
**SUPPLEMENT TO
CONFIDENTIAL MEMORANDUM**

PANTERA BITCOIN FUND LTD

A Cayman Islands Exempted Company

THIS SUPPLEMENT MAY ONLY BE DISTRIBUTED IN CONJUNCTION WITH THE CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM DATED MARCH 2016 (AS MAY BE FURTHER AMENDED OR SUPPLEMENTED FROM TIME TO TIME, THE "MEMORANDUM") WHICH IS HEREBY INCORPORATED BY REFERENCE. AN INVESTOR IN PANTERA BITCOIN FUND LTD MUST CAREFULLY REVIEW THE MEMORANDUM AND THIS SUPPLEMENT TO IT.

August 2017

**SUPPLEMENT TO CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
OF
PANTERA BITCOIN FUND LTD
AUGUST 2017**

The information set forth in this Supplement (this "Supplement") supplements, modifies and amends the Confidential Private Placement Memorandum, dated March 2016, of Pantera Bitcoin Fund Ltd (such Confidential Private Placement Memorandum, as it may be further amended or supplemented from time to time, the "Memorandum" and such entity, the "Fund").

Any statement contained in the Memorandum shall be deemed to be modified for all purposes to the extent, but only to the extent, that a statement contained herein expressly modifies such statement. Any statement contained in the Memorandum and not so modified remains a part of the Memorandum. Capitalized terms used in this Supplement and not defined herein are used as defined in the Memorandum.

The information contained in this Supplement is being furnished on a confidential basis to each Shareholder or prospective Shareholder, and may not be provided to anyone who is not directly concerned with such Shareholder or prospective Shareholder's decision regarding such investment. Each person accepting delivery of this Supplement agrees to the foregoing and to return this Supplement promptly upon request. No person is authorized in connection with this offering to give any information or to make any representations other than as contained in the Memorandum or this Supplement.

Notwithstanding anything in the Memorandum or this Supplement to the contrary, each Shareholder (and each employee, representative, or other agent of such Shareholder) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of (i) the Fund and (ii) any of the Fund's transactions, and all materials of any kind (including opinions or other tax analyses) that are provided to the Shareholder relating to such tax treatment and tax structure it being understood that "tax treatment" and "tax structure" do not include the name or identifying information of (i) the Fund or (ii) the parties to a transaction.

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1. *General. Bitcoin Cash Hard "Fork"*

On August 1, 2017 the Bitcoin block chain experienced a hard "fork", resulting in the creation of Bitcoin Cash (BCH), a version of Bitcoin with its own set of rules, updated technology and faster transaction speed. As Bitcoin Cash emerged from the same ledger as Bitcoin, Bitcoin holders (**including the Fund**) received the same amount of Bitcoin Cash tokens after the split and, as a result, the Fund now holds both Bitcoin, which will continue to be recorded on the original Bitcoin block chain, and Bitcoin Cash, which will be recorded on the new "forked" block chain. The hard "fork" was the result of a disagreement regarding the optimal size of the blocks that make up the Bitcoin network. Some users, merchants, businesses, investors and miners desired to increase the block size, so as to allow for greater transaction confirmation speed, while Bitcoin's core developers desired to maintain the existing block size, so as to protect Bitcoin from potential hacks and more

strongly preserve Bitcoin's decentralized nature (as some miners would not install the new, updated, software).

Bitcoin (and/or Bitcoin Cash) may experience additional "forks" in the future and, as a result, the Fund may or may not be entitled to receive additional assets that are recorded on new block chains.

2. *The following paragraphs are hereby added to the sections of the Memorandum entitled "Summary of Terms—Investment Program" and "Investment Program":*

Following the hard "fork" in the Bitcoin block chain on August 1, 2017, resulting in the creation of Bitcoin Cash, the Fund received the same amount of Bitcoin Cash tokens after the split and, as a result, the Fund now holds both Bitcoin, which will continue to be recorded on the original Bitcoin block chain, and Bitcoin Cash, which will be recorded on the new "forked" block chain. The Fund currently intends to continue to hold equal amounts of Bitcoin tokens and Bitcoin Cash tokens by investing in, and selling (to fund redemptions and pay expenses and liabilities), Bitcoin and Bitcoin Cash *pro rata*. Also, to the extent the Fund receives new Bitcoin tokens as a result of any future hard "forks", the Fund expects to hold, invest and sell (to fund redemptions and pay expenses and liabilities) such tokens in the manner described in the previous sentence.

As the Fund will generally treat its investment in Bitcoin, Bitcoin Cash and any new Bitcoin tokens received by the Fund after a hard "fork" ("future Bitcoin") in substantially the same manner (for example, valuation procedures will be the same for each token), references to the term "Bitcoin" as used in this Memorandum should be understood to mean Bitcoin and Bitcoin Cash and any future Bitcoin, unless the context otherwise requires.

Notwithstanding the foregoing, as the emergence of Bitcoin Cash is, and any future Bitcoin will be (at the time of creation), a relatively new and untested development, and as the Investment Manager learns about the merits of Bitcoin Cash and any future Bitcoin, the Investment Manager may determine in the future to change the Fund's investment approach with respect to Bitcoin, Bitcoin Cash and future Bitcoin outlined above (*i.e.*, not hold equal amounts of Bitcoin tokens, Bitcoin Cash tokens and any future Bitcoin tokens); *provided that* the Investment Manager has determined, after conferring with counsel, that doing so would not reasonably be expected to result in any adverse legal, tax or regulatory consequences to the Investment Manager, the Fund or the Shareholders. In such case, the Fund would notify Shareholders as soon as reasonably practicable following any change.

3. *The following paragraph is hereby added to the sections of the Memorandum entitled "Summary of Terms—Redemptions"*

Notwithstanding anything to the contrary in this section of the Memorandum entitled "Summary of Terms – Redemptions", to the extent the Fund is unable to access, realize or distribute any future Bitcoin on a Redemption Date for any reason (including, but not limited to, where wallets or exchanges have temporarily denied access to, or suspended support for, such future Bitcoin), the Fund may delay payment of the portion of a redeeming Shareholder's redemption proceeds attributable to such future Bitcoin (the "future Bitcoin Redemption Amount"). In such instance, the amount payable by the Fund will reflect the value of the future Bitcoin Redemption Amount as of the date that the Fund is able to access, realize, and/or distribute such future Bitcoin.

4. *The following paragraphs are hereby added to the section of the Memorandum entitled "Certain Risk Factors":*

Hard Fork and Bitcoin Cash. As a result of a hard "fork" in the Bitcoin block chain, Bitcoin holders (including the Fund) received Bitcoin Cash tokens, which are recorded on the new "forked" block chain ledger. The Bitcoin block chain may experience additional hard "forks", which may or may not have upgraded consensus rules that allow it to grow and scale. There is no guarantee that merchants, wallets or exchanges will support, or that a market will develop for, Bitcoin Cash and/or future Bitcoin tokens, which may also compete with Bitcoin (negatively affecting its value). In addition, hard "forks" may carry further risks, including, without limitation, (i) that Bitcoin networks heavily decline in value or that the combined value of the competing versions of Bitcoin is less than the value of a single Bitcoin network (particularly, if the "fork" is interpreted as a general failure to reach a consensus regarding the Bitcoin network), (ii) that developers, service providers and users choose one version of Bitcoin over another and (iii) that the division of mining power makes each Bitcoin block chain slower and/or less secure. If the Fund receives new Bitcoin tokens as a result of any future hard "forks", the risks described above may be amplified.

In addition, as described above (see "Summary of Terms – Redemptions"), to the extent the Fund is unable to access, realize or distribute any future Bitcoin on a Redemption Date for any reason, the Fund may delay payment of the portion of a redeeming Shareholder's future Bitcoin Redemption Amount. In such instance, the amount payable by the Fund will reflect the value of the future Bitcoin Redemption Amount as of the date that the Fund is able to access, realize, and/or distribute such future Bitcoin. Accordingly, a redeeming Shareholder may receive redemption proceeds of lesser value than would be the case if the Fund had been able to access, realize or distribute future Bitcoin on a Redemption Date.