

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

**AMENDMENT NO. 1 DATED OCTOBER 21, 2022 TO THE
PROSPECTUS DATED MARCH 31, 2022
FOR**

**3iQ CoinShares Bitcoin ETF
3iQ CoinShares Ether ETF**

(collectively, the “3iQ CoinShares ETFs” and each, a “3iQ CoinShares ETF”)

The prospectus of the 3iQ CoinShares ETFs dated March 31, 2022 (the “**Prospectus**”) is hereby amended and is to be read subject to the additional information set forth below. All capitalized terms have the respective meaning set out in the Prospectus, unless otherwise specifically defined in this Amendment No. 1.

All page references refer to the version of the Prospectus available on the Manager’s website at www.3iQ.ca or at www.sedar.com.

SUMMARY

As announced on September 21, 2022, by 3iQ Corp., as Manager of the 3iQ CoinShares ETFs, the 3iQ CoinShares ETFs will be transitioning out of their current custodianship and sub-custodian arrangements with Cidel Trust Company and Gemini Trust Company, LLC, respectively. Following the transition, which is expected to occur on or before November 29, 2022, Tetra Trust Company will serve as custodian and Coinbase Custody Trust Company, LLC will serve as sub-custodian of 3iQ CoinShares ETFs. This amendment also includes additional housekeeping amendments to the Prospectus.

AMENDMENTS

Effective as of the date of this amendment, the Prospectus is hereby amended as follows:

1. On page 1 of the Prospectus, the following definitions are added under the heading “Glossary of Terms”, immediately following the definition of “CDS Participant”:

Coinbase – Coinbase Custody Trust Company, LLC.

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

2. On page 3 of the Prospectus, the definition of “MVIS” is hereby deleted and replaced with the following:

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

3. On page 4 of the Prospectus, the following definitions are added under the heading “Glossary of Terms”, immediately following the definition of “TER”:

Tetra – Tetra Trust Company.

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

4. On page 11 of the Prospectus, the second row of the table under the subheading “Organization and Management Details” is hereby deleted and replaced with the following:

Custodian: Prior to the transition to Tetra, Cidel Trust Company is the custodian of the assets of the 3iQ CoinShares ETFs and has been given the authority to appoint sub-custodians. The address of the Custodian is 60 Bloor St W, 9th Floor, Toronto, Ontario M4W 3B8. Tetra Trust Company will be the custodian of the assets of the 3iQ CoinShares ETFs following the transition and will have the authority to appoint sub-custodians. The address of Tetra is Suite 425 - 441 5th Avenue SW, Calgary, Alberta T2P 2V1. The Custodian is, and Tetra will be, entitled to receive fees from the Manager as described under “Fees and Expenses – Fees and Expenses Payable by the 3iQ CoinShares 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 CoinShares ETFs. See “Organization and Management Details – Custodian”.

5. On page 11 of the Prospectus, the third row of the table under the subheading “Organization and Management Details” is hereby deleted and replaced with the following:

Sub-Custodian: Prior to the transition to Tetra, Gemini acts as sub-custodian of the 3iQ CoinShares ETFs. The address of the Sub-Custodian is 600 Third Avenue, New York, New York 10016. Coinbase Custody Trust Company, LLC will be the sub-custodian of the 3iQ CoinShares ETFs following the transition. The address of Coinbase is 200 Park Avenue South, Suite 1208, New York, New York 10003. See “Organization and Management Details – Sub-Custodian”.

6. On page 17 of the Prospectus, the third bullet of the third paragraph under the subheading “3iQ CoinShares Ether ETF” is hereby deleted and replaced with the following:

- *Cold Storage at Sub-Custodian.* Gemini is a regulated and licensed custodian of ether. Storage of ether by Gemini can either be in a “hot wallet”, which is connected to the internet, or in “cold storage” where private keys have no contact with the internet, are created, stored, and managed on hardware security modules (“HSMs”) located in access-guarded facilities that are geographically distributed.

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 HSMs. The final shards are stored and managed in geo-redundant, physical secure storage lockers within Coinbase's secure facilities.

The 3iQ CoinShares Ether ETFs’ 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”.

7. On page 30 of the Prospectus, the second paragraph under the subheading “Limited Insurance” is hereby deleted and replaced with the following:

The 3iQ CoinShares 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 CoinShares ETFs’ bitcoin and ether may also be temporarily held online in a “hot wallet”.

Gemini currently maintains \$200 million in specie coverage for digital assets held in Gemini’s cold storage system. The amounts and continuing availability of this coverage are subject to change at Gemini’s sole discretion. Gemini maintains separate commercial crime insurance coverage for digital assets custodied in its “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”.

8. On page 31 and 32 of the Prospectus, the last sentence of the second paragraph under the subheading “Uncertain Regulatory Framework” is hereby deleted and replaced with the following:

In addition, Gemini is a reporting entity under the U.S. Bank Secrecy Act and AML Regulation in the U.S. and has adopted the Gemini BSA/AML Compliance Program. Coinbase 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, Coinbase 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.

9. On page 33 of the Prospectus, the fourth paragraph under the subheading “Blockchain may Temporarily or Permanently Fork and/or Split” is hereby deleted and replaced with the following:

The Sub-Custodian Agreement with Gemini provides that Gemini will support the forked network that requires the greatest total threshold number of hash attempts to mine all existing blocks measured during the 48-hour period following the fork, subject to its ability to, under certain circumstances and in consultation with the New York State Department of Financial Services and its licensing partners, make a good faith determination as to the forked network that is most likely to be supported by the greatest number of users and miners and support that network. Gemini may, in its discretion, choose to not support the forked network, in which case Gemini may abandon the Fork Asset (as defined below), retain the Fork Asset for itself or allow a one-time withdrawal of the Fork Asset by the 3iQ CoinShares ETFs. Gemini may also choose to support the forked network. The Coinbase Sub-Custodian Agreement provides that Coinbase may, in its discretion, choose to not support a forked network.

10. On page 50 of the Prospectus, the text under the subheading “Custodian” is hereby deleted in its entirety and replaced with the following:

Prior to the transition to Tetra described below, Cidel Trust Company (“**Cidel**”) is the custodian of the assets of the 3iQ CoinShares ETFs, pursuant to the Custodian Agreement. Cidel is a federally regulated trust company based in Calgary, Alberta and provides services to the 3iQ CoinShares ETFs from its office in Toronto, Ontario. Cidel is a wholly-owned subsidiary of Cidel Bank Canada, a Schedule II Bank regulated by the Office of the Superintendent of Financial Institutions. Cidel is responsible for safekeeping of all the investments and other assets of the 3iQ CoinShares ETFs delivered to it (but not those assets of the 3iQ CoinShares ETFs not directly controlled or held by Cidel, as the case may be). Cidel may appoint a sub-custodian from time to time in accordance with NI 81-102.

The Manager, on behalf of a 3iQ CoinShares ETF, or Cidel may terminate the Custodian Agreement upon at least 90 days’ written notice. The Manager, on behalf of a 3iQ CoinShares ETF, may terminate the Custodian Agreement immediately if Cidel ceases to be qualified to act as a custodian of the 3iQ CoinShares ETFs under applicable law. Cidel may terminate the Custodian Agreement on 30 days’ written notice to a 3iQ CoinShares ETF in the event that Cidel has delivered a termination notice to the Sub-Custodian, or is entitled to deliver a termination notice to Gemini upon the occurrence of certain termination events, pursuant to the terms of the Sub-Custodian Agreement. Cidel is entitled to receive fees from the 3iQ CoinShares ETFs as described under “Fees and Expenses – Fees and Expenses Payable by the 3iQ CoinShares ETFs – Operating Expenses” and to be reimbursed for all expenses and liabilities that are properly incurred by Cidel in connection with the activities of the 3iQ CoinShares ETFs.

Cidel, in carrying out its duties concerning the safekeeping of, and dealing with, the portfolio assets of the 3iQ CoinShares 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).

Transition to Tetra

The 3iQ CoinShares ETFs are transitioning out of their current custodianship and sub-custodian arrangements with Cidel Trust Company and Gemini, respectively, following which Tetra will serve as custodian and Coinbase will serve as sub-custodian of the 3iQ CoinShares ETFs. The transition is expected to occur on or before November 29, 2022. Upon completion of the transition, references in this Prospectus to the Custodian will be deemed to be references to Tetra and references to the Custodian Agreement will be deemed to be references to the Tetra Custodian Agreement, except where the context otherwise requires.

Following completion of the transition, Tetra will be the custodian of the assets of the 3iQ CoinShares ETFs, pursuant to the Custodian Agreement. Tetra is a provincially regulated trust company based in Calgary, Alberta and will provide services to the 3iQ CoinShares ETFs from its office in Calgary, Alberta. Tetra is responsible for safekeeping of all the investments and other assets of the 3iQ CoinShares ETFs delivered to it (but not those assets of the 3iQ CoinShares ETFs not directly controlled or held by the Custodian, as the case may be). Tetra may appoint a sub-custodian from time to time in accordance with NI 81-102.

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

Tetra, in carrying out its duties concerning the safekeeping of, and dealing with, the portfolio assets of the 3iQ CoinShares 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).

11. On page 51 of the Prospectus, the first paragraph under the subheading "Sub-Custodian" is hereby deleted in its entirety and replaced with the following:

Prior to the transition to Tetra described above, Gemini Trust Company, LLC acts as sub-custodian of the 3iQ CoinShares ETFs in respect of the 3iQ CoinShares ETFs' holdings of bitcoin or ether, as applicable, pursuant to the Sub-Custodian Agreement.

12. On page 52 of the Prospectus, the following text is added immediately following the last paragraph under the subheading "Sub-Custodian":

Transition to Coinbase

As described above under the heading "Custodian – Transition to Tetra", the 3iQ CoinShares ETFs are transitioning out of their current custodianship and sub-custodian arrangements with Cidel Trust Company and Gemini, respectively, following which Tetra will serve as custodian and Coinbase will serve as sub-custodian of the 3iQ CoinShares ETFs. The transition is expected to occur on or before November 29, 2022. Upon completion of the transition, references in this Prospectus to the Sub-Custodian will be deemed

to be references to Coinbase and references to the Sub-Custodian Agreement will be deemed to be references to the Coinbase Sub-Custodian Agreement, except where the context otherwise requires.

Following completion of the transition, Coinbase Custody Trust Company, LLC will act as sub-custodian of the 3iQ CoinShares ETFs in respect of the 3iQ CoinShares 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 CoinShares 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.

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 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 CoinShares 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 CoinShares ETFs. Coinbase will not loan, hypothecate, pledge or otherwise encumber the 3iQ CoinShares ETFs' bitcoin and ether without the applicable 3iQ CoinShares ETF's instruction. Coinbase, in carrying out its duties concerning the safekeeping of, and dealing with, the 3iQ CoinShares 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 Policies 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 CoinShares 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 will be responsible for safekeeping the bitcoin and ether owned by the 3iQ CoinShares 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 CoinShares 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.

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.

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

Dated: October 21, 2022

The prospectus of the 3iQ CoinShares ETFs dated March 31, 2022, as amended by this Amendment No. 1 dated October 21, 2022, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus dated March 31, 2022, as amended by this Amendment No. 1 dated October 21, 2022, 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 CoinShares 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 CoinShares ETFs)

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