

## **Base Prospectus**

for the issuance of

## **Actively Managed Exchange Traded Products (“ETPs”)**

under the issuance programme of

## **Bitcoin Capital AG**

(a company limited by shares incorporated under Swiss law)

26 November 2020

## Important Information

This base prospectus ("Base Prospectus") contains information relating to the Exchange Traded Products ("ETPs") to be issued under the programme ("Programme"). Bitcoin Capital AG ("Issuer") may issue from time to time ETPs under this Base Prospectus and apply for such ETPs to be admitted to trading and listed on one or more regulated markets or stock exchanges in Switzerland or in any other jurisdiction. The detailed terms applicable to a series of ETPs issued under this Base Prospectus are set forth in final terms ("Final Terms"). The ETPs are secured by collateral in the amount of the outstanding ETPs. The collateral is held in custody with custodians such as Sygnum Bank AG, as specified in the relevant Final Terms ("Custodians").

**This document constitutes a Base Prospectus according to Art. 8 of the Regulation (EU) 2017/1129 ("Prospectus Regulation") and has been approved by the Financial Market Authority Liechtenstein ("FMA") as competent authority according to the Prospectus Regulation on 26 November 2020. The FMA has approved this Base Prospectus solely regarding completeness, consistency, and comprehensibility according to the Prospectus Regulation and the Delegated Regulation (EU) 2019/980 ("Delegated Prospectus Regulation").** Such an approval shall not be construed as the endorsement of the Issuer who is subject to this Base Prospectus. The ETPs are planned to be placed in the EEA in Liechtenstein first and then to be admitted to trading and listed on one or more regulated markets or stock exchanges in the EEA, Switzerland or in any other jurisdiction.

This Base Prospectus is filed with SIX Exchange Regulation AG, which is a reviewing body according to Art. 52 Swiss Financial Services Act ("FINSA"), and is considered to be approved in Switzerland according to Art. 54 para. 2 FINSA.

The ETPs have not been and will not be registered as securities under the United States Securities Act of 1933, as amended ("Securities Act"), or with any securities regulatory authority of any state or other jurisdiction of the United States. Subject to certain exemptions, the ETPs may not be offered, sold or delivered within the United States to, or for the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act). The ETPs have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities passed upon or endorsed the merits of the offering of the ETPs or approved this Base Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Base Prospectus. Any representation to the contrary is a criminal offence in the United States.

The ETPs issued under the Programme **do not qualify as units of a collective investment scheme according to the relevant provisions of the Swiss Federal Act on Collective Investment Schemes ("CISA")**, as amended, and are not licensed thereunder. Therefore, the ETPs are neither governed by the CISA nor supervised or approved by the Swiss Financial Market Supervisory Authority FINMA ("FINMA"). Accordingly, Investors do not have the benefit of the specific investor protection provided under the CISA. Any investment in the ETPs does not have the status of a bank deposit and is not within the scope of any deposit protection scheme.

The ETPs will be obligations solely of the Issuer and will not be guaranteed by, or be the responsibility of, any other entity. **Investing in the ETPs therefore entails an issuer risk**, meaning that investors must bear losses if the Issuer defaults, becomes insolvent or any other case of negative changes in the financial condition of the Issuer.

**The Issuer is not supervised by any regulator and the ETPs are not guaranteed** or secured in an equivalent manner by an institution supervised by any regulator.

ETPs issued under this Base Prospectus are non-equity linked securities replicating an actively managed digital asset management strategy less a fee component. They do not bear interest and are not principal-protected. The value of the ETPs and any amounts payable under the ETPs will depend on the performance of the actively managed digital assets and the exchange rates applicable to the specific ETPs. **As such the ETPs and the underlying collateral in respect of the ETPs are highly speculative and involve a high degree of risk, including the risk of a total loss of all capital invested.**

Whether the ETPs constitute a suitable investment must be assessed in light of each investor's own circumstances. Neither this Base Prospectus nor any marketing material relating to the ETPs constitute investment advice, financial advice or any other kind of advice to investors. Investors must make a suitability assessment regarding investments in the ETPs or consult with the investor's professional advisors. An investment in the ETPs is only suitable for investors who have sufficient experience and knowledge to assess risks related to the investment and is only suitable for investors who also have investment objectives that match the ETPs' exposure and other characteristics and have the financial means to bear the risks associated with the investment.

This Base Prospectus and all Final Terms shall be governed by and construed in accordance with Swiss law. The exclusive place of jurisdiction for any dispute arising from the information in the Base Prospectus and/or the Final Terms is Zug, Switzerland.

The offering or sale of the ETPs in certain jurisdictions may be restricted by law including because of certain underlyings. The Base Prospectus must not be distributed to countries where the prospectus does not meet the law or rules of such country or that require a translation or a filing with national authorities that has not been completed. Persons holding the Base Prospectus or any ETPs issued under the Base Prospectus must stay informed of and observe any restrictions under the Base Prospectus.

Except in the circumstances described below, the Issuer has not authorised the making of any offer by any offeror, and the Issuer has not consented to the use of this Base Prospectus by any other person in connection with any offer of the ETPs in any jurisdiction.

Any offer made without the consent of the Issuer is unauthorised and the Issuer does not accept any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.

The Issuer consents to the offering of ETPs by or to each of the following financial intermediaries (each, an Authorised Offeror): The initial Authorised Participants and each Authorised Participant which either is expressly named as an Authorised Offeror in the Final Terms or is expressly named as an Authorised Participant on the Issuer's website ([www.bitcoincapital.com](http://www.bitcoincapital.com)). New information with respect to any financial intermediaries acting as Authorised Offerors that are unknown at the time of the approval of the Base Prospectus will be published on the Issuer's website.

The Issuer shall prepare a supplement ("Supplement") to this Base Prospectus or publish a new base prospectus if there is a significant change affecting any matter contained in this Base Prospectus or a significant new matter arises, the inclusion of information in respect of which would have been so required if it had arisen when this Base Prospectus was prepared.

This Base Prospectus contains information extracted from a range of technical and non-technical digital sources, including (but not limited to) documents provided by service providers to the Issuer, their websites, and industry publications. Where third-party information is used in this Base Prospectus, the source of such information is stated. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, is able to ascertain from information published by each of the relevant sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The ETPs will be obligations solely of the Issuer and will not be guaranteed by, or be the responsibility of, any other entity.

# Contents

I.	RISK FACTORS .....	9
1.	Risk factors relating to the Issuer .....	9
	a) Risks related to the Issuer's financial situation .....	9
	b) Risks related to the Issuer's business activities and industry .....	10
	c) Legal and regulatory risk.....	11
	d) Governance risks .....	11
2.	Risk factors relating to the ETPs .....	12
	a) Risks related to the nature of the ETPs .....	12
	b) Risks related to early redemptions .....	14
	c) Risks related to the Underlyings.....	15
	d) Risks related to the admission of the securities to trading on an Exchange.....	15
II.	OVERVIEW OF THE PROGRAMME .....	17
1.	Short Description of the Programme .....	17
2.	Parties to the Programme .....	17
3.	Features of the Programme.....	18
III.	ECONOMICS OF THE ETP .....	22
1.	General overview .....	22
2.	Design of the ETPs.....	22
3.	Price per ETP .....	23
4.	Issue Price .....	23
5.	No interest on the ETPs .....	23
6.	Redemption.....	23
7.	Events of Default, Insolvency Event and Enforcement.....	23
IV.	GENERAL TERMS AND CONDITIONS .....	25
1.	Definitions.....	25
2.	Form of the ETPs .....	30
3.	Series and Tranches.....	30
4.	Status.....	31
5.	Collateralisation.....	31
6.	ETPs without a maturity .....	31
7.	Redemption of ETPs.....	31
	a) Termination and Redemption of ETPs by the Issuer .....	31
	b) Redemption of ETPs at the option of the Investors.....	31
	c) Cash Settlement .....	31
	d) Redemption of ETPs at the option of an Authorised Participant .....	32
8.	Market Disruption .....	33
	a) Market Disruption Event .....	33
	b) Rights on the occurrence of a Market Disruption Event .....	33
9.	Underlying Illiquidity.....	33

a)	Underlying Illiquidity.....	33
b)	Rights on the occurrence of Underlying Illiquidity .....	33
10.	Potential Adjustment in the Underlyings.....	33
a)	Adjustment.....	33
b)	Fork Event.....	34
c)	Discontinuation of Trading on Relevant Underlying Exchange .....	34
d)	Airdrop Event.....	34
e)	Other Events .....	34
f)	Notices of Adjustment .....	35
11.	FX Disruption .....	35
a)	FX Disruption Event.....	35
b)	Postponement of the Final Fixing Date or the Observation Date in case of a FX Disruption Event.....	35
c)	FX Rate and Successor Currency.....	35
12.	Taxation and Tax Call.....	36
13.	Termination and cancellation due to illiquidity, regulatory calls, tax calls, or increased cost of collateral.....	36
a)	Right to Terminate and Redeem outstanding ETPs .....	36
b)	Notification and Payment of the Investors .....	36
14.	Trading of the ETPs.....	37
15.	Paying Agent .....	37
16.	Calculation Agent .....	37
17.	Collateral Agent .....	37
18.	Purchase by the Issuer.....	38
19.	Notices.....	38
20.	Liability for Losses.....	38
21.	Further Issues .....	39
22.	Issuers Covenant to Pay .....	39
23.	Priority of Payments.....	39
24.	Prescription.....	39
25.	Substitution.....	40
26.	Default and Insolvency.....	40
a)	Event of Default .....	40
b)	Insolvency Event.....	40
c)	Enforcement.....	40
d)	Post-Enforcement Priority of Payments.....	41
27.	Selling Restrictions.....	41
28.	Severance .....	41
29.	Modification of the General Terms and Conditions and the Final Terms .....	41
30.	Governing Law and Jurisdiction .....	42
V.	GENERAL INFORMATION.....	43

VI.	OVERVIEW OF THE PRINCIPAL PARTIES AND THE PROGRAMME DOCUMENTS.....	44
1.	Administrator .....	44
a)	Function .....	44
b)	Information about the Administrator .....	44
c)	Administration Agreement .....	45
2.	Authorised Participant .....	45
a)	Function .....	45
b)	Information about the Authorised Participant .....	45
c)	Authorised Participant Agreement .....	45
3.	Calculation Agent .....	45
a)	Function .....	45
b)	Information about the Calculation Agent .....	46
c)	Calculation Agency Agreement .....	46
4.	Collateral Agent .....	46
a)	Function .....	46
b)	Information about the Collateral Agent .....	46
c)	Collateral Agent Agreement .....	46
d)	Pledge of Collateral Account Agreement .....	47
5.	Custodian .....	47
a)	Function .....	47
b)	Information about the Custodians.....	47
c)	Custodial Services Agreement.....	48
6.	Market Maker .....	48
a)	Function .....	48
b)	Information about the Market Maker .....	48
c)	Market Making Agreement .....	48
7.	Paying Agent .....	48
a)	Function .....	48
b)	Information about the Paying Agent .....	48
c)	Paying Agent Agreement .....	49
8.	Investment Manager .....	49
a)	Function .....	49
b)	Information about the Investment Manager .....	49
c)	Investment Manager Agreement .....	49
VII.	PROCESS SUMMARIES .....	51
1.	Creation Process .....	51
2.	Redemption Processes .....	51
a)	Redemption by the Issuer or the Investors .....	51
b)	Redemption by the Authorised Participants .....	52
VIII.	GENERAL DESCRIPTION OF CERTAIN UNDERLYING DIGITAL ASSETS .....	53
1.	General .....	53

2.	Blockchain Technology.....	53
3.	Mining.....	54
4.	Storing Digital Assets.....	55
5.	Exchanges and Liquidity.....	55
IX.	COLLATERALISATION.....	56
1.	Method of Collateralisation.....	56
2.	Procedure in the Event of Realisation.....	56
3.	Costs in the Event of Realisation.....	57
4.	Custodians.....	57
X.	FEES OF THE ETPs.....	58
1.	Investor Fee.....	58
2.	Management Fee.....	58
3.	Performance Fee.....	58
XI.	INFORMATION ABOUT THE ISSUER.....	59
1.	General Information.....	59
2.	Information on Administrative, Management and Audit Bodies.....	59
a)	Board of Directors.....	59
b)	Founder.....	60
c)	Auditor.....	60
3.	Business Activities.....	60
4.	Capital Structure.....	60
5.	Annual Financial Statements.....	60
6.	Potential Conflict of Interest.....	61
XII.	INVESTMENT MANAGER.....	62
1.	Description of the Investment Manager.....	62
2.	Fees paid to the Investment Manager.....	62
XIII.	OFFERING AND SALE.....	63
1.	Overview.....	63
2.	Use of the Base Prospectus.....	63
3.	Selling Restrictions.....	64
a)	General.....	64
b)	EEA.....	64
c)	Switzerland.....	65
d)	Suitability and Appropriateness restrictions.....	65
e)	No recommendations.....	66
XIV.	TAX CONSIDERATIONS.....	67
1.	Swiss Withholding Tax.....	67
2.	Income Taxation.....	67
a)	ETPs held as private assets by a Swiss resident holder.....	67
b)	ETPs held as assets of a Swiss business.....	67
3.	Capital Gains Taxation.....	67
a)	ETPs held as private assets by a Swiss resident holder.....	67

b)	ETPs held as assets of a Swiss business .....	68
4.	Private Wealth and Capital Taxes .....	68
5.	Stamp Taxes .....	68
a)	Swiss Issuance Stamp Duty .....	68
b)	Swiss Transfer Stamp Tax .....	68
6.	Gift, Inheritance and Estate Taxes .....	69
7.	Non-Swiss resident holders .....	69
8.	Automatic Exchange of Information in Tax Matters .....	69
9.	U.S. Foreign Account Tax Compliance Act .....	69
XV.	RESPONSIBILITY .....	70
XVI.	FORM OF THE FINAL TERMS .....	71



# I. RISK FACTORS

Prospective investors in the ETPs should ensure that they fully understand the nature of the ETPs, as well as the extent of their exposure to risks associated with an investment in the ETPs. They should consider the suitability of an investment in the ETPs based on their own individual financial, fiscal and other circumstances. In particular, prospective investors should be aware that the ETPs may decline in value and should be prepared to sustain a substantial or total loss of their investment in the ETPs and ensure that their acquisition is fully consistent with their financial needs and investment policies, is lawful under the laws of the jurisdiction of their location or incorporation and/or in which they operate, and is a suitable investment for them to make.

The Issuer believes that the following risk factors may affect its ability to fulfil its obligations under the ETPs. These factors are contingencies that may or may not occur.

In addition, factors which are material for the purpose of assessing the market risks associated with the ETPs are described below. The Issuer believes that the factors described below represent the principal risks inherent in investing in the ETPs, but the inability of the Issuer to fulfil its obligations under the ETPs may occur for other reasons, which may not be or may not have been considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

Certain capitalized terms used in this section are defined in the General Terms and Conditions and/or the Final Terms.

The risk factors are presented in categories. These categories are not listed in a specific order. Where a risk factor may be categorized in more than one category, such risk factor appears only once and in the most relevant category for such risk factor. In each category below the Issuer sets out first the most material risks. The assessment of the materiality of each risk factor is based on the probability of its occurrence and the expected magnitude of its negative impact.

## 1. Risk factors relating to the Issuer

### a) Risks related to the Issuer's financial situation

#### **Credit risk**

Investors are exposed to credit risk in relation to the Issuer. The Issuer's financial position is affected by a number of factors and depends on capital from outside Investors. Should the Issuer be unable to raise additional funds, there are limited reserves to maintain company operations, which may result in the inability of the Issuer to continue as a going concern. An Investor's possibility to obtain payment in accordance with the applicable ETP Documentation is dependent on the Issuer's ability to meet its payment obligations. The ETPs are not, either directly or indirectly, an obligation of any other party. As a result, irrespective of the collateralization, the creditworthiness of the Issuer may affect the market value of any ETP and, in the event of a default, insolvency or bankruptcy, Investors may not receive the amount owed to them under the General Terms and Conditions.

#### **Counterparty risk**

The Issuer will be exposed to the credit risk of a number of counterparties with whom the Issuer transacts, including, but not limited to, the Custodian, the Administrator, Wallet Provider(s), Paying Agents, Market Makers, Authorised Participants, Exchanges. Consequently, the Issuer is exposed to risks, including credit risk, reputational risk and settlement risk, arising from the failure of any of its counterparties to fulfil their respective obligations, which, if any such risks occur, may have a material adverse effect on the Issuer's financial position and business.

With respect to the Custodian, the Issuer will be exposed to the credit risk of depositary institutions with whom it holds cash and Digital Assets. Credit risk, in this case, is the risk that the depositary holding a

financial instrument (cash or Digital Asset) will fail to fulfil an obligation or commitment to the Issuer. The Issuer's Digital Assets are maintained by the Custodian in segregated accounts, which are intended to be protected in the event of insolvency of the Custodian. However, any insolvency of the Custodian may result in delayed access to Digital Assets serving as Underlyings, including those serving as collateral for any ETPs. In such a situation, Investors may face a loss due to asset price fluctuation.

## **b) Risks related to the Issuer's business activities and industry**

### **Risks related to the short business history and limited business objective of the Issuer**

The Issuer is a special purpose vehicle within the meaning of the applicable Swiss laws and regulations. The business activities of the Issuer concerns securities related to Digital Assets. The only business of the Issuer is the issuance of ETPs replicating an actively managed Digital Asset Management Strategy relating to Digital Assets in the form of payment tokens. As a special purpose vehicle, the Issuer will incur costs in order to get the ETPs admitted to trading and for maintenance of the ETPs.

Furthermore, there is a risk that the Issuer will not be successful in its issue of ETPs, that the Issuer will not make profits, despite this being the Issuer's aim. If the Issuer becomes unsuccessful in the issuance of ETPs, the Issuer may cease its business activities as Issuer or ultimately may become insolvent. If the Issuer becomes insolvent, the Issuer may not be able to repay parts of or Investors' entire investments.

The Issuer's business activities is the issuance of ETPs related to Digital Assets. The protocols of these Digital Assets are typically publicly available meaning that further innovation is possible. Thus, these Digital Assets may not mark the end of the evolution of Digital Assets. If the Digital Assets do not become successful or become less successful going forward and if the Issuer cannot adapt to such changed circumstances, the Issuer may be unsuccessful in carrying out its business which may lead to a decrease in the value of the ETP.

### **Trading platform availability risk**

The Issuer depends on a supply of Digital Assets from reputable and verifiable exchanges and/or OTC platforms. These exchanges are impacted by global and local economic conditions, market sentiment and regulatory changes related to the underlying Digital Assets. Should this supply be constrained or a disruption to exchanges occur, the Issuer may be unable to issue additional ETPs, which may, in turn, adversely impact the Issuer's financial performance and creditworthiness. This risk may involve unexpected changes to the Issuer's result.

### **Liquidity risks**

The funds which the Issuer receives by issuing ETPs will be used to purchase Digital Assets or for other transactions in order to attempt to ensure its financial exposure under the ETPs. This means that the Issuer will need sufficient funds in the respective fiat currencies available in marketplaces where the Digital Assets are traded to manage the liquidity needs. As a consequence, there is a liquidity risk for the Issuer, which would adversely affect the Issuer's business situation.

### **Operational risk**

Operational risks are risks relating to losses which the Issuer or other parties involved in the issuance of the ETPs may encounter on grounds of incorrect or insufficient routines, errors caused by humans or systems as well as legal risks (including disputes and litigation). Compared to other underlyings, operational risk is higher for Digital Assets. If the direction or control has been insufficient it may adversely affect the hedging arrangements, reputation, operating result, and financial position. Thus, the Issuer's operations and financial position is exposed to operational risks.

## **c) Legal and regulatory risk**

### **No Regulation of the Issuer**

The Issuer is not required to be licensed, registered or authorised under any current securities, commodities or banking laws of its jurisdiction of incorporation and will operate without supervision by any authority in any jurisdiction.

The ETPs issued under the Programme are debt instruments in the form of ETPs. They do not qualify as units of a collective investment scheme according to the relevant provisions of the Swiss Federal Act on Collective Investment Schemes Collective Investment Scheme Act (CISA), as amended, and are not registered thereunder. The legal status was confirmed by the Swiss Financial Market Supervisory Authority (FINMA). Therefore, neither the Issuer nor the ETPs are governed by the CISA or supervised by FINMA. Accordingly, Investors do not have the benefit of the specific investor protection provided under the CISA.

There can be no assurance, however, that regulatory authorities in one or more other jurisdictions will not determine that the Issuer is required to be licensed, registered or authorised under the securities, commodities or banking laws of such jurisdiction or that legal or regulatory requirements with respect thereto will not change in the future. Any such requirement or change could have an adverse impact on the Issuer or Investors in the ETPs. New legislation or regulations, decisions by public authorities or changes regarding the application of or interpretation of existing legislation, regulations or decisions by public authorities applicable to the Issuer's operations, the ETPs or the Digital Assets, may adversely affect the Issuer's business or an investment in the ETPs.

### **Regulatory risk**

Digital currencies, tokens and blockchain technologies involve relatively new technology which has been identified as possibly posing risks in relation to law enforcement and government regulation. The lack of consensus concerning the regulation of Digital Assets and how such currencies shall be handled tax wise causes uncertainty regarding their legal status. It is likely that governments worldwide, including Switzerland and member states of the European Economic Area, will continue to explore the benefits, risks, regulations, security and applications of digital currencies and blockchain technology. The introduction of new legislation or regulatory requirements or amendments to existing legislation or regulation, by governments, or the respective interpretation of the legal requirements in could have a material adverse effect on the Issuer, the ETPs, and the Underlyings.

### **Legal risk**

The issuer is subject to risks from legal proceedings, in particular in relation to future legal developments related to Digital Assets. It may become involved in legal proceedings arising out of the ordinary routine conduct of its business, including, from time to time, actual or threatened litigation relating to such items as product suitability. There can be no assurance that the Issuer will be able to continue to successfully avoid, manage and defend such matters. In addition, given the inherent uncertainties in evaluating certain exposures, actual costs to be incurred in future periods may vary from the Issuer's estimates for such contingent liabilities.

## **d) Governance risks**

### **Dependence on Certain Key Personnel**

The Issuer is managed by, and is dependent on, a small management team, compared to those of other issuers. Should the management team or any number of its members depart or otherwise become unavailable, the Issuer may have significant difficulty replacing the management member with similarly suited member. This would lead to difficulties to operate the core business of the Issuer, which may even result in its inability to continue as a going concern.

## **Major Shareholders**

Shares in the Issuer are highly concentrated, with FiCAS AG holding all of the voting shares. FiCAS AG has the ability to remove any and all members of the board of directors of the Issuer with a majority vote. As such, the individual has significant influence on the management of the Issuer. There can be no assurance that this individual will exercise their voting right in a manner that benefits Investors.

## **2. Risk factors relating to the ETPs**

### **a) Risks related to the nature of the ETPs**

#### **Investment Risk**

Investors in the ETPs may lose the value of their entire investment or part of their investment in the ETPs. The ETPs issued under this Base Prospectus do not provide for any capital protection of any amount payable under the ETPs.

Investment in the ETPs may involve a loss of the capital invested by virtue of the terms and conditions of the ETPs even where there is no default or insolvency of the Issuer. In particular, investors in the ETPs bear the risk of an unfavorable development of the price of the relevant Underlyings and the risk of a theft or hacking of any Underlying serving as Collateral.

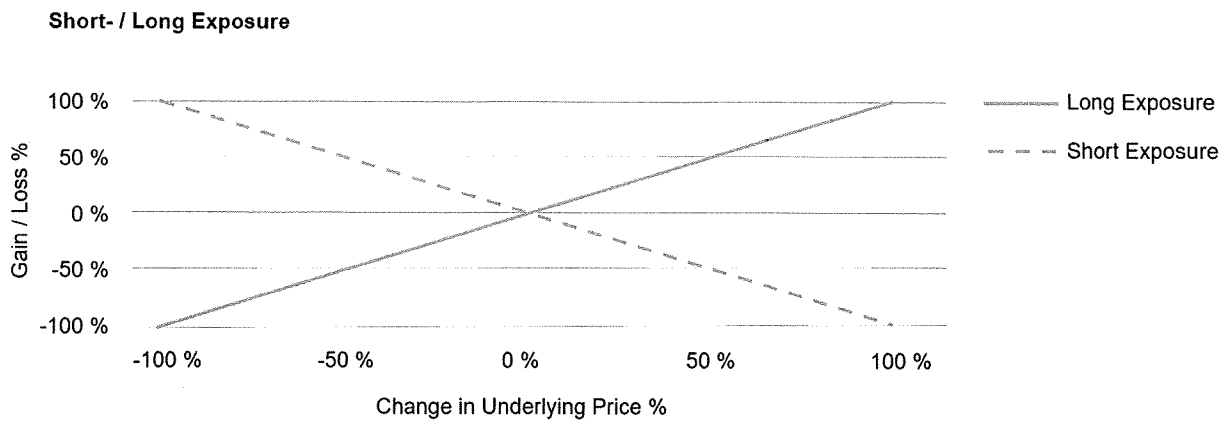
Prior to entering into a transaction, Investors should consult their own legal, regulatory, tax, financial and accounting advisors, as far as they consider necessary, and make their own investment, hedging, and trading decisions (including decisions regarding the suitability of an investment in the ETPs and/or an exposure to certain Underlyings) based upon their own independent review and assessment and advice taken from those advisors they consider necessary.

#### **Investment management risk**

The market value and the settlement amount of the ETPs depend on the Digital Asset Management Strategy as specified in the relevant Final Terms and governed by the Investment Policy. The Investment Manager takes investment decisions on the basis of fundamental, technical and market specific data with the objective of achieving positive total return. The Investment Manager takes investment decision at its sole discretion, but within the boundaries set by the Digital Asset Management Strategy as specified in the Final Terms and the Investment Policy. There is a risk that the investment decision taken by the Investment Manager do not lead to a positive total return.

#### **Short or long exposure risk**

The market value and the settlement amount of the ETPs depend on the Digital Asset Management Strategy as specified in the relevant Final Terms. The nature of the exposure under the relevant management strategy may differ for each Underlying of the ETP. A long exposure means that the ETPs is designed to benefit in the event of a rise in the price of the relevant Underlyings. If the price of the relevant Underlying instead remains flat or falls, this would have a material adverse effect on the market value of the ETP and the investor may sustain losses. A short exposure means that the ETP is designed to benefit in the event of a fall in the price of the relevant Underlying. If the relevant price instead remains flat or rises, this would have a material adverse effect on the market value of the ETPs and the investor may sustain losses. The ETPs may follow a long or short strategy or a combination of both.



### Market price

The market price of the Underlying Digital Assets is more volatile than prices of most other underlying and thus the market price of the ETPs is highly volatile and may fall rapidly and significantly and an Investor may not be able to sell its ETPs quickly and/or at a price such that the Investor is able to prevent or minimise any loss of its investment.

The market price of the ETPs of a Series will be affected by a number of factors, including, but not limited to:

- The value and volatility of the relevant Underlyings of such Series of ETPs;
- Market perception, interest rates, yields and foreign exchange rates;
- Whether or not any market disruption is subsisting;
- The creditworthiness of Custodians and Authorised Participants;
- Any fees or execution costs applicable to subscriptions for or Redemptions of the ETPs; and
- The liquidity in the ETPs and the Underlyings.

Prospective investors should be aware that the secondary market price of the ETPs can go down as well as up. Prospective investors should be aware that market price of the ETPs may not reflect their prior or future performance. There can be no assurance as to the future value and market price of the ETPs.

### Taxes

Depending on the Investor's country of residence, a holding in the ETPs may have tax implications, such as value added tax or capital gains tax. Investors are advised to consult with their tax advisors as to their specific consequences. Therefore, investors should consider whether such tax liabilities apply when investing in the ETPs. Each investor will assume and be solely responsible for any and all taxes of any jurisdiction, including central government or local state taxes or other like assessment or charges which may be applied in respect of the ETP.

The tax considerations contained in the ETP Documentation reflect the view of the Issuer based on the legislation applicable at the date of the issuance of the ETP Documentation. It cannot, however, be ruled out that the tax treatment by the tax authorities and courts could be interpreted differently or could be subject to changes in the future. Additionally, the tax considerations contained herein are in summary form and may not be used as the sole basis for the decision to invest in the ETPs from a tax perspective, since the individual situation of each Investor must also be considered. Accordingly, the considerations regarding taxation contained in the ETP Documentation do not constitute any sort of material information or tax advice nor are they in any way to be construed as a representation or warranty with respect to specific tax consequences.

In accordance with the General Terms and Conditions, the Issuer may redeem all outstanding ETPs at any time, inter alia, for certain tax reasons (a Tax Call). Accordingly, Investors should consult their personal tax advisors before making any decision to purchase the ETPs and must be aware of and be prepared to bear the risk of a potential early redemption due to tax reasons. The Issuer and their affiliates do not accept any liability for adverse tax consequences of an investment in the ETPs.

### **Tracking error or tracking difference**

The application of fees and other adjustments may cause the change in the price per ETP for any given period of time to differ from the change in the prices of the relevant Underlyings. The fact that the Market Maker updates the ETP basket composition every 24 hours and not continuously may cause the price of the ETP to temporarily differ from the prices of the relevant Underlyings. As a result, Investors may find that the return they achieve from an investment in the ETPs is less than the return they would have achieved from a direct investment in the underlying Digital Assets.

### **Effect of Ancillary Costs**

Commissions and other transaction costs incurred in connection with the purchase or sale of ETPs may result in charges, particularly in combination with a low order value, which can substantially reduce any redemption amount to be paid to an Investor in respect of an ETP. Before acquiring ETPs, Investors should therefore inform themselves of all costs incurred with the purchase or sale of the ETP, including any costs charged by their custodian bank or the Authorised Participant upon purchase and redemption of the ETPs.

### **Replicating error or replication difference**

The application of fees and other adjustments may cause the change in the price per ETP for any given period of time to differ from the change in the prices of the relevant Underlyings. The Market Maker may not update the ETP basket composition in real-time and this may cause the price of the ETP to temporarily differ from the prices of the relevant Underlyings. As a result, an Investor may find that the return they achieve from an investment in ETPs is less than the return they would have achieved from an investment in the underlying Digital Assets.

### **Realization of Collateral**

If the amounts received upon the realization of Collateral are not sufficient to fully cover the fees and expenses of the Collateral Agent and the Issuer's payment obligations to Investors, then Investors may incur a loss, which may be significant.

### **Currency risk**

The ETPs are designed to track the movement of the underlying Digital Assets in relation to various fiat currencies and to Bitcoin. However, most trading occurs in USD, but can also be done in other currencies, such as CHF or EUR. The volatility of the USD, EUR, or CHF will therefore have an impact on the investment of each Investor and each Investor may therefore lose part of the investment.

## **b) Risks related to early redemptions**

### **Early redemption on the Issuer's initiative**

The ETPs may be redeemed on the Issuer's initiative in accordance with the General Terms and Conditions. Redemption on the Issuer's initiative may cause the ETPs to be redeemed when the value of the ETPs is lower than the purchase price of the ETPs. This may cause Investors to lose part of or their entire investments.

### **Early redemption on the Investor's initiative**

The Investors may require the ETPs to be redeemed in accordance with the General Terms and Conditions. If the Investor requires redemption of some or all ETPs, the Investor must give prior notice to the Issuer. The value of the ETPs will be determined by the Issuer on a later date, subsequent to the receipt of the notice. The determination of the value of the ETPs on such later date will expose the Investor to the volatility of the ETPs, meaning that the value of the ETPs may decrease until the valuation day which may cause an Investor to lose part of or the entire investment.

## **c) Risks related to the Underlyings**

The risks listed in this category may materialize for one or several Underlyings, i.e. Digital Assets. The probability of an occurrence and the expected magnitude of the adverse impact on the ETP depends on the composition of the ETP and the weighting of the Underlyings. The composition of the ETP is defined by the actively managed Digital Asset Management Strategy. If the ETP replicates a low number of Underlyings the probability of an occurrence is lower and vice versa. The magnitude of the adverse impact on the ETP depends on the weighting of the Underlyings for which the risk is materialized.

### **Liquidity risk in the market of Digital Assets**

There is a risk that there is no obtainable liquidity in the market for the Digital Assets. In the event of the market being illiquid, the price determination will become very volatile and even more difficult to predict. This may in turn reduce the interest from investors which will adversely affect the demand, which is calculated to decrease the market value of the Digital Asset.

### **Risk associated with the development of protocols**

The protocols for cryptocurrencies such as the Digital Assets are typically publicly available and under development. Further development and acceptance of the protocols is dependent on a number of factors. The development of any of these Digital Assets and protocols may be prevented or delayed, should disagreements between participants, developers and members of the network arise. This may adversely affect the value of the Digital Assets. Further, as the structure of the protocols for the Digital Assets are public, a kind of direct compensation for the developers of the respective protocol is missing, which could lead to decreased incentives for continuous development of the protocols. Should these protocols not develop further, the value of the associated Digital Asset will decrease, which in turn would affect the value of the ETPs. The source code of Digital Assets is typically public and may be downloaded and viewed by anyone. Despite this, there may be a bug in the respective code which is yet to be found and repaired, which may jeopardize the integrity and security of one or more of these networks.

### **Internet Disruptions**

The functionality of Digital Asset networks relies on the Internet. A significant disruption of internet connectivity (i.e., affecting large numbers of users or geographic regions) could prevent the functionality and operations of such networks until the internet disruption is resolved. An internet disruption could adversely affect an investment in the ETPs or the ability of the Issuer to operate.

### **Concentration risk**

Decentralized global P2P-network (peer-to-peer) of nodes making up the network of most Digital Assets should, to achieve high security, be spread on several participants. Should one participant control over 50% of all capacity to verify transactions in the network, there is a risk that such participant will be able to verify 100% of all transactions and thus earn all the rewards in the network.

### **Slippage and Execution costs risk**

The reference price of an Underlying may differ from the price at which the Issuer is able to purchase or dispose of that Underlying. This may have an impact on the proceeds realized from the sale of that Underlying in a Redemption with a Cash Settlement or cash creations of ETPs. As a result, the Investor in the ETPs may receive less, or substantially less, than if they had purchased or disposed of the Underlyings themselves.

## **d) Risks related to the admission of the securities to trading on an Exchange**

### **Secondary market risk, volatile market rates and liquidity risk**

The market rates in the secondary market might become both higher and lower than the rate to which Investors have purchased their ETPs. The market rates in the secondary market may not accurately reflect the price of the relevant Underlyings. Although the price determination in the secondary market is based on

established calculation models, it is dependent upon the underlying development of the market and the market's conception of the Issuer's credit status, the ETPs' probable remaining duration and the sales opportunities on the secondary market. In the light of the volatility which can historically be observed in the prices for Digital Assets, it seems possible that the price determination of the ETPs in the secondary market will be very volatile.

If one or more Exchange decides that the ETPs no longer should be admitted to trading, regardless of whether this is due to circumstances assignable to the Issuer, the ETPs, the Digital Assets, the Market Maker and / or changed rules or any other reason, there is a risk that the Issuer will not succeed in having the ETPs admitted to trading on another Exchange, MTF or other marketplace. Such a course of events would worsen the liquidity, disposal opportunities and the market value for the ETPs and thus create risks of losses for investors.

If a delisting would occur, the Issuer will exercise its right to redeem the ETPs early. Such early settlement will only occur following a notice period and investors risk that the market price and liquidity as well as the final settlement amount are negatively impacted in such a scenario.

### **Trading hours**

The ETPs will trade only during regular trading hours on the exchange on which they are listed. The Underlyings to the ETPs may trade on exchanges which operate globally around the clock. For example, application has been made to the exchange on which the ETPs will be listed and the ETPs will trade only during the hours this exchange is open. To the extent that this exchange is closed while the markets for Underlyings remain open, significant price movements may take place an investor in the ETPs will not be able to take account of. This may limit the ability of Investors in the ETPs to react to price movements or volatility in the markets for the relevant Underlyings. Additionally, Investors in the ETPs will not be able to redeem the ETPs until the exchange on which the ETPs are listed is open for trading. In these circumstances, an Investor in the ETPs may suffer a loss if the cash value of the ETP at that time is less than it would otherwise have been if redeemed at a time when the exchange on which the ETPs are listed was closed but markets in Underlyings remained open.

### **Bilateral settlement risk**

Trades in ETPs may not be eligible for central clearing by a Central Counterparty (CCP) supported by the Clearing System. Unlike other products traded on the same Exchange and via the same Clearing System, the ETPs thus may be instructed for bilateral settlement (excluding the CCP). This means that the counterparty risk is, compared to other products traded on the same Exchange, higher. In case of default of the counterparty to the trade, an Investor may lose part of or the entire investment.



## II. OVERVIEW OF THE PROGRAMME

The following overview of the Programme and the ETPs is regarded as an introduction to this Base Prospectus. As such it does not purport to be complete and is subject to more detailed information contained elsewhere in this Base Prospectus and in the Final Terms in respect of each Tranche of ETPs. Investors must base their investment not on the information in this section II “Overview of the Programme” but on the information contained in the entire Base Prospectus, as amended or supplemented, and the relevant Final Terms. Liability for this overview is limited to cases where the information contained herein is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or the relevant Final Terms.

Terms not defined in this overview shall have the meanings given to them elsewhere in this Base Prospectus.

### 1. Short Description of the Programme

Under this Programme, the Issuer may issue ETPs that do not have a maturity date, unless specified otherwise in the relevant Final Terms. The ETPs are debt instruments issued in the form of uncertificated securities (Wertrechte) according to the Swiss Federal Intermediated Securities Act (FISA). The max. number of ETPs issued under a specific Series and/or Tranche is defined in the relevant Final Terms. The ETPs are linked to Underlyings. The Underlyings provide exposure to Digital Assets. The exposure to the performance of the Underlyings may be long or short. Moreover, the ETP may be leveraged by borrowing funds corresponding to max. 10% of the value of the Underlyings managed for the ETP, not including the investments made with borrowed funds. The ETPs replicate Digital Asset Management Strategies that are defined for each Series in the relevant Final Terms. The ETPs will not bear interest.

The ETPs are backed by quantities of relevant Underlyings held in accordance with the Conditions described in this Base Prospectus and the relevant Final Terms.

### 2. Parties to the Programme

**Administrator:** CAIAC Fund Management AG, Haus Atzig, Industriestrasse 2, 9487 Bendern, Principality of Liechtenstein.

**Authorised Participants:** Flow Traders B.V, Jacob Bontiusplaats 9 Amsterdam, 1018 LL Netherlands, or any other Authorised Participant as specified in the applicable Final Terms. The Issuer may appoint several Authorised Participants in relation to a Series of ETPs.

**Calculation Agent:** CC Data Ltd., 162 Main Road, Danbury, Chelmsford, England CM3 4DT, or any other Calculation Agent as specified in the applicable Final Terms.

**Collateral Agent:** NGS Rechtsanwälte, Seefeldstrasse 224, 8008 Zurich, Switzerland, AG or any other Collateral Agent as specified in the applicable Final Terms.

**Custodian:** Any custodian, such as Sygnum Bank AG, Uetlibergstrasse 134a, 8045 Zurich, Switzerland, as specified in the applicable Final Terms. The Issuer may appoint several custodians in relation to a Series of ETPs.

**Investment Manager:** FiCAS AG, Gubelstrasse 24, 6300 Zug, Switzerland.

**Issuer:** Bitcoin Capital AG, Gubelstrasse 24, 6300 Zug, Switzerland. The Issuer is a company limited by shares established in Switzerland having its seat in Zug, Switzerland. The ETPs will be obligations solely of the Issuer and will not be guaranteed by, or be the responsibility of, any other entity.

**Market Maker:** For the listing on SIX Swiss Exchange, Flow Traders B.V., Jacob Bontiusplaats 9 Amsterdam, 1018 LL Netherlands, or any other market maker as specified in the applicable Final Terms. The Issuer may appoint several market makers in relation to a Series of ETPs and different market makers for each Exchange on which the ETPs are listed or admitted to trading.

**Paying Agent:** InCore Bank AG, Wiesenstrasse 17, 8952 Schlieren ZH, Switzerland, or any other paying agent as specified in the applicable Final Terms. The Issuer may appoint several paying agents in relation to a Series of ETPs.

### 3. Features of the Programme

**Documentation of the ETPs:** Each Series will be subject to the General Terms and Conditions set out in this Base Prospectus (see: General Terms and Conditions), that are completed by the relevant Final Terms relating to such Series (together, the ETP Documentation). In the event of any inconsistency between the General Terms and Conditions and the Final Terms, the Final Terms shall prevail.

**The Base Prospectus and Supplements thereto:** This document constitutes a base prospectus according to Art. 8 of the Prospectus Regulation and has been approved by the FMA as of 26 November 2020 and is valid for twelve months from the date of approval on 26 November 2020. The FMA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency. Such approval is neither to be considered as an endorsement of the Issuer nor should it be considered as an endorsement of the quality of the ETPs, which will be filed in future Final Terms.

The Issuer shall prepare a Supplement to this Base Prospectus or publish a new Base Prospectus if there is a significant change affecting any matter contained in this Base Prospectus or a significant new matter arises, the inclusion of information in respect of which would have been so required if it had arisen when this Base Prospectus was prepared. The obligation to supplement a prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when a prospectus is no longer valid.

The purpose of this Base Prospectus is the offer to the public and/or the admission to trading of the ETPs described herein. This Base Prospectus is to be read together with the information provided in the Supplements to this Base Prospectus, if any, all other documents whose information is incorporated herein by reference, as well as the relevant Final Terms.

**Overview on the Transactions in ETPs:** Under the Programme, the Issuer may issue ETPs of a Series to Authorised Participants appointed for such Series. The creation and redemption processes as well as a description of the principal parties and Transaction Documents related to the Programme are described in the section VII. "Process Summaries". Other than in limited circumstances, only an Authorised Participant may engage in the creation or redemption transactions directly with the Issuer.

It is intended that Authorised Participants will sell ETPs in the primary or secondary market to Investors who have directly approached the Authorised Participant(s) for a purchase price agreed between the Authorised Participant and such Investor(s) in respect of the ETPs.

Investors will also be able to purchase ETPs on the secondary market on an Exchange on which the ETPs are listed. Investors may sell the ETPs from time-to-time in the primary or secondary market to third parties or to Authorised Participants.

**Issuing ETPs:** The Issuer intends that the ETPs of each Series shall be subject to an ongoing issuance and redemption. Additional ETPs of a Series may be created and redeemed by Authorised Participants.

ETPs issued under the Programme are issued in Series, and each Series may comprise one or more Tranches issued on identical terms other than the Issue Date and Issue Price per ETP and with the ETPs of each Tranche of a Series being interchangeable with all other ETPs of the Series. Each Tranche is subject to the Final Terms. The Issue Price in respect of each Tranche of ETPs will be set out in the Final Terms with respect to such Tranche.

**Redeeming ETPs:** The ETPs have no fixed maturity, unless specified otherwise in the Final Terms.

The Issuer shall, at the option of any Investor holding ETPs, upon such Investor giving not less than 60 days' written notice, via the financial intermediary administering the relevant securities account, to (i) the Paying Agent if the ETPs are listed on SIX or any other Exchange or (ii) the Issuer if the ETPs are not listed on SIX or any other Exchange, redeem the ETPs held by such Investor, in the amount of ETPs corresponding to such Investor's Redemption Order, on the Investor Put Date specified in the relevant Final Terms at the Redemption Amount.

Authorised Participants may request the Issuer to terminate and redeem all or part of its holding of ETPs by delivery of the Collateral for such ETPs in accordance with the Redemption at the option of an Authorised Participant (Condition 7d) and the relevant Authorised Participant Agreement. Redemptions by Authorised Participants shall be settled on an in-kind basis unless the Issuer permits such redemption to be settled in accordance with a Cash Settlement (Condition 7c).

The Redemption Amount is an amount in the Settlement Currency payable by the Issuer to the Investors, that is calculated as specified in the relevant Final Terms. An exemption to this rule is made in the case of a Redemption at the option of an Authorised Participant (Condition 7d), in which the Redemption Amount shall be settled on an in-kind basis, unless the Issuer permits such Redemption to be settled in accordance with a Cash Settlement (Condition 7c).

In the case of an Extraordinary Event (Condition 20), the Redemption Amount shall be reduced and may be as low as the smallest denomination of the Settlement Currency (i.e., U.S.\$0.01, €0.01, CHF 0.01, £0.01 or the equivalent in other Settlement Currencies). The Redemption Amount shall not be less than the smallest denomination of the Settlement Currency (i.e., U.S.\$0.01, €0.01, CHF 0.01, or the equivalent in other Settlement Currencies).

**Collateralisation of the ETPs:** The Underlyings are credited to the Collateral Account and serve as collateral for the ETP. Collateralization of ETPs eliminates the credit risk in relation to the Issuer only to the extent that the proceeds from the liquidation or realization of Collateral (less the costs of liquidation fees and expenses of the Collateral Agent and payout) meet the Investors' claims. The Investor bears among others the market risk associated with the Collateral results in insufficient liquidation proceeds or, in extreme circumstances, the Collateral might lose its value entirely, including through theft, hacking, or fraud, prior to the liquidation taking place.

The costs for the service with respect to the collateralisation of the ETPs may be taken into account for the pricing of specific ETPs and may therefore be borne by the Investors. With regard to the payment to the respective Investors of the relevant share of the net liquidation proceeds, each Investor shall bear the solvency risks any Custodian, such as but not limited to Sygnum Bank AG, of the Underlyings and/or NGS Rechtsanwälte AG or any other Collateral Agent effecting the liquidation of the Collateral, as well as the financial intermediaries along the payout chain. The payment to the Investors may be delayed for factual or legal reasons. To the extent the calculation of the current value of ETPs proves to be incorrect, the collateralization of the ETPs may be insufficient. Please refer to the section IX. "Collateralisation" below for further details.

**Enforcement of the Issuer Security created over the Collateral:** The Issuer Security is created over the Collateral in favor of the Collateral Agent and for the benefit of Investors pursuant to the Pledge of Collateral Account Agreement. The Collateral Agent shall serve an Enforcement Notice on the Issuer and subject as provided in the Collateral Agent Agreement, at any time and without notice, institute such proceedings and/or take such steps, actions or proceedings as it may think fit against, or in relation to, the Issuer or any other person to enforce its rights under any of the ETP Documentation, if either (i) instructed by Investors representing not less than 25% of ETPs in the relevant Series in writing in the case of an Event of Default, or (ii) instructed by any Investor in writing in the case of an Insolvency Event.

Subject to the provisions of the Collateral Agent Agreement, at any time after the Issuer Security has become enforceable, the Collateral Agent shall, if so instructed by Investors representing not less than 25% of ETPs in the relevant Series following an Event of Default or any Investor following an Insolvency Event, in writing, without notice, take such steps, actions or proceedings as it may think fit to enforce such Issuer Security.

An Event of Default occurs if the Issuer fails to pay any amount due in respect of a Series of ETPs when due and such failure continues for a period of 10 Swiss business days (an Event of Default). In such an Event of Default Investors holding at least 25% of the outstanding ETPs in the relevant Series may, by notice in writing to the Issuer (at its registered office) and the Collateral Agent (at its specified office) (with a copy to the Administrator), declare all the ETPs in such Series to be, and whereupon they shall become, immediately redeemable without further action or formality (an Acceleration).

All the ETPs shall become immediately redeemable without further action or formality, if the Issuer is declared bankrupt within the meaning of article 736 chif. 3 of the Swiss Code of Obligations (CO) and the Debt Enforcement and Bankruptcy Act (DEBA) by a competent court (an Insolvency Event).

**Management of the ETPs:** Any Series of ETPs is managed in accordance with the Digital Asset Management Strategy specified in the applicable Final Terms and governed by the Investment Policy. The Digital Asset Management Strategy is an active, discretionary, proprietary investment strategy for the relevant Series of ETPs, according to which the Underlyings are selected, weighted, the direction of the exposure (i.e. short or long) per Underlying is chosen, and the deployment of leverage is decided. FiCAS AG as the Investment Manager is realizing the Digital Asset Management Strategy that is defined in the applicable Final Terms and governed by the Investment Policy for each Series of ETPs issued under the Programme.

**Investor's Exposure to the Performance of the relevant Underlyings:** The return of each Series of ETPs is related to Underlyings. The return on each Series of ETPs will be linked to the performance of the relevant ETPs, as the Redemption Amount will be derived from the closing price of such Underlyings on the relevant price fixing date. The Relevant Underlyings for each Series of ETPs will be defined by the Digital Asset Management Strategy as specified in the applicable Final Terms.

**Listing and Admission to Trading:** The ETPs are planned to be placed in the EEA in Liechtenstein first and may be admitted to trading and listed on one or more Exchanges in the EEA, after this Base Prospectus has been notified according to Art. 25 Prospectus Regulation to the EEA Member State of the Exchange.

In addition, application may be made for any ETPs in any Series to be admitted to SIX Swiss Exchange under this Base Prospectus according to Art. 8 Prospectus Regulation.

**Final Term Sheets:** The terms and conditions of each Tranche will be published separately within the timeframe set forth by the corresponding trading venue. They will be published as soon as possible after the final terms and conditions have been created. In case of an admission to trading no later than at the time of admission of the securities to trading. They will be deposited with the prospectus reviewing body that has approved the Base Prospectus.

**Selling and Transfer Restrictions:** No action has been taken that would permit a public offering of any ETPs or possession or distribution of any offering material in relation to any ETPs in any jurisdiction where action for that purpose is required, except for the approval of this Base Prospectus by FMA, any notification of the approval to other EEA Member States in accordance with Art. 25 Prospectus Regulation, and filing of the Base Prospectus with the Swiss reviewing body SIX Exchange Regulation AG in accordance with Art. 54 FINSA.

No offers, sales, resales, or deliveries of any ETPs or distribution of any offering material relating to any ETPs may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on the Issuer.

**Obligations of the Issuer:** The ETPs will be obligations solely of the Issuer. The ETPs will not be obligations or responsibilities of, or guaranteed by, the Collateral Agent, the Paying Agent, the Calculation Agent, or any other partner or affiliate of the Issuer, any direct or indirect shareholder of the Issuer or any Authorised Participant. The Issuer was established mainly for the purpose of issuing ETPs. If the net proceeds of realization of the Collateral in respect of a particular ETP are less than the aggregate amount payable in such circumstances by the Issuer in respect of the ETP, the Investors in such ETPs may face losses.

**Forward looking statements in this Base Prospectus:** "Forward" looking statements include statements concerning the Issuer's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these "forward" looking statements. When used in this Base Prospectus,

the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward looking statements. These "forward" looking statements are contained in the sections captioned "Risk Factors", "Information About the Issuer", "General Description of Certain Underlyings" and other sections of this Base Prospectus.

The Issuer has based such "forward" looking statements on its current view with respect to future events and financial performance. Although the Issuer believes that the expectations, estimates and projections reflected in its forward looking statements are reasonable as of the date of this Base Prospectus, if one or more of the risks or uncertainties materialise, including those identified in the section captioned "Risk Factors" or which the Issuer has otherwise identified in this Base Prospectus, or if any of the Issuer's underlying assumptions prove to be incomplete or inaccurate, events relating to the Issuer and the Issuer's actual results may be materially different from those expected, estimated or predicted.

Without prejudice to any requirements under applicable laws and regulations, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of this Base Prospectus any updates or revisions to any forward looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward looking statement is based.

**Governing Law:** The ETPs are governed by and shall be construed in accordance with Swiss law, without reference to the principles of conflicts of law rules. In relation to any proceedings in respect of the ETPs, the Issuer has submitted to the jurisdiction of the courts of the City of Zug (place of jurisdiction is Zug).

### **III. ECONOMICS OF THE ETP**

#### **1. General overview**

The Issuer may from time-to-time issue ETPs under the Programme. The ETPs replicate a Digital Asset Management Strategy. The ETPs are linked to Underlyings that are selected and weighted according to the Digital Asset Management Strategy. This strategy also defines whether a long exposure or a short exposure is taken in an Underlying and whether leverage is deployed. The terms under which the ETP may provide exposure to a range of Digital Assets are set out in the section “General Terms and Conditions” in conjunction with the Final Terms relating to such Series and the Investment Policy.

The return on each Series of ETPs will be linked to the performance of the linked Underlyings, as the Redemption Amount will be derived from the closing price of the linked Underlyings on the relevant price fixing date.

#### **2. Design of the ETPs**

An ETP indirectly represents a quantity of Digital Assets and the value thereof (i.e. entitlement). The ETPs are linked to several Underlyings that are selected and weighted following a Digital Asset Management Strategy. The value of this entitlement will be affected by positive and negative changes in the market value of the relevant Digital Assets and the investment decisions taken by the Investment Manager during the term of the ETPs. This entitlement will be reduced by the Investor Fees daily.

The value of the entitlement is calculated using the sum of the amount of Digital Assets held as Collateral per ETP multiplied with the price for each individual Underlying according to the Digital Asset Management Strategy. The amount of Digital Assets per ETP is calculated using the balance of all custody accounts less the Investor Fees on a daily basis. The price is provided by the Calculation Agent. The Calculation Agent for each series is specified in the Final Terms. The Calculation Agent uses various Exchanges to capture a broad view of the Digital Asset market.

The price movement and the movement of entitlement is correlated 1:1, but Investor Fees will reduce the entitlement.

An ETP may represent either a long- or a short exposure to Underlyings or a combination of short- and long exposures for different Underlyings.

In case of a long exposure to an Underlying, the value of the entitlement for a particular ETP increases compared to the Issue Price. This will have a positive impact on the market value of the ETP and, if the ETP would be redeemed at such point in time, the Redemption Amount.

In case of a short exposure to an Underlying, the value of the entitlement for a particular ETP decreases compared to the Issue Price. This will have a negative impact on the market value of the ETP and, if the ETP would be redeemed at such point in time, the Redemption Amount.

The ETPs under the Programme cannot be leveraged.

The Redemption Amount will be reduced by the Investor Fee irrespective of whether the value of the entitlement increases, decreases or stays flat and the market value of the ETPs will take this into account on a continuous basis.

The Redemption Amount can be as low as zero.

The market value of the ETP at which it can be purchased or sold, may be different than the value according to a hypothetical calculation of the Redemption Amount at any given point in time.

### **3. Price per ETP**

On the Issue Date of the Series, the Price per ETP will be equal to its Issue Price.

On a Redemption Date the price per ETP will be the Redemption Amount calculated in accordance with the formula set out in the relevant Final Terms. The Redemption Amount shall not be less than the smallest denomination of the Settlement Currency (*i.e.*, U.S.\$0.01, €0.01, CHF 0.01, or the equivalent in other Settlement Currencies).

### **4. Issue Price**

The Issue Price for each Series of ETPs will be specified in the relevant Final Terms. For subsequent issuances ETPs in the same Series (if any) the Issue Price will be based on the price of the existing ETPs in that Series. This price is based on the Collateral, being the Digital Assets collateralising the existing ETPs in that Series on the Issue Date of the subsequent issuances.

### **5. No interest on the ETPs**

The ETPs do not bear interest.

### **6. Redemption**

The Issuer may only terminate and redeem a Series of ETPs in whole but not in part at any time, at the Issuer's sole discretion and without any further prior consent of the Investors, on the Redemption Date by publishing a Termination Notice in accordance with the General Terms and Conditions.

An Investor holding ETPs may redeem the ETPs held in an amount of ETPs corresponding to the Investors' Redemption Order (as defined in Condition 7b "Redemption of ETPs at the Option of the Investors") on each Investor Put Date (as specified in the relevant Final Terms), by no less than 60 days' notice to:

- The Paying Agent if the ETPs are listed on SIX or any other Exchange; or
- the Issuer if the ETPs are not listed on SIX or any other Exchange.

Authorised Participants may request the Issuer to terminate and redeem all or part of its holding of ETPs by delivery of the Collateral for such ETPs (as defined in 7d "Redemption at the Option of an Authorised Participant") and the relevant Authorised Participant Agreement. Redemptions by Authorised Participants are settled on an in-kind basis unless the Issuer permits such redemption to be settled in accordance with Condition 7c ("Cash Settlement").

### **7. Events of Default, Insolvency Event and Enforcement**

If an Event of Default and Acceleration or an Insolvency Event occurs in respect of a Series of ETPs, each ETP of such Series shall become, immediately redeemable without further action or formality.

Upon the occurrence of an Event of Default or Insolvency Event, the Collateral Agent shall:

- in the case of an Event of Default, if so instructed by Investors representing 25% or more of ETPs in the relevant Series in writing; or
- in the case of an Insolvency Event, if so instructed by any Investor in writing,

serve an Enforcement Notice on the Issuer and, subject as provided in the Collateral Agent Agreement, at any time and without notice, institute such proceedings and/or take such action, step or proceedings as it may think fit against, or in relation to, the Issuer or any other person to enforce its rights under any of the ETP Documentation.

Subject to the provisions of the Collateral Agent Agreement, at any time after the Issuer Security has become enforceable, the Collateral Agent shall, if so instructed by Investors representing not less than 25% of ETPs in the relevant Series following an Event of Default or any Investor following an Insolvency Event, in writing, without notice, take such steps, actions or proceedings as it may think fit to enforce such Issuer Security.

**The Collateral Agent shall not be required or obliged to take any action, step or proceeding whether in relation to the enforcement of the Issuer Security or otherwise without first being indemnified and/or secured and/or pre-funded to its satisfaction.**



## IV. GENERAL TERMS AND CONDITIONS

The ETPs are issued under the Programme established by Bitcoin Capital AG (the Issuer).

The General Terms and Conditions (each, a Condition) are applicable to all ETPs issued under the Programme by the Issuer and shall be completed by, and read in conjunction with, the Final Terms related to the relevant Tranche of ETPs. In case of inconsistencies between the General Terms and Conditions and the Final Terms, the Final Terms shall prevail. The Investors are deemed to have notice of all the provisions of these General Terms and Conditions, the Final Terms, the relevant Authorised Participant Agreement, the Collateral Agent Agreement, the Administration Agreement and the Paying Agent Agreement.

All subsequent references in these General Terms and Conditions to “ETPs” are to the ETPs which are the subject of the relevant Final Terms. Capitalized terms that are not defined in these General Terms and Conditions will have the meanings given to them in the relevant Final Terms.

For the purposes of these General Terms and Conditions, where ETPs are redeemed in accordance with these General Terms and Conditions, the Issuer and the relevant Investor(s) shall be deemed to consent to the release of the relevant Underlyings.

### 1. Definitions

The following definitions are applicable to all ETPs issued under the Programme by the Issuer and shall be read in conjunction with the Final Terms related to each Tranche of ETPs.

As used in these General Terms and Conditions, the following definitions shall have the meanings in respect of any ETPs as set forth below. Words denoting the singular number only shall include the plural number also and vice versa.

**Acceleration:** An Acceleration occurs in an Event of Default, if Investors holding at least 25% of the outstanding ETPs in the relevant Series declare the ETPs of such Series as redeemable as specified in Condition 26a.

**Administrator:** CAIAC Fund Management AG and any successor administrator.

**Administration Agreement:** The agreement dated 26 May 2020 between the Issuer and the Administrator governed by Swiss law in relation to the Programme, as may be amended and/or supplemented and/or restated from time-to-time.

**Airdrop Event:** The equivalent of a special dividend in kind which results in the creation or allocation of new units of an existing asset serving as an Underlying (as defined below) to participants in the blockchain. The new units of Digital Assets are allocated to some but not necessarily all participants in a blockchain and are typically designed to incentivise specific behavior in the network (i.e., increased participation, maintaining infrastructure, etc.).

**AP Redemption Date:** Means the transaction date specified by a relevant Authorised Participant in its Form of Order Request, or such other date as may be agreed in writing between the Issuer and the relevant Authorised Participant.

**Appointee:** Any agent, delegate, custodian or nominee appointed by the Collateral Agent.

**Authorised Offeror:** Offerors to which the Issuer gave its consent to use the Base Prospectus for offers in Switzerland.

**Authorised Participant:** An entity that is specified in the Final Terms and has entered into an Authorised Participant Agreement with the Issuer.

**Authorised Participant Agreement:** An agreement between the Issuer and an Authorised Participant in respect of the creation, redemption and distribution of ETPs, as may be amended and/or supplemented and/or restated from time-to-time. If the Market Maker has in addition a role as Authorised Participant, this may be Authorised Participant Agreement may form part of the Market Maker Agreement.

**Base Prospectus:** This Base Prospectus, as supplemented, contains terms and conditions of the ETPs and the Programme. The detailed terms applicable to a Series of ETPs issued under this Base Prospectus are set forth in relevant Final Terms for each Series of ETPs issued under this Base Prospectus.

**Business Day:** In relation to the payment and settlement procedure: A day on which (i) relevant Clearing Systems are open and ETPs can be settled, (ii) relevant commercial banks and Custodians are open, (iii) banks in Zurich and Zug are open, (iv) foreign exchange markets execute payments in the respective Settlement Currency, (v) Underlyings of the relevant ETP can be settled, and/or (vi) any other day, as specified in the Final Terms, if applicable.

**Calculation Agent:** CC Data LTD or any other Calculation Agent as specified in the Final Terms.

**Cash Settlement:** The procedures specified in Condition 7c, as completed by the Final Terms.

**Clearing System:** SIX SIS AG in relation to ETPs listed on the SIX Swiss Exchange and any additional clearing systems approved by SIX and any other additional clearing system specified in the Final Terms. SIX SIS AG does not centrally clear transactions in the ETPs and does not qualify as a central counterparty (CCP). The ETPs may be instructed by SIX SIS AG for bilateral settlement (excluding a CCP).

**Collateral:** Underlyings credited to the Collateral Account that serve as collateral for the ETP.

**Collateral Account:** The accounts or sub-accounts, as applicable, administered by a Custodian and opened for the ETPs.

**Collateral Agent:** NGS Rechtsanwälte AG and any successor collateral agent.

**Collateral Agent Agreement:** The Collateral Agent Agreement entered into between the Issuer and the Collateral Agent dated 25 May 2020, as may be amended and/or supplemented and/or restated from time-to-time, governed by Swiss law.

**Collateralisation:** Means the procedures set out in Condition 5.

**Conditions:** Conditions applicable to all ETPs issued under the Programme as set out in this section IV. «General Terms and Conditions» of this Base Prospectus.

**Custodian:** Sygnum Bank AG or any other custodians as specified in the applicable Final Terms.

**Custodial Services Agreement:** The custodial services agreement in relation to the Digital Assets collateralising ETPs issued under the Programme between the Issuer and any Custodian.

**DEBA:** Swiss Debt Enforcement and Bankruptcy Act of 11 April 1889, as amended.

**Delegated Prospectus Regulation:** Delegated Regulation (EU) 2019/980.

**Digital Asset:** Any digital asset whose origin is derived from a blockchain, including cryptocurrencies, or digital commodities provisioning raw digital resources; or digital tokens, provisioning finished digital goods and services.

**Digital Asset Management Strategy:** In respect of any Series of ETPs, the strategy specified in the applicable Final Terms. The Digital Asset Management Strategy is an active, discretionary, proprietary investment strategy for the relevant Series of ETPs, according to which the Underlyings are selected, weighted, the direction of the exposure (i.e. short or long) per Underlying is chosen, and the deployment of leverage is decided.

**EEA:** The European Economic Area.

**ETP:** Exchange Traded ETPs linked to the Digital Asset Management Strategy, as specified in the Final Terms.

**ETP Documentation:** This Base Prospectus and the relevant Final Terms, each as may be amended and/or supplemented and/or restated from time-to-time.

**Enforcement Notice:** A notice given to the Issuer by the Collateral Agent (following receipt of instructions to do so by the Required Threshold of Investors) following the occurrence of an Event of Default or an Insolvency Event as set out in Condition 26c.

**Event of Default:** An event as defined in Condition 26a.

**Exchange:** The stock exchange or regulated market specified in the Final Terms where the ETP is listed.

**Exchange Business Day:** A day on which the price or value of all Underlyings is determined by way of reference to the following, subject to Market Disruption Events and unless specified otherwise in the Final Terms. (i) A price or value source including but not limited to information providers such as Reuters or Bloomberg and the respective pages on their systems, that still exist and officially provide for the respective price or value. (ii) A publication of an official fixing, that is scheduled to be determined and published by the respective fixing sponsor. (iii) An official cash settlement price, that is scheduled to be determined and published by the Exchange or any other official announcing party. (iv) An official settlement price on the Relevant Underlying Exchange on which the relevant Underlying is traded, provided that any such exchange is scheduled to be open for its respective regular trading session, notwithstanding any such exchange closing prior to its scheduled closing time.

**Extraordinary Event:** An Event as defined in Condition 20.

**Fair Market Value:** A value as defined in Condition 13b.

**Final Fixing Date:** The date for the determination of the Redemption Amount, specified in the Final Terms or in any Termination Notice, subject to provisions regarding a Market Disruption Event.

**Final Terms:** The final terms and conditions of each Series or Tranche of a Series of ETPs.

**Fork:** An event where a developer or group of developers split the code base powering a Digital Asset that serves as an Underlying into two or more branches of variations of development, resulting in the creation of a new asset which derives from the original blockchain of the respective Underlying.

**Form of Order Request:** Form of order request in respect of a redemption of ETPs at the option of an Authorised Participant in accordance with Condition 7d, as set out in the relevant Authorised Participant Agreement.

**FMA:** The Financial Market Authority Liechtenstein

**FX Disruption Event:** An Event as defined in Condition 11a.

**FX Establishment Date:** A date as defined in Condition 11b.

**FX Rate:** A rate as defined in Condition 11c.

**General Terms and Conditions:** The terms and conditions set out in this section IV. "General Terms and Conditions" of this Base Prospectus.

**Increased Cost of Collateralisation:** Costs as specified in Condition 13a.

**Insolvency Event:** An Event as defined in Condition 26b.

**Intermediated Securities:** Securities as specified in Condition 2.

**Investment Manager:** FiCAS AG is realizing the Digital Asset Management Strategy that is defined in the applicable Final Terms for each Series of ETPs issued under the Programme.

**Investment Manager Agreement:** The agreement between the Issuer and the Investment Manager dated 7 May 2020, as may be amended and/or supplemented and/or restated from time-to-time.

**Investment Policy:** The policy of the Investment Manager dated 22 June 2020, governing the universe of Digital Assets in which an ETP may be invested, criteria for selecting securities, and information on how income from underlying instruments is treated.

**Investor:** The persons, other than intermediaries (Verwahrungsstellen), holding the ETPs in a securities account (Effektenkonto) with an intermediary (Verwahrungsstelle) and the intermediaries (Verwahrungsstellen) holding the ETPs for their own account, in each case in accordance with the provisions of the Swiss Federal Intermediated Securities Act (FISA).

**Investor Fee:** Collectively for the Management- and the Performance Fee.

**Investor Put Date:** The Investor Put Date specified in the relevant Final Terms.

**Issue Date:** The Issuer Date specified in the Final Terms on which the ETPs are issued.

**Issue Price:** The Issue Price specified in the Final Terms.

**Issuer:** Bitcoin Capital AG, a corporation incorporated under the laws of Switzerland.

**Issuer Security:** Security created over the Collateral in favour of the Collateral Agent and for the benefit of Investors pursuant to the Pledge of Collateral Account Agreement.

**Issuer Security Enforcement Proceeds:** Proceeds as specified in Condition 26d.

**Main Register:** Register as specified in Condition 2.

**Management Fee:** The fee as specified in section X. "Fees of the ETPs" and complemented by the relevant Final Terms.

**Market Disruption Event:** An Event as specified in Condition 8a.

**Market Maker:** For the listing on SIX Swiss Exchange, Flow Traders B.V. or any other market maker as specified in the Final Terms. This may be the same as or different than the Authorised Participant for the ETP.

**Market Making Agreement:** The Market Making Agreement regulates the provision of market making activities related to the ETP. The agreement was concluded with Flow Traders B.V. on or about the date of this Base Prospectus. The conditions regarding creation and redemptions are specified in the final terms

**Minimum Investment Amount:** The minimum investment amount for any Tranche of ETPs as specified in the Final Terms, if any.

**Minimum Trading Lot:** A minimum trading lot specified in the Final Terms, if any.

**New Issuer:** The Issuer may at any time, without the consent of the Investors, substitute for itself as obligor under the ETPs any affiliate, subsidiary or holding company of the Issuer.

**Observation Date:** A date as specified in the Final Terms, if any.

**Offer Period:** The period during which the offer is made as specified in the relevant Final Terms, if any.

**Paying Agent Agreement:** The agreement between the Issuer and the Paying Agent in relation to the Programme, dated 26 June 2020, governed by the laws of Switzerland, as may be amended and/or supplemented and/or restated from time-to-time.

**Paying Agent:** InCore Bank AG and any successor paying agent.

**Performance Fee:** The fee as specified in the relevant Final Terms.

**Pledge of Collateral Account Agreement:** The agreement governed by Swiss law dated 25 May 2020 between, the Issuer, as pledgor, and the Collateral Agent, as collateral agent, in respect of the Collateral, as may be amended and/or supplemented and/or restated from time- to-time.

**Post-Enforcement Priority of Payments:** The payment priorities as specified in Condition 26d.

**Postponed Final Fixing Date:** A date as specified in Condition 26d.

**Postponed Observation Date:** A date as specified in Condition 11b.

**Potential Adjustment Event:** An Event as specified in Condition 10a.

**Priority of Payments:** The payment priorities as specified in Condition 23.

**Programme:** The programme under which ETPs are issued.

**Prospectus Regulation:** Regulation (EU) 2017/1129.

**Redemption:** The termination and redemption of a Series of ETPs by the Issuer, at the option of Investors or at the option of an Authorised Participant as specified in Condition 7.

**Redemption Amount:** An amount in the Settlement Currency payable per ETP by the Issuer to the Investors calculated as specified in the Final Terms; provided, that in the case of an Extraordinary Event pursuant to Condition 20, the Redemption Amount shall be reduced and may be as low as the smallest denomination of the Settlement Currency (e.g. U.S.\$0.01, €0.01, CHF 0.01 or the equivalent in other Settlement Currencies).

**Redemption Date:** A date specified in the Termination Notice, which date shall be no earlier than 30 days after publication of the Termination Notice; or in respect of any redemption following the exercise of an Investor's option in accordance with Condition 7b, the relevant Investor Put Date, as specified in the Final Terms. Where a Final Fixing Date is postponed as a consequence of a Market Disruption Event, the Redemption Date will be postponed accordingly.

**Redemption Order:** An order as specified in Condition 7b.

**Redemption Period:** A period as specified in Condition 7b.

**Relevant Currency:** The currency in which the Underlying is trading on the Relevant Underlying Exchange.

**Relevant Member State:** A member state of the European Economic Area (EEA) which has implemented the Prospectus Regulation.

**Relevant Underlyings:** Collectively for all Underlyings selected by the Investment Manager according to the Digital Asset Management Strategy for a specific Series of ETPs.

**Relevant Underlying Exchange(s):** The exchange(s) or a quotation system as specified in the Final Terms on which the relevant Underlying are traded, or any successor to such Relevant Underlying Exchange or any substitute exchange or quotation system to which trading in the Underlying has temporarily relocated. Any substitute exchange or quotation system must provide comparable liquidity relative to the Underlying as on the original Relevant Underlying Exchange, as determined by the Issuer.

**Required Threshold:** In respect of any action relating to or following an Insolvency Event, any Investor; and in any other case (including an Event of Default), Investors representing not less than 25% of ETPs in the relevant Series.

**Securities Act:** United States of America Securities Act of 1934.

**Series:** An individual issue of ETPs under the Programme. The Final Terms contain information on a specific Series.

**Settlement Currency:** The currency specified in the Final Terms in which the Redemption Amount is settled.

**SIS:** means SIX SIS AG, Switzerland, or any successor thereof.

**SIX:** The SIX Swiss Exchange AG, Switzerland, or its successor.

**Successor Currency:** A currency that replaces the Settlement Currency as further specified in Condition 11c.

**Successor Calculation Agent:** The entity that is the successor to the Calculation Agent.

**Successor Underlyings:** Underlying assets as defined in Condition 10c.

**Supplement:** A supplement to this Base Prospectus, the Issuer may publish in case of a significant change affecting any matter contained in this Base Prospectus.

**Termination Notice:** The Issuer's notice of the termination and redemption of the ETPs.

**Tranches:** ETPs of the same Series. Tranches in a Series shall be identical in all respects except for the Issue Date and the Issue Price.

**Transaction Document:** Collectively for the ETP Documentation, the Pledge of Collateral Agreement, the Investment Manager Agreement, the Custodial Services Agreement, the Administration Agreement, the Collateral Agent Agreement, the Paying Agent Agreement, the Market Making Agreement incl. the agreement regarding the Authorised Participant function, and, as and when available, any Authorised Participant Agreements.

**Underlying Illiquidity:** The illiquidity specified in Condition 9a.

**Underlying:** The Underlyings selected according to the Digital Asset Management Strategy specified in the Final Terms.

**Wallet:** A software program where a private key (secret number) and public address for every Digital Asset address is saved in the wallet of the person or person who owns the balance.

**Wallet Provider:** A services provider that provides Wallets.

## 2. Form of the ETPs

The ETPs are debt instruments issued in the form of uncertificated securities (Wertrechte). The Investor is not entitled to call for the issue of physical securities or evidentiary documents. The rights incorporated in the ETPs are created by means of a registration in the Issuer's register of uncertificated securities (Wertrechtbuch). Such ETPs will then be registered in the Main Register (Hauptregister) of the Clearing System. Once the ETPs are registered in the Main Register of the Clearing System and entered into the accounts of one or more participants of SIS, they will constitute intermediated securities (Bucheffekten, or Intermediated Securities) in accordance with the Swiss Federal Intermediated Securities Act (FISA).

None of the Issuer, the Investors, the Paying Agent or any other person shall at any time have the right to affect or demand the conversion of ETPs (as uncertificated securities) into, or the delivery of, a permanent global certificate (Globalurkunde) or individually certificated securities (Wertpapiere). As long as the ETPs remain registered with the Clearing System, the ETP may only be transferred or otherwise disposed of in accordance with the provisions of the FISA by entry of the transferred ETP in a securities account of the transferee. The records of the Clearing System will determine the number of ETPs held through each participant in the Clearing System. In respect of the ETPs held in the form of Intermediated Securities, the holders of the ETPs will be the Investors.

## 3. Series and Tranches

ETPs issued under the Programme are issued in a Series, and each Series may be divided into Tranches. Each Tranche is subject to a Final Terms. Tranches in a Series shall be identical in all respects except for the Issue Date and the Issue Price.

## **4. Status**

The ETPs constitute unsubordinated obligations of the Issuer and at all times rank pari passu and without preference among themselves and all other current and future unsubordinated obligations of the Issuer.

## **5. Collateralisation**

The Issuer will, by no later than the Issue Date of the relevant Series of ETPs, credit the Underlyings of the ETPs to the respective Collateral Accounts for such Series. The Issuer has entered into the Pledge of Collateral Account Agreement and the Collateral Agent Agreement in order to provide the respective Underlyings as collateral for the benefit of the Investors to secure its payment obligations under the ETP Documentation.

## **6. ETPs without a maturity**

The ETPs have no fixed maturity. The Issuer has the right to terminate and redeem all but not part of the outstanding ETPs in any Series in accordance with the procedure described in Condition 7.

## **7. Redemption of ETPs**

### **a) Termination and Redemption of ETPs by the Issuer**

The Issuer may terminate and redeem the ETP outstanding in any Series in whole but not in part

- at any time, at the Issuer's sole discretion and without any further consent of or approval by the Investors, on the relevant Redemption Date by publishing the Termination Notice in respect of such Series in accordance with Condition 19, and
- in case of a "Termination and cancellation due to illiquidity, regulatory calls, tax calls, or increased cost of collateral" (Condition 13); and
- in case of a "Postponement of the Final Fixing Date or the Observation Date in case of a FX Disruption Event" (Condition 11b).

### **b) Redemption of ETPs at the option of the Investors**

The Issuer shall, at the option of any Investor holding ETPs, upon such Investor giving not less than 60 days' written notice, acting through the financial intermediary administering the securities account of the Investor to which the relevant ETPs are credited, prior to the Investor Put Date (the Redemption Period) to (i) the Paying Agent if the ETPs are listed on SIX or any other Exchange or (ii) the Administrator and the Issuer if the ETPs are not listed on SIX or any other Exchange, redeem the ETPs held by such Investor, in an amount of ETPs corresponding to such Investor's Redemption Order (as defined below), on the Investor Put Date specified in the relevant Final Terms at the Redemption Amount.

To exercise such option, the holder must, within the Redemption Period, instruct the financial intermediary maintaining the relevant securities account to set up a sell order (the Redemption Order) with the Paying Agent, acting on behalf of the Issuer. All Redemption Orders received by the Paying Agent or the Issuer and the Administrator (as the case may be) during the Redemption Period shall be deemed to be valid and may not be subsequently withdrawn without the prior consent of the Issuer. Settlement of such Redemption Orders shall take place exclusively in the delivery versus payment procedure via SIX SIS.

### **c) Cash Settlement**

All termination and redemption of ETPs, other than as set out in "Redemption of ETPs at the Option of an Authorised Participant" (Condition 7d) shall be settled on a Cash Settlement basis in accordance with this Condition 7c.

The Administration Agent shall determine the Redemption Amount to be paid by the Issuer in respect of the ETPs being terminated and redeemed.

On or prior to the Redemption Date, the Issuer shall, in respect of the ETPs being terminated and redeemed, for value on the Redemption Date, transfer (or cause to be transferred) the Redemption Amount to the Paying Agent.

On the Redemption Date, the Paying Agent shall, subject to

- transfer of the relevant ETPs to be terminated and redeemed; and
- receipt of payment of the related taxes and duties, if any,

initiate the redemption process by way of delivery versus payment procedure via the Clearing System.

#### **d) Redemption of ETPs at the option of an Authorised Participant**

An Investor, which is also an Authorised Participant, may at any time require the Issuer to terminate and redeem all or part of its holding of ETPs by delivery of the Collateral for such ETPs as determined by the Administration Agent by lodging with the Issuer a Form of Order Request.

- The Authorised Participant shall submit a Form of Order Request on the order-taking platform;
- The Issuer and Administrator shall verify the order to ensure that it complies with these Conditions, the relevant Final Terms and the relevant Authorised Participant Agreement and, if so, shall send an order confirmation;
- The Paying Agent shall:
  - De-register the relevant ETPs in the Main Register; and
  - Debit the direct participant's account accordingly via delivery free of payment (DFP) transfer instructions;
  - Cancel the relevant ETPs in the Issuer's book of uncertificated securities (Wertrechtbuch);
- The Custodian shall transfer the relevant Collateral to the Authorised Participant's Wallet or account on the relevant AP Redemption Date.

From the relevant AP Redemption Date, all title to and risks in such Collateral shall pass to the holder of the relevant ETPs. None of the Issuer, the Administrator, the Collateral Agent, or the Paying Agent shall be responsible or liable for any failure by the Custodian to effect delivery of the relevant Collateral in accordance with the Form of Order Request and the instructions given by the Issuer or any other person. However, in the event of such failure, the Issuer shall to the extent practicable, assign to the redeeming Authorised Participant its claims in respect of such Collateral in satisfaction of all claims of such holder in respect of the ETPs to be redeemed and the holder shall have no further claims against the Issuer or the Issuer Security.

The obligations of the Issuer in respect of ETPs being redeemed pursuant to this Condition 7d shall be satisfied by transferring the relevant Collateral in accordance with this Condition 7d.

An Authorised Participant may request redemption under this Condition 7d to be effected on a Cash Settlement basis. If such request is approved by the Issuer, the redemption shall be effected in accordance with the procedures set out in Condition 7c.

A Form of Order Request submitted by an Authorised Participant shall be in the form set out in the relevant Authorised Participant Agreement and shall include, inter alia, the number and type of ETPs to be redeemed, the Wallet or account to which the relevant Collateral shall be delivered and the AP Redemption Date and shall be signed by an authorised signatory of the Authorised Participant.

The Issuer may change or vary the procedures for the lodgment and completion of the Form of Order Request and this Condition 7d shall be modified in respect of redemption to the extent of any such variation.



## **8. Market Disruption**

### **a) Market Disruption Event**

Market Disruption Event means that the prices or values of the Underlyings relevant for the ETP cannot be determined or announced or published or otherwise are not being made available on a day relevant for the fixing, observation or valuation of such Underlyings, in particular the Final Fixing Date, as determined by the Calculation Agent, in its duly exercised discretion.

### **b) Rights on the occurrence of a Market Disruption Event**

If the Calculation Agent determines that a Market Disruption Event has occurred and is continuing on a day relevant for the fixing, observation or valuation of the relevant Underlyings, in particular the Final Fixing Date, then the respective day relevant for the fixing, observation or valuation of such Underlyings shall be postponed until the next following Exchange Business Day where there is no such Market Disruption Event.

If a Market Disruption Event is continuing, then the respective day relevant for the fixing, observation or valuation of the relevant Underlyings, in particular the Final Fixing Date, and the value for such Underlyings for such date shall be determined by the Calculation Agent, in its duly exercised discretion in accordance with established market practice.

The Final Fixing Date for relevant Underlyings that are not affected by the Market Disruption Event shall be the originally designated Final Fixing Date and the Final Fixing Date for each relevant Underlying that is affected shall be determined as provided above.

## **9. Underlying Illiquidity**

### **a) Underlying Illiquidity**

Underlying Illiquidity means, in respect of any Underlyings, low or no trading volume in the Underlying, the difficulty to buy and/or sell the Underlying in a short period of time without its price being affected, or any comparable event that leads to an extraordinary illiquidity in any Underlying, as determined by the Investment Manager in its sole discretion.

### **b) Rights on the occurrence of Underlying Illiquidity**

In case of Underlying Illiquidity

- The Market Maker or Authorised Participant shall be entitled to temporarily increase the spread between the bid and offer prices of the ETPs to account for such prevailing market conditions; and
- The relevant Redemption Amount may be calculated based on the average execution price (less transaction costs) as it was obtained on a best effort basis, as determined by the Calculation Agent, instead of using the originally pre-defined fixing or value of the Underlying (e.g., the official close of the respective Underlying) set out in the Final Terms.
- The determination (fixing) and/or the payment of the relevant redemption amount shall be postponed accordingly by such number of days necessary to account for such prevailing market conditions as determined by the Calculation Agent.

## **10. Potential Adjustment in the Underlyings**

### **a) Adjustment**

An adjustment event is an event that may have a diluting or concentrative effect on the theoretical value of the relevant Underlyings (Potential Adjustment Event). The Investment Manager shall, acting in a commercially reasonable manner and in accordance with established market practice and without the consent of Investors, determine whether or not at any time a Potential Adjustment Event has occurred.

The Investment Manager may always manage the Underlyings in accordance with the Digital Asset Management Strategy as set out in the Final Terms for each Series and the Investment Policy, regardless of the occurrence of a Potential Adjustment Event.

Where the Investment Manager determines that a Potential Adjustment Event has occurred, the Investment Manager will, acting in a commercially reasonable manner and in accordance with established market practice determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Underlying and, if so, will make such adjustment as it considers appropriate in its duly exercised discretion and in accordance with established market practice. Such adjustment could be made to the Redemption Amount, the relevant Underlyings, the number of Underlyings to which each ETP relates, the number of Underlyings, and/or any other adjustment and, in any case, any other variable relevant to the redemption, settlement, or payment terms of the relevant ETPs as the Investment Manager determines, in its duly exercised discretion but in accordance with established market practice, to be appropriate to account for that diluting or concentrative effect. The Investment Manager shall further determine, in its duly exercised discretion and in accordance with established market practice, the effective date(s) of such adjustment(s).

**b) Fork Event**

Upon the occurrence of a Fork, the Investment Manager, in its sole discretion, will determine whether to participate in the Fork, in accordance with the Investment Manager's investment policy at the relevant time. If the Investment Manager determines to participate in the Fork, then any value received from the newly-forked Digital Asset will form part of the Collateral (in such form as is determined by the Investment Manager in its sole discretion). If the Investment Manager determines not to participate in the Fork, then the Investors will not be entitled to receive any value from the newly-forked Digital Asset. The Investment Manager is not obliged to assess every Fork or event resulting in a Fork or to notify the Investor in the ETP of any Fork or event resulting in a Fork.

**c) Discontinuation of Trading on Relevant Underlying Exchange**

If the Investment Manager, acting in a commercially reasonable manner and in accordance with established market practice, upon the announcement of the Relevant Underlying Exchange that pursuant to the rules of such Relevant Underlying Exchange, the relevant Underlyings ceases (or will cease) to be traded or publicly quoted on the Relevant Exchange for any reason and is not immediately re-traded or re-quoted on an exchange or quotation system, then the Investment Manager may determine, in its duly exercised discretion and in accordance with established market practice, that the relevant ETPs shall be terminated and the ETPs shall pay an amount which the Calculation Agent, in its duly exercised discretion and in accordance with established market practice, determines is the fair market value. Alternatively, the Investment Manager is entitled to continue the affected ETPs with a new underlying (Successor Underlying). The Investment Manager shall determine the Successor Underlying in its duly exercised discretion and in accordance with established market practice for the type of Underlyings.

**d) Airdrop Event**

Any additional Digital Assets obtained through an Airdrop will be kept until the re-balancing of the Digital Asset Management Strategy, at which point the allocations required by the Digital Asset Management Strategy would be met once more, which may require a sale of the new Digital Assets acquired through the Airdrop. Any proceeds of such sale, or Digital Asset held following an Airdrop, will form part of the Collateral.

**e) Other Events**

In the case of events other than those described in this Condition 10, which in the sole opinion of the Issuer have an effect equivalent to that of such events, the rules described in this Condition 10 shall apply mutatis mutandis.

## **f) Notices of Adjustment**

The Issuer shall give notice to the Investors in accordance with “Notices” (Condition 19) any change to the General Terms and Conditions of the ETPs in accordance with this Condition 10. For the avoidance of doubt, the consent of the Investors shall not be required to make any of the changes to the ETPs set out in this Condition 10.

## **11. FX Disruption**

### **a) FX Disruption Event**

An FX Disruption Event means the occurrence of an event that makes it impossible through legal channels for the Investment Manager to either:

- convert the Relevant Currency into the Settlement Currency; or
- deliver the Settlement Currency from accounts within the specific country to accounts outside such jurisdiction; or
- deliver the Relevant Currency between accounts within the specific country to a person that is a non-resident of that jurisdiction.

### **b) Postponement of the Final Fixing Date or the Observation Date in case of a FX Disruption Event**

If the Calculation Agent determines that on a Final Fixing Date or an Observation Date an FX Disruption Event has occurred and is continuing, the date for determination of the FX Rate (as defined below) shall be postponed until the first Business Day on which such FX Disruption Event ceases to exist (FX Establishment Date). The Final Fixing Date or the Observation Date in respect of the ETPs shall be postponed to the Business Day which falls on the same number of Business Days after the FX Establishment Date as the Final Fixing Date or the Observation Date, as applicable, was originally scheduled to be after the Final Fixing Date or the Observation Date, as applicable (the Postponed Final Fixing Date or the Postponed Observation Date).

If a FX Disruption Event has occurred and is continuing on the Postponed Final Fixing Date or Postponed Observation Date (including any Final Fixing Date or Observation Date postponed due to a prior FX Disruption Event), then the Postponed Final Fixing Date or Postponed Observation Date, as applicable, shall be further postponed until the first Business Day following the date on which such FX Disruption Event ceases to exist, or to a date as reasonably determined by the Calculation Agent. For the avoidance of doubt, if a FX Disruption Event coincides with a Market Disruption Event, as the case may be, the provisions of this Condition 11 shall take effect only after such postponements or adjustments have been made as a result of such Market Disruption Event in accordance with the General Terms and Conditions and, notwithstanding the respective provisions of the General Terms and Conditions, the Issuer’s payment obligation of the Redemption Amount shall continue to be postponed in accordance with the provisions of this Condition 11.

### **c) FX Rate and Successor Currency**

FX Rate means, the exchange rate (determined by the Calculation Agent in good faith and in a commercially reasonable manner) for the sale of the Relevant Currency for the Settlement Currency on the Final Fixing Date or the Observation Date or other date on which such exchange rate falls to be determined in accordance with the provisions of this Condition 11 expressed as a number of units of Relevant Currency per unit of the Settlement Currency.

In the event that a Settlement Currency used in connection with the FX Rate or in any other context is replaced by another Settlement Currency in its function as legal tender in the country or jurisdiction, or countries or jurisdictions, by the authority, institution or other body which issues such Settlement Currency, by another currency or is merged with another currency to become a common currency, the affected

Settlement Currency shall be replaced for the purposes of these General Terms and Conditions and the respective Final Terms by such replacing or merged currency, if applicable after appropriate adjustments have been made, (Successor Currency). The Successor Currency and the date of its first application shall be determined by the Investment Manager in its duly exercised discretion and will be notified to the Investors by the Issuer in accordance with “Notices” (Condition 19).

## **12. Taxation and Tax Call**

Each Investor shall assume and be responsible for any and all taxes, duties, fees and charges imposed on or levied against (or which could be imposed on or levied against) such Investor in any jurisdiction or by any governmental or regulatory authority.

The Issuer and the Paying Agent shall have the right, but not the duty, to withhold or deduct from any amounts otherwise payable to the Investor such amount as is necessary for the payment of such taxes, duties, fees and/or charges. Investors shall not be entitled to receive amounts to compensate for any amount so withheld or deducted.

If any governmental or regulatory authority imposes on the Issuer the obligation to pay any such taxes, duties, fees and/or charges, the Investor shall promptly reimburse the Issuer.

## **13. Termination and cancellation due to illiquidity, regulatory calls, tax calls, or increased cost of collateral**

### **a) Right to Terminate and Redeem outstanding ETPs**

The Issuer shall have the right to terminate and redeem the outstanding ETPs in any Series in whole, but not in part:

- If the Calculation Agent has determined that the Underlyings of the relevant ETPs have permanently ceased to be liquid and the Issuer has determined that the Digital Asset Management Strategy cannot be adhered to due the permanent illiquidity of the Underlyings.
- If compliance by the Issuer with the obligations under the ETPs or any transaction in respect of Underlyings of the relevant ETP has become unlawful or impossible in whole or in part, in particular as a result of compliance by the Issuer with any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power or controlling authority or of the relevant competent market authorities (a Regulatory Call);
- If the Increased Cost of Collateralization. Increased Cost of Collateralization means that the Issuer would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense, fee, or other cost to acquire, hold, substitute or maintain transaction(s) or asset(s) as necessary or deemed necessary by the Issuer in order to collateralize the relevant ETPs;
- In the event that any present or future taxes, duties or governmental charges would be imposed by any jurisdiction in which the Issuer is or becomes subject to taxation as a result of any change in laws or regulations of the relevant jurisdiction (Tax Call).

### **b) Notification and Payment of the Investors**

The Issuer may terminate and redeem the ETPs by providing notice to Investors in accordance with “Notices” (Condition 19).

If the Issuer terminates and redeems the ETPs in accordance with this Condition 13, the Issuer will, to the extent permitted by applicable law, pay an amount to each Investor in respect of the ETPs, determined by the Issuer in its duly exercised discretion as representing the Fair Market Value of such ETPs upon redemption (notwithstanding any illegality or impossibility). The amount representing the Fair Market Value will be paid to the Investors as soon as possible following the date of determination of the Fair Market Value.

## **14. Trading of the ETPs**

The Minimum Trading Lot per Series of ETPs, if any, will be specified in the Final Terms. The Issuer may introduce multi-currency trading for the ETPs after being listed on SIX or any other Exchange, provided that the Clearing System supports the additional currencies.

## **15. Paying Agent**

The Paying Agent is InCore Bank AG or any other paying agent as specified in the applicable Final Terms. The Issuer may appoint several paying agents in relation to a Series of ETPs.

The Issuer reserves the right at any time to vary or terminate the order/mandate of the Paying Agent and to appoint another paying agent provided that

- if ETPs are outstanding, it will maintain a paying agent
- as long as the ETPs are listed on SIX, it will maintain a Paying Agent in Switzerland for listing purposes only.

Each Paying Agent and any other paying agent appointed in respect of a particular Series of ETPs as specified in the Final Terms (Paying Agent), is acting solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Investors.

Any determinations, decisions and calculations by the Paying Agents shall (save in the case of manifest error or willful misconduct) be final and binding on the Issuer and the Investors.

The Issuer may at any time vary or terminate the appointment of the Paying Agents. It shall give notice to the Investors in accordance with Condition 19 “Notices” with regards to any modification in the appointment of the Paying Agent. Notice of any such termination of appointment or new appointment and of any change in the specified office of a paying agent will be given to the Investors in accordance with Condition 19 “Notices”.

## **16. Calculation Agent**

The Calculation Agent is CC Data Ltd. or any other Calculation Agent as specified in the applicable Final Terms.

The Calculation Agent does not act as agent for the Investors and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Investors.

All data provided by the Calculation Agent shall (save in the case of manifest error or willful misconduct) be final and binding on the Issuer, the Administrator the Paying Agents and the Investors.

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party, as it deems appropriate. The Issuer may at any time vary or terminate the appointment of the Calculation Agent. It shall give notice to the Investors in accordance with “Notices” (Condition 19) of any modification in the appointment of the Calculation Agent.

## **17. Collateral Agent**

The Collateral Agent is NGS Rechtsanwälte AG or any successor collateral agent.

By investing in the ETPs, each Investor is deemed to agree and acknowledge that the Issuer shall appoint the Collateral Agent (or its successors) to act on behalf of the Investors as set out in, and in accordance with, the terms and conditions set out in the Collateral Agent Agreement and the Pledge of Collateral Account Agreement.

The Collateral Agent may, in accordance with the provisions of the Collateral Agent Agreement, delegate any of its obligations and functions to a third party, as it deems appropriate.

The Issuer may at any time vary or terminate the appointment of the Collateral Agent in accordance with the provisions of the Collateral Agent Agreement. It shall give notice to the Investors in accordance with Condition 19 “Notices” of any modification in the appointment of the Collateral Agent.

Pursuant to the Collateral Agent Agreement, the Collateral Agent is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid or reimbursed for any liabilities incurred by it in priority to the claims of the Investors (save in relation to any responsibility arising out of or liabilities incurred as a result of its own fraud, willful misconduct or gross negligence). In addition, the Collateral Agent is entitled to enter into business transactions with the Issuer without accounting for any profit.

The Collateral Agent will not be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Issuer Security or any documents of title thereto being uninsured or inadequately insured. The Collateral Agent shall not be responsible for monitoring the compliance of any of the other parties to the Transaction Documents with their obligations under the Transaction Documents.

The Collateral Agent shall not be required or obliged to take any action, step or proceeding whether in relation to the enforcement of the Issuer Security or otherwise without first being indemnified and/or secured and/or pre-funded to its satisfaction.

The Collateral Agent shall not be responsible or liable for monitoring or ascertaining whether or not an Event of Default or Insolvency Event or Extraordinary Event has occurred or exists. Unless and until it has received written notice to the contrary, the Collateral Agent shall be entitled to assume (without any liability to any person) that no Event of Default or Insolvency Event or Extraordinary Event has occurred or exists.

The Collateral Agent is exempted from liability with respect to any loss or theft or reduction in value of the assets comprised in the Issuer Security (or any of them).

## **18. Purchase by the Issuer**

The Issuer, and/or any of its affiliates may at any time purchase ETPs of any issue at any price in the open market or otherwise. Such ETPs may, at the option of the Issuer, and/or, as the case may be, the relevant affiliate, be held, resold or cancelled or otherwise dealt with.

## **19. Notices**

Notices to Investors relating to ETPs listed on the SIX Swiss Exchange will be published in accordance with the regulations of the SIX Swiss Exchange, as in force, on the SIX Swiss Exchange website and on the Issuer’s website ([www.bitcoincapital.com](http://www.bitcoincapital.com)) or, in any other form permitted by the rules and regulations of the SIX Swiss Exchange ([www.six-swiss-exchange.com/news/official\\_notices](http://www.six-swiss-exchange.com/news/official_notices)).

Notices to Investors relating to ETPs listed on another Exchange than the SIX Swiss Exchange will be published in accordance with the regulations of the relevant Exchange.

## **20. Liability for Losses**

Without prejudice to the provisions of the Collateral Agent Agreement, none of the Issuer, the Calculation Agent, the Collateral Agent or the Paying Agent shall have any responsibility to the extent permitted by law for any errors or omissions in the calculation of any amount or with respect to any other determination or decisions required to be made by it under these General Terms and Conditions or with respect to any ETPs, irrespective of whether the agents act in the interest of the Issuer or the Investor.

None of the Issuer, the Collateral Agent or any other obligor under any ETPs shall be liable for fraud, theft, cyber-attacks and/or any analogous or similar event (each, an Extraordinary Event). Accordingly, upon the occurrence of an Extraordinary Event with respect to, or affecting any, Underlying including any Underlying

that serves as Collateral, the Issuer shall give notice to Investors in accordance with “Notices” (Condition 19) and to the Collateral Agent and the Redemption Amount for such ETPs shall be reduced to account for such Extraordinary Event and may be as low as zero, as determined by the Calculation Agent.

In no event shall the Issuer or the Collateral Agent have any liability for indirect, incidental, consequential or other damages (even if it was advised of the possibility of such damages) other than (in the case of the Issuer only) interest until the date of payment on sums not paid when due in respect of any ETPs. Investors are entitled to damages only and are not entitled to the remedy of specific performance in respect of an ETP.

## **21. Further Issues**

The Issuer shall be at liberty without the consent of the Investors to create and issue further ETPs either having the same terms and conditions as the ETPs in all respects (or in all respects except for their Issue Date and Issue Price) and so that such further issue shall be consolidated and form a single Series with the outstanding ETPs of any Series or upon such terms as the Issuer may determine at any time of their issue. References in these General Terms and Conditions to the ETPs include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single Series with existing ETPs or a separate Series.

## **22. Issuers Covenant to Pay**

The Issuer covenants with and undertakes to the Investors, and also for the benefit of the Collateral Agent, that it shall duly, unconditionally and punctually pay and discharge all moneys and liabilities whatsoever which from time-to-time become due, owing or payable by the Issuer under or in respect of the ETPs; and under or in respect of the Issuer Security.

## **23. Priority of Payments**

Save for any monies received in connection with the realisation or enforcement of all or part of the Issuer Security, all monies received by or on behalf of the Issuer in relation to any Redemption in accordance with “Redemption of ETPs” (Condition 7) will be paid in the following order of priority:

*Firstly*, in payment or satisfaction of all amounts then due and unpaid or payable to the Collateral Agent;

*Secondly*, in payment or satisfaction of all amounts then due and unpaid to the Paying Agents;

*Thirdly*, in payment or satisfaction *pari passu* and ratably of all amounts then due and unpaid to the Investment Manager and the Custodian;

*Fourthly*, in payment of any Redemption Amounts due and unpaid owing to the Investors;

*Fifthly*, in payment of the balance (if any) to the Issuer (without prejudice to, or liability in respect of, any queries as to how such payment to the Issuer shall be dealt with between the Issuer and any such person).

## **24. Prescription**

Claims for payment of a Redemption Amount in respect of the ETPs shall be barred by the statute of limitations in accordance with the applicable Swiss law, unless made within 10 years from the relevant Redemption Date.

## **25. Substitution**

The Issuer may at any time, without the consent of the Investors, substitute for itself as obligor under the ETPs any affiliate, subsidiary or holding company of the Issuer (the New Issuer), provided that the New Issuer shall assume all obligations that the Issuer owes to the Investors under or in relation to the ETPs.

If such substitution occurs, then any reference in the ETP Documentation to the Issuer shall be construed as a reference to the New Issuer. Any substitution will be promptly notified to the Investors in accordance with Condition 19 and this Base Prospectus will be supplemented.

## **26. Default and Insolvency**

### **a) Event of Default**

If the Issuer fails to pay any amount due in respect of a Series of ETPs when due and such failure continues for a period of 10 Swiss business days (Event of Default), then Investors holding at least 25% of the outstanding ETPs in the relevant Series may, by notice in writing to the Issuer (at its registered office) and the Collateral Agent (at its specified office and with a copy to the Administrator), declare all the ETPs in such Series to be, and whereupon they shall become, immediately redeemable without further action or formality. Such redemption shall be effected by the Issuer in accordance with this Condition 26 and otherwise in accordance with Condition 7.

### **b) Insolvency Event**

Upon the Issuer being declared bankrupt within the meaning of article 736 chiff. 3 Swiss Code of Obligations and the DEBA by a competent court (an Insolvency Event), all ETPs shall become immediately redeemable without further action or formality in accordance with this Condition 26 and otherwise in accordance with Condition 7.

The Issuer will notify the Collateral Agent promptly upon the occurrence of an Insolvency Event.

### **c) Enforcement**

No Investor shall be entitled to proceed directly against the Issuer or any other party to the ETP Documentation in respect of the ETPs unless such Investor has first sought enforcement of the Issuer Security in accordance with the Collateral Agent Agreement.

The Collateral Agent shall upon the occurrence of an Event of Default or Insolvency Event, subject to being indemnified and/or secured and/or prefunded to its satisfaction, serve an Enforcement Notice on the Issuer and, subject as provided in the Collateral Agent Agreement, at any time and without notice, institute such proceedings and/or take such action, steps or proceedings as it may think fit against, or in relation to, the Issuer or any other person to enforce its rights under any of the Transaction Documents, if in the case of an Event of Default, instructed in writing by Investors representing not less than 25% of ETPs in the relevant Series or in the case of an Insolvency Event, instructed by any Investor in writing.

The Collateral Agent shall take such steps, actions or proceedings as it may think fit to enforce the Issuer Security at any time after such Issuer Security has become enforceable in writing, without notice, if so instructed by Investors representing not less than 25% of ETPs in the relevant Series following an Event of Default or any Investor following an Insolvency Event, subject to the provisions of the Collateral Agent Agreement and the Pledge of Collateral Account Agreement.

The instructions and/or notices to the Collateral Agent according to this Condition 26c and 26a can be combined.



## **d) Post-Enforcement Priority of Payments**

Upon the enforcement of the Issuer Security by the Collateral Agent, all monies received and all money derived therefrom (Issuer Security Enforcement Proceeds) shall be applied by or on behalf of the Collateral Agent in accordance as follows:

*Firstly*, in payment or satisfaction of all amounts then due and unpaid or payable to the Collateral Agent and any Appointee;

*Secondly*, in payment or satisfaction *pari passu* and ratably of all amounts then due and unpaid to the Investment Manager and the Custodian (as further set out in the Collateral Agent Agreement);

*Thirdly*, in or towards payment or performance *pari passu* and ratably of all amounts then due and unpaid and all obligations due to be performed and unperformed in respect of the relevant ETPs; and

*Fourthly*, in payment of the balance (if any) to the Issuer (without prejudice to, or liability in respect of, any queries as to how such payment to the Issuer shall be dealt with between the Issuer and any such person).

## **27. Selling Restrictions**

Save for the approval of this Base Prospectus in relation to the Programme by FMA, any notification of the approval to other EEA Member States in accordance with Art. 25 Prospectus Regulation, and filing of the Base Prospectus with the Swiss reviewing body SIX Exchange Regulation AG in accordance with Art. 54 FINSA, no action has been taken by the Issuer that would permit a public offering, listing or admission to trade of any ETPs or possession or distribution of any offering material in relation to any ETPs in any jurisdiction where action for that purpose is required. No offers, sales, resales, or deliveries of any ETPs or distribution of any offering material relating to any ETPs may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on the Issuer.

## **28. Severance**

In the event any Condition or item in the relevant Final Terms is or becomes invalid, the validity of the remaining Conditions and items in the relevant Final Terms shall not be affected.

## **29. Modification of the General Terms and Conditions and the Final Terms**

The Issuer shall be entitled to amend without the consent of the Investors any Condition or item in the relevant Final Terms for the purpose of

- correcting a manifest error, or
- clarifying any uncertainty, or
- correcting or supplementing the provisions herein in such manner as the Issuer deems necessary or desirable,

provided that, in the Issuer's sole opinion, the Investors would not incur significant financial loss as a consequence thereof.

Furthermore, the Issuer shall at all times be entitled to amend any Condition or item in the relevant Final Terms where, and to the extent that the amendment is necessitated as a consequence of legislation, decisions by courts of law, or decisions taken by governmental authorities.

### **30. Governing Law and Jurisdiction**

The ETPs are governed by, and shall be construed in accordance with, Swiss law (without reference to the principles of conflicts of law rules).

In relation to any proceedings in respect of the ETPs, the Issuer submits to the jurisdiction of the courts of the City of Zug.

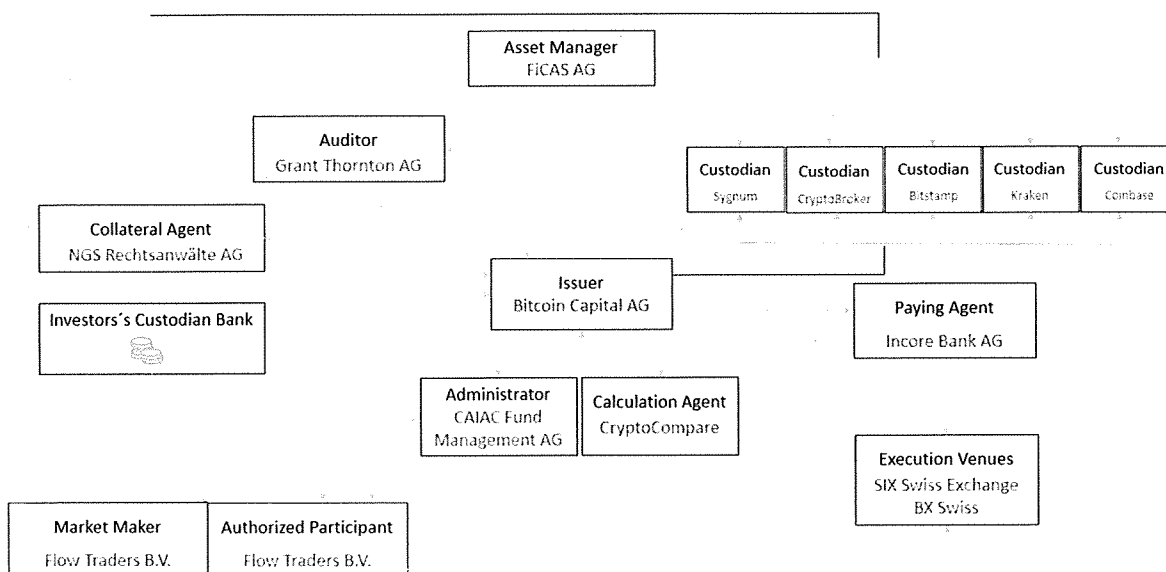
Notwithstanding the above, and for the avoidance of doubt, certain provisions within each of the Pledge of Collateral Account Agreement and the Collateral Agent Agreement shall be governed by the laws of Switzerland or the laws of the jurisdictions, as specified in each of the aforementioned agreements.

## V. GENERAL INFORMATION

1. **Proceedings:** There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) since the date of incorporation of the Issuer which may have or have had in the recent past a significant effect on the Issuer's financial position or profitability.
2. **Application:** The Issuer has applied for the ETPs to be admitted to listing on the Relevant Exchange as specified in the Final Terms for such ETPs. No application has been or is currently being made for the ETPs to be admitted to listing or trading on any other exchange or market, but the Issuer may cause such application to be made in respect of the ETPs of any or all classes on any such exchanges or markets in its discretion.
3. **Clearing:** ETPs may be accepted for clearing through SIX SIS in relation to ETPs listed on SIX or any other Exchange and any additional Clearing Systems approved by SIX or any other Exchange and any other additional Clearing System specified in the Final Terms. SIX SIS does not centrally clear transactions in the ETPs and does not qualify as a central counterparty (CCP). The ETPs may be instructed by SIX SIS for bilateral settlement (excluding a CCP).
4. **Third Party Information:** Where information in this Base Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third-party information is identified where used.
5. **Issue price and amount:** The issue price and the amount of the relevant ETPs will be determined before filing of the applicable Final Terms of each Series and Tranche based on then prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any of the Series and Tranches of ETPs.
6. **Inspection of documents:** For the duration of the Programme or so long as any ETPs remain outstanding, copies of the following documents will be available for inspection by Investors in ETPs during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer, or if indicated below, on its website ([www.bitcoincapital.com](http://www.bitcoincapital.com)):
  - a. the Articles of Association of the Issuer (available on the website);
  - b. the annual audited accounts and half-yearly unaudited accounts of the Issuer (once published available on the website);
  - c. the Investment Manager Agreement;
  - d. the Administration Agreement;
  - e. the Authorised Participant Agreements, as and when available;
  - f. the Calculation Agent Agreement;
  - g. the Collateral Agent Agreement;
  - h. the Pledge of Collateral Account Agreement;
  - i. the Custodial Services Agreement;
  - j. the Market Making Agreement;
  - k. the Paying Agent Agreement; and
  - l. the Base Prospectus and any relevant Final Terms and summaries (available on the website).
7. **Suitability assessment:** Whether the ETPs constitute a suitable investment must be assessed considering each Investor's own circumstances and neither does this Base Prospectus nor any marketing material relating to the ETPs constitute investment advice, financial advice or any other kind of advice to Investors. Investors must make a suitability assessment regarding investments in the ETPs or consult with the Investor's professional advisors. An investment in the ETPs is only suitable for Investors who have sufficient experience and knowledge to assess risks related to the investment and is only suitable for Investors who also have investment objectives that match the ETPs' exposure and other characteristics and have the financial means to bear the risks associated with the investment.

## VI. OVERVIEW OF THE PRINCIPAL PARTIES AND THE PROGRAMME DOCUMENTS

This section VI. “Overview of the principal parties and the Programme documents” sets out function of the principal parties in the Programme and summarizes certain provisions of the agreements governing the relationship between the Issuer and the principal parties. These summaries are qualified in their entirety by reference to the detailed provisions of each such agreement and do not purport to be complete. Prospective Investors must refer to each agreement for detailed information.



### 1. Administrator

#### a) Function

The Administrator will supply or arrange the supply of all management and administration services for the Issuer. The Administrator will be responsible for Authorised Participant administration, general administration and fee calculation among other responsibilities.

#### b) Information about the Administrator

CAIAC Fund Management AG, Haus Atzig, Industriestrasse 2, 9487 Bendern, Principality of Liechtenstein, is an investment fund management undertaking and fund accounting company independent from banks established under Liechtenstein Law. It is a member of the Liechtenstein Investment Fund Association (LAFV). The corporation is endowed with a share capital of CHF 1'000'000.- and is based in Bendern, Principality of Liechtenstein. CAIAC Fund Management AG provides all administrative services required for administration of the ETP. It is supervised by the FMA.

### **c) Administration Agreement**

On 09 June 2020, the Issuer entered into the Administration Agreement with the Administrator. The Administration Agreement sets out the terms on which CAIAC Fund Management AG will act as Administrator in relation to the ETPs issued under the Programme. Pursuant to the Administration Agreement, the Administrator agrees to provide certain services, including:

- Set-up services: (i) Creating all required interfaces and systems required with the parties to the transaction, (ii) ongoing management of the parties to the transaction.
- Accounting: (i) Daily accounting for the ETPs, (ii) creation of daily financial statements for the Issuer, (iii) reporting the composition of the basket of Underlyings of the ETPs to the Issuer.
- Fee calculation: (i) Calculation of the performance and the management fee, (ii) organize the deduction from these of the NAV of the ETPs.
- Financial statements: Preparing the annual financial statements of the Issuer.
- Controlling: (i) Providing information and personnel as necessary to accommodate annual audits or examinations conducted by SIX Swiss Exchange or any other Exchange, (ii) controlling of expense accruals, (iii) Report performance and other portfolio information as directed by the Issuer.

The Issuer agreed that the Administrator shall not be liable for any error of judgment or mistake of law or for any loss suffered by the Issuer in connection with the matters to which this Agreement relates, except for a loss resulting from willful misfeasance, bad faith or negligence on its part in the performance of its duties or from reckless disregard by it of its obligations and duties under this Agreement. The Administration Agreement is governed by Swiss law.

## **2. Authorised Participant**

### **a) Function**

Only Authorised Participants may initiate the creation and redemption of ETPs directly from the Issuer, subject to limited circumstances described herein (including the Investor's put option according to the General Terms and Conditions). The creation of new ETPs may be limited by the max. number of ETPs issued under a specific Tranche as specified in the relevant Final Terms. Authorised Participants may also act as Market Makers, buying and selling ETPs from and to Investors on an over-the counter basis or via an exchange. However, not all Market Makers need to be Authorised Participants. It is intended that Authorised Participants will sell ETPs in the primary or secondary market to Investors who have either directly approached the Authorised Participant or on an exchange. The purchase price is agreed between the Authorised Participant and such Investor in respect of the ETPs.

### **b) Information about the Authorised Participant**

The Authorized Participant is the Market Maker. See Section VI. 6. below for more information.

The Issuer may replace or add Authorized Participants, as per the applicable Final Terms.

### **c) Authorised Participant Agreement**

The terms under which the Market Maker will act as Authorised Participant were agreed in the Market Maker Agreement.

## **3. Calculation Agent**

### **a) Function**

The Calculation Agent provides, inter alia, price data, historical data, and top lists of trading volumes on exchanges related to the Underlyings of the ETPs on a data supply interface.

## **b) Information about the Calculation Agent**

CC Data Ltd, 162 Main Road, Danbury, Chelmsford, England CM3 4DT, VAT: 202220093 (CryptoCompare) is the Calculation Agent. CryptoCompare has been founded 15 January 2014, CryptoCompare is a global cryptocurrency market data provider, giving institutional and retail investors access to real-time, high-quality, reliable market and pricing data on 5,300+ coins and 240,000+ currency pairs.

The Issuer may replace the Calculation Agent, as per the applicable Final Terms.

## **c) Calculation Agency Agreement**

On 01 April 2020, the Issuer entered into the Calculation Agent Agreement with the Calculation Agent. The Calculation Agent Agreement sets out the terms on which CC Data Ltd. will act as Calculation Agent. Pursuant to the Calculation Agent Agreement, the Calculation Agent agrees to provide data on a data supply interface, including: (i) Pricing data, (ii) historical data, (iii) top lists of exchange volumes, pair volumes, trading pairs, total volumes.

The Issuer agreed that the Calculation Agent shall not in any circumstances be liable whether in contract, tort (including for negligence and breach of statutory duty howsoever arising), misrepresentation (whether innocent or negligent), restitution or otherwise, for any indirect or consequential losses or any punitive, exemplary or special damage, except for fraud or fraudulent misrepresentations, death or personal injury caused by negligence, or any other matter in respect of which it would be unlawful for it to limit or exclude liability.

The Calculation Agent Agreement is governed by the laws of England and Wales.

## **4. Collateral Agent**

### **a) Function**

The Collateral Agent is appointed by the Issuer to act on behalf of the Investors. Its duties and obligations include, inter alia, enforcing the rights of the Investors in the ETPs following the occurrence of an Event of Default or an Insolvency Event.

### **b) Information about the Collateral Agent**

NGS Rechtsanwälte, Seefeldstrasse 224, 8008 Zurich, Switzerland with the UID CHE-246.688.614 has been incorporated on 19 October 2012. The purpose of the company is the provision of legal services in Switzerland and outside of Switzerland by means of attorneys admitted to practice in Switzerland.

The Issuer may replace the Collateral Agent, as per the applicable Final Terms.

### **c) Collateral Agent Agreement**

On 25 May 2020, the Issuer entered into the Collateral Agent Agreement with the Collateral Agent. The Collateral Agent Agreement sets out the terms on which NGS Rechtsanwälte AG will act as Collateral Agent.

Pursuant to the Collateral Agent Agreement, the Collateral Agent agrees to act on behalf of the Investors in an Event of Default or an Insolvency Event. The Collateral Agent will in particular execute the following obligations:

- Liquidation of the Collateral
- Serving of an Enforcement Notice on the Issuer as defined in the General Terms and Conditions.
- Upon enforcement of the Issuer Security, the Collateral Agent are applied by or on behalf of the Collateral Agent in accordance with the General Terms and Conditions.

The Collateral Agent is not responsible or liable for monitoring or ascertaining whether or not an Event of Default or Insolvency Event or Extraordinary Event has occurred or exists. Unless and until it has received written notice to the contrary, the Collateral Agent shall be entitled to assume (without any liability to any person) that no Event of Default or Insolvency Event or Extraordinary Event has occurred or exists.

The Collateral Agent is an independent contractor, and nothing contained in this Collateral Agent Agreement will be deemed or construed to (i) create a partnership or joint venture between the Issuer and the Collateral Agent (ii) cause the Collateral Agent to be responsible in any way for the debts, liabilities or obligations of the Issuer or any other party or (iii) constitute the Collateral Agent or any of its employees as employees, officers, or agents of the Issuer.

The Collateral Agent Agreement is governed by Swiss law.

#### **d) Pledge of Collateral Account Agreement**

On 25 May 2020, the Issuer entered into the Pledge of Collateral Account Agreement with the Collateral Agent. The Pledge of Collateral Account Agreement provides a pledge in favor of the Collateral Agent for the benefit of the Investors.

The Issuer pledges by means of a first priority pledge all claims that it holds against the Custodians related to the accounts on which Digital Assets are held in custody for the Issuer, all related interest, provisions, fees, costs of current or future agreements related to all the assets, including Digital Assets, cash, securities, and other assets independent of whether they are in physical, uncertificated, certificated, or digital form. The Pledged Claims cover directly or indirectly all the assets that are deposited in the name of a Custodian, but on behalf of the Issuer, with a third-party custodian, in particular also foreign exchange and digital assets.

The Collateral Agent is not liable for any error of judgment or mistake of law or for any loss suffered by the Parties in connection with the matters to which this Agreement relates, except for a loss resulting from willful misfeasance, bad faith or negligence on its part in the performance of its duties or from reckless disregard by it of its obligations and duties under the Pledge of Collateral Account Agreement.

The Pledge of Collateral Account Agreement is governed by Swiss law.

## **5. Custodian**

### **a) Function**

The Custodian administers the accounts or sub-accounts, as applicable opened for the ETP in accordance with the collateral procedures described in section IX. "Collateralisation". The Issuer has entered into custody agreements with multiple custodians.

### **b) Information about the Custodians**

Custodian 1 is Coinbase Custody Trust Company, LLC, 200 Park Avenue South, Suite 1208, New York, NY 10003, USA, company number: 09083955. The company is licensed to engage in money transmission in most US jurisdictions. Most of Coinbase's money transmission licenses cover US Dollar wallets and transfers. In some states, money transmission licenses also cover cryptocurrency wallets and transfers on the platform. In other states, no money transmission license is required to operate a cryptocurrency business.

Custodian 2 is Crypto Broker AG, Genferstrasse 35, 8002 Zurich, Switzerland, UID CHE-433.965.277. Crypto Broker AG has been incorporated on 11 July 2017. Crypto Broker AG is a Swiss financial intermediary that is supervised for AML-purposed by the self-regulatory organization VQF. It enables participation for institutional clients and financial intermediaries in the emerging digital asset class with a secure and transparent trading infrastructure that allows principal and agency order execution via a proprietary algorithmic order management system.

Custodian 3 is Sygnum Bank AG, Uetlibergstrasse 134a, 8045 Zurich, Switzerland, UID CHE-134.733.288. The company has been incorporated on 16 May 2018. Sygnum Bank AG is licensed and Swiss Financial Market Supervisory Authority FINMA supervised Swiss bank and securities dealer for institutional clients and private persons. Its business activities consist primarily of: 1. Operating accounts and wallets for Blockchain Crypto Property Token ("BCP"); 2. Granting of lombard credit; 3. Brokerage and trading activities for BCP, additional financial instruments and currencies; 4. Issuance, redemption, and

distribution of tokens; 5. Management and distribution of collective investment schemes; 6. Services in the area of Corporate Finance.

Custodian 4 is Payward Ventures Inc., 237 Kearny Street #102, San Francisco, CA 94108. Payward Ventures Inc. (also referred to as “Kraken”) is a US-based cryptocurrency exchange, founded in 2011. The exchange provides cryptocurrency to fiat trading, and provides price information to Bloomberg Terminal.

Custodian 5 is Bitstamp, 5 New Street Square, London EC4A 3TW, United Kingdom. Bitstamp is a bitcoin exchange based in the United Kingdom and Luxembourg. It allows trading between USD currency and bitcoin cryptocurrency. It allows USD, EUR, bitcoin, XRP, ethereum, litecoin, or bitcoin cash deposits and withdrawals.

The Issuer may add or replace Custodians as per the applicable Final Terms.

### **c) Custodial Services Agreement**

The Custodian Services Agreements setting-out how the Custodians administer the accounts or sub-accounts, as applicable, opened for the ETP and that the Custodian acknowledges that once the Underlyings have been deposited with the accounts or sub-accounts of the Custodian, and excluding certain circumstances, it may only be removed after approval from the Issuer or after instruction by the Investment Manager (or the Collateral Agent following an Event of Default or an Insolvency Event). The Issuer entered into Custodian Services Agreements with Crypto Broker AG (3 March 2020), Bitstamp (11 March 2020), Coinbase LLC (29 April 2020), Payward Ventures Inc. (13 May 2020), and Sygnum Bank AG (15 May 2020).

## **6. Market Maker**

### **a) Function**

The Market Maker commits to continuously quoting prices at which it will buy and sell ETPs and the volume in which it is willing to trade on the exchange and thereby provides liquidity in the ETPs according to the Market Making Agreement.

### **b) Information about the Market Maker**

At the Date of this Base Prospectus, the Market Maker related to ETPs listed on SIX Swiss Exchange AG will be Flow Traders B.V., Jacob Bontiusplaats 9 Amsterdam, 1018 LL Netherlands. Flow Traders is a leading global technology-enabled liquidity provider, specialized in Exchange Traded Products (ETPs). Flow Traders has offices and trading desks in Europe, the United States and Asia and provides liquidity across all major exchanges, globally.

The Issuer may add or replace Market Makers as per the applicable Final Terms.

### **c) Market Making Agreement**

The Market Making Agreement regulates the provision of market making activities related to the ETP. The agreement was concluded with Flow Traders on or about the date of this Base Prospectus. The conditions regarding creation and redemptions are specified in the final terms.

## **7. Paying Agent**

### **a) Function**

The Paying Agent is responsible for making payments in accordance with the General Terms and Conditions as well as the administration of the Issuers registers of uncertificated securities (Wertrechtbuch) and the main register (Hauptregister) of SIX SIS.

### **b) Information about the Paying Agent**

The Paying Agent is InCore Bank AG, Wiesenstrasse 17, 8952 Schlieren ZH, Switzerland, UID CHE-113.315.761. The company has been incorporated on 12 December 2006. InCore Bank AG operates as a licensed and Swiss Financial Market Supervisory Authority FINMA supervised bank. The Company provides



outsourcing services that makes bankers lives easier including, settlement, custody & payments, accounting, compliance & tax support, relationship management, client reporting, internet banking, application and infrastructure service providing.

The Issuer may add or replace Paying Agents as per the applicable Final Terms.

### **c) Paying Agent Agreement**

On 26 June 2020, the Issuer entered into the Paying Agent Agreement with the Paying Agent. The Paying Agent Agreement sets out the terms on which InCore Bank AG will act as Paying Agent.

Pursuant to the Paying Agent Agreement the Paying Agent agrees to execute, *inter alia*, the following obligations:

- Representation of the Issuer with regard to payments made under or in connection with the ETPs through SIX SIS in accordance with the General Terms and Conditions;
- Creation of the ETPs in SIX SIS as intermediated securities;
- Delivery of ETPs to the respective Authorised Participants;
- Delivery of fiat currency to Investors in the event of a redemption of the ETPs as set out in the General Terms and Conditions;
- Cancellation of intermediated securities in the main register (Hauptregister) in case of redemptions; and
- Initiating the redemption process via SIX SIS by way of delivery-versus-payment.

As Paying Agent does not assume any obligations towards the Investors in the ETPs. In particular, no mandate or fiduciary relationship is established between the Paying Agent and the Investors.

The Paying Agent Agreement is governed by Swiss law.

## **8. Investment Manager**

### **a) Function**

The Investment Manager is realizing the Digital Asset Management Strategy that is defined in the applicable Final Terms for each Series of ETPs and the Investment Policy. Within the boundaries set by the Digital Asset Management Strategy and the Investment Policy it sells and buys Underlyings on behalf of the Issuer, by select the Underlyings for the respective Series of ETPs and their weighting.

### **b) Information about the Investment Manager**

Information about the Investment Manager is set out in section XII. "Investment Manager".

### **c) Investment Manager Agreement**

On 07 May 2020, the Issuer entered into the Investment Manager Agreement with the Investment Manager. The Investment Manager Agreement sets out the terms on which FICAS AG will act as Investment Manager.

Pursuant to the Investment Manager Agreement the Issuer mandates the Investment Manager, *inter alia*, to independently manage (within the boundaries set by the Investment Manager Agreement) the assets and deposits held with the Custodians on accounts or sub-accounts opened. The Issuer grants the Investment Manager all powers-of-attorney and signatory rights over these accounts or sub-accounts to manage the deposits and assets in the name and for the account of the Issuer.

Pursuant to the Investment Manager Agreement the Investment Manager has, *inter alia*, the following duties:

- Duty to take appropriate organizational measures to avoid conflicts of interest between itself and the Issuer or between its employees and the Issuer;
- Duty to render account;
- Duty of care, including selecting investment according to the relevant Final Term for each ETP;
- Duty to monitor the investment portfolio entrusted for management and ensuring that investments comply with the Investment Manager Agreement, the investment strategy and the risk profile;

- Duty to base its investment and de-investment decision on accurately reviewed information and sources;
- Duty to re-balance the portfolio in case of active or passive breaches of the Investment Policy, inform the Issuer about such breaches and implement measures to prevent such breaches going forward;
- Duty to adhere to its Investment Policy and not to alter the sections of the Investment Policy referring to a Series of ETPs issued under the Programme after the issuance, save for adding descriptions of additional Underlyings selected by the Investment Manager in accordance with the Digital Asset Management Strategy. The Investment Policy will be accessible free of charge on the Investment Managers website (<https://ficas.com/>); and
- Duty to publish a monthly updated percentage-weighted composition of the Underlyings for each Series of ETP on its website free of charge (<https://ficas.com/>).

The Investment Manager is permitted to delegate some tasks related to the investment management to third parties. These delegations will principally concern market research and controlling tasks, but not the central functions such as investment decisions, trading office, risk control, and business management.

The Investment Manager receives a daily fee in accordance with the schedule of fees that is accessible free of charge on the Investment Manager's website (<https://ficas.com/>). The daily fees are either calculated on the basis of the assets managed by the Investment Manager under this Investment Manager Agreement or on the performance. The fees are paid quarterly, or fixed as determined in the Final Terms, and the Investment Manager charges directly the Issuers' account in the following quarter.

The Issuer is aware and accepts that the Investment Manager receives or could receive benefits (e.g. retrocessions, kickbacks, finder's fees etc.) from third parties when performing its investment management activity. These third party benefits belong to the Issuer.

The Investment Manager is only liable for intentional and grossly negligent conduct. Any further liability, in particular liability for simple negligence, is excluded.

The Investment Manager Agreement is governed by Swiss law.

## VII. PROCESS SUMMARIES

The issue and redemption mechanisms are intended to ensure that ETPs have sufficient liquidity and that the price at which they trade on SIX or any other relevant Exchange track the relevant Underlyings. Other than in the circumstances described in this Base Prospectus, only an Authorised Participant may apply for or redeem the ETPs. All other persons must generally buy and sell ETPs on SIX or any other Exchange on which the ETPs are admitted to trading.

### 1. Creation Process

The practical steps involved in the creation of ETPs under the Programme are as follows:

1. The Authorised Participant submits an order request on the order taking-platform.
2. The Administrator and the Issuer verify the order and send an order confirmation.
3. The Authorised Participant transfers either CHF, EUR, USD or BTC for the ETPs to be created, to an account or sub-account with the Custodian that is not included in the calculation of the Net Asset Value (NAV) of the relevant Series of ETPs.
4. The Investment Manager sells the CHF, EUR, USD or BTC and buys Digital Assets according to the current portfolio composition of the respective Series of ETPs. The Digital Assets are booked on accounts or sub-accounts held with the Custodians for the relevant Series of ETPs.
5. The Paying Agent enters the new ETPs in the Issuers register of uncertificated securities (Wertrechtbuch).
6. The Paying Agent enters the ETPs in the main register (Hauptregister) of SIX SIS and transfers the ETPs to the securities account of the Authorised Participant via delivery free of payment instructions. SIX SIS clears the transaction.

### 2. Redemption Processes

There are two types of redemption: The Investor and Issuer redemption and the Redemption of the Authorised Participant. They follow different mechanisms.

#### a) Redemption by the Issuer or the Investors

A Redemption by the Issuer or the Investors is triggered by any of the following events:

- The Issuer terminates at its sole discretion and without any further consent of or approval by the Investors, a Series of ETPs (in whole, but not in part) on the relevant Redemption Date by publishing the Termination Notice in respect of such Series.
- The Investor (via the financial intermediary maintaining the Investor's relevant securities account on the Investor's behalf) gives notice of exercise of his/her Redemption Order (not less than 60 days' written notice) for redemption on the Investor Put Date that is included in the relevant Final Terms.
- Termination and cancellation due to illiquidity, illegality, impossibility or increased costs of Collateral with respect to the ETPs or any Underlyings and the Issuer terminates the respective ETPs by giving notice of such Redemption.
- Any present or future taxes, duties or governmental charges would be imposed by any jurisdiction in which the Issuer is or becomes subject to tax as a result of any change in laws or regulations of the relevant jurisdiction (Tax Call) and the Issuer notifies the Investors of such Redemption.

The practical steps involved in the Redemption of ETPs under the Programme following such an event are as follows:

1. The Issuer/Investor's custodian bank informs the Investor's custodian bank/the Paying Agent of the Redemption.
2. On the Redemption Date, the Investment Manager liquidates the relevant Collateral.
3. The Paying Agent cancels the relevant ETPs in the Issuer's book of uncertificated securities (Wertrechtbuch).
4. The Paying Agent (i) de-registers relevant ETPs in the main register of SIX SIS and (ii) debits the direct participant's account accordingly.
6. SIX SIS forwards the relevant Redemption Amount to the direct participants for distribution to the Investor against debit of ETPs in the Investor's securities account in a delivery-versus-payment transaction.
7. The Investor(s) receives the relevant Redemption Amount (representing the proceeds from the sale of the relevant Underlyings, net of applicable fees and accounting for any tracking error) against debit of ETPs in his/her securities account.

#### **b) Redemption by the Authorised Participants**

The Redemption of Authorised Participants is triggered by an Authorised Participant requesting Redemption from the Issuer in accordance with the General Terms and Conditions.

1. The Authorised Participant submits a Form of Order Request on the order-taking platform.
2. The Issuer and Administrator verify the order to ensure that it complies with the General Terms and Conditions, the relevant Final Terms and the relevant Authorised Participant Agreement and, if so, send an order confirmation.
3. The Paying Agent de-registers the relevant ETPs in the Main Register and debits the direct participant's account accordingly via delivery free-of-payment transfer instructions.
4. The Paying Agent cancels the relevant ETPs in the Issuer's book of uncertificated securities (Wertrechtbuch).
5. The Custodian shall transfer the relevant Collateral to the Authorised Participant's Wallet or account on the relevant AP Redemption Date specified in the Form of Order Request.

# VIII. GENERAL DESCRIPTION OF CERTAIN UNDERLYING DIGITAL ASSETS

## 1. General

The following is a summary description of the general characteristics of the Digital Assets intended to be used as Underlyings of the ETPs issued by the Issuer under the Programme. Investment decisions should not be made solely on the basis of this summary description. It is the responsibility of Investors to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, regulatory, accounting and other business evaluation of the merits and risks of investing in ETPs issued under the Programme, including with respect to the Underlyings.

The information in this section (General Description of the Underlying Digital Assets) consists only of extracts from, or summaries of, publicly available information Bitcoin.org, Stellar.org, Ethereum.org, BitcoinCash.org, Litecoin.org, Block.one, and Ripple.com, coinmarketcap.com and others. Such publicly available information was not prepared in connection with the offering of the ETPs.

The Issuer accepts responsibility for the accurate reproduction of such information. As far as the Issuer is aware and is able to ascertain from information published by each of the relevant sources, no facts have been omitted which would render such reproduced information inaccurate or misleading.

## 2. Blockchain Technology

Most but not all Digital Assets are based on the original code of either the Bitcoin or the Ethereum blockchain.

Bitcoin was the first blockchain ever developed. The first 50 Bitcoins were mined in 2009. No individual or group has been reliably identified as the creator of the Bitcoin Network and these creators disappeared shortly after the mining the first Bitcoins. The network evolved into a vast peer to peer payments network with no centralized authority. Today the Bitcoin network is maintained by a growing number of miners, developers, Wallet Providers, software companies and account holders. Bitcoin is at its core, an open source project, thus there is no official organisation or authority that governs the codebase (a computer programme). Since this codebase is open-source, companies and individuals are able to use it to create a new project, in what is called a Bitcoin fork. This has happened multiple times.

Ethereum was initially released in 2015, based on an initial description of the project by programmer Vitalik Buterin. Ethereum was built as a platform for decentralized applications development capability and was initially funded through a crowd sale where participants bought the currency Ether (ETH). Ethereum has been used as a platform powering numerous decentralised applications, smart contracts, and initial coin offerings.

Charlie Lee changed three key parameters of the Bitcoin code in 2011 to create Litecoin (LTC) in 2011. He – increased the total supply of the currency to 84 million Litecoins (LTC) from Bitcoin’s 21 million, reducing target block confirmation time to 2.5 minutes, and implementing an ASIC (application-specific integrated circuit)-resistant memory-hard proof of work algorithm (which reduced the risk of centralised mining).

Bitcoin Cash is the result of a hard fork of Bitcoin in 2017. A group of Bitcoin developers forked Bitcoin, this time creating a replica of the blockchain (a hard fork), to resolve perceived problems with Bitcoin’s scalability. Since transaction times were too high the currency was seen as unattractive for small transactions. This new currency is called Bitcoin Cash and is mostly distinguished by a block size limit of 8 megabytes (as opposed to Bitcoin’s 1 megabyte) as well as a difficulty adjustment algorithm. The block rewards, target block time, and supply limit are identical to Bitcoin, 12.5, 10 minutes, and 21 million respectively.

The term “Ripple” is used for both an open payments network and the cryptocurrency (XRP) associated with it. Ripple is all of a real-time gross settlement system (RTGS), currency exchange, remittance network, and cryptocurrency. The Ripple protocol is built on top of a blockchain using the decentralised digital currency

XRP. This was created and is still maintained by Ripple Labs Inc., but the network can operate without Ripple Labs Inc. In contrast to e.g. Bitcoin, as a mined digital asset, XRP is pre-mined. This means that every single unit of the currency that will ever exist has already been created at the beginning of the network with a total of one hundred billion XRP. Ripple has locked 55 billion XRP (55% of the total possible supply) into a series of escrows. These escrows are on the ledger itself and the ledger mechanics, enforced by consensus, control the release of the XRP. Ripple also is much faster than Bitcoin in terms of transaction speeds: 3 seconds for Ripple; 20 minutes to an hour for Bitcoin. It is also much cheaper than Bitcoin: A transaction costs about USD 0.004 on RippleNet versus about USD 40 on Bitcoin network. Banks, payment providers and digital asset exchanges process and provide liquidity for payments on RippleNet, creating new, competitive cross-border payments services for their customers. XRP has significant support from major global financial institutions in 75 countries.

Binance Coin (BNB) was launched through an initial coin offering in 2017, 11 days before the Binance cryptocurrency exchange went online. It was originally issued as an ERC-20 (i.e. a token running on the Ethereum network), with a total supply capped at 200 million coins, and 100 million BNBs offered in the ICO. However, the ERC-20 BNB coins were swapped with Binance Chain Evolution Proposal 2 (BEP2) BNBs on a 1:1 ratio in April 2019 with the launch of the Binance Chain mainnet, and are now no longer hosted on Ethereum.

There are a number of different blockchains, including the ones that powers Bitcoin, Ethereum, Ripple, Binance, and others. These chains may be more centralised and may not feature all of the characteristics described above. New chains may be created at any time, which may differ significantly in terms of their underlying technology.

### **3. Mining**

Participants joining or leaving the network and rising numbers of transaction, cause that the network itself cannot verify and confirm transactions anymore. This would result in an information gap in the transaction chain and thus undermine the concept of a network. Therefore, the blockchain codebase provides for blocks of a given size (e.g., Bitcoin's 1 megabyte) and allocates a computationally complex numeric problem (a "hash", which is a 64-digit hexadecimal number) to each block.

In the mining process recent transactions (which vary in size) are compiled into blocks, once the block reaches its fixed size, numeric problems need to be solved. Solving the numeric problem requires great computing power. The required computing power gives legitimacy to the information chain of the transactions and thus stability to the cryptocurrency. The miner who first solves the numeric problem gets to place the next block on the blockchain and claim the rewards for successfully completing a block and confirming the transactions contained in the block. In other words, mining is the process by which transactions are verified and confirmed, reaching consensus in the network (distributed consensus), and, as a result of this agreement, displayed on the public ledger, which is the blockchain, and also the means through which new coins are released into circulation, meaning that new coins are constantly created by huge datacenters processing complex numeric problems, or "proof of work". The rewards incentivise mining. Rewards may be both transaction fees associated with the transactions compiled in the block as well as newly released coins (provided for in the blockchain codebase). Cryptocurrency miners earn cryptocurrencies by confirming transactions and reaching consensus as a compensation for their computing power. Furthermore, mining can also give "voting power" when changes are proposed in the blockchain codebase. In other words, a successful miner has influence on the decision-making process on such matters as forking.

Premined Digital Asset (e.g., Ripple), on the other hand, means that (unlike e.g., Bitcoin or Ethereum) there are no miners that validate transactions in exchange for transaction fees and newly created units. All of the units that will ever be created are already in existence. Therefore, a pre-mine is where a developer allocates a certain limited amount of currency credit to a particular address before releasing the source code to the open community. Premined Digital Assets are placed in a cryptographically-secured escrow account to create certainty of supply at any given time. By securing the Digital Assets in escrow, it is possible to mathematically verify the maximum supply that can enter the market. This lockup eliminates the concern of flooding the market. Escrow allows a sender of Digital Assets to put conditions on exactly when a payment

can be completed, so the payment remains cryptographically locked until the due date. Due to the absence of the complex mining process, transactions in pre-mined Digital Assets are also much faster.

#### **4. Storing Digital Assets**

After their purchase, Digital Assets regularly are stored in a Wallet on a computer, laptop or smartphone. Wallets, similar to a bank account, identify the participant and allow transactions. These Wallets are usually protected by a private key or password. Wallets also usually have a public key and a private key or a password, which allows access and thus authority to dispose of the Digital Assets.

#### **5. Exchanges and Liquidity**

There are several trading venues for Digital Assets. The Issuer trades Digital Assets on exchanges that meet the following criteria:

- the cryptocurrencies can be traded against fiat currencies; and
- there is transparency by the publication of prices; and
- the trading venue has an “application programming interface”; and
- the website is in the English language at least.

Information on past performance is available on any of these company websites (among others) free of charge: [Pro.Coinbase.com](http://Pro.Coinbase.com) / [Bitstamp.com](http://Bitstamp.com) / [Kraken.com](http://Kraken.com) / [Coinbase.com](http://Coinbase.com) / [CoinMarketCap.com](http://CoinMarketCap.com) / [CryptoCompare.com](http://CryptoCompare.com).

The Issuer does not take responsibility for the contents of these websites, nor are they incorporated by reference herein.

# IX. COLLATERALISATION

## 1. Method of Collateralisation

All ETPs issued under the Programme shall be collateralised through the purchase of a pool of Digital Assets on a 1:1 basis. These assets will be held on behalf of the Issuer by the Custodian in accordance with the Custodial Services Agreement. The Custodian is responsible for creating and maintaining wallet addresses and all safety and security measures associated with the Wallet.

The Issuer may, at its discretion, use Custodians in multiple jurisdictions, provided that such Custodians are notified to Investors in accordance with Condition 19 (“Notices”). It may also, at its sole discretion and upon notification to the Investors and publication of such notice on any Exchanges on which the ETPs are listed, alter the Custodial Services Agreements for Digital Assets, including the jurisdiction of the custody.

The financial assets, being Digital Assets or fiat currencies, securing the ETPs will be held in accounts or sub-accounts maintained by the Custodians for the Issuer. The Custodians may be banks, brokers or other intermediaries maintaining these accounts or sub-accounts for the Issuer. The Issuer has claims against the custodians with respect to these financial assets. The Issuer pledges all claims it holds against the Custodians in relation to accounts or sub-accounts opened for the ETPs by means of a first priority pledge in the Pledge of Collateral Account Agreement between the Issuer and the Collateral Agent.

## 2. Procedure in the Event of Realisation

The Issuer appointed the Collateral Agent to act on behalf of the Investors and enforce their rights following the occurrence of an Event of Default or an Insolvency Event described in Condition 26b.

The liquidation will occur, in respect of the realisation of Collateral, following an Event of Default, in accordance with the Collateral Agent Agreement and, generally (in the liquidation of the Issuer), upon the instruction of the Swiss bankruptcy official.

In the event of a realisation, the Collateral Agent (in the event of an Event of Default) or the Swiss bankruptcy official or a party appointed by it (including the Collateral Agent) (in the event of an Insolvency Event) will place an order through the designated Collateral Account under the terms of the Custodial Services Agreement. With the assistance of the Custodian and the relevant exchanges, the Collateral Agent or the Issuer will undertake to liquidate the assets as soon as possible, assuming sufficient liquidity is available in the market.

The post-enforcement priority of payments is as follows:

- Firstly, in payment or satisfaction of all amounts then due and unpaid or payable to the Collateral Agent and any Appointee;
- Secondly, in payment or satisfaction *pari passu* and ratably of all amounts then due and unpaid to the Investment Manager and the Custodian (as further set out in the Collateral Agent Agreement);
- Thirdly, in or towards payment or performance *pari passu* and ratably of all amounts then due and unpaid and all obligations due to be performed and unperformed in respect of the relevant ETPs; and
- Fourthly, in payment of the balance (if any) to the Issuer (without prejudice to, or liability in respect of, any queries as to how such payment to the Issuer shall be dealt with between the Issuer and any such person).

In the case of a realisation in a Market Disruption Event, the Investor will not receive the proceeds of the sale until all the Collateral has been liquidated. Proceeds from the sale (net of the costs of such liquidation, including the Collateral Agent’s fees and expenses) will be returned to the Investor on a *pro rata* basis through the appropriate paying agent.



In case of liquidation due to other types of redemption by the Issuer or the exercise of the Investor's put option, the Investor will receive the Redemption Amount due to them once the sale of all the Underlyings has been processed and settled and the cash made available to the Issuer for transfer. This process may take upwards of ten days, during which Investors may be exposed to market risk.

None of the Issuer, the Collateral Agent or the Custodian is liable for an Extraordinary Event as defined in Condition 20.

### **3. Costs in the Event of Realisation**

In the event of a realisation, Investors will bear a number of costs, including but not limited to: Transaction costs with Custodians and exchanges, the fees and expenses of the Collateral Agent and other transaction participants, as well as spreads on Digital Assets. These costs will be deducted from the payment received by the Investors and may create a significant loss of value.

### **4. Custodians**

The information in this section 4. "Custodians" consists only of information provided to the Issuer by the Custodians. The Issuer accepts responsibility for the accurate reproduction of such information. See Section VI 5 b) for further information.

## **X. FEES OF THE ETPs**

### **1. Investor Fee**

The Investors will be charged an Investor Fee consisting of the Management Fee and the Performance Fee in respect of the ETPs.

The Investor Fee will be determined on each following calendar day after the Issue Date (including holidays and weekends) until redemption, which shall be based on a percentage of the Collateral at 17:00 CET/CEST (the closing time of the SIX Swiss Exchange) for that ETP on the immediately preceding calendar day, divided by 365.

Because the Investor Fee is subtracted from the indicative value at the closing of the ETP on SIX or any other Exchange on a daily basis, the fee accumulates over time and is subtracted at the rates set out for the Management Fee and the Performance Fee in the Final Terms. The net effect of the Investor Fee is a percentage of the value of each ETP, the aggregate effect of the Investor Fee will increase or decrease in a manner directly proportional to the value of each ETP and the amount of ETP that is held, as applicable.

Unless otherwise specified in the applicable Final Terms, the implied fiat value of the ETP is based on the previous day's Collateral multiplied by the latest available price for the relevant underlying Digital Assets. The daily value of the ETP is calculated based on the Collateral of the ETP, composed of the underlying Digital Assets. The price of the underlying Digital Assets are sourced from the Calculation Agent.

The Collateral is decreased daily at a rate equal to the portion of the Investor Fee applicable to such day, thus affecting the Collateral calculation for the subsequent trading day. Digital Assets representing the reduction in the Collateral by daily application of the Investor Fee will be periodically sold to fund the payment of operation fees.

### **2. Management Fee**

The Management Fee accrues at a rate per annum, as set out in the relevant Final Terms. It is important to note that the Investor is still responsible for any tax consequences of rebalancing. In addition, the pricing of Digital Assets underlying the ETPs may be subject to a spread of as much as 1-2% or more by Market Makers and Authorised Participants.

### **3. Performance Fee**

The Performance Fee accrues at the rate that is set out in the relevant Final Terms. It is important to note that the Investor is still responsible for any tax consequences of rebalancing. In addition, the pricing of Digital Assets underlying the ETPs may be subject to a spread of as much as 1-2% or more by Market Makers and Authorised Participants.

# XI. INFORMATION ABOUT THE ISSUER

## 1. General Information

Bitcoin Capital AG is the issuer of the ETPs. It was incorporated in Zug, Switzerland on 5 March 2020 as a company limited by shares (Aktiengesellschaft) under article 620 et seq. of the Swiss Code of Obligations for an unlimited duration. Its LEI is 506700IC5128G2S3E076. The Issuer registered in the Commercial Register of the Canton of Zug, Switzerland, under the number CHE-312.574.485. Its registered office is at Gubelstrasse 24, 6300 Zug, Switzerland and its phone number is +41 41 710 04 54. The purpose of the Issuer is the issuance of financial instruments in Switzerland and abroad as well as the provision of consulting services, financial services and other activities in the financial and investment sector.

The Issuer's website is available at: [www.bitcoincapital.com](http://www.bitcoincapital.com). This website does not form part of this Base Prospectus (other than where information has been explicitly incorporated by reference).

The Issuer is not authorized or subject to prudential supervision by FINMA or any other regulatory authority. It has been established as a special purpose vehicle for the purposes of issuing ETPs.

## 2. Information on Administrative, Management and Audit Bodies

### a) Board of Directors

The board of directors is responsible for the management of the Issuers business, and currently comprises three members.

Urs Wieland: Chairman

Urs Wieland, born 1956, is a Swiss Citizen. He is a financial Market Infrastructure expert which was working more than 20 years in different leading roles for SIX, the Swiss Financial Market Infrastructure which maintains beside of other areas the Swiss Stock Exchange and the Post Trading area with namely the CCP SIX Xclear AG and the CSD SIX SIS AG. Before joining the SIX Group, Urs was acting as Risk Manager in different Swiss Banks. Beside of he's duties in SIX Urs was also representing the Swiss Financial Market Infrastructure in different international Associations and Working Groups. He was also registered as Lobbyist for SIX at the EU Parliament in Brussels. Since 2018 Urs is acting as independent Advisor and Board Member.

Luca Schenk: Member

Luca Schenk, born 1969, is a financial markets and digital asset expert with 25+ years of international experience. He is CEO of the digital asset advisor Xwiss. Before he was CEO of BX Swiss, a Swiss regulated stock exchange. He contributed in diverse financial market regulatory bodies. Before he was M&A and corporate finance advisor. Luca is advisor and active board member in the financial and renewable energy industries. He received a doctor's degree in business administration from Bocconi University in Milan.

Marcel Niederberger: Member

Marcel Niederberger, born 1994, has experience as trader and manager of trading company in cryptocurrencies. He has also founded and operated a company for the distribution of crypto hardware wallets. Marcel holds a degree in electrical installations.

The business address of the members of the board of directors is Gubelstrasse 24, 6300 Zug, Switzerland.

## **b) Founder**

The Issuer has been founded by the FiCAS AG, which acts as Investment Manager for the ETPs issued under this Programme.

Ali Mizani: Founder of FiCAS AG

Ali Mizani, born 1975, is a seasoned investor in digital assets since 2013. He was the CEO and Founder of Citex & Co. and is the Founder of FiCAS Ltd., an emerging leading asset manager in digital assets. Ali holds a BSc. in Computer Science and an MBA from the University Theran. He is the winner of the GOLD Medal of INPEX (America's largest Invention trade show) for MCR (Mobile Contactless Reader), Pittsburgh, Pennsylvania, 2014 and the winner of the GOLD Medal of PALEXPO (International Exhibition of Inventions of Geneva), Geneva, Switzerland, 2007.

## **c) Auditor**

Grant Thornton AG, Claridenstrasse 35, 8027 Zurich, Switzerland, has been appointed for the purpose of auditing the Issuer's financial statements. The Auditor is member of the professional body EXPERTsuisse.

## **3. Business Activities**

The Issuer is a special purpose vehicle within the meaning of the applicable Swiss laws and regulations. The only business of the Issuer is the issuance of ETPs replicating a Digital Asset Management Strategy relating to Digital Assets in the form of payment tokens. The Issuer does not hold any subsidiary undertakings.

No Court, arbitral or administrative proceedings are pending or threatened against the Issuer at the date of this Base Prospectus.

## **4. Capital Structure**

The Issuers' share capital amounts to CHF 100'000.- and is divided into 100'000 shares with a par value of CHF 1.- each. Each share is fully paid up. The Issuer has been founded by contribution in kind of 590 Ethereum (ETH) in exchange for 100'000 ordinary shares. All of the Issuer's issued ordinary shares are owned by FiCAS AG. FiCAS AG is the Investment Manager in the Programme. According to its articles of association, currently dated 3 March 2020, the Issuer will publish its statutory publications in the Swiss Official Gazette of Commerce.

The Issuer is dependent on FiCAS AG for the management of the ETPs pursuant to the Investment Manager Agreement. Through its shareholding in the Issuer, FiCAS AG can exercise a material influence over the Issuer. The Swiss Code of Obligations on companies limited by shares, however, limits this influence to a certain extent.

## **5. Annual Financial Statements**

The Issuer's has not yet commenced operations and has not prepared audited financial statements at the date of this Base Prospectus. The financial year of the Issuer ends on 31 December of each year. The annual financial statements of the Issuer will be prepared in accordance with the Swiss Code of Obligations and Swiss GAAP FER. Annual financial statement are made available at the Issuer's website [www.bitcoincapital.com](http://www.bitcoincapital.com) as and when available. At the moment ETPs issued under this Programme are the only financial product of the Issuer. The Issuer may however expand its offering to include other financial products or advisory mandates.

The Issuer has been incorporated on 5 March 2020. The audited opening balance sheet as of this date has been the following:

<b>Bitcoin Capital Ltd. Opening Balance Sheet as of 3 March 2020</b>			
<b>Assets</b>		<b>Liabilities</b>	
<b>Current Assets</b>		<b>Current Liabilities</b>	
590 Ethereum	CHF 126'128.73	Share Capital	CHF 100'000
		Reserves	CHF 26'128.73
<b>Total Assets</b>	<b>CHF 126'128.73</b>	<b>Total Liabilities</b>	<b>CHF 126'128.73</b>

There has been no material adverse change in the financial position or prospects of the Issuer since the date on which the Issuer was incorporated. Save for the issue of ETPs and their related arrangements, the Issuer has no borrowings or indebtedness in the nature of borrowing and no contingent liabilities or guarantees. Furthermore, no events particular to the Issuer occurred, which are to a material extent relevant to an evaluation of the Issuer's solvency.

## 6. Potential Conflict of Interest

Marcel Niederberger is also an employee of FiCAS AG, the provider of the investment management services to the Issuer. FiCAS AG is also the sole shareholder of the Issuer. While these roles could potentially lead to conflicts of interest, the directors do not believe there are any actual or potential conflicts of interest between the duties which the directors and/or members of the administrative, management and supervisory bodies of the Issuer owe to the Issuer, and the private interests and/or other duties which they have. No Board members of the Issuer have single signature authority.

Ali Mizani holds 100% of the shares and voting rights in FiCAS AG, which holds 100% of the shares and voting rights in the Issuer.

Save as specifically stated herein, none of the principal activities performed by the Directors outside the Issuer are significant with respect to the Issuer and they have no interests that are material to the Programme.

The Issuer, FiCAS AG, or potential future affiliates (which directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Issuer) may hold, retain, buy or sell ETPs or Underlyings of the ETPs at any time. They may also enter into transactions relating to derivatives of ETPs, in such amounts, with such purchasers and/or counterparties and at such prices (including at different prices) and on such terms as any such entity may determine, be it as part of its business and/or any hedging transactions as described in this Base Prospectus or for any other reason. There is no obligation upon the Issuer to sell all of the ETPs of any issue. The ETPs of any issue may be offered or sold in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer, subject as provided above.

Personnel of the Issuer, or FiCAS AG, including the directors, equity owners, and management, may have a certain exposure to the ETPs and the broader Digital Asset market. They are under no obligation to disclose their holdings, changes in the value of their holdings, any trading activity in those holdings or Underlyings they transact in.

Subject to the preceding paragraphs, none of the members of the Board of Directors has a private interest or other duties resulting from their directorship of other companies, enterprises, undertakings or otherwise, that may be in conflict with the interests of the Issuer.

## **XII. INVESTMENT MANAGER**

### **1. Description of the Investment Manager**

FiCAS AG is the Investment Manager that realizes the Digital Asset Management Strategy for the ETPs by buying and selling Digital Assets in the name and on the account of the Issuer. It was incorporated in Zug, Switzerland on 1 March 2019 as a company limited by shares (Aktiengesellschaft) under article 620 et seq. of the Swiss Code of Obligations for an unlimited duration. The Investment Manager is registered in the Commercial Register of the Canton of Zug, Switzerland, under the number CHE-155.335.427. Its registered office is at Gubelstrasse 24, 6300 Zug, Switzerland. The Investment Manager may according to its purpose provide consulting services, services and activities in the financial and investment sector as well as trading of financial products in Switzerland and abroad, in foreign and own names, for companies, public institutions and natural persons.

The Investment Managers publishes information in relation to the ETPs issued under the Programme on its website (<https://ficas.com/>). This website does not form part of this Base Prospectus (other than where information has been explicitly incorporated by reference). Inter alia, the following information will be accessible free of charge on this website:

- Investment Policy;
- Monthly updated percentage-weighted composition of the Underlyings for each Series of ETP;
- Schedules of fees it receives from the Issuer for its investment management services in relation to the ETPs.

The Investment Manager is not authorized or subject to prudential supervision by FINMA. It is however, registered with Verein zur Qualitätssicherung von Finanzdienstleistungen (VQF), the FINMA-licensed self-regulatory organization for anti-money-laundering compliance purposes. It will also comply with the prescribed deadline to get licensed as asset manager under the Swiss Financial Institutions Act (FINIA).

The Investment Manager founded the Issuer as a special purpose vehicle to issue ETPs that realize an actively managed investment strategy and provided the share capital by contributing 590 Ethereum. Consequently, it holds 100% of the Issuer's capital and voting rights.

### **2. Fees paid to the Investment Manager**

The Investment Manager receives a daily fee in accordance with the schedule of fees that is accessible free of charge on the Investment Managers website (<https://ficas.com/>). The daily fees are calculated either on the basis of the assets managed for a Series of ETPs and on their performance. The fees are calculated quarterly, and the Investment Manager directly charges the Issuers' account in the following quarter. The Investment Manager in addition receives or could receive benefits (e.g. retrocessions, kickbacks, finder's fees etc.) from third parties when performing its investment management activity.

## **XIII. OFFERING AND SALE**

### **1. Overview**

Only Authorised Participants may subscribe for ETPs from the Issuer, unless a placement in the primary market takes place.

Any person making or intending to make an offer on the basis of this Base Prospectus can do so only with the Issuer's consent. Any offer made without the consent of the Issuer is unauthorised and the Issuer does not accept any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.

The Issuer consents to the offering of ETPs by or to each of the following financial intermediaries (each, an Authorised Offeror): The initial Authorised Participant and each Authorised Participant which either is expressly named as an Authorised Offeror in the Final Terms or is expressly named as an Authorised Participant on the Issuer's website [www.bitcoincapital.com](http://www.bitcoincapital.com). New information with respect to any financial intermediaries acting as Authorised Offerors that are unknown at the time of the approval of the Base Prospectus will be published on the Issuer's website.

### **2. Use of the Base Prospectus**

If, in the context of an offer in Switzerland or in the jurisdictions specified in the relevant Final Terms, an Investor is offered ETPs by a person which is not an Authorised Offeror, the Investor should check with such person whether anyone is responsible for this Base Prospectus for the purpose of the relevant offer and, if so, who that person is. If an Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents, the Investor should consult a legal advisor.

The Issuer consents to the use of this Base Prospectus in connection with any offer of an ETP in the jurisdictions specified in the relevant Final Terms, if any, or in Liechtenstein during the Offer Period by or to the Authorised Participants that are expressly named as Authorised Offerors in the Final Terms or on the Issuer's website [www.bitcoincapital.com](http://www.bitcoincapital.com) (each, an Authorised Offeror). The consent referred to above relates to Offer Periods occurring within 12 months from the date of approval of this Base Prospectus.

The Issuer accepts responsibility for the content of this Base Prospectus also with respect to the subsequent resale or final placement of securities by any financial intermediary which was given consent to use this Base Prospectus. The Issuer however has and accepts no responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

In the event of an offer being made by a financial intermediary, the financial intermediary will provide the information to investors on the terms and conditions of the offer at the time the offer is made.

An Investor intending to acquire or acquiring any ETPs from an Authorised Offeror will do so. Offers and sales of the ETPs to such Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between that Authorised Offeror and such Investor including as to price, allocations and settlement arrangements. The Issuer will not be a party to any such arrangements, and, accordingly, this Base Prospectus does not contain such information. The terms and conditions of such offer shall be provided to such Investor by that Authorised Offeror at the time the offer is made. None of the Issuer or, for the avoidance of doubt, any other Authorised Offeror has any responsibility or liability for such information.

### **3. Selling Restrictions**

#### **a) General**

These selling restrictions may be modified by the agreement of the Issuer and the Authorised Participants following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of the ETPs to which it relates or in a supplement to this Base Prospectus. None of the Issuer or any Authorised Participant represent that the ETPs can at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Save for the approval of this Base Prospectus in relation to the Programme by FMA, any notification of the approval to other EEA Member States in accordance with Art. 25 Prospectus Regulation, and filing of the Base Prospectus with the Swiss reviewing body SIX Exchange Regulation AG in accordance with Art. 54 FINSA, no action has been taken by the Issuer that would permit a public offering, listing or admission to trade of any ETPs or possession or distribution of any offering material in relation to any ETPs in any jurisdiction where action for that purpose is required. No offers, sales, resales, or deliveries of any ETPs or distribution of any offering material relating to any ETPs may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on the Issuer.

In particular the ETPs have not been and will not be registered under the Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement that it has not offered or sold and will not offer and sell ETPs at any time, directly or indirectly, within the United States or its possessions or for the account or benefit of any U.S. person (as defined in Regulation S under the Securities Act) or any person that is not a Non-United States person (as defined by the U.S. Commodity Futures Trading Commission). Each Authorised Participant has further represented and agreed that it has not offered, sold or delivered and will not offer, sell or deliver ETPs except in accordance with Rule 903 of Regulation S, and that none of it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to such ETPs, and they have complied and will comply with the offering restrictions requirement of Regulation S. In addition, until 40 days after the commencement of the offering, an offer or sale of ETPs within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act. Offering materials for the offering of the ETPs have not been filed with or approved or disapproved by the SEC or any other state or federal regulatory authority, nor has any such regulatory authority passed upon or endorsed the merits of this offering or passed upon the accuracy or completeness of any offering materials. Any representation to the contrary is unlawful.

#### **b) EEA**

In relation to each member state of the European Economic Area (EEA), which has implemented the Prospectus Regulation (each, a Relevant Member State), each Authorised Participant has represented and agreed that with effect from and including the date on which the Prospectus Regulation is implemented in that Relevant Member State, it has not made and will not make an offer related to ETPs to the public in such a Relevant Member State, unless at least one of the following conditions is met:

- The Final Terms in relation to the ETPs specify that an offer of those ETPs may be made by an Authorised Participant in a Relevant Member State, following the date of publication of the Base Prospectus which has either (i) been approved by the competent authority in that Relevant Member State or (ii) been approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that the Base Prospectus has subsequently been completed by the Final Terms, in the period (if any) beginning and ending on the dates specified in the Final Terms, and the Issuer has consented in writing to its use.
- The offer is made to any legal entity which is a qualified investor as defined in the Prospectus Regulation, provided that the offer does not require the Issuer or any Authorised Participant to publish another prospectus or supplement the Base Prospectus pursuant to Article 23 Prospectus Regulation.



- The offer is made to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Authorised Participant or Authorised Participants nominated by the issuer for any such offer.
- The offer is made under circumstances falling within Article 1(4) of the Prospectus Regulation, provided that the offer do not require the Issuer or any Authorised Participant to publish another prospectus or supplement the Base Prospectus pursuant to Article 23 Prospectus Regulation.

For the purposes of this provision, the expression “an offer of ETPs to the public” in relation to any ETPs in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the ETPs to be offered so as to enable an Investor to decide to purchase or subscribe the ETPs, as the same may be varied in that Member State by any measure implementing the Prospectus Regulation in that Member State.

A distributor of the ETPs that is subject to Directive 2014/65/EU, as amended (MiFID II), is responsible for undertaking a target market assessment in respect of the ETPs (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID product governance rules under EU Delegated Directive 2017/593 (the MiFID Product Governance Rules), any Authorised Participant subscribing for any ETPs is a manufacturer in respect of such ETPs, but otherwise neither the Authorised Participants nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules. For the avoidance of doubt, the Issuer is not a manufacturer or distributor for the purposes of MiFID II.

If the Final Terms in respect of any ETPs include restrictions regarding the “Prohibition of Sales to EEA Retail Investors”, the ETPs are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4 (1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU, as amended (the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4 (1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation.

### **c) Switzerland**

Financial services in relation to the ETPs, such as the acquisition or disposal for clients, the receipt and transmission of orders, portfolio management and investment advice, may only be provided in accordance with the Financial Services Act (FINSA) in Switzerland. Moreover, the ETPs may only be offered and advertised in accordance with the FINSA.

In particular any financial service provider, offeror or advertiser of the ETPs must adhere to the code of conduct (Art. 8 ff. FINSA) as applicable to a specific client segment (Art. 4 f. FINSA) and must adhere to the rules for advertising the ETPs (Art. 71 FINSA).

### **d) Suitability and Appropriateness restrictions**

The ETPs may not be a suitable investment for all investors. Each potential investor in the ETPs must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisors, whether it:

- Has sufficient knowledge and experience to make a meaningful evaluation of the ETPs, the merits and risks of investing in the ETPs and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- Has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the ETPs and the impact the ETPs will have on its overall investment portfolio;
- Has assessed, if the ETPs are in line with the potential investor’s investment objectives;
- Has sufficient financial resources and liquidity to bear all of the risks of an investment in the ETPs, including where the currency for principal is different from the potential investor's currency;

- Understands thoroughly the terms of the ETP;
- Is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

**e) No recommendations**

Neither this Base Prospectus nor any other information supplied in connection with the Programme is to be used as the basis of any credit assessment or other evaluation or is to be considered as a recommendation by the Issuer that any recipient of this Base Prospectus (or any other information supplied in connection with the Programme) should purchase any ETPs. Each Investor contemplating the purchase of any ETPs should make his or her own independent enquiries regarding the financial condition and business development of the Issuer and his or her own appraisal of their creditworthiness.

## **XIV. TAX CONSIDERATIONS**

Tax legislation in the Investor's home state and the Issuer's state may have an impact on any return received from the ETPs.

The tax treatment for each investor depends on the particular situation. All Investors are advised to consult with their professional tax advisors as to the respective tax consequences of the purchase, ownership, disposition, lapse, exercise or redemption of ETPs (or options embedded therein) in light of their particular circumstances.

The following discussion is a summary of certain material Swiss tax considerations relating to (i) ETPs issued by the Issuer where the holder is tax resident in Switzerland or has a tax presence in Switzerland or (ii) ETPs where the Paying Agent, Custodian or securities dealer is located in Switzerland. The discussion is based on legislation as of the date of this Base Prospectus. It does not aim to be a comprehensive description of all the Swiss tax considerations that may be relevant for a decision to invest in ETPs.

### **1. Swiss Withholding Tax**

To the extent required by applicable law and practice, Swiss withholding tax will be levied on the Redemption amount and on any other payments made to the Investors.

On 3 April 2020, the Swiss Federal Council has announced the consultation procedure for the amendment of the withholding tax law. The Federal Council generally proposes to exempt domestic legal entities and foreign investors from withholding tax on interest investments. This change would involve the introduction of the so-called paying agent principle for interest payments instead of the current debtor principle. The consultation period lasts until 10 July 2020.

### **2. Income Taxation**

#### **a) ETPs held as private assets by a Swiss resident holder**

The taxation of income from ETPs held as private assets by Swiss resident investors depends on the Final Terms, on the tax qualification of the Product and on the tax residency of the Investor. Investors are advised to consult with their tax advisors as to their specific income tax consequences.

#### **b) ETPs held as assets of a Swiss business**

Corporate entities and individuals who hold ETPs as part of a trade or business in Switzerland, in the case of residents abroad carried on through a permanent establishment or a fixed place of business in Switzerland, are required to recognise any payments on, and any capital gains or losses realised on the sale or redemption of such ETPs (irrespective of their classification) in their income statement for the respective taxation period and will be taxed on any net taxable earnings for such period.

The same taxation treatment also applies to Swiss-resident individuals who, for income tax purposes, are classified as "professional securities dealers" for reasons of, inter alia, frequent dealing and leveraged investments in securities.

### **3. Capital Gains Taxation**

#### **a) ETPs held as private assets by a Swiss resident holder**

A gain, a loss, respectively, realised by an individual resident in Switzerland for tax purposes upon the sale or other disposal of a Product held as part of his or her private assets is a tax-free private capital gain, a non-tax deductible capital loss, respectively, unless such individual is classified, for income tax purposes, as a "professional securities dealer" for reasons of, inter alia, frequent dealing and leveraged investments in securities. If an individual is classified as a "professional securities dealer" he or she will be taxed in

accordance with the principles set forth above under “—ETPs held as Assets of a Swiss Business”. An income that does not qualify as “capital gain” for Swiss tax purposes may be taxed as income (please refer to cipher 2. Income Taxation).

**b) ETPs held as assets of a Swiss business**

Capital gains realised on ETPs held as assets of a Swiss business are taxed in accordance with the taxation principles set forth above under “Income Taxation, ETPs held as Swiss business assets”.

## **4. Private Wealth and Capital Taxes**

A holder of ETPs who is an individual resident in Switzerland for tax purposes or is a non-Swiss resident holding ETPs as part of a Swiss business operation or a Swiss permanent establishment is required to declare ETPs as part of private wealth or as part of Swiss business assets, as the case may be, and is subject to annual cantonal and/or communal private wealth tax on any net taxable wealth (including the ETPs). In the case of a non-Swiss resident individual holding ETPs as part of a Swiss business operation or a Swiss permanent establishment, the declaration must be made to the extent the aggregate taxable wealth is allocable to Switzerland.

A holder of ETPs who is subject to cantonal and communal capital tax in Switzerland (e.g. a company, a cooperative, an association, a foundation or another legal person) is subject to annual capital tax on its equity.

No private wealth and capital tax exist at the federal level.

## **5. Stamp Taxes**

**a) Swiss Issuance Stamp Duty**

The ETPs should not be subject to Swiss Issuance Stamp Duty on the issuance of securities.

**b) Swiss Transfer Stamp Tax**

According to the Federal Stamp Tax Act (STA), Swiss Transfer Stamp Tax is levied on the transfer of ownership in taxable securities against consideration, if at least one of the parties involved in the transaction is a Swiss securities dealer in the sense of the STA acting for his own account or as intermediary and provided that no exception applies.

In general, the term “taxable securities” covers securities issued by a Swiss resident such as (non-exhaustive list):

- Governmental bonds, corporate bonds, mortgage bonds, convertible bonds and structured products that are treated for SST purposes as bonds.
- Equities such as shares, participation certificates, shares in limited liability companies, profit sharing certificates and structured products that are treated for Swiss Transfer Stamp Tax purposes as equities.
- Shares or units in collective investment schemes.

In addition, instruments issued by a foreign resident that serve the same economic purpose also qualify as taxable securities for Swiss Transfer Stamp Tax purposes.

The Swiss Transfer Stamp Tax is calculated on the (arm's length) consideration for the transfer of the taxable securities. The respective Swiss Transfer Stamp Tax rate per transaction amounts to 0.15% (0.075% per transaction leg) for domestic securities (i.e. issued by a Swiss resident) and to 0.3% (0.15% per transaction leg) for foreign securities (i.e. issued by a non-Swiss resident).

The Swiss Transfer Stamp Tax consequences depend on the qualification of the Product for Transfer Stamp Tax purposes.

## **6. Gift, Inheritance and Estate Taxes**

Subject to an applicable tax treaty in an international scenario, transfers of ETPs may be subject to cantonal and/or communal inheritance tax, estate tax or gift tax if the deceased person has had his or her last domicile in Switzerland, the donor is resident in Switzerland, respectively, or in the case of a foreign deceased or resident person the transfer involves an unincorporated business in Switzerland and ETPs are held as part of such business. No such taxes exist at the federal level. Rates depend upon the existing relationship (i.e. the relationship between the deceased and the heirs, or between the donor and the donee) and the size of the inheritance or gift. Interspousal gifts and gifts to descendants and inheritances collected by the surviving spouse and descendants are frequently exempt or taxed at very low rates. Gifts and inheritances received from unrelated persons attract rates ranging from roughly 20% to 50%. The taxable base is usually the market value of the property transferred.

## **7. Non-Swiss resident holders**

A holder of a Product who is not resident in Switzerland for tax purposes and who during the taxation year has not engaged in trade or business carried on through a business operation or permanent establishment in Switzerland, will neither be subject to income tax and capital gains tax nor net wealth or capital tax in Switzerland.

## **8. Automatic Exchange of Information in Tax Matters**

On 19 November 2014, Switzerland signed the Multilateral Competent Authority Agreement (the MCAA). The MCAA is based on article 6 of the OECD/Council of Europe administrative assistance convention and is intended to ensure the uniform implementation of Automatic Exchange of Information (the AEOI). The Federal Act on the International Automatic Exchange of Information in Tax Matters (the AEOI Act) entered into force on 1 January 2017. The AEOI Act is the legal basis for the implementation of the AEOI standard in Switzerland.

The AEOI is being introduced in Switzerland through bilateral agreements or multilateral agreements. The agreements have, and will be, concluded based on guaranteed reciprocity, compliance with the principle of speciality (i.e. the information exchanged may only be used to assess and levy taxes (and for criminal tax proceedings)) and adequate data protection.

Switzerland has concluded a multilateral AEOI agreement with the EU (replacing the EU savings tax agreement) and has concluded bilateral AEOI agreements with several non-EU countries.

Based on such multilateral agreements and bilateral agreements and the implementing laws of Switzerland, Switzerland began to collect data in respect of financial assets held in, and income derived thereon and credited to, accounts or deposits with a paying agent in Switzerland for the benefit of individuals resident in an EU member state or in a treaty state.

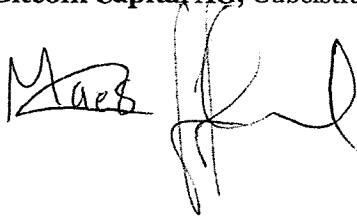
## **9. U.S. Foreign Account Tax Compliance Act**

Switzerland has concluded an intergovernmental agreement with the U.S. to facilitate the implementation of FATCA. The agreement ensures that the accounts held by U.S. persons with Swiss financial institutions are disclosed to the U.S. tax authorities either with the consent of the account holder or by means of group requests within the scope of administrative assistance. Information will not be transferred automatically in the absence of consent, and instead will be exchanged only within the scope of administrative assistance based on the double taxation agreement between the U.S. and Switzerland.

## **XV. RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of the Issuer the information contained in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

**Bitcoin Capital AG**, Gubelstrasse 24, 6300 Zug

A handwritten signature in black ink, appearing to read "Maes", followed by a large, stylized flourish or scribble.

# XVI. FORM OF THE FINAL TERMS

Final Terms dated: [DATE]

## Bitcoin Capital AG

*(incorporated in Switzerland)*

Issue of [NUMBER] products with the option to increase up to [NUMBER].

Securities pursuant to the Issuer's Exchange Traded Products Programme (the "ETPs")

This document constitutes the Final Terms of the ETPs described herein and completes the Base Prospectus referred to below. The Base Prospectus, as amended or supplemented, together with this Final Terms comprises the listing prospectus.

### PART A OF THE FINAL TERMS – CONTRACTUAL TERMS

Terms used herein shall have the meanings given to them in the general terms and conditions (the "General Terms and Conditions") set forth in the Base Prospectus dated [DATE] [and the supplement(s) to it dated [DATE]] (the "**Base Prospectus**") which [together] constitute[s] a base prospectus according to Art. 8 Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**"). The Final Terms supplement the Base Prospectus.

Full information on Bitcoin Capital AG ("**Issuer**") and the offer of the ETPs is only available on the basis of the combination of these Final Terms and the Base Prospectus (and any supplement thereto). The Base Prospectus (together with any supplement thereto) and the Final Terms are available on the website of the Issuer at <https://bitcoincapital.com/>.

The Base Prospectus (as completed by these Final Terms) has been prepared on the basis that, except as provided in the second point below, any offer of ETPs in any Member State of the EEA which has implemented the Prospectus Regulation (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Regulation, as implemented in that Relevant Member state, from the requirement to publish a prospectus for offers of the ETPs. Accordingly, any person making or intending to make an offer of the ETPs may only do so:

- In circumstances in which no obligation arises for the Issuer to publish a prospectus pursuant to Article 1(4) Prospectus Regulation or supplement a prospectus pursuant to Art. 23 of the Prospectus Regulation, in each case, in relation to such offer; or
- in those Non-Exempt Offer Jurisdictions mentioned in the following paragraph, provided such person is one of the persons mentioned in the following paragraph and that such offer is made during the Offer Period specified for such purpose therein.

An offer of the ETPs may be made by the Issuer or by the Authorised Offerors specified in Part B of these Final Terms other than pursuant to Article 1(4) of the Prospectus Regulation in [Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden] (Non-Exempt Offer Jurisdictions), [and Switzerland], during the period from [DATE] until [DATE] (the Offer Period).

Neither the Issuer nor any Authorised Participant has authorised, nor do they authorise, the making of any offer of ETPs in any other circumstances. Terms used herein shall be deemed to be defined as such for the purposes of the General Terms and Conditions of the ETPs (the Conditions) issued by the Issuer set forth in the Base Prospectus dated [DATE], which constitutes a base prospectus for purposes of the Prospectus Regulation. This document constitutes the Final Terms of the ETPs described herein for the purposes of

Article 8(5) of the Prospectus Regulation and must be read in conjunction with the Base Prospectus (and any supplement thereto).

<b>1. Issue Date:</b>	[...]
<b>2. Series:</b>	[...]
<b>3. Tranche:</b>	[...]
<b>4. Aggregate number of ETPs in this Tranche:</b>	[...] ETPs with the option to increase up to [...].
<b>5. ETP Security Type:</b>	Debt instruments
<b>6. Form of ETP Securities:</b>	Uncertificated Securities
<b>7. Minimum Investment Amount:</b>	[...]
<b>8. Minimum Trading Lot:</b>	One ETP
<b>9. Annual Management Fee:</b>	<p>[...] / [“NUMBER”% of the aggregated value of the Collateral per annum.</p> <p>The Annual Management Fee will be calculated pro rata on each business day at the closing time of the Exchange.</p> <p>The Annual Management fee will be collected in-kind on a quarterly basis on the last business days (at closing time of the SIX Swiss Exchange) of March, June, September and December.]</p>
<b>10. Performance Fee:</b>	<p>[...] / [“NUMBER” % on the performance above the High Watermark (HWM).</p> <p>The HWM is re-set quarterly on the last business days (at closing time of the SIX Swiss Exchange) of March, June, September and December (Performance Fee Observation Date).</p> <p>The initial HWM equals the initial Issue Price of CHF “NUMBER”. Thereafter, if on the Performance Fee Observation Date the net asset value after deduction of the management fee (NAV) is higher than the previous HWM, the HWM is set to that higher level.</p> <p>The Performance Fee is a value &gt;0, calculated on the Performance Fee Observation Date as follows:  <math>HWM \times \text{“NUMBER”} \times [(NAV/HWM)-1]</math></p> <p>The NAV is the CHF equivalent of the aggregated value of the Collateral divided by the aggregated number of outstanding ETPs on the Performance Fee Observation Date after deduction of the Annual Management Fee.</p> <p>The Performance Fee will be collected in-kind on the business day following the Performance Fee Observation Date (at closing time of the SIX Swiss Exchange).</p> <p>The current HWM is published on the Issuers website: <a href="http://www.bitcoincapital.com">www.bitcoincapital.com</a>]</p>
<b>11. Issue Price:</b>	<p>[...] / [The Issue Price is calculated as follows:  CHF equivalent of the aggregated Collateral value on the issue date divided by the number of outstanding products.</p> <p>The Issue Price is subject to any applicable fees and commission of the person offering the products.]</p>



<b>12. Offer Price:</b>	[...] / [Not Applicable. An Investor intending to acquire or acquiring any products from an Authorised Offeror will do so. Offers and sales of the products to such Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between that Authorised Offeror and such Investor including as to price, allocations and settlement arrangements.]																																		
<b>13. Exchange:</b>	[SIX Swiss Exchange] / [...]																																		
<b>14. Exchange Business Day:</b>	As determined in the General Terms and Conditions of the Base Prospectus.																																		
<b>15. Underlying:</b>	[Digital Assets selected and weighted according to the Digital Asset Management Strategy.]																																		
<b>16. Digital Asset Management Strategy:</b>	[...] / [The goal is to increase the NAV of the product in Swiss Francs (CHF) by trading bitcoins against altcoins and exiting to fiat if it is the best option. The Investment Manager FICAS AG pursues a discretionary investment strategy described in the investment policy available at <a href="https://ficas.com">https://ficas.com</a> .]																																		
<b>17. Initial Basket</b>	<p>[...] / [The Initial Basket composition is as follows and the allocation occurs dynamically in line with Digital Asset Management Strategy and within ranges defined in the investment policy.</p> <p>The basket composition is published on a monthly basis on <a href="https://ficas.com">https://ficas.com</a>.</p> <p>The chart lists the basket components the investment manager intends to use as of the date of this Final Terms. Further eligible basket components are described in “15. Underlying”.</p> <table border="1" data-bbox="614 1120 1388 1881"> <thead> <tr> <th data-bbox="614 1120 997 1164">Coin</th> <th data-bbox="997 1120 1388 1164">Weight in %</th> </tr> </thead> <tbody> <tr><td data-bbox="614 1164 997 1209">[...]</td><td data-bbox="997 1164 1388 1209">[...]</td></tr> <tr><td data-bbox="614 1209 997 1254">[...]</td><td data-bbox="997 1209 1388 1254">[...]</td></tr> <tr><td data-bbox="614 1254 997 1299">[...]</td><td data-bbox="997 1254 1388 1299">[...]</td></tr> <tr><td data-bbox="614 1299 997 1344">[...]</td><td data-bbox="997 1299 1388 1344">[...]</td></tr> <tr><td data-bbox="614 1344 997 1388">[...]</td><td data-bbox="997 1344 1388 1388">[...]</td></tr> <tr><td data-bbox="614 1388 997 1433">[...]</td><td data-bbox="997 1388 1388 1433">[...]</td></tr> <tr><td data-bbox="614 1433 997 1478">[...]</td><td data-bbox="997 1433 1388 1478">[...]</td></tr> <tr><td data-bbox="614 1478 997 1523">[...]</td><td data-bbox="997 1478 1388 1523">[...]</td></tr> <tr><td data-bbox="614 1523 997 1568">[...]</td><td data-bbox="997 1523 1388 1568">[...]</td></tr> <tr><td data-bbox="614 1568 997 1612">[...]</td><td data-bbox="997 1568 1388 1612">[...]</td></tr> <tr><td data-bbox="614 1612 997 1657">[...]</td><td data-bbox="997 1612 1388 1657">[...]</td></tr> <tr><td data-bbox="614 1657 997 1702">[...]</td><td data-bbox="997 1657 1388 1702">[...]</td></tr> <tr><td data-bbox="614 1702 997 1747">[...]</td><td data-bbox="997 1702 1388 1747">[...]</td></tr> <tr><td data-bbox="614 1747 997 1792">[...]</td><td data-bbox="997 1747 1388 1792">[...]</td></tr> <tr><td data-bbox="614 1792 997 1836">[...]</td><td data-bbox="997 1792 1388 1836">[...]</td></tr> <tr><td data-bbox="614 1836 997 1881">[...]</td><td data-bbox="997 1836 1388 1881">[...]</td></tr> </tbody> </table> <p data-bbox="614 1892 1388 1926">]</p>	Coin	Weight in %	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
Coin	Weight in %																																		
[...]	[...]																																		
[...]	[...]																																		
[...]	[...]																																		
[...]	[...]																																		
[...]	[...]																																		
[...]	[...]																																		
[...]	[...]																																		
[...]	[...]																																		
[...]	[...]																																		
[...]	[...]																																		
[...]	[...]																																		
[...]	[...]																																		
[...]	[...]																																		
[...]	[...]																																		
[...]	[...]																																		
[...]	[...]																																		
<b>18. Relevant Currency:</b>	[...] / [USD, EUR and CHF depending on the basket component]																																		

<b>19. Relevant Underlying Exchange(s):</b>	[...] / [CryptoCompare]
<b>20. Redemption Amount:</b>	<p>[...] / [The Redemption Amount is calculated as follows: Redemption Amount = (A/B) - C</p> <p>(A) The Settlement Currency equivalent of the net proceeds actually realised from the sale of an amount of Underlyings attributable or forming part of the Collateral and equal to the quantity of Digital Assets indirectly represented by the ETPs of the Series that are subject to the Cash Redemption</p> <p>(B) The proportion that the ETPs of such Series held by the Investor and subject to the Cash Redemption bears to the total number of ETPs of such Series that are subject to the Cash Redemption.</p> <p>(C) Settlement Currency equivalent of the redemption fee (i.e. “NUMBER”CHF plus “NUMBER” bps of the redemption amount per Redemption Order. The Redemption Amount may also be subject to additional fees related to the transfer of fiat assets.</p> <p>The Redemption Amount per ETP shall not be less than the smallest denomination of the Settlement Currency (i.e., U.S.\$0.01, €0.01, CHF 0.01, £0.01 or the equivalent in other Settlement Currencies).</p> <p>Redemptions by Authorised Participants pursuant to Condition 7d (Redemption at the option of an Authorised Participant) shall be settled on an in-kind basis unless the Issuer permits such redemption to be settled in accordance with Condition 7c (Cash Settlement). The calculation of the Redemption Amount may fluctuate as a result of tracking errors relating to the Underlyings, as described in the section headed “Risk Factors” set out in the Base Prospectus.]</p>
<b>21. Investor Put Date:</b>	[...] / [“DATE” in each year, beginning on “DATE”]
<b>22. Final Fixing Date:</b>	Determined in the Termination Notice
<b>23. Settlement Currency:</b>	[...]
<b>24. Settlement Type:</b>	[...] / [Cash Settlement, except for the Redemption of ETPs at the Option of an Authorised Participant Condition 7d in the Base Prospectus)]
<b>25. Administrator</b>	[...] / [CAIAC Fund Management AG]
<b>26. Authorised Participant:</b>	[...] / [Flow Traders B.V.]
<b>27. Calculation Agent:</b>	[...] / [CC Data Ltd.]
<b>28. Collateral Agent:</b>	[...] / [NGS Rechtsanwälte AG]
<b>29. Custodian:</b>	[...] / [Sygnum Bank AG, Crypto Broker AG, Bitstamp Ltd, Coinbase Ltd, Payward Ventures Inc (Kraken).]
<b>30. Investment Manager</b>	[FiCAS AG]
<b>31. Market Maker:</b>	[...] / [Flow Traders B.V.]
<b>32. Paying Agent:</b>	[InCore Bank AG]
<b>33. Responsibility:</b>	The Issuer accepts responsibility for the information in these Final Terms.

<b>34. Date of approval of the Issuance by the Board of Directors:</b>	[...]
--	-------

**Bitcoin Capital AG**

[Signature]

**PART B OF FINAL TERMS – OTHER INFORMATION**

<b>1. Listing and admission to trading:</b>	[...] / [The products to which these Final Terms apply are listed on SIX Swiss Exchange. The Issuer may decide to apply for admission to trading or listing on a regulated market in the EEA.]
<b>2. First trading day:</b>	[...] / [The products are traded on SIX Swiss Exchange since“DATE”.]
<b>3. Interests of natural and legal persons involved in the issue:</b>	[...] / [Ali Mizani Oskui, Founder of FICAS AG is holding a certain amount of product for the purpose of seed funding.  So far as the Issuer is aware, no other person involved in the offer of the product has an interest material to the offer.]
<b>4. Information sourced from third parties:</b>	[...] / [Not Applicable]
<b>5. Reason for the offer or the admission to trading:</b>	The Issuer is a special purpose vehicle. Its business activity is to issue financial products.
<b>6. Names and addresses of additional Paying Agent(s) (if any):</b>	[...] / [Not Applicable]
<b>7. Distribution:</b>	[An offer of the ETPs may be made by the Authorised Offerors in or from any jurisdiction in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on the Issuer.]
<b>8. Additional Selling Restrictions:</b>	[...] / [Not Applicable]
<b>9. Prohibition of Sales to Retail Investors in the EEA:</b>	[...] / [No]
<b>10. Information about the past and the further performance of the Underlying Asset and its volatility:</b>	[...] / [Please check the performance of underlyings under CoinMarketCap.com and/or CryptoCompare.com]
<b>11. Security Codes:</b>	[ISIN Code: «NUMBER» Valor: “NUMBER”]
<b>12. Clearing Systems:</b>	[...] / [SIX SIS AG, Baslerstrasse 100, P.O. Box, Olten, 4600, Switzerland.]
<b>13. Interest Rate:</b>	[Not Applicable]
<b>14. Maturity Date:</b>	[Not Applicable]
<b>15. Yield Indication:</b>	[Not Applicable]
<b>16. Terms and Conditions of the Offer:</b>	[Products are made available by the Issuer for subscription only to Authorised Offerors.]
<b>17. Offer Period:</b>	From [...] to [...].
<b>18. Conditions to which the offer is subject:</b>	[...] / [Offers of the Products are conditional upon their issue and, as between the Authorised Offeror(s) and their customers, any further conditions as may be agreed between them.]
<b>19. Description of the application process:</b>	[Not Applicable]
<b>20. Description of the possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:</b>	[Not Applicable]

<b>21. Details of the minimum and/or maximum amount of application:</b>	[...] / [The minimum creation and redemption size is "NUMBER" products.]
<b>22. Details of the method and time limited for paying up and delivering the ETPs:</b>	[Not Applicable]
<b>23. Manner in and date on which results of the offer are to be made public:</b>	[Not Applicable]
<b>24. Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:</b>	[Not Applicable]
<b>25. Whether tranche(s) have been reserved for certain countries:</b>	[Not Applicable]
<b>26. Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:</b>	[Not Applicable]
<b>27. Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:</b>	[Not Applicable]
<b>28. Name and address of financial intermediary/ies authorised to use the Base Prospectus, as completed by these Final Terms (Authorised Offerors):</b>	[...] / [Flow Traders B.V., Jacob Bontiusplaats 9, 1018 LL Amsterdam, Netherlands and each Authorised Offeror listed on the Issuer's website <a href="http://www.bitcoincapital.com">www.bitcoincapital.com</a> ]

**ANNEX – ISSUE SPECIFIC SUMMARY**

*[Issue specific summary of the ETPS as per Art. 7 of the Prospectus Regulation to be inserted if the ETPs are to be publicly offered or admitted to trading on a regulated market in a Member State of the EEA]*