



3iQ Corp.

THE ETHER FUND

PFIC ANNUAL INFORMATION STATEMENT (“AIS”)

For Year Ended Dec. 31, 2023

### Important Tax Notice to U.S. Unitholders of the Fund

3iQ Corp. (“3iQ”) is issuing this AIS to provide to unitholders who are United States person, including but not limited to United States citizens, residents, trusts, corporations, as per the U.S. Internal Revenue Code of 1986, as amended (“IRC”) and the regulations thereunder, with the information necessary for such unitholder to make an election to treat the Fund as a Qualified Electing Fund (“QEF”). It is recommended that the unitholder consult with a U.S. tax professional to determine whether they are a United States person and whether making a QEF election is advisable for them. Nothing contained herein should be construed as tax guidance or advice by 3iQ, and 3iQ makes no representations regarding the tax consequences for the unitholder of making a QEF election.

The Fund may be considered a Passive Foreign Investment Company (“PFIC”) as defined at IRC section 1297(a) for the tax year ended December 31, 2023. 3iQ recommends that any unitholder that may be a U.S. person consult with a U.S. tax advisor to determine U.S. tax consequences and reporting requirements resulting from their ownership of units of the Fund. They may also wish to consult the PFIC information available on the IRS website, [www.irs.gov](http://www.irs.gov), or in the instructions for U.S. tax form 8621.

This AIS is being provided in accordance with Treasury Regulations §1.1295-1(g)(1) and contains information that should enable unitholders to make an initial QEF election for the Fund with their U.S. income tax return for the year of acquisition, and for annual PFIC reporting purposes under the QEF election. An election must normally be done for each fund that the U.S. unitholder wishes to make a QEF. Once a QEF election is made, it generally remains in effect for the election year and all subsequent tax years of the U.S. unitholder unless it is invalidated, revoked, or terminated.

A U.S. unitholder that makes a QEF election must include in their annual income their pro-rata share of the ordinary earnings and net capital gains of the Fund, regardless of whether they received any corresponding distributions. As a QEF election may have an important impact on a U.S. unitholder’s annual income and taxation, it is important to discuss the making of a QEF election with a U.S. tax professional who can advise on the appropriateness of such an election for the unitholder based on their personal circumstances.

Please note that any U.S. federal tax information contained herein is not intended or written to be used and cannot be used for the purpose of avoiding penalties that may be imposed under the U.S. Internal Revenue Code or for promoting, marketing, or recommending to another party any transaction or matter addressed herein.

If you have any questions regarding this matter, please contact your financial advisor or a U.S. tax professional.



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**THE ETHER FUND**

**PFIC Annual Information Statement (“AIS”)**

**For the Year Ended December 31, 2023**

1. This Information Statement applies to the taxable year of the Fund beginning on January 1, 2023 and ending on December 31, 2023.
2. The per-unit per-day amount of ordinary earnings and net capital gains for the Fund is as follows. To determine your pro-rata share of ordinary earnings and net capital gains, multiply the amounts by the number of units of the Fund that you held during the year and the number of days you held the units between January 1, 2023 and December 31, 2023.

|                         | <b>Ordinary Earnings (US\$)</b> | <b>Net Capital Gains (US\$)</b> |
|-------------------------|---------------------------------|---------------------------------|
| <b>Per-Unit Per-Day</b> | \$0.0000000000                  | \$0.0116309442                  |

i. *Example 1. On January 1, 2023, you acquired 5,000 units of the Fund, which earned \$0.0000000000 ordinary earnings per-unit per-day and \$0.0116309442 net capital gains per-unit per-day. You held the units from January 1, 2023 through December 31, 2023. Your pro-rata share of the Fund’s ordinary earnings would be \$0.00 (5,000 x \$0.0000000000 x 365) and your pro-rata share of the net capital gains would be \$21,226.47 (5,000 x \$0.0116309442 x 365).*

ii. *Example 2. On January 1, 2023, you did not acquire or hold any units of the Fund. On April 1, 2023, you acquired 5,000 units of the Fund, which earned \$0.0000000000 ordinary earnings per-unit per-day and \$0.0116309442 net capital gains per-unit per-day. You held the units from April 1, 2023 through December 31, 2023. Your pro-rata share of the Fund’s ordinary earnings would be \$0.00 (5,000 x \$0.0000000000 x 275) and your pro-rata share of the net capital gains would be \$15,992.55 (5,000 x \$0.0116309442 x 275).*

3. The Fund made the following per-unit distributions on the following dates in 2023. To determine your pro-rata share of the distributions, multiply the amounts by the number of units of the Fund that you held at the date of the distribution.

| <b>Date</b> | <b>Cash/Property Distributions (US\$)</b> |
|-------------|---|
| N/A         | N/A                                       |

Cash and property distributions are converted into U.S. dollars based on the closing rate published by the Bank of Canada on the date the distribution is paid.



4. The fund will, upon request, permit you to inspect and copy its permanent books of account, records, and other such documents as may be maintained by the Fund that are necessary to establish its ordinary earnings and net capital gains computed in accordance with U.S. income tax principles under IRC section 1293 and to verify these amounts and your pro-rata share thereof.

THE ETHER FUND

A handwritten signature in black ink, appearing to read 'John Loeprich'.

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Name: John Loeprich

Title: CFO and COO

Date: February 10, 2024