



GALAXY CRYPTO INDEX FUND (OFFSHORE)

WHY THE GALAXY CRYPTO INDEX FUND?

The Galaxy Crypto Index Fund, Ltd. (the “Fund”) is a passively managed fund designed to track the performance of the Bloomberg Galaxy Crypto Index (the “Index”), administered and calculated by Bloomberg. The Fund aims to provide investors with returns based on the performance of the Index and provides exposure to the largest, most liquid portion of the cryptocurrency market. The Fund has robust rules in place to account for the needs of a passively managed fund, balanced with the realities of an active and volatile asset class. Constituents and weightings of the Fund are determined by the rules set forth by Bloomberg.

ABOUT GALAXY DIGITAL

Galaxy Digital (“Galaxy”) is a diversified merchant bank dedicated to the digital assets and blockchain space. The company was founded by Michael Novogratz. The firm’s principals have been investing in digital assets since 2013 and began doing so on behalf of clients in 2018 when establishing the firm’s asset management division, Galaxy Digital Asset Management (“GDAM”). GDAM invests client capital across various digital asset strategies, which include investments in bitcoin. GDAM has \$1.4 billion in assets under management.¹

¹ AUM as of 6/30/2021.

KEY FACTS

ASSET CLASS	Digital Assets
INDEX	Bloomberg Galaxy Crypto Index
QUALIFICATION	Accredited Investor
MANAGEMENT FEE	2.0%
PERFORMANCE FEE	None
MINIMUM INVESTMENT	\$100k
SUBSCRIPTIONS	Daily
REDEMPTIONS	Quarterly, with 30 days notice

SERVICE PROVIDERS

INDEX PROVIDER	Bloomberg L.P.
CUSTODY	Coinbase
CASH MANAGEMENT	Signature Bank
AUDITOR	KPMG
TAX ADVISOR	Deloitte
ADMINISTRATOR	MG Stover
LEGAL	Barnes & Thornburg LLP Maples and Calder (Cayman) LLP



METHODOLOGY

ELIGIBILITY

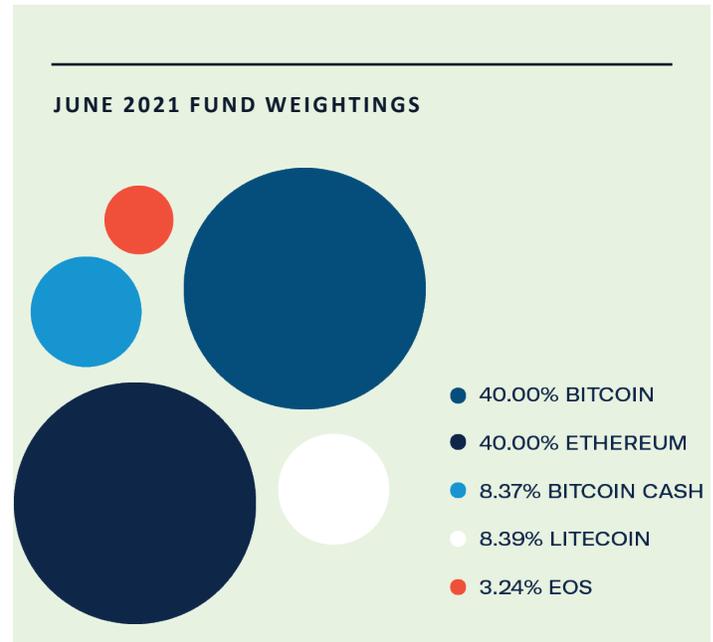
- Index constituents represented in the Fund will be selected based on qualified exchange and daily liquidity qualifications set forth by index rules
- All exchanges recognized by the Fund must be qualified by Bloomberg
- Each constituent must have 30-day median daily value traded (only USD pairs) of at least \$2 million, aggregated across at least two eligible pricing sources
- All constituents entering or exiting the Fund must be eligible or ineligible for three months following the review period occurring four business days prior to the end of each month
- The Fund possesses the ability to hold 20% of its overall value in an ex-index member or members if necessary, as determined by market conditions and risk/investment committees

PRICING

- Index pricing is determined daily using Bloomberg Crypto Fixings (CFIX)¹
- Fund NAV is struck monthly, at a time determined by the Fund to most accurately track the performance of the Index
- A 15-minute average time window will be used through Bloomberg Generic Price (BGN) to minimize the risk of price manipulation²
- Trade prices executed during rebalance/reconstitution will be traded on an exchange and/or over the counter basis to fulfill best execution standards

REBALANCE/RECONSTITUTION

- Cryptocurrencies will be considered for addition/removal to/from the Fund only on a monthly basis
- Constituents that are already in the Fund will be rebalanced and capped monthly
- Fund weights and constituents will be rebalanced, added or removed in accordance with Index rules
- Constituents meeting or failing to meet eligibility criteria will be reviewed at each month end
- Entry or exit from the Fund will require an eligible or ineligible participant to remain eligible or ineligible for three consecutive months following the month-end review, unless determined otherwise by risk committee



WEIGHTING

- The constituents of the Fund will be balanced using market cap weighting
- Each constituent will represent a holding no more than 40% of the Fund and no less than 1% of the Fund's overall value. All subscriptions are allocated at the then-current market weightings of the portfolio. To the extent a subscription is processed on a monthly rebalance date capital will be allocated in line with the rebalanced weightings as published by Bloomberg.

NEW MARKET PARTICIPANTS

- All initial coin offerings (ICO) will be subject to eligibility restrictions set forth by the Index
- Forks will be treated as new market participants and enter the Fund subject to Index rules or management committee determination
- Airdrops will be addressed by Fund management as they occur
- All new market participants will be subject to a lockout period of three consecutive calendar months

INDEX PERFORMANCE (AS OF JUNE 30, 2021)



PERFORMANCE

1MONTH	-10.53%
3MONTH	-12.71%
6MONTH	90.58%
1 YEAR	456.05%
2 YEAR	238.83%
FUND ITD	140.08%
INDEX ITD	879.13%

FUND NET PERFORMANCE SUMMARY*

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	FY/YTD
2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	14.00%	61.82%	18.26%	118.16%
2021	41.61%	21.00%	25.20%	28.55%	-24.77%	-10.85%							84.96%

*From Fund inception, October 1, 2020, through current month end, net performance assumes an investment in the 2% management fee share class.



GALAXY FUNDS RISK FACTORS

Please note that the following are not all the risk factors associated with Digital Assets or the Funds (each, a “Fund”). Refer to the Offering Memorandum of the applicable Fund for more risk factors.

Investment Risks Generally. An investment in the Fund, involves a high degree of risk, including the risk that the entire amount invested may be lost. The Fund will invest in Digital Assets (such as Bitcoin, Ethereum, other cryptocurrencies or blockchain based assets, including those that represent the Decentralized Finance (or DeFi) portion or sector of the digital assets market) using strategies and investment techniques with significant risk characteristics, including risks arising from the volatility of the global Digital Assets markets and the risk of loss from counterparty defaults. The Fund’s investment program may use investment techniques that involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which the Fund may be subject. All investments made by the Fund will risk the loss of capital. No guarantee or representation is made that the Fund’s investment program will be successful, that the Fund will achieve its investment objective or that there will be any return of capital invested to investors in the Fund, and investment results may vary.

Different from Directly Owning Bitcoin, Ethereum or Other Digital Assets. The performance of the Fund will not reflect the specific return an investor would realize if the investor actually purchased a Digital Asset. Investors in the Fund will not have any rights that Digital Asset holders have.

No Guarantee of Return or Performance. The obligations or performance of the Fund or the returns on investments in the Fund are not guaranteed in any way. Any losses of the Fund will be borne solely by investors in the Fund. Ownership interests in the Fund are not insured by the Federal Deposit Insurance Corporation, and are not deposits, obligations of, or endorsed or guaranteed in any way, by any banking entity.

Regulation. Digital Assets, including Bitcoin, Ethereum and DeFi tokens, are loosely regulated. Ongoing and future regulatory actions may alter, perhaps to a materially adverse extent, the value of a Fund’s investment. If any Digital Asset is determined to be a “security” under U.S. federal or state securities laws or a Digital Asset exchange is determined to be operating illegally, it may have material adverse consequences for Digital Assets due to negative publicity or a decline in the general acceptance of Digital Assets. As such, any determination Digital Asset exchanges are operating illegally or that any Digital Asset is a security under U.S. federal or state securities laws may adversely affect the value of a particular Digital Asset or Digital Assets generally and, as a result, the value of a Fund’s investment.

Exchanges. Exchanges may suffer from operational issues, such as delayed execution, that could have an adverse effect on the Fund. Digital Asset exchanges have been closed due to fraud, failure or security breaches. Any of the Fund’s funds that reside on an exchange that shuts down or suffers a breach may be lost.

Value. Several factors may affect the price of Digital Assets, including Bitcoin, Ethereum and DeFi tokens, including, but not limited to: supply and demand, investors’ expectations with respect to the rate of inflation, interest rates, currency exchange rates or future regulatory measures (if any) that restrict the trading of a Digital Asset or the use of a Digital Asset as a form of payment. There is no assurance that a Digital Asset will maintain its long-term value in terms of purchasing power in the future, or that acceptance of bitcoin payments by mainstream retail merchants and commercial businesses will continue to grow.

Protocol. Many Digital Asset networks, including Bitcoin, Ethereum and DeFi tokens, operate on open-source protocols maintained by groups of core developers. The open-source structure of these network protocols means that certain core developers and other contributors may not be compensated, either directly or indirectly, for their contributions in maintaining and developing the network protocol. Lack of incentives to, or a failure to properly, monitor and upgrade network protocol could damage a Digital Asset network. It is possible that a Digital Asset protocol has undiscovered flaws that could result in the loss of some or all assets held by the Fund. There may also be network-scale attacks against a Digital Asset protocol, which could result in the loss of some or all of assets held by the Fund. Advancements in quantum computing could break a Digital Asset’s cryptographic rules. The Fund makes no guarantees about the reliability of the cryptography used to create, issue, or transmit Digital Assets held by the Fund.

Volatility & Supply. Values of Digital Assets have historically been highly volatile, experiencing periods of rapid price increase as well as decline. For instance, there were steep increases in the value of certain Digital Assets, including Bitcoin, over the course of 2017, and multiple market observers asserted that digital assets were experiencing a “bubble.” These increases were followed by steep drawdowns. During the period from December 17, 2017 to February 5, 2018, Bitcoin experienced a decline of roughly 60%. More recently, during the period from February 13, 2020, until March 16, 2020, the value of Bitcoin fell by over 50%. Supply of Digital Assets is determined by computer code, not by a central bank. For example, uncertainty related to the effects of Bitcoin’s recent and future “halving” could contribute to volatility in the Bitcoin markets. The value of the Bitcoin or other Digital Assets held by a Fund could decline rapidly in future periods, including to zero.

Decentralized Finance (DeFi) Risks. Decentralized Finance (or DeFi) refers to a variety of blockchain-based applications or protocols that provide for peer-to-peer financial services using smart contracts and other technology rather than such services being offered by central intermediaries. Common DeFi applications include borrowing/lending Digital Assets and providing liquidity or market making in Digital Assets. Because DeFi applications rely on smart contracts, any errors, bugs, or vulnerabilities in smart contracts used in connection with DeFi activities may adversely affect such activities. DeFi lending is subject to counterparty risk and credit risk, but because lending is automated through the DeFi protocol, rather than individual decisions made by a portfolio manager on behalf of a Fund, such risks may be exacerbated, particularly if there are flaws in DeFi protocol’s code or operation. DeFi applications may involve regulated financial products or regulated activities, however because of their decentralized nature, there is generally no entity subject to regulatory supervision. Accordingly, DeFi applications may be subject to more risks than engaging in similar activities through regulated financial intermediaries. In addition, in certain decentralized protocols, it may be difficult or impossible to verify the identity of a transaction counterparty necessary to comply with any applicable anti-money laundering, countering the financing of terrorism, or sanctions regulations or controls. All of these risks could cause the value of DeFi tokens held by a Fund to decline, including to zero.



ADDITIONAL INFORMATION

Strictly Private & Confidential.

1. The closing level of a Cryptocurrency on each Index Business Day is the Bloomberg Crypto Price Fixings. On any Index Business Day, the CFX for a Cryptocurrency is the average of each BGN level for such Cryptocurrency occurring between 4:00 p.m. and 4:15 p.m. New York time.

2. An Index Constituent's intraday level is calculated as its Bloomberg Generic Price (the "BGN"). The BGN is a pricing algorithm that produces indicative levels derived from all eligible Bloomberg-approved Pricing Sources. The BGN algorithm calculates the median bid and median ask prices for each Index Constituent based on inputs from all eligible Bloomberg-approved Pricing Sources. The BGN is the average of such bid and ask prices.

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