodian for the period from January 1, 2026 to June 23, 2026 and for the year ended December 31, 2025. Effective June 24, 2026, Anchorage Digital became the sub-custodian for the Fund. The change in sub-custodian did not affect fund governance, unitholder rights, or investment objectives.

The investment objective of the Fund is to provide unitholders of the Fund with exposure to the digital asset bitcoin ("bitcoin"), the daily price movements of the United States dollar price of bitcoin and the opportunity for long-term capital appreciation. To achieve its investment objectives, the Fund has invested in holdings of bitcoin, purchased from reputable bitcoin trading platforms and OTC counterparties, in order to provide investors with a convenient, safer alternative to a direct investment in bitcoin.

2. Basis of Presentation:

Basis of accounting

These unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), including IAS 34 - "Interim Financial Reporting".

These interim financial statements were approved and authorized for issuance by the board of directors of the Manager on August 19, 2026.

Functional and presentation currency

These interim financial statements are presented in United States dollars, which is the Fund's functional currency.

3. Material Accounting Policy Information:

(a) Digital assets:

The accounting policies set out below have been applied consistently to the periods presented in these interim financial statements.

Digital assets are an open-source software-based online payment system where payments are recorded in a public ledger using its own unit of account. The Fund holds digital assets generating profit based on the long-term appreciation in the price of bitcoin. The cost basis of the investments in the digital assets recorded by the Fund is the fair value of the digital assets at the time of purchase. The Fund measures digital assets inventory at its fair value less costs to sell, with any change in fair value less costs to sell being recognized in profit or loss in the period of the change on an average cost basis under the caption Net change in unrealized appreciation (depreciation) in fair value of digital assets. Costs to sell digital assets inventory are immaterial and no allowance is made for such costs.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Digital assets inventory is derecognized when the Fund disposes of the inventory. Net realized gains or losses on sale are determined on an average cost basis and are recognized in profit or loss. Inventory shrinkage arising from denial of access to the economic benefits associated with ownership of digital assets inventory is recognized as an expense in profit or loss on identification.

Digital assets inventory for further discussion of the Fund's accounting policy in respect of digital assets inventory valuation and the judgment made in determining that such inventory is carried as a commodity (Note 4).

(b) Financial instruments

Recognition

Financial assets and financial liabilities are recognized on the Statements of Financial Position when the Fund becomes a party to the contractual provisions of the instrument. The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs (where applicable).

Classification

The Fund classifies its financial assets, cash, at amortized cost. The Fund classifies its financial liabilities, accounts payable and accrued liabilities and management fees payable at amortized cost. The Fund reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Impairment of financial assets

Financial assets measured at amortized cost must be depreciated by the amount of expected credit losses. Given the very short maturity of these financial assets and the financial strength of the counterparties involved, the Manager believes that the risk of loss is very low. For this reason, no impairment was recorded for financial assets measured at amortized cost.

3. Material Accounting Policy Information (Continued):

(b) Financial instruments (Continued)

Derecognition

A financial asset is derecognized when either the Fund has transferred substantially all the risks and rewards of the asset, or the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired.

(c) Fair value

The Fund primarily applies the market approach for recurring fair value measurements. Three levels of inputs may be used to measure fair value:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities
Level 2 – inputs other than quoted prices included in Level 1 that are observable or can be corroborated by observable market data
Level 3 – unobservable inputs that are supported by no market activity

(d) Net assets attributable to holders of redeemable units, per unit

The net assets attributable to holders of redeemable units, per unit is calculated by dividing the net assets attributable to holders of redeemable units of a particular class of units by the total number of units of that particular class outstanding at the end of the period.

(e) Net increase (decrease) in net assets attributable to holders of redeemable units per unit

The net increase (decrease) in net assets attributable to holders of redeemable units per unit is based on the net increase (decrease) in net assets attributable to holders of redeemable units, divided by the weighted average number of units outstanding of that class during the period. Only Class A units were outstanding during the periods.

(f) Foreign currency translation

The Fund's digital assets may be traded in foreign markets. The proceeds of the sale of those digital assets will be realized in the respective currency. Foreign currency positions are subject to gains and losses due to fluctuations in the respective exchange rates. Foreign currency and purchases of digital assets as well as sales of digital assets are translated into the reporting currency at the rate of exchange prevailing at the date of the transaction. Foreign exchange gains and losses on sales of digital assets are included in the Statements of Comprehensive Income (Loss). Unrealized foreign exchange gains and losses on digital assets are included in Net change in unrealized appreciation (depreciation) in fair value of digital assets in the Statements of Comprehensive Income (Loss).

3. Material Accounting Policy Information (Continued):

(g) Net assets attributable to holders of redeemable units

When the Fund repurchases its own units for cancellation, the costs and consideration paid in excess of costs are allocated to net assets attributable to holders of redeemable units.

(h) Income tax

Under the Income Tax Act (Canada), the Fund is defined as a mutual fund trust. All of the Fund's net taxable income for tax purposes (including a sufficient portion of the net realized capital gains) in any year must be distributed to holders of redeemable units to ensure no income tax is payable by the Fund.

The tax benefit of capital and non-capital losses has not been reflected in the Statements of Financial Position as a deferred income tax asset. For income tax reporting purposes as at December 31, 2025, the Fund had total capital losses carried forward of $0 (2024 – $0), which may be carried forward indefinitely, and total non-capital losses carried forward of $6,190,683 (2024 – $12,009,477), which may be carried forward twenty years from their year of incursion. These figures have been computed based on the tax year ended December 31, 2025.

(i) New standards and amendments to existing standards effective January 1, 2026

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2026. The Fund's assessment of the impact of these new standards and amendments is set out below:

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after January 1, 2026)

The IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. Among other amendments, the IASB clarified the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.

The Management has assessed the new standard and determined that there is no impact on the Fund's financial statements.

(j) Accounting standards issued but not yet effective

In April 2024, the International Accounting Standards Board (IASB) issued IFRS 18, "Presentation and Disclosure in the Financial Statements" which aims to improve the quality of financial reporting by introducing new requirements which include new required categories and subtotals in the Statements of Comprehensive Income (Loss) and enhanced guidance on grouping of information. IFRS 18 replaces IAS 1, "Presentation of Financial Statements". This standard is effective for annual periods beginning on or after January 1, 2027, with early adoption permitted. The Manager is currently assessing the impact of these new requirements.

4. Critical Accounting Estimates and Significant Judgments:

The preparation of interim financial statements in accordance with IFRS Accounting Standards requires management to use accounting estimates. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies. Estimates are continually evaluated and based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

The following are significant management judgments on applying policies of the Fund that have the most significant effects on the interim financial statements.

Functional currency

The Manager considers the United States dollar to be the functional currency in which the Fund operates, because it is the currency in which, in its opinion, most faithfully represents the economic effects of the underlying transactions, events and conditions of the Fund. Moreover, the United States dollar is the currency in which the Fund assesses its performance. The Fund issues and redeems its units in United States dollars.

Units classification

The units of the Fund are classified as financial liabilities in accordance with IAS 32, Financial Instruments Presentation (IAS 32), and are measured at the annual redemption amount, which approximates fair value as of the reporting date.

Investment entity

The Manager of the Fund evaluated the facts and circumstances to determine whether the Fund meets the definition of an investment entity under IFRS 10 – Consolidated Financial Statements.

The Manager concluded that the Fund has more than one investor, the other investors are not related and evaluates their digital assets holdings at their fair value each reporting period. The Manager determined that the Fund does meet the definition of an investment entity, but notes that the Fund does not hold investments that would result in consolidation.

Digital assets inventory

The Manager considers that the Fund's digital assets are a commodity and the Fund as a commodity broker-trader. The Fund actively trades such assets with the intention of generating a profit from fluctuations in the price or traders' margin, therefore, subsequent to initial recognition, digital assets inventory is held at fair value less costs to sell, in accordance with IAS 2 – Inventories (IAS 2). Gains and losses arising from change in fair value of digital assets are shown in the Statements of Comprehensive Income (Loss) as 'Net change in unrealized appreciation (depreciation) in fair value of digital assets' and 'Net realized gains (losses) on sale of digital assets' when positions are closed out, where applicable, by subtracting the average cost of digital assets from their fair value. Costs to sell digital assets inventory are immaterial and no allowance is made for such costs.

4. Critical Accounting Estimates and Significant Judgments (Continued):

Digital assets inventory (Continued)

The Fund's activities include buying and selling digital assets and, therefore, subsequent to initial recognition, digital assets inventory is held at fair value less costs to sell, reflecting the Fund's purpose of holding such digital assets inventory as a commodity in accordance with IAS 2 – Inventories. Costs to sell digital assets inventory are immaterial and no allowance is made for such costs. Changes in the amount of digital assets inventory based on fair value are included in profit or loss for the period.

The topic of digital assets and the accounting for digital assets continues to be considered by the International Accounting Standards Board and the Manager continues to monitor new comments and interpretations released by the International Accounting Standards Board and other standard setters from around the world.

Estimation uncertainties

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

Fair value of digital assets

Digital assets consist of bitcoin (see Note 5 for fair value measurement) and are included in current assets.

5. Fair Value Measurement:

The digital assets that are held by the Fund are carried at fair value using Level 2 fair value measurements.

The value of bitcoin in the Fund's portfolio is based on the CME CF Bitcoin Reference Rate – New York Variant ("BRRNY"), administered by CF Benchmarks. The BRRNY reflects the price of bitcoin using data sourced from selected digital asset exchanges, with the closing value calculated at 4:00 p.m. Eastern Standard Time.

The fair values of cash, accounts payable and accrued liabilities and management fees payable approximate their respective carrying values due to the short period to maturity.

6. Related Party Transactions:

Management fees

The Manager of the Fund is responsible for managing and directing the undertaking, operations and affairs of the Fund, including managing and directing the investments. The Fund pays an annual management fee to the Manager amounting to 1.95% of the Fund's net asset value calculated daily and payable monthly, plus applicable taxes, in respect of each of the Class A units and the Class F units of the Fund.

Management fees payable to the Manager are disclosed under the caption Management fees payable in the Statements of Financial Position.

7. Redeemable Units:

The Fund is authorized to issue an unlimited number of redeemable units. Each redeemable unit entitles the holder to the same rights and privileges in relation to any other unitholder, subject to the terms and conditions of the declaration of trust.

The Class A units of the Fund are available to all investors. The Class F units are designed for fee-based and/or institutional accounts and are not listed on a stock exchange. Class F units in an offering have been reclassified as Class A units upon the closing of offerings. No Class F units were issued during the period, and no Class F units were outstanding as at June 30, 2026.

The redeemable units of the Fund are available to all investors.

Redeemable Unit Transactions

Redeemable unit transactions were as follows:

	June 30, 2026	June 30, 2025
Units outstanding, beginning of period	4,389,276	5,243,332
Redeemable units issued	—	—
Units redeemed	(750,821)	(853,854)
Units Outstanding, end of period	3,638,455	4,389,478
Weighted average units outstanding during the period	4,331,139	5,177,288

Redemption of units

Annual redemptions:

Units may be redeemed at the option of unitholders on the first business day following the 15th day of June in each year (each, an “Annual Redemption Date”), subject to the Fund’s right to suspend redemptions in certain circumstances. Units so redeemed will be redeemed at a redemption price equal to the net asset value per unit on the Annual Redemption Date, less any costs and expenses associated with the redemption, including commissions incurred by the Fund to fund such redemptions. Units must be surrendered for redemption on or before the last business day of the 15th day of May preceding the applicable Annual Redemption Date (the “Annual Cut-Off Date”).

Redemption proceeds will be paid in United States dollars on or before the 15th business day following the Annual Redemption Date.

7. Redeemable Units (Continued):

Monthly redemptions:

Class A units may be surrendered at the option of unitholders at any time for redemption on the first business day following the 15th day of each month (the “Monthly Redemption Date”), subject to certain conditions and, in order to effect such a redemption, the units must be surrendered for redemption no later than 5:00 p.m. (Toronto time) on the last business day of the month prior to the month of the applicable Monthly Redemption Date (the “Monthly Cut-Off Date”). Payment of the proceeds of redemption will be made in United States dollars on or before the 15th business day following the Monthly Redemption Date (“Redemption Payment Date”).

Unitholders surrendering a Class A unit for redemption shall receive a redemption price (the “Class A Redemption Price”) equal to the lesser of: (i) 95% of the Closing Market Price of a Class A unit on the applicable Monthly Redemption Date; and (ii) the net asset value per Class A unit on the applicable Monthly Redemption Date less, in each case, any costs and expenses associated with the redemption, including commissions incurred by the Fund. Redemption proceeds will be paid in United States dollars.

The Manager may suspend the redemption of units or payment of redemption proceeds of the Fund with the prior permission of the securities regulatory authorities, for any period during which the Manager determines that conditions exist that render impractical the sale of assets of the Fund or that impair the ability of the Fund’s Administrator to determine the value of the assets of the Fund. 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.

Distributions

The Fund does not intend to pay distributions to unitholders, other than the distribution of net income at year end, as described below.

On an annual basis, the Fund will ensure that its income and net realized capital gains, if any, have been distributed to unitholders to such an extent that the Fund will not be liable for ordinary income tax thereon. To the extent that the Fund 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 Fund will be paid as a “reinvested distribution”.

In addition to the distributions described above, the Fund may from time to time pay additional distributions on its units, including without restriction in connection with a special distribution or in connection with returns of capital.

8. Capital Disclosure:

The capital of the Fund is represented by issued and redeemable units. The redeemable units are entitled to distributions, if any, and to the payment of a proportionate share based on the Fund’s net asset value per unit upon redemption. The Fund has no restrictions or specific capital requirements on the subscriptions and redemptions of units.

In accordance with its investment objectives and strategies, and the risk management practices outlined in Note 9, the Fund endeavors to invest the subscriptions received in bitcoin while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of digital assets where necessary.

(Expressed in United States dollars)

8. Capital Disclosure (Continued):

The following tables summarize the capital disclosures of the Fund for the six month period ended June 30, 2026 and year ended December 31, 2025:

	June 30, 2026		December 31, 2025	
	Units	$	Units	$
Class A				
Monthly redemptions	(75)	(6,474)	(202)	(16,655)
Annual redemptions	(750,746)	(48,405,700)	(853,854)	(93,475,923)
	(750,821)	(48,412,174)	(854,056)	(93,492,578)

9. Digital Asset Risk:

Management of digital asset risks

The Fund is subject to various risks including market risk, liquidity risk, and other risks related to its concentration in a single asset, namely bitcoin. Investing in bitcoin is highly speculative and volatile. The investment objective of the Fund is to track the market price of bitcoin, less the Fund's liabilities and expenses, by investing the assets of the Fund in bitcoin. As bitcoin prices rise or fall, the Fund should achieve those gains or suffer those losses. However, there can be no assurance that the Fund matches the gains in bitcoin. The Fund does not employ leverage as part of its investment strategy.

To the extent that private keys for bitcoin addresses are lost, destroyed or otherwise compromised and no backup of the private keys is accessible, the Fund may be unable to access the bitcoin held in the associated address and the bitcoin network will not be capable of restoring the private keys. The risk of losing private keys is mitigated by the services provided by the Sub-Custodian to maintain the safety of the private keys.

The processes by which bitcoin transactions are settled are dependent on the bitcoin peer-to-peer network and, as such, the Fund is subject to operational risk. A risk also exists with respect to previously unknown technical vulnerabilities, which may adversely affect the value of bitcoin.

Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. Currently, the Fund has its investment highly concentrated in a single asset, bitcoin, which is the mandate of the Fund.

The Custodian and Sub-Custodian

The Custodian, and the Sub-Custodian, oversee the retention, security and transfer of bitcoins for the Fund. The Custodian and Sub-Custodian are responsible for (i) establishing and maintaining one or more digital wallets and one or more cold storage vault accounts, which are specialized digital wallets for which private keys are maintained on computers or other devices that are not connected to the Internet or any other computer network, (ii) keeping the private keys that provide access to the digital wallets and vault accounts secure, and (iii) facilitating the transfer of bitcoins in accordance with the Manager's instructions.

9. Digital Asset Risk (Continued):

Insurance risk

Neither the Fund nor the Custodian maintains insurance against risk of loss of digital assets held by the Fund.

The Sub-Custodian holds most of the digital assets that it custodies offline in cold storage. Digital assets held in cold storage are protected by the Sub-Custodian’s security measures. Digital assets may also be temporarily held online in a “hot wallet” at the Sub-Custodian.

Cyber security risk

Bitcoins are controllable only by the possessor of both the unique public key and private key relating to the digital wallet in which the bitcoins are held. While the bitcoin network requires a public key relating to a digital wallet to be published when used in a spending transaction, if keys are lost or destroyed, this could prevent trading of the bitcoins.

Security breaches, computer malware and computer hacking attacks and bankruptcies have been a prevalent concern in the bitcoin exchange market since the launch of the Bitcoin Network. Any security breach caused by hacking could cause loss of bitcoin investments.

As the use of technology has become more prevalent in the course of business, investment funds 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 Fund to lose proprietary information or other information subject to privacy laws, suffer data corruption, or lose operational capacity. This in turn could cause the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss.

Bitcoin Network risk

The open-source structure of the Bitcoin Network protocol means that the core developers of the Bitcoin Network and other contributors are generally not directly compensated for their contributions in maintaining and developing the Bitcoin Network protocol. A failure to properly monitor and upgrade the Bitcoin Network protocol could damage the Bitcoin Network.

Digital asset volatility price risk

The price of digital assets is volatile and fluctuations are expected to have a direct impact on the net assets of the Fund. However, movements in the price of digital assets 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.

If the value of the Fund has increased or decreased by 10% on June 30, 2026, with all other variables held constant, the net assets attributable to securityholders of the Fund would have increased or decreased by approximately $20,972,963 (December 31, 2025 – $38,185,410).

9. Digital Asset Risk (Continued):

Cryptocurrency risk

Cryptocurrency 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 may experience high volatility and related investment vehicles may be affected by such volatility. 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 net assets of the Fund.

10. Expenses:

In addition to the management fees, and any debt servicing costs, the Fund will pay all of its own expenses and all administration expenses incurred by the Manager for its duties as the manager to the Fund. Such fees and expenses to be borne by the Fund may include, without limitation: fees and expenses payable to the independent review committee of the Fund; brokerage and trading commissions and other fees and expenses associated with the execution of transactions in respect of the Fund's investment in bitcoin; fees payable to the registrar and transfer agent; fees payable to any custodians and/or sub-custodians for the assets of the Fund as well as the fees of the Fund's Administrator and other service providers; licensing fee payable to CF Benchmarks to license the BRRNY; expenses relating to the monitoring of the relationships with the Custodian and Sub-Custodian and other organizations serving the Fund; 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 Fund may become listed or quoted; the preparation and supervision costs relating to the calculation and publication of the net asset value; 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 Fund. The Manager may, from time to time, in its sole discretion, pay a portion of any ongoing expenses of the Fund which would otherwise be payable by the Fund.