

# Xtrackers Digital Markets ETC AG

(incorporated and registered in Switzerland, with  
registered number CHE- 224.432.590) LEI: 529900WIXTJRV6RK4G26

## Exchange Traded Products Issuance Programme

### What is this document?

This document (the "Base Prospectus") is issued by Xtrackers Digital Markets ETC AG (the "Issuer") for its Exchange Traded Products Issuance Programme (the "Programme") for the issue of undated, limited recourse, non-interest bearing exchange traded debt securities ("Securities"). The Securities are issued on the terms and conditions set out in this Base Prospectus (the "Conditions") as completed by the final terms in respect of the relevant Series of Securities (the "Final Terms").

It is important that an investor carefully reads, considers and understands this Base Prospectus before making an investment in the Securities. Particular notice should be taken to the section headed "Risk Factors".

### What securities are being issued pursuant to this Base Prospectus?

This Base Prospectus relates to the issue of Securities by the Issuer. The Issuer is making a number of series of Securities available which intend to provide investors with a return equivalent to holding the particular eligible crypto asset (each an "Underlying"), less certain fees, costs and expenses as set out in the Conditions.

**The Securities are complex, structured products which may involve a significant degree of risk and may not be suitable or appropriate for all types of investor. Any person wishing to invest should seek appropriate financial, tax and other advice from an independent financial advisor with appropriate regulatory authorisation and qualifications. An investment in the Securities is only suitable for persons who understand the economic risk of such investment and are able to bear the risk for an indefinite period of time. A prospective investor should be aware that the value of their entire investment or part of their investment in the Securities may be lost.**

The Securities issued under the Programme will be exchange traded products, which 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 Securities 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 Securities does not have the status of a bank deposit and is not within the scope of any deposit protection scheme. The Issuer is not and will not be regulated by any regulator as a result of issuing the Securities.

### What is in this Base Prospectus?

This Base Prospectus comprises a base prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129 (the "EU Prospectus Regulation") and for the purpose of giving information with regard to the Issuer and the Securities which, according to the particular nature of the Issuer and the Securities, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the rights attaching to the Securities. In particular, this Base Prospectus contains: (i) a description of the key features of the Programme; (ii) the key risks of an investment in the Securities; (iii) a description of how a prospective investor's return on the Securities is calculated; and (iv) an explanation of how the legal documents for the Programme operate together.

Unless otherwise defined elsewhere in this Base Prospectus, capitalised terms used in this Base Prospectus shall have the meaning given to them in the Master Definitions and Construction Terms. The language of this Base Prospectus is English. Certain technical terms including references to legislation have been included in their original language so that the meaning may be ascribed to them under the relevant law.

### How long is this document valid?

This Base Prospectus has been approved by the Swedish Financial Supervisory Authority *Finansinspektionen* (the "Swedish FSA"), as competent authority under EU Prospectus Regulation (such approval the "Swedish FSA Approval"). The Swedish FSA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Securities that are the subject to this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Securities.

This Base Prospectus is valid for a maximum period of twelve months from the Swedish FSA Approval. The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of the Securities, prepare a supplement to this Base Prospectus. The obligation to prepare a supplement to this Base Prospectus in the event of any significant new factor, material mistake or inaccuracy does not apply when this Base Prospectus is no longer valid.

### What information is included in the Final Terms?

The Final Terms set out the information relevant to the specific Series of Securities to which they relate. This includes the number of Securities to be issued, the quantity and type of Underlying which each Security is entitled to (known as the "Coin Entitlement"), the Transaction Parties and certain fees and costs applicable to the Series to be issued.

A copy of this Base Prospectus is available at [www.etf.dws.com](http://www.etf.dws.com) (the "Issuer's Website").

Arranger

DWS Investments UK Limited (the "Arranger")

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## GENERAL DESCRIPTION OF THE PROGRAMME

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by the remainder of this Base Prospectus and, in relation to the Conditions of any particular Series of Securities, the applicable Final Terms. This overview constitutes a general description of the Programme for the purposes of the EU Prospectus Regulation.*

### PARTIES

<u>“Issuer”</u>	The Issuer is incorporated as a stock corporation in Switzerland and its principal activity is the issuance of the Securities and entry into related transactions.
<u>“Arranger”</u>	The Arranger arranges the Programme and provides certain administrative and operational services in respect of the Programme and is paid a fee by the Issuer in respect of such services. The Arranger also provides support to the Issuer for the purpose of making calculations, determinations, adjustments in relation to a Series of Securities and pays the fees of certain Transaction Parties.
<u>“Trustee”</u>	The Trustee holds the security for the Issuer’s obligations in respect of each Series of Securities on trust for itself and the other Secured Creditors.
<u>“Custodian”</u>	The relevant Custodian(s) which hold the Crypto Asset Collateral in relation to a Series of Securities in the Issuer’s Collateral Accounts with each Custodian appointed for the relevant Series of Securities which may be Coinbase Custody International Limited and/or Zodia Custody (Ireland) Limited and/or any successor(s) thereto or any other Custodian appointed with respect to the relevant Series of Securities.
<u>“Corporate Services Administrator”</u>	The Corporate Services Administrator provides certain administrative and corporate services to the Issuer.
<u>“Issuing Agent”</u>	The Issuing Agent processes issuance of new Securities as a result of subscriptions and cancellations of existing Securities following redemptions for a particular Series of Securities.
<u>“Principal Paying Agent”</u>	The Principal Paying Agent performs the paying agency function for a particular Series of Securities.
<u>“Swiss Paying Agent”</u>	The Swiss Paying Agent performs the paying agency function for a particular Series of Securities for the purposes of the regulations of the SIX Swiss Exchange.
<u>“Paying Agent(s)”</u>	<p>The Principal Paying Agent, the Swiss Paying Agent and any additional Paying Agents specified in the applicable Final Terms.</p> <p>The Paying Agent(s) make payments to Securityholders via the relevant Clearing System.</p>
<u>“Registrar”</u>	The Registrar maintains the register and records of Securityholders with respect to Registered Securities (if applicable).
<u>“Administration Agent”</u>	The Administration Agent shall make certain calculations (including Coin Entitlement, Value per Security and Redemption Amount) and provide confirmations and instructions to other Transaction Parties to facilitate creating new Securities and redeeming existing Securities and settling sales and purchase of Underlying.
<u>“Technical Account Bank”</u>	The Technical Account Bank shall open, in its own name and not in the name of the Issuer, and maintain a single Series Transaction Account for each Series of Securities separately. The Series Transaction Account will not be subject to Transaction Security. The Series Transaction Account shall be used for the purposes of (amongst other things) (i) settlement

of subscriptions and redemptions of Securities by way of Cash Settlement and (ii) settlement of relevant transactions with the Crypto Brokers.

“Crypto Execution Agent”

The Crypto Execution Agent arranges purchases and sales of Crypto Assets on behalf of the Issuer for the purposes of the Issuer (i) issuing new Securities by way of Cash Settlement, (ii) redeeming existing Securities by way of Cash Settlement and (iii) paying third party fees payable by the Issuer (including to the Arranger).

“Crypto Development Advisor”

The Crypto Development Advisor:

(i) monitors developments relating to the Underlying in order to identify any events or circumstances which may have an impact on the Underlying (including any potential or forthcoming Hard Forks and similar events) and provides advice on the potential consequences and actions that may be taken by the Issuer in relation to the Underlying in respect of such developments;

(ii) provides initial and ongoing screening and due diligence with respect to the Underlying and certain other Crypto Assets;

(iii) liaises with the relevant Custodian(s) to create and maintain the relevant Collateral Accounts for the Issuer (including assisting with maintaining user access rights to relevant third parties) and ensuring third-party Wallet addresses are whitelisted;

(iv) provides written guidance to the Administration Agent with respect to the periodic rebalancing of the Crypto Asset Collateral held by the Issuer between Collateral Accounts of different Custodians or between different Collateral Accounts of the Issuer at the same Custodian; and

(v) provides other support to the Arranger with respect to the Programme and the Underlying, amongst other things.

“Authorised Participants”

To establish liquidity for the Securities, the Issuer enters into agreements with Authorised Participants in respect of the creation and redemption of the Securities.

The Authorised Participants for each Series of Securities will be specified in the applicable Final Terms and/or published on the Issuer’s Website.

“Documentation”

The Securities are governed by the Conditions, as completed by the applicable Final Terms.

The Issuer’s relationship with the relevant Transaction Parties is governed by agreements entered into on or around the date of this Base Prospectus in respect of all Series of Securities or certain master terms, each of which set out the Issuer’s agreement with each Transaction Party. Each Series of Securities will be issued by the execution of a Constituting Document, under which the parties to each master terms agrees to enter into an agreement on the form of the master terms for the purposes of that Series of Securities.

See the section headed “*Programme Structure*”.

## FORM OF SECURITIES

“Form and issue method” Securities will be issued in Series, with the Securities of each Series being intended to be interchangeable with all other Securities of that Series. The Issuer may issue further Tranches of a Series of Securities from time to time.

The Securities may be issued in registered form or in dematerialised uncertificated form as simple uncertificated securities and as specified in the applicable Final Terms.

Securities issued under the Programme will be non-interest bearing, undated, secured, debt obligations of the Issuer. The Securities do not pay dividends or interest. Securities will be limited recourse obligations of the Issuer, ranking *pari passu* without any preference among themselves.

## APPLICATION AND REDEMPTION PROCESS

“Applications and redemptions, selling and purchasing of Securities” It is intended that each Series of Securities will be subject to a continual and ongoing issuance and redemption mechanism under which Authorised Participant(s) may subscribe for new Securities or redeem existing Securities in accordance with the Conditions and the Authorised Participant Agreement(s).

In certain circumstances, Securityholders that are not Authorised Participants may also request the redemption of Securities, with the redemption of Securities to be settled physically. The Issuer will charge such Securityholders an Investor Redemption Fee to redeem Securities directly with the Issuer by way of Physical Settlement or Cash Settlement. The Investor Redemption Fee shall be payable by such Securityholders to the Principal Paying Agent by way of an upfront payment. The level of such Investor Redemption Fee will be notified to Securityholders by the Issuer on receipt of a request for redemption and will be set out in the Investor Redemption Order Form which will be made available on the Issuer’s Website.

Securityholders that are not Authorised Participants may not request the Issuer to redeem Securities in cash other than in circumstances where no Authorised Participant is available. Where all the outstanding Securities of the same Series redeem in full, all the Securities of such Series will redeem in cash only.

The Issuer may, at any time in its sole discretion, suspend the right to request subscriptions of any Series of Securities.

A prospective investor may buy and sell Securities in cash on the Exchange (as defined in the Conditions) on which such Securities are admitted to trading, or in over-the-counter transactions directly with Authorised Participants or any other third party seller of Securities (including market makers). To establish liquidity for the Securities, the Issuer enters into agreements with Authorised Participants in respect of the creation and redemption of the Securities.

To establish liquidity for the Securities, the Arranger also enters into agreements with market makers in respect of purchasing and selling the Securities on the Exchange or in over-the-counter transactions.

Upon new issuance of any Tranche of the Securities, the Issuer will deliver such Securities to the Authorised Participants via the relevant Clearing System. The Issuer may charge the Authorised Participant fees in respect of the creation of Securities, as agreed between the Issuer and the Authorised Participant from time to time. The Authorised Participant may then sell the Securities on the Exchange on which such Securities are admitted to trading,

sell the Securities in “over-the-counter” transactions or hold the Securities.

Prospective investors may be charged fees to purchase or sell any Securities, by Authorised Participants, intermediaries or brokers or by the Exchange on which Securities are listed. Prospective investors should speak to their broker or intermediary and seek advice on the details of any such fees.

Once Securities are issued, the relevant Crypto Asset Collateral (either delivered by the Authorised Participants or acquired by the Issuer) will be held with the relevant Custodian as security for the Issuer’s obligations in respect of the Securities.

## UNDERLYING

“Underlying” The Securities will be linked to the relevant Underlying. The Underlying shall comprise a single Eligible Crypto Asset with respect to a Series of Securities as specified in the Final Terms.

“Crypto Asset Collateral” The Crypto Asset Collateral consists of (i) the Underlying in connection with the Securities and (ii) any additional Crypto Assets other than Underlying held by the Custodian(s) for the Issuer with respect to the Securities as a result of any Hard Fork and/or Airdrop.

“Eligible Crypto Asset” The Eligible Crypto Asset shall be Crypto Assets that are amongst the top one hundred Crypto Assets as measured by market capitalisation and that is not a Prohibited Crypto Asset. See “*Economic Overview of Securities*” for further information.

## CUSTODY AND SECURITY ARRANGEMENTS

“Custody” The Crypto Asset Collateral held in respect of a Series of Securities will be held in custody by the relevant Custodian(s) in segregated Wallets maintained by the Custodian(s) in the name of the Issuer and opened with the relevant Custodian(s) (such account with each Custodian appointed for the relevant Series of Securities, the “Collateral Account”).

The Issuer may open one or more Collateral Accounts with one or more Custodian(s) with respect to the same Series of Securities. Each such Collateral Account will be subject to the security granted by the Issuer to the Trustee for the benefit of itself and the other Secured Creditors in respect of the relevant Series of Securities. See “*Security Arrangements*” and “*Custody Arrangements*”.

“Staking” The Issuer shall procure that no Crypto Asset Collateral in respect of any Series of Securities is staked.

“Secured Property” The Issuer’s obligations in respect of each Series of Securities are secured over all of the Issuer’s rights, title and interest in respect of the Crypto Asset Collateral (including all property, income, sums or other assets derived therefrom and any Collateral Account), the relevant Custody Agreements, any bank accounts (present and future) but excluding the Issuer Expenses Account and Series Transaction Account, maintained with any account bank or custodian opened in respect of such Series of Securities, any agreement (present or future) with any such account bank or custodian, and any sums relating to such Series of Securities standing to the credit thereof and all sums held by any Paying Agent and/or the relevant Custodian and any Series Agency Agreements (the “Transaction Security” and the assets subject to the Transaction Security being the “Secured Property”). There are no credit enhancements or liquidity support (including from the Arranger or any of its affiliates) in relation to the Securities.

The Transaction Security is granted in favour of the Trustee who holds the Secured Property on trust for itself, the Securityholders, the Issuing Agent, the Paying Agents, the

Technical Account Bank, the Arranger, the Crypto Execution Agent, the Administration Agent and the Custodian(s) in relation to the Series of Securities (the "Secured Creditors").

See the section headed "*Security Arrangements*".

"Enforcement of security"

On the occurrence of an Event of Default, the Trustee may in its discretion (and shall if directed in writing by holders of at least 25 per cent. in number of the Securities of the relevant Series then outstanding or by an Extraordinary Resolution), in each case subject to being indemnified and/or secured and/or prefunded to its satisfaction, enforce the Transaction Security.

The Trustee shall hold the proceeds of enforcement of the Secured Property received by it under the Trust Deed on trust, and apply them:

- *first*, in payment or satisfaction of all fees, costs, charges, expenses, liabilities, losses and other amounts properly incurred by, or payable in connection with the Securities to, the Trustee, any Irish Receiver or any receiver(s) under or pursuant to the Trustee Deed or any Security Document, including, without limitation, any Taxes required to be paid by the Trustee (other than any Tax in respect of the Trustee's income, profits or gains), the costs of enforcing the Transaction Security and/or realising all or some of the Secured Property and the Trustee's remuneration;
- *second, pro rata and pari passu*, in payment or satisfaction of all fees, costs, charges, expenses, liabilities, losses and other amounts properly incurred by, or payable in connection with the Securities to, the Custodian(s) under or pursuant to the relevant Custody Agreements;
- *third*, in payment or satisfaction of all fees, costs, charges, expenses, liabilities, losses and other amounts properly incurred by, or payable in connection with the Securities to, the Technical Account Bank, the Issuing Agent and Paying Agents under the relevant Series Agency Agreement;
- *fourth*, in payment or satisfaction of all fees, costs, charges, expenses, liabilities, losses and other amounts properly incurred by, or payable in connection with the Securities to, the Administration Agent under the relevant Series Agency Agreement;
- *fifth*, in payment or satisfaction of all fees, costs, charges, expenses, liabilities, losses and other amounts properly incurred by, or payable in connection with the Securities to, the Crypto Execution Agent under the relevant Series Agency Agreement;
- *sixth*, in payment or satisfaction of all fees, costs, charges, expenses, liabilities, losses and other amounts properly incurred by, or payable in connection with the Securities to, the Arranger under the Arranger Agreement incurred with respect to relevant Series of Securities;
- *seventh, pro rata and pari passu*, in or towards payment or delivery of the Redemption Amount to Securityholders; and
- *eighth*, in payment of any balance to the Issuer for itself or as it may direct.

See the sections headed "*Security Arrangements*" and "*Sale and Transfer of the Underlying, Enforcement of Security and Limited Recourse*".

**REDEMPTION**

“Redemption of Securities” The Securities are perpetual and have no fixed maturity date. The Securities will only redeem in accordance with Condition 9 (*Redemption of Securities*). For summary of redemptions of Securities see the sections headed “*Economic Overview of the Securities*”.

“Physical Settlement and Cash Settlement” The redemption process depends on whether the Securities are redeemed by way of Physical Settlement or Cash Settlement. The Securities may be redeemed directly with the Issuer by Cash Settlement only where the AP Cash Settlement Conditions or the Investor Cash Settlement Conditions (as applicable) have been satisfied.

**Physical Settlement**

Where the Securities are redeemed by way of Physical Settlement, the Issuer will instruct the relevant Custodian to transfer the relevant amount of the Crypto Asset Collateral equal to the Physical Redemption Amount to the Authorised Participant or the Securityholder who is not an Authorised Participant but only if Investor Physical Settlement Conditions have been satisfied.

**Cash Settlement**

Where the Securities are redeemed by Cash Settlement, the Crypto Execution Agent, acting as agent of the Issuer, shall arrange, on behalf of the Issuer, the sale of the Crypto Asset Collateral with a Crypto Broker. The Principal Paying Agent upon receipt of the sale proceeds will then transfer an amount in the Settlement Currency equal to the Cash Redemption Amount to the Securityholder via the financial intermediary (being the relevant Clearing System or a broker acting as the intermediary to the Securityholder) who maintains the relevant securities account for such Securityholder and who will deliver the Securities subject to the redemption back to the Issuing Agent through the relevant Clearing System.

Where all the Securities of the relevant Series redeem in full, such redemption will be made by way of Cash Settlement only.

**RETURN ON THE SECURITIES**

“Redemption Amount” The amount an investor is entitled to on redemption with respect to each Security is calculated by reference to the Coin Entitlement (which is a quantity of Underlying attributable to a single Security) minus any Redemption Deductions.

The initial Coin Entitlement on the Issue Date is specified in the applicable Final Terms and the Coin Entitlement reduces on a daily basis to take account the applicable Product Fee.

The form of an investor’s return on redemption will depend on whether the Securities are redeemed by way of Physical Settlement or Cash Settlement.

**Physical Settlement**

Where the Securities are subject to redemption by way of Physical Settlement, the Physical Redemption Amount is calculated as:

(A) the aggregate Coin Entitlement for all Securities subject to redemption as at the Redemption Date rounded down to the Delivery Precision Level; *less*

(B) an amount of such Crypto Asset Collateral having a value equal (in the opinion of the Administration Agent) to the Redemption Deductions rounded up to the Delivery Precision Level.

**Cash Settlement**



Where the Securities are subject to Cash Settlement, the Cash Redemption Amount is an amount in the Settlement Currency equal to the higher of (i) zero and (ii) the net proceeds of sale of the aggregate Coin Entitlement for all Securities subject to redemption rounded down to the Delivery Precision Level as at the Final Fixing Date less any Redemption Deductions.

See the section headed "*Economic overview of the Securities*", which includes worked examples of the return on the Securities in hypothetical circumstances.

## LISTING AND OFFERING

### "Listing"

Application may be made for Series of Securities to be admitted to the stock exchange specified in the applicable Final Terms (the "Exchange") (including SIX and Xetra) during the maximum period of 12 months from the date of this Base Prospectus.

There cannot be any guarantee that admission to listing or trading will be obtained or, if so obtained, will be maintained in respect of any Series of Securities. Nor can there be any guarantee that any Series of Securities will be admitted to an Exchange upon issuance.

Deutsche Börse Xetra ("Xetra") is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (as amended, "MiFID II").

The Swedish FSA Approval specified on page (i) relates only to the Securities which are to be admitted to trading on Xetra or other regulated markets for the purposes of MiFID II and/or which are to be offered to the public in any Member State of the European Economic Area.

References in this Base Prospectus to Securities being "listed" (and all related references) shall mean that such Securities have been admitted to trading on an Exchange, unless specified otherwise in the applicable Final Terms.

### "Selling restrictions"

Save for:

(i) approval of the Base Prospectus by the Swedish FSA which allows for a public offering of the Securities in Sweden and any notification of the approval to other EEA Member States in accordance with the EU Prospectus Regulation for the purposes of making a public offer in such Member States; and

(ii) if and when this Base Prospectus (together with any supplements hereto) is automatically recognised in accordance with article 54(2) of the Swiss Financial Services Act of 15 June 2018, as amended (the "FinSA") by, and deposited with, a review body within the meaning of article 52 of the FinSA (any such review body, a "Swiss Review Body") as a base prospectus within the meaning of article 45 of the FinSA, and the respective Final Terms have been deposited with such Swiss Review Body in accordance with article 45(3) of the FinSA, a public offering of Securities in Switzerland, no representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of this Base Prospectus or any other offering material or any applicable Final Terms, in any country or jurisdiction where action for that purpose is required.

### "Clearing and settlement"

The Securities may be issued in registered form or uncertificated form as specified in the applicable Final Terms.

The settlement of transactions in respect of the Securities will take place in SIS, Euroclear, Clearstream, Frankfurt, Clearstream, Luxembourg or any other recognised clearing system

in which Securities may be cleared (the "Clearing System"). The relevant Clearing System for any Series of Securities will be specified in the applicable Final Terms.

As at the date of this Base Prospectus, the Issuer intends that the relevant Clearing System in respect of any Series of Securities will be SIX SIS AG, Olten, Switzerland, or any successor thereof (the "SIS").

#### **OTHER TERMS**

"Limited recourse" The Securities are limited recourse obligations of the Issuer. Each Series of Securities will be secured by a security interest created in favour of the Trustee over the assets allocated to a Series of Securities. If the proceeds of enforcement of the security interest in such assets are not sufficient to meet all of its obligations, debts or liabilities in respect of the Series of Securities, the Issuer's obligations, debts or liabilities in respect of the Securities will be limited to those proceeds. No other assets of the Issuer nor any assets relating to any other Series will be available to meet any shortfall.

See the section headed "*Sale of Transfer of Underlying, Enforcement of Security and Limited Recourse Provisions*".

"Withholding tax" All payments and/or deliveries in respect of any Securities will be subject in all cases to any applicable fiscal or other laws, regulations and directives, and will be made subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of any nature (including pursuant to FATCA) that the Issuer or any Agent is required by Applicable Law to make. If any such withholding or deduction is required, no additional amounts will be paid by the Issuer or any Agent in respect of such withholding or deduction.

"Further issues" The Issuer may from time to time issue further fungible tranches of Securities with respect to a Series on the same terms as such existing Securities and on terms that such further Securities shall be consolidated and form a single series with the existing Securities of the Series.

"Governing law" The Securities are governed by English law.

"Rating" Securities issued under the Programme are not expected to be rated.

## RISK FACTORS

*Prospective investors in Securities should carefully consider the following information in conjunction with the other information contained in this Base Prospectus, any supplement to this Base Prospectus, the information contained in the documents set out in the sections entitled "Important Information" and "Conflicts of Interest", as well as any Final Terms before purchasing any Securities.*

*The assessment of materiality of each risk factor is based on the Issuer's assessment (as of the date of this Base Prospectus) of the probability of its occurrence and the expectation of the magnitude of their adverse impact but investors should note that, in practice, any risk(s) may materialise and the magnitude of the associated impact may vary depending on the circumstances. Prospective Securityholders should note that, in practice, any risk(s) may materialise and the magnitude of the associated impact may vary depending on the circumstances.*

*The risk factors are presented in categories where the most material risk factors in a category is/are presented first under such category. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence. Where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor.*

The following risk factors set out those factors that the Issuer believes:

- represent the principal risks (including the market risks) inherent in investing in the Securities;
- may affect its ability to fulfil its obligations under the Securities; and/or
- may be material (by reference to general criteria that are not particular to the specific circumstances of any individual prospective investor) for the purposes of investors making an informed investment decision in respect of the Securities.

Investors should be aware that more than one risk factor may simultaneously affect with regard to the Securities, such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Securities. Investors must be aware that they may lose substantially all of their investment in the Securities.

For the purposes of these risk factors, references to "Securityholders" or "holders" of Securities should generally be read as including holders of beneficial interests in such Securities, except where the context otherwise requires.

### 1. **Risks relating to the Issuer**

#### 1.1 **The Issuer is a special purpose vehicle**

The only business of the Issuer is the issuance of Securities and the related purchase of the Underlying and/or entering into related transactions.

The Issuer will have no assets with which to make any payments under any Series of Securities or meet claims made against it other than the Secured Property in respect of that Series.

Accordingly there are risks in investing in the Securities issued by the Issuer which differ from risks in investing in instruments issued by a trading entity with substantial assets and/or operations, as Securityholders take risk on the creditworthiness of the Issuer and the Issuer is solely reliant on the Secured Property to meet its obligations under the Securities.

#### 1.2 **The Issuer is operated by a corporate services administrator**

The Issuer has appointed and is operated by the Corporate Services Administrator in accordance with the Corporate Services Administration Agreement. The Corporate Services Administrator is an independent, third party entity which has agreed to provide certain administrative, accounting and related services to the Issuer. The majority of the directors of the Issuer are employees of the Corporate Services Administrator.

The operations of the Issuer may be adversely affected by the termination of the appointment of the Corporate Services Administrator, the insolvency or bankruptcy of the Corporate Services Administrator or

any default, negligence or fraud on the part of the Corporate Services Administrator or any of its employees or agents.

**1.3 The Issuer is subject to legislation and regulations which, if violated, could materially and adversely affect the timing and amount of payments made by the Issuer**

The Issuer is subject to legislation and regulations relating to corrupt and illegal payments and a general prohibition on money laundering (including tax evasion) as well as laws, sanctions and restrictions relating to certain individuals and countries. If the Issuer were determined by the relevant authorities to be in violation of any such legislation or regulations, it could become subject to significant penalties, including in certain cases criminal penalties.

Any such violation could have a material and adverse effect on the timing and amount of payments or deliveries made by the Issuer to Securityholders in respect of the Securities. A breach of the relevant legislation in respect of one Series of Securities may affect the legal and regulatory treatment of all Series of Securities issued by the Issuer. This may ultimately lead to an early redemption of the Securities at a time when the price of the Underlying may be unfavourable to Securityholders and at a time over which Securityholders have no control. In circumstances where the Issuer has been found to be in violation of such legislation and regulations, the relevant Custodian may suspend the Issuer's access to the Crypto Asset Collateral and the Issuer may be unable to make any transfers of Crypto Asset Collateral in respect of its obligations under the Securities. Such events are likely to have a negative impact on the return on the Securities.

**1.4 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 Technical Account Bank, the Crypto Brokers and the Custodian(s). 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 (including, but not limited to the obligation of the Crypto Brokers to deliver Crypto Asset Collateral to the Issuer or pay the sale proceeds to the Issuer with respect to the sale of any Crypto Asset Collateral). If any such risks were to occur, this may have a material adverse effect on the Issuer's business and financial position.

**1.5 The Issuer is structured to be insolvency-remote, but it is not insolvency-proof**

The Issuer is structured to be insolvency-remote so that it will endeavour to only transact with parties who agree not to make any application for the commencement of winding-up or bankruptcy or similar proceedings against the Issuer.

The term "insolvency-remote" means that the Issuer is subject to a low risk of being put into insolvency proceedings, which would fundamentally disrupt the operation and/or existence of the Securities. To achieve such insolvency remoteness, the Transaction Parties and the Securityholders must be unable to proceed directly against the Issuer and only able to proceed against the assets attributable to the relevant Series of Securities. This is known as having "limited recourse" (as further described in paragraph 2.1 (*The Issuer's obligations are limited recourse*) below). It is also important that the Issuer is, so far as legally possible, prevented from commencing insolvency proceedings as against itself.

However, there is no assurance that all claims that arise against the Issuer will be on the basis that such action will not be taken, or that such contractual provisions will necessarily be respected in all jurisdictions, in particular where claims arise from third parties that have no direct contractual relationship with the Issuer or if the Issuer fails for any reason to comply with its contractual obligations (including the obligation only to contract on a "non-petition" basis).

A creditor (including a contingent or prospective creditor) that has not accepted non-petition provisions in respect of the Issuer may be entitled to make an application for the commencement of insolvency proceedings against the Issuer. The commencement of such proceedings may entitle such a creditor to terminate contracts with the Issuer and claim damages for any loss suffered as a result of such termination. If the Securities remain outstanding at the time that any insolvency proceedings are commenced, this will constitute an Insolvency Event and lead to redemption of each Series of Securities and related enforcement actions. Such redemption may take place at a time when the price of the Underlying is unfavourable to Securityholders. This may result in Securityholders receiving less, or substantially less, than they had anticipated in circumstances over which they have no control.

2. **Risks relating to the Securities**

2.1 **The Issuer's obligations are limited recourse**

The Securities are secured, limited recourse obligations of the Issuer. Payments or deliveries due in respect of any Series of Securities (including payment or delivery of the relevant Redemption Amount) will be made solely out of amounts received by or on behalf of the Issuer in respect of the Secured Property relating to that Series of Securities. The Secured Property relating to any Series of Securities is collateralised by the Crypto Asset Collateral which may be subject to cryptographic key theft, compromise of login credentials and distributed denial-of-service (DDoS) attacks.

If amounts received in respect of the Secured Property are insufficient to make payments or deliveries in respect of the Securities, no other assets will be available to Securityholders and any outstanding claim against the Issuer will be extinguished. In such circumstances Securityholders may lose some or all of their investment.

2.2 **Decisions made by written resolution of the Securityholders or by Extraordinary Resolution are binding on all Securityholders**

The Trust Deed contains provisions for calling meetings of Securityholders of each Series (including by ways other than physical meetings) to consider any matter affecting their interests, including obtaining written resolutions on matters relating to the Securities. A written resolution signed by or on behalf of the holders of not less than 75 per cent. of the aggregate number of the Securities of the relevant Series who for the time being are entitled to receive notice of a meeting in accordance with the Trust Deed shall be deemed to be an Extraordinary Resolution.

In certain circumstances, the Issuer and the Trustee will also be entitled to rely upon approval of a resolution given by way of electronic consents communicated through the relevant clearing system.

A written resolution or an electronic consent described above may be obtained in connection with any matter affecting the interests of Securityholders.

These provisions permit defined majorities to bind all Securityholders, including Securityholders who did not attend and vote at the relevant meeting or in respect of the relevant resolution and Securityholders who voted in a manner contrary to the majority.

The interests of the Securityholders forming the required majority may not coincide with those of other Securityholders and, accordingly, a Securityholder may be adversely affected by a decision made or action taken by other Securityholders without its consent.

2.3 **Any system failures, IT disruption or cyber attacks may affect the Securities**

Any payments, transfers, determinations or any other actions with respect to the Securities may need to be processed, arranged or made by the relevant Clearing System, the Exchange on which the Securities are admitted to trading, the Issuer and its software systems (including any systems established with Authorised Participants for the subscription and redemption of Securities) or any of the other Transaction Parties. If any computer or communications systems, any market infrastructure provider or custodian and their related arrangements were to experience any system failures, crashes, cyber-attacks, infections with malicious software or any other types of disruption or a force majeure event, that may have an adverse effect on the ability of the relevant parties to make or process the relevant payments, arrange any relevant transfers or deliveries, carry out any determinations or take any other actions that may be required under the terms of the Securities. This is particularly relevant given the nature of the Underlying, as is further set out in paragraph 4.3 (*Blockchain-related risks*) below. The Issuer, being a special purpose vehicle, is particularly dependent on the systems of transaction participants to ensure that payments are made in respect of the Securities. A failure on the part of any of the transaction participants (as well as the Issuer itself) may have a significant adverse effect on payments, transfers or deliveries under the Securities and may result in such payments, transfers and/or deliveries being delayed or, potentially, not received at all.

## 2.4 **Disruption and suspension**

On the occurrence of a Disruption Event, any request for subscriptions or redemption of Securities will not be accepted until the next following Scheduled Valuation Day where there is no such Disruption Event. Also any valuations with respect to Underlying and settlement date for redemptions of Securities shall be postponed until no such Disruption Event is continuing.

During the period that redemption of Securities is suspended, the market value of the relevant Underlying (and therefore the market value of the Securities) may decrease significantly. This may result in Securityholders receiving less, or significantly less, than they would have received had such Disruption Event not occurred.

## 2.5 **Slippage**

The reference price of an Underlying may deviate from the price at which the Issuer is able to purchase or dispose of that Crypto Asset Collateral which may negatively affect the realised proceeds from the sale of that Crypto Asset Collateral on redemptions or creations of the relevant Securities. In such circumstances, Securityholders may lose some or all of their investment.

## 2.6 **Directions from certain minorities of Securityholders will bind all Securityholders**

On the occurrence of an Event of Default, following a direction in writing by holders of not less than 25 per cent. in number of the Securities, the Trustee may declare that an Event of Default has occurred leading to enforcement of the security in respect of a Series of Securities, or that the Transaction Security in respect of a Series of Securities is enforceable.

Any such action taken by the Trustee to enforce the Transaction Security shall be binding on all Securityholders, even those that did not so direct the Trustee.

The interests of particular Securityholders who direct the Trustee as such may not coincide with (and may not be in the best interest of) those of other Securityholders. The majority required to enforce the security is also lower than 50 per cent., meaning that the Transaction Security may be enforced even if only a minority of the Securityholders of a Series direct the Trustee accordingly, and all other Securityholders of that Series will be bound by that direction.

## 2.7 **The Trustee may, in certain circumstances, agree to modifications, waivers and the substitution of the Issuer without the consent of the Securityholders**

The Trustee may, in certain circumstances and without the consent of Securityholders, agree to:

- any modification of any of the Conditions or any of the provisions of the Transaction Documents that is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error;
- any other modification and any waiver or authorisation of any breach or proposed breach of any of the Conditions or any provisions of the Trust Deed and/or the Transaction Documents that is, in the opinion of the Trustee, not materially prejudicial to the interests of the Securityholders; and
- the substitution of another issuer as principal debtor under the Trust Deed in place of the Issuer, or of any previous substitute, and a change of the law from time to time governing the Securities, the Trust Deed and/or the Transaction Documents in connection therewith (provided that the Trustee is provided with certain information and certain conditions are met).

The actions of the Trustee described above may result in changes to the Conditions of a Series of Securities and/or the Transaction Documents or may result in the Securities not being redeemed following an Event of Default when they may otherwise have been redeemed. These actions may have a material adverse effect on the value of the Securities.

## 3. **Risks relating to redemption, subscription and enforcement**

### 3.1 **Issuer early redemption**

The Issuer may, at any time in its discretion, upon the delivery of an Early Redemption Notice, elect to determine that any or all Securities are to be redeemed and such redemption will be by way of Cash Settlement. In such event, this is likely to limit the liquidity of the Securities and Securityholders may be unable to trade in their Securities. During this period, the market value of the relevant Underlying may decrease significantly, which would have a negative impact on the market value of the Securities. The

occurrence of such event could also lead to Securityholders receiving the relevant Cash Redemption Amount at a time where the price of the Underlying may be unfavourable, which will mean Securityholders will receive an amount which may be less than they had anticipated in circumstances over which the Securityholders have no control.

Following a redemption of the Securities following an Issuer redemption, Securityholders may not be able to reinvest the proceeds in a way that generates a level of return as high as that on the Securities and may only be able to do so at a significantly lower rate of return. Prospective investors in the Securities should consider such reinvestment risk in light of other investments that are available to them.

### **3.2 Additional early redemption events**

In certain circumstances, including upon occurrence of an Illegality Event, a Regulatory Event, a Hedging Event, a Minimum Value Event, an Adjustment Event where it is not possible to amend the Conditions, no Authorised Participant having been appointed with respect to a Series of Securities, the Issuer shall redeem all the Securities of the relevant Series of Securities early at the Cash Redemption Amount. Such early redemption may occur at a time when the price of the Underlying is unfavourable, which will mean Securityholders will receive an amount on redemption which may be less, or substantially less, than they had anticipated in circumstances over which the Securityholders have no control.

### **3.3 Minimum Value Event**

The Issuer shall redeem the Securities in whole upon its determination that the Value per Security on each of any three consecutive days falls below the threshold applicable to a Series of Securities. The decrease in the Value per Security may be as a result of the decrease of value of the Underlying and accrual of the Product Fee applicable to the Series of Securities.

Upon such redemption by the Issuer, the value of the Securities may be lower than the specified threshold and may be nil and as a result a Securityholder may lose their investment in the Securities.

### **3.4 There may be adverse consequences of the occurrence of a redemption event and the liquidation of the Crypto Asset Collateral**

The Securities may be redeemed as a result of a Redemption Order and (if applicable) Investor Redemption Order Form. Where Physical Settlement applies, the Physical Redemption Amount will be calculated by reference to the Coin Entitlement for each Security forming the relevant Series of Securities minus the relevant deductions. Where Cash Settlement applies, the Cash Redemption Amount will be calculated by reference to the net proceeds of the aggregate Coin Entitlement of such Securities less the relevant deductions. Securityholders will therefore be exposed to the market value of the Crypto Asset Collateral at the time of redemption and the ability of the Issuer to arrange a transfer or sale of the Crypto Asset Collateral.

The timing and method of transfer or liquidation of the Crypto Asset Collateral may materially affect the value or price obtained in respect of the Crypto Asset Collateral, which in turn will impact the relevant Redemption Amount received by Securityholders and the date on which the redemption is to take place.

If the Issuer is subject to an Insolvency Event this may limit the Issuer's ability to transfer or liquidate the Crypto Asset Collateral in accordance with applicable legal and regulatory provisions. This may result in delay in transferring or realising the Crypto Asset Collateral, may impact the value of, or price obtained for, the Crypto Asset Collateral. These factors will, in turn, impact the relevant Redemption Amount payable or deliverable to Securityholders.

### **3.5 Redemption deductions**

The relevant Redemption Amount payable or deliverable to the Securityholders on redemption of a Series of Securities includes deductions of certain costs, charges and/or fees defined in the Conditions. These costs will depend on whether Physical Settlement or Cash Settlement applies. These deductions include, without limitation, (i) in respect of any redemption to be effected by Physical Settlement, any costs incurred by the Issuer, the Custodian(s), the Crypto Execution Agent or any other of the Issuer's agents as part of a sale or purchase of the relevant Crypto Asset Collateral, (ii) banking and custody fees or costs incurred as part of transfer of cash or Crypto Asset Collateral between accounts of the Issuer and/or any Securityholder Crypto Assets, (iii) in respect of any redemption to be effected by Cash Settlement, any costs incurred as part of currency conversions which may be necessary to facilitate such redemption, (iv) any blockchain network fees which are incurred as part of transfer of Crypto Asset Collateral from one

Wallet to another Wallet, (v) any costs, fees and expenses of the Trustee incurred in relation to enforcing the Transaction Security and taking any steps required as a part of a sale, a purchase or the transfer of Crypto Asset Collateral and (vi) any withholding or deduction for or on account of, any present or future taxes, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any relevant jurisdiction or any political subdivision thereof or any authority thereof having power to tax. The amount of such deductions will be notified to Securityholders on redemption.

In addition, where Securityholders who are not Authorised Participants elect to redeem Securities directly with the Issuer by way of Physical Settlement or Cash Settlement, an Investor Redemption Fee is payable. The level of such fee will be notified to Securityholders by the Issuer on receipt of a request for redemption and will be set out in the Investor Redemption Order Form which will be made available on the Issuer's Website.

Prospective investors should note that the deductions will result in any Redemption Amount received by Securityholders on redemption being less than the Coin Entitlement in respect of such Series of Securities. This may mean that Securityholders receive less than their initial investment even in circumstances when the price of the Underlying has increased during the life of the Series of Securities.

### **3.6 Payments to Securityholders are subordinated to the claims of other Secured Creditors**

The rights of the Securityholders to be paid or receive the relevant Redemption Amount under the Series of Securities on enforcement of the Transaction Security are subordinate to the claims of the Trustee, any Irish Receiver or any receiver(s) under or pursuant to the Trust Deed or any Security Document, the Custodian(s), the Paying Agents, the Administration Agent, the Arranger, the Crypto Execution Agent including, without limitation, any taxes required to be paid and any fees, costs, charges and expenses thereto.

As a result, funds available to the Issuer in connection with the Securities will be applied to satisfy such senior ranking payments before the relevant Redemption Amount is paid or delivered to Securityholders.

If the Issuer has insufficient funds available after satisfying higher ranking claims described above, the relevant Redemption Amount payable or deliverable to the Securityholders will be reduced and the Securityholders will lose some, and potentially all, of their investment.

### **3.7 Only the Trustee may enforce the Transaction Security**

Securityholders are not permitted to directly exercise their right to enforce the Transaction Security. Only the Trustee may enforce the Transaction Security in accordance with, and subject to, the terms of the Trust Deed and the relevant Security Documents. The Transaction Security shall become enforceable upon the occurrence of an Event of Default. Upon the occurrence of an Event of Default, the Trustee: (a) at its discretion may; and (b) will be required to, if so directed by the holders of at least 25 per cent. in number of the Securities of the relevant Series then outstanding or by an Extraordinary Resolution (a copy of which has been provided to the Trustee) enforce the Transaction Security, in each case subject to the Trustee being pre-funded and/or secured and/or indemnified to its satisfaction. In such case, individual Securityholders are dependent on the Trustee and requisite Securityholder majorities before the Transaction Security can be enforced.

The interests of particular Securityholders who request or direct the enforcement of the Transaction Security may not coincide with (and may not be in the best interest of) those of other Securityholders. The majority required to enforce the Transaction Security is also lower than 50 per cent., meaning that the Transaction Security may be enforced even if only a minority of the Securityholders of a Series of Securities direct the Trustee accordingly, and all other Securityholders of that Series of Securities will be bound by that direction.

### **3.8 Securityholders are responsible for Trustee indemnity and funding of Trustee enforcement action**

Prior to taking any action in respect of the Securities, the Trustee may require to be indemnified and/or secured and/or pre-funded to its satisfaction. If the Trustee is not so indemnified and/or secured and/or pre-funded it may decide not to take such action.

Securityholders should therefore be prepared to bear the costs associated with any such indemnity and/or security and/or pre-funding or be prepared to accept the consequences of any such inaction by the Trustee.



Any such inaction by the Trustee shall not entitle Securityholders to take action against the Issuer or the Trustee for any breach of the Trust Deed, the Transaction Documents and/or the Securities by the Issuer. As a result, Securityholders may have to incur additional costs and expenses (which may be substantial) in order to realise some or all of their investment in the Securities.

### 3.9 **Failure to comply with validation and/or KYC Requirements checks**

Redemption and settlement with respect to a Series of Securities may be delayed or suspended if the Principal Paying Agent is unable to complete the relevant validation and/or KYC Requirements checks relating to such Series of Securities.

## 4. **Risks relating to the Underlying**

### 4.1 **Securities exposed to the value of the Underlying**

Each Series of Securities will be exposed to a particular Underlying, as selected by the Issuer and as specified in the relevant Final Terms. As the protocols and rules governing different Underlyings vary, the risks associated with different Underlyings will also vary. Similarly, prices for different Underlyings will vary and may not move in a correlated manner. Therefore the holders of different Series of Securities will be exposed to different risk profiles, depending on the relevant Underlying. In particular, but without limitation, risks related to price volatility, transaction fees, speed of execution and settlement, probability of forks and airdrops, hacking attacks, acceptance of the Underlying by custodians, major protocol updates and eligibility for settlements on exchanges may be significantly different depending on the Underlying. Therefore some Series of Securities may be more or less exposed to certain risks than other Series of Securities. Prospective investors in a Series of Securities should therefore understand the particular Underlying to which that Series of Securities is linked and the risks associated with that Underlying.

The Issuer's rights in respect of the Crypto Asset Collateral for each Series of Securities form part of the Secured Property in respect of that Series of Securities. The Securityholders (together with certain other creditors of the Issuer) will have recourse to the Secured Property if the Series of Securities are redeemed. Accordingly, Securityholders are exposed to the value of the Underlying.

The Underlying may be subject to significant price volatility and may have been subject to periods of high volatility in the past. The Underlying is not backed by a central bank, a national or international organisation, government-issued legal tender, commodities, other assets or other forms of credit. They may have no inherent value, since in most cases, the price of an Underlying is entirely dependent on the value that market participants place on them, meaning that any increase or loss of confidence in Crypto Assets may affect their value. Crypto Asset prices (including the price of the Underlying) may be affected by a wide range of factors, including but not limited to the following:

- the level of world-wide growth in the adoption and use of an Underlying as well as global expectations of future use and adoption of an Underlying vary significantly, making their value highly speculative;
- protocol-specific utility may be limited or have no utility and are valued based on speculation of functionalities that could be added in the future. There are no guarantees that Underlying utility will increase and changes in sentiment about an Underlying or changes in the Underlying development roadmap may cause a fall in value of the Underlying;
- the level of supply of the Underlying (which is typically determined by the underlying Crypto Asset protocol which is influenced by various stakeholders including foundations, developers, node operators, miners / validators and users, not by a centralised issuer) versus level of demand of the Underlying;
- the investment and trading activities of market participants in the Underlying and related markets such as derivatives markets for Crypto Assets and general movements in local and international markets and factors that affect the investment climate and Securityholder sentiment could all impact trading levels and the market price of the Underlying and/or the Securities which may lead to a decrease in the value of some or all Securities having an adverse result on an investor holding the relevant Securities;
- the use of the Underlying in the retail and commercial marketplace is limited and significant speculative trading activity may lead to price distortion and increased volatility. Crypto Assets are only to a limited degree accepted and used as a means of payment for goods and services. Financial

institutions may refuse to process funds for Crypto Asset transactions and to and from Crypto Asset-related companies. Conversely, a significant portion of Crypto Asset demand is generated by investors seeking a long-term store of value or speculators seeking to profit from the short- or long-term holding of the Crypto Asset. Price volatility undermines any Crypto Asset's role as a medium of exchange, as retailers are much less likely to accept it as a form of payment. Market adoption for a Crypto Asset as a medium of exchange and payment method may always be low. A lack of expansion by Crypto Assets into retail and commercial markets, or a contraction of such use, may result in increased volatility or a reduction in the value of the Crypto Asset, either of which could adversely affect an investment in the Securities. There can be no assurance that such acceptance will grow, or not decline, in the future;

- general economic conditions and the regulatory environment relating to Crypto Assets, and negative consumer or public perception of Crypto Assets. In particular, market expectations and actual inflation rates, interest rates, governmental monetary policies, trade restrictions, currency devaluations and revaluations; global or regional, political, economic or financial conditions, events and situations as well as regulatory measures or enforcement actions that restrict the use or purchase of Crypto Assets;
- the ability to convert the Underlying into *fiat currencies* such as USD, EUR or GBP as well as stablecoins, and associated fiat currency and stablecoin exchange rates as well as fiat currency and stablecoin withdrawal and deposit policies of Crypto Asset trading venues such as exchanges;
- regulation or civil law qualification of the Underlying, networks, platforms, custodians and trading venues and restrictions on the right to acquire, own, hold, sell, use or exchange the Underlying;
- low confidence in Crypto Asset service providers due to their (partly) unregulated nature and lack of transparency surrounding their operations;
- changes in consumer demographics and public tastes and preferences regarding Crypto Assets;
- the fees associated with processing a Crypto Asset transaction and the speed at which Crypto Asset transactions are settled as well as the further development of "second-layer" applications and scaling solutions;
- manipulative trading on trading venues, which are largely unregulated or less regulated than traditional financial instrument markets;
- the price, demand and development of competing Crypto Assets or payment services. The value of the Underlying may be impacted by competing Crypto Assets, in relation to factors such as their price, volatility, adoption, protocol enhancements and risks. This includes exposure to a variety of different Crypto Assets, particularly Crypto Assets that are designed to fulfil similar value propositions as those purported by promoters of the Underlying (such as serving as a digital, decentral and scarce store of value or providing a smart contract functionality for decentral applications). Promoters of competing Crypto Assets may claim that those Crypto Assets have solved certain purported drawbacks of the Underlying (for example, in the case of Bitcoin, faster settlement times). Competing Crypto Assets may garner more adoption (across but not limited to users, investors, developers, miners or validators and node operators) leading to positive network effects which can lead to a significant decrease of the price of the Underlying. Competing Crypto Assets may also include stablecoins and Crypto Assets issued by central banks as a digital form of legal tender;
- the price of the Underlying may also be impacted by Crypto Assets that are designed to have a stable value over time as compared to other volatile Crypto Assets and are typically marketed as being pegged to a fiat currency, such as the U.S. dollar (so called "stablecoins"). Although the prices of stablecoins are intended to be stable, their prices can and in the past have fluctuated, sometimes significantly, and this fluctuation may impact the price of the Underlying. Volatility in stablecoins, operational issues with stablecoins (for example, technical issues that prevent settlement), concerns about the sufficiency of any reserves that support stablecoins, or regulatory concerns about stablecoin issuers or intermediaries, such as trading venues that support stablecoins, could impact the willingness of participants to trade stablecoins. This may significantly reduce Underlying liquidity. Each of the disruptions in the stablecoin market could impact the price of Underlying and, in turn, an investment in the Series of Securities;

- trading interruptions, operational disruptions or other failures of the Underlying which can occur on the protocol level or by Crypto Asset service providers (e.g., custodians, exchanges). Crypto Asset trading may be accessible 24 hours, 7 days a week, 365 days a year, while the Securities are not, leading to risks. The Crypto Asset market infrastructure, and the Crypto Asset-focused firms that support its operation, have complex interdependencies that may cause the failure of one firm to cause failures at other affiliated and unaffiliated firms. As a result of these interdependencies, the Crypto Asset market may face certain contagion risks associated with the failure of one or more Crypto Asset-focused firms. Contagion failure events may ultimately adversely affect the value of the Underlying and the financial health and availability of certain service providers, such as custodians and exchanges that the Issuer directly or indirectly depends on;
- the liquidity of Underlying markets, which can be very limited; the liquidity of the Securities is among other factors based upon the liquidity status of the relevant Underlying which can fluctuate over the course of the term of the Securities. A reduction in the liquidity of an Underlying may limit an investor's ability to transact in the Securities;
- fraud, security breaches or cyber-attacks affecting, or the failure of, the underlying blockchain technology, networks, platforms, custodians and trading venues. In the past, several high-profile Crypto Asset-focused firms have failed, including Terraform Labs (along with its associated Crypto Assets, Terra USD (now Terra Classic USD) and Terra LUNA), Three Arrows Capital, Celsius Network Ltd., Voyager Digital Ltd., BlockFi Inc. and, the Crypto Asset exchange FTX and its associated Crypto Asset, FTT;
- the maintenance and development of the open-source software protocols of the Crypto Asset networks. Protocol updates and governance voting may result in changes in a protocol's functionalities as well as changes in an Underlying supply, which may affect the price of the Underlying. Moreover, technical developments and upgrades may weaken the adoption of the Underlying, e.g., a hard fork splitting the protocol in two incompatible versions may lead to reduced demand in the Underlying. Moreover, protocol changes that alter the Crypto Asset's use case may adversely affect its demand;
- changes in energy prices and or policies affecting proof of work Crypto Assets due to their energy requirements. In addition, concerns by regulators, the public or other parties about the environmental impact of certain Crypto Assets including their energy consumption and electronic waste production may negatively impact the sentiment and prices of Crypto Assets;
- the ownership of a particular Crypto Asset may be highly concentrated in a limited number of individuals or entities, e.g., among early protocol contributors and foundations. Investment and trading activities of large holders may significantly impact the price of a particular Crypto Asset. For example, while publicly available information concerning the identity of Bitcoin holders and the amount of bitcoin they hold is limited, currently available information suggests that the largest 100 Bitcoin Wallets hold a substantial amount of the outstanding supply of Bitcoin and it is possible that some of these Wallets are controlled by the same person or entity. While Crypto Asset networks are typically decentralised and do not need to rely on any single government or institution to create, transmit and determine value, in reality a single person or entity may have the ability to exert centralised authority over a network. Crypto Asset ownership may be even more concentrated than on-chain data indicates as it is possible that persons or entities control multiple Wallets that collectively hold a significant number of a particular Crypto Asset, even if each Wallet individually only holds a small amount. Additionally, for Crypto Assets that rely on miners or validators, sophisticated miner or validator groups may become unduly influential over time if, for example, system or bandwidth requirements become too high. Where a single personality or entity exerts an outsize influence, an adverse event impacting that individual or entity, such as an insolvency proceeding, could result in a reduction in the price of a Crypto Asset and adversely affect an investment in the Securities;
- a "short squeeze" resulting from speculation on the price of a Crypto Asset, if aggregate short exposure exceeds the number of such Crypto Asset available for purchase;
- due to high trading volumes or market concentration in financial instruments referencing Crypto Assets, on-chain transactions may become reduced or costly to such a degree that prices of Crypto Assets may be negatively impacted; and

- momentum pricing due to speculation regarding future appreciation in value, leading to greater volatility. Momentum pricing typically is associated with growth stocks and other assets whose valuation, as determined by the investing public, accounts for future appreciation in value, if any. It is possible that momentum pricing has resulted, and may continue to result, in speculation regarding future appreciation in the value of the Underlying, making prices more volatile. In addition, the price of an Underlying may suffer from increased volatility due to statements and actions of individuals in the Underlying and broader technology community, activities by companies and/or social media statements by prominent individuals, each of which have in the past (and may in the future) have an impact on the price of an Underlying.

As a result, the Underlying may be more likely to fluctuate in value due to changing investor confidence and the actions of stakeholders including companies, individuals and regulatory bodies, which could impact future appreciation or depreciation in prices.

There is no assurance that the Underlying will maintain their long-term value or become more widely adopted. On the contrary, they may cease to be used altogether. In addition, the reference price of an Underlying on one market or trading venue may differ from the price at which the Issuer is able to purchase or dispose of that Underlying. The venues on which the Underlyings are traded are largely unregulated or under-regulated, meaning they are subject to additional risks and the reference price of the Underlying on such venues may not accurately represent the value of such Underlying. This may result in a Securityholder receiving less, or substantially less, than if they had purchased the Underlying directly from such market or trading venue.

In the event that the prices of the Underlying decline, the Securities may be worth less than Securityholders' initial investment.

#### 4.2 **Storage, custody and related risks in respect of Crypto Assets**

##### (A) **Storage and custody risks**

###### **(1) General storage and custody risks**

The distributed ledger associated with an Underlying may be a fully decentralised "public" and "permissionless" system. Therefore, the ledger is not held by a central authority at a single location but distributed among a network of users. Public permissionless ledgers relating to Crypto Assets are transparent and can be viewed by any individual. However, the control and transfer of Crypto Assets can only be effected by the possessor of unique private keys relating to the relevant addresses or Wallets against which those Crypto Assets are recorded. Thus, securing private keys is crucial to the safeguarding of Crypto Assets.

If the private key and any seed, back-up or master key related to it, are lost, destroyed or otherwise compromised, the Crypto Assets held in the related Wallet may be inaccessible, and the private key may not be capable of being restored. The loss or destruction of a private key may be irreversible, unless a seed, back-up or master key related to it exists. Thus, any loss of a private key, seed, back-up or master key related to the Wallets used to store the Underlying could result in the total loss of the Underlying.

Furthermore, if a third-party gains access to private keys (or the relevant seeds, back-ups or master keys related to those private keys), that third-party may use the private keys to transfer the Underlying to a separate public address or Wallet. The Issuer cannot transfer the Underlying back to it without access to the private key of the other Wallet.

A cyber-attack, natural disaster or any other operational, technical or human disruption could also leave the Issuer unable to access or recover the Underlying. The risk of loss due to the loss of any relevant private keys and relevant seeds, back-ups or master keys is generally greater for Crypto Assets like the Underlying when compared to other asset classes, given their decentralised nature and the variations in the sophistication of access methodologies.

The Issuer may mitigate against these risks by appointing one or more specialised and experienced Custodian(s), however this will not eliminate the risk of loss. The specific security implementation and processes employed by institutional custody solutions may vary. Often custodians offer duplicate high security vaults for safekeeping of private keys, as well as any related seed, back-up or master key, with complex security protocols surrounding access to the vaults and withdrawals from addresses associated with the private keys. Such custody arrangements aim to offer high levels of security. It is, however, important to note, that no storage

system is impenetrable, and the storage systems employed by the Custodian(s) may not be free from defect or immune to force majeure events. Any loss due to a security breach, software defect or force majeure event will generally be borne, indirectly, by the Securityholders, given the Issuer's obligations to Securityholders are backed by the Crypto Asset Collateral held on behalf of the Issuer by the Custodian(s). The Custodian(s) may face risks stemming from, but not limited to, technology, operations, processes, and people. The Custodian(s) will generally store the private keys that provide access to the Crypto Asset Collateral in "cold" (i.e., offline) Wallets, which, depending on the exact technical solution implemented, are designed to include hurdles and delays to mitigate risk. This may cause delays in accessing the Crypto Asset Collateral and may prevent disposing of the Crypto Asset Collateral immediately (which may prove significant in volatile market conditions, given the prospect of adverse price movements). The jurisdiction or geography in which private keys, and any seeds, back-ups or master keys related to it, are stored by the Custodian(s) may also affect the ability to access or withdraw Crypto Asset Collateral in instances where regulation changes. Also, in certain events, such as in case of the Custodian's insolvency, sanctions or compliance measures, legal or regulatory restrictions may impair the ability to access or withdraw the Crypto Asset Collateral.

The Issuer will not be able to access or withdraw the Crypto Asset Collateral for a period of time should the Custodian(s) experience any kind of systematic failure relating to technology, process or people. Access to or withdrawal of the Crypto Asset Collateral could be restricted by natural events, human actions or omissions.

There is a risk that some or all of the Crypto Asset Collateral could be lost, stolen, destroyed or become inaccessible, through computer or human error (e.g., mistyping an address), or through theft or criminal action, potentially by the loss or theft of the private keys, or the relevant seeds, back-ups or master keys related to the aforementioned private keys, held by the Custodian(s) associated with the public addresses against which the Crypto Asset Collateral is recorded. While public keys can be regenerated or located using certain on-chain information, private keys are unique and cannot be replaced or recreated, unless any seeds, back-ups or master keys relating to those private keys are available.

Multiple thefts of Crypto Assets from other holders have occurred in the past. Because of the decentralised and pseudonymous process for transferring Crypto Assets, thefts can be difficult to trace, which may make Crypto Assets an attractive target for theft. The Custodian(s) apply security procedures intended to protect the Crypto Asset Collateral, but there can be no assurance that those procedures will be successful in preventing such loss, theft or restriction on access. Investors should not invest unless they understand the risk that the Issuer may lose possession or control of the Crypto Asset Collateral. The Crypto Asset Collateral held by the Custodian(s) may be an appealing target for hackers or malware distributors seeking to destroy, damage or steal the Crypto Asset Collateral via its private keys.

Security breaches, cyber-attacks, computer malware and computer hacking attacks have been a prevalent concern in relation to Crypto Assets, as well as Crypto Asset-related companies. Any cyber security breach caused by hacking, which involves efforts to gain unauthorised access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, and the inadvertent transmission of computer viruses, could harm the business operations or reputation of the Issuer, resulting in loss of the Crypto Asset Collateral. Any problems relating to the performance and effectiveness of security procedures used by the service providers of the Issuer and in particular the Custodian(s) to protect the Crypto Asset Collateral, such as algorithms, codes, passwords, multiple signature systems, encryption and telephone call-backs will have an adverse impact on an investment in the Securities. Furthermore, as the Crypto Asset Collateral holdings grow, the Issuer and the Custodian(s) may become a more appealing target for cyber security threats such as hackers and malware. Furthermore, cyber security attacks orchestrated or funded by state actors may be particularly difficult to defend against because of the resources that state actors have at their disposal.

The Crypto Asset Collateral may be lost or stolen during the transfer of such Crypto Assets e.g., from the Issuer's Wallet at the relevant Custodian(s) to the applicable Authorised Participant or Crypto Broker. During any such transfer, the Crypto Asset may be vulnerable to security breaches, including hacking.

Crypto Asset storage systems and operational infrastructure may be breached due to the actions of outside parties, error or insider malfeasance of an employee of the service providers of the Issuer and in particular the Custodian(s), or otherwise, and, as a result, an unauthorised party may obtain access to the Issuer's Wallets. Additionally, outside parties may attempt to fraudulently

induce employees of the Issuer's service providers, particularly the Custodian(s) to disclose sensitive information in order to gain access to the Crypto Asset Collateral. As the techniques used to obtain unauthorised access, disable or degrade service, or sabotage systems change frequently, or may be designed to remain dormant until a predetermined event and often are not recognised until launched against a target, the Custodian(s) may be unable to anticipate these techniques or implement adequate preventative measures. If an actual or perceived breach of a storage system occurs, a loss of confidence in Crypto Asset storage systems may decrease the market price of the Crypto Asset and/or the Securities. An actual or suspected security breach of a storage system that gives rise to a Disruption Event under the Conditions will also allow the Issuer to cease subscriptions and redemptions of the Securities.

If the Crypto Asset Collateral is lost, stolen or destroyed under circumstances rendering a party liable to the Issuer, the responsible party may not have the financial resources sufficient to satisfy the Issuer's claim. For example, as to a particular loss event, the only source of recovery for the Issuer may be limited to the relevant Custodian or, to the extent identifiable, other responsible third parties (for example, a thief), which may not have the financial resources (including liability insurance coverage) to satisfy a valid claim of the Issuer. In addition to the financial uncertainty, there is limited legal certainty as to any enforcements granted as against such third parties. The jurisdiction and forum in which a claim is sought will likely have a substantial impact on the judicial remedies available to a claimant. For example, in certain jurisdictions there lacks precedent pertaining to the tracing and enforcement of Crypto Assets which have been fraudulently misappropriated, whilst in other jurisdictions there have been recent instances in which remedies were granted to claimants as a result of Crypto Assets being successfully traced.

## **(2) Additional information on Zodia Custody**

The Issuer has established a custody relationship with Zodia Custody (Ireland) Limited ("**Zodia**"), and may appoint Zodia as Custodian in respect of a given Series of Securities. In this case, some or all of the Issuer's Crypto Asset Collateral may be held in Wallets operated by Zodia.

As of the date of this Base Prospectus, Zodia operates a "cold" (i.e., offline) storage solution in respect of the Crypto Asset Collateral. The main risk of such solutions is the risk of damage or loss of the infrastructure on which such storage relies, which may result in the Crypto Asset Collateral being inaccessible or incapable of being accessed until such time as Wallets can be reconstituted using the encrypted master seed in conjunction with a new Hardware Security Module ("**HSM**"). With the master seed, the master key can be recreated, which allows for the reconstitution of the Wallet seeds and the respective private keys. The master seed is unique and cannot be recreated.

As of the date of this Base Prospectus, it is expected that all Crypto Asset Collateral held in the Collateral Account at Zodia will be separated into segregated cold storage address Wallets. Cryptographic master keys are generated in an offline environment and are stored in HSMs. Zodia officers and auditors witness and document all cryptographic master key generation ceremonies. Wallets can be reconstituted from the encrypted Wallet seeds protected by the master key. Zodia stores shards of the master key in vaults in secure locations with security 24 hours a day, 7 days a week, 365 days a year across the globe, in jurisdictions with robust regulatory regimes. For decryption, withdrawals follow stringent cold storage restore protocols to sign any transaction and bring funds back online, including multiple independent actors, multi-factor authentication, transaction intent digital-signing, software-based security enforcement and operational checks and balances.

The cold storage solution operated by Zodia offers instantaneous withdrawals and 24/7 availability of the assets. Instantaneous withdrawals removes the timelapse which may allow a change or suspension in withdrawal instructions and/or the ability to correct erroneous transaction instructions. Therefore, a high non-repudiation solution using digital signatures is implemented such that multiple reviews and approvers are required, reducing the likelihood of errors or incorrect transactions from being made.

Notwithstanding the above, it is possible that Zodia or a system interfacing with Zodia could be subject to a hacking attempt. Such attempt, if successful, could result in the loss of Crypto Asset Collateral, or make it impossible for the Issuer to create or redeem Securities. This may have an adverse impact on the value of the Securities and/or impair the Securityholders' ability to dispose of their Securities.

### **(3) Additional information on Coinbase Custody**

The Issuer has established a custody relationship with Coinbase Custody International Limited (“Coinbase”), and may appoint Coinbase as Custodian in respect of a given Series of Securities. In this case, some or all of the Issuer’s Crypto Asset Collateral may be held in Wallets operated by Coinbase.

As of the date of this Base Prospectus, Coinbase operates a “cold” (i.e., offline) storage solution in respect of the Crypto Asset Collateral. The main risk of such solutions is the risk of damage or loss of the infrastructure on which such storage relies, which may result in the Crypto Asset Collateral being inaccessible or incapable of being accessed until such time as Wallets can be reconstituted using back-up key materials. There are both backups of core cloud infrastructure and data that supports “Coinbase Prime” and “Vault” products, and backups of private key materials that are used to secure Crypto Assets under custody. Vault storage private key disaster recovery materials are globally distributed in secure locations to ensure the capability to continue operations in event of a disaster.

As of the date of this Base Prospectus, it is expected that all Crypto Asset Collateral held in the Collateral Account at Coinbase will be separated into segregated cold storage address Wallets. Cryptographic keys are generated in an offline environment, dual-encrypted and split into several shares. The final shares from this process are stored in geo-redundant, physical secure storage facilities. Key generation for Wallets follows a tested, tightly scripted process which is monitored by an independent party in real time. Furthermore, key generation ceremonies are video recorded. Coinbase stores private key materials in secure storage units in secure locations globally with security 24 hours a day, 7 days a week, 365 days a year. For decryption, withdrawals follow stringent access protocols to sign any transaction, including multiple independent actors, cryptographic consensus mechanisms, software-based security enforcement and operational checks and balances.

Notwithstanding the above, it is possible that Coinbase or a system interfacing with the Custodian could be subject to a hacking attempt. Such an attempt, if successful, could result in the loss of Crypto Asset Collateral, or make it impossible for the Issuer to create or redeem Securities. This may have an adverse impact on the value of the Securities and/or impair the Securityholders’ ability to dispose of their Securities.

### **(B) Risks relating to the insolvency of the Custodian(s) or a breach by the Custodian(s) of the Custody Agreements**

As explained above, the Issuer will appoint one or more Custodian(s) to manage and safekeep the Crypto Asset Collateral for a given Series of Securities, which will include holding the private key(s) associated with the public Wallet address(es) against which such Crypto Asset Collateral is recorded. Each Custodian will enter into a Custody Agreement with the Issuer, setting out the terms on which that the relevant Custodian agrees to provide custody services.

The terms of each Custody Agreement will provide that the Custodian will hold the Crypto Asset Collateral relating to a given Series of Securities such that they are clearly identifiable, and legally and operationally segregated from (i) the assets held by the Custodian as principal, (ii) the assets held by the Custodian for its other customers and (iii) the assets held by the Custodian for the Issuer in relation to each other Series of Securities. The Crypto Asset Collateral will also be held by the Custodian on trust for the Issuer, such that they will not be treated as the general assets of the Custodian.

Nevertheless, if the Custodian(s) appointed by the Issuer were to be subject to insolvency or analogous proceedings, there is a risk that the Issuer will face a delay in transferring or receiving the Crypto Asset Collateral held by that Custodian, or be unable to retrieve the Crypto Asset Collateral altogether. For example, this may arise in the following three circumstances:

- First, if the Custodian is subject to insolvency or analogous proceedings, the relevant insolvency practitioner would need to identify (i) which Crypto Assets are being held by the Custodian on a proprietary basis (in which case they will form part of the insolvency estate of the Custodian and be sold, with the proceeds being distributed to creditors) and (ii) which Crypto Assets are being held by the Custodian on trust as Crypto Asset Collateral (in which case they would not form part of the insolvency estate, and would be returned to the relevant beneficiaries). Similarly, the insolvency practitioner would need to consider where Crypto Assets are being held – and, if they are determined to be held overseas, it might be necessary for the insolvency practitioner to apply for recognition in an overseas jurisdiction

before it can legitimately distribute Crypto Assets to the rightful beneficiaries. Either aspects may lead to delays or other complications in the return of the Crypto Asset Collateral relating to a given Series of Securities to the Issuer, particularly given the legal treatment of Crypto Assets upon insolvency is relatively untested, especially in relation to cross-border arrangements.

- Second, in order to transfer Crypto Asset Collateral relating to a Series of Securities following the Custodian's insolvency, the relevant insolvency practitioner will need access to, or assistance in accessing, the private keys (or the respective back-up key material, encrypted master seed or master key shards to reconstitute the private keys) relating to the Wallet(s) in which the Crypto Asset Collateral for the relevant Series of Securities are recorded. This may prove difficult if the Custodian's safeguarding processes or storage arrangements are found to be deficient and/or not functioning as intended post-insolvency (for example, due to the absence of key personnel). If the insolvency practitioner is unable to access or recover the private keys (because, for example, any relevant back-up key material, encrypted master seed or master key shards are inaccessible), then it may be impossible to recover such Crypto Asset Collateral and return them to the Issuer or deliver them to a third-party Wallet address or Wallet at the Issuer's instruction. By design, the back-up key materials, encrypted master seed or master key shards are not readily accessible, the process of retrieving or locating the back-up key material, encrypted master seed or master key shards may also lead to a delay in the return of any Crypto Asset Collateral.
- Third, if the Custodian(s) fail to hold the Crypto Asset Collateral on a segregated trust basis as described further above, in breach of the requirements set out in the applicable Custody Agreement, then the Crypto Asset Collateral may not be returned to the Issuer in the manner it anticipates. In particular, if the Custodian records the Crypto Asset Collateral relating to a given Series of Securities in an omnibus Wallet (in which the Crypto Assets belonging to other clients of the Custodian, or Crypto Assets attributable to another Series of Securities, are also recorded) then the Crypto Assets recorded in such Wallet may be returnable to the Issuer and any other client on a pro rata basis. If there is a shortfall in the number of Crypto Assets recorded in the relevant Wallet when compared to the amount of Crypto Assets due back to the Issuer and any other relevant client, this could mean that the Issuer may receive fewer Crypto Assets than it would otherwise have received if the Crypto Assets were recorded against a segregated Wallet for each Series of Securities, as required under the relevant Custody Agreement. This will adversely affect the Securityholders, given those Crypto Assets are the only assets available to support the Issuer's obligations to Securityholders upon redemption.

There may be other circumstances in which risks similar to those may arise (e.g. if a Custodian breaches another term of the relevant Custody Agreement). Those risks will generally be borne, indirectly, by the Securityholders, given the Issuer's obligations to Securityholders are backed by the Crypto Asset Collateral held on behalf of the Issuer by the Custodian(s).

Securityholders should also be aware that the insolvency of a Custodian will only constitute a Custodian Default (being a type of Event of Default) in relation to a Series of Securities if the Issuer has not already appointed an alternative Custodian or is not able to appoint an alternative Custodian for such Series and transfer all the Crypto Asset Collateral held with such Custodian for such Series to such alternative Custodian within 90 days from the date of the Custodian's insolvency. As such, the Trustee cannot give an Event of Default Redemption Notice and seek an early redemption of the Securities following the insolvency of the Custodian unless the Crypto Asset Collateral cannot be transferred to an alternative Custodian in full, and even then not until the 90 day period has elapsed. Similar consequences apply if the Custodian of a given Series of Securities were to resign, terminate its appointment or have its appointment terminated or materially breach its obligations under the relevant Custodian Agreement (being the other events that can give rise to a Custodian Default, subject to the same provisions described above).

**(C) Any insurance policies maintained by the Custodian(s) may be inadequate**

The Custodian(s) relating to a Series of Securities may maintain insurance policies in relation to their custody services, which could (in certain circumstances) benefit the relevant Custodian's clients, including the Issuer. However, there can be no guarantee that the coverage of those policies will be sufficient, or that any particular incident giving rise to loss will be covered by the



terms of those insurance policies. For these reasons, any incident that leads to the partial or total loss of the Crypto Asset Collateral may not give rise to an actionable claim under any relevant insurance policy. The actions or omissions of the Custodian in question could also disqualify a potential claim under any relevant insurance policies or lead to an insurance policy lapsing prior to the occurrence of loss. Moreover, even if a valid claim could be made under any relevant insurance policy, the process for making such a claim could be prolonged and subject to dispute. The Issuer may not therefore recover an amount equal to any loss it suffers, even if covered in principle by an insurance policy maintained by the Custodian(s). These risks will be borne indirectly by Securityholders.

**(D) The Custodian(s) may cease to support the Underlying**

The Custodian(s) appointed by the Issuer will, in the relevant Custody Agreement, agree to support certain types of Crypto Assets. In certain circumstances, including as a result of a change of law, the Custodian(s) may determine that they are no longer able to offer custody services in respect of the Underlying. If the Custodian(s) relating to a given Series of Securities makes such a determination, the Issuer will have to withdraw the Crypto Assets held by that Custodian and transfer it to another address or Wallet (potentially, the address or Wallet operated by another Custodian appointed by the Issuer).

In such circumstances, there may be a delay in the ability of the Issuer to access the Crypto Asset Collateral, or the Issuer may be unable to access the Crypto Asset Collateral at all. In such circumstances, the Issuer may sell the Crypto Asset Collateral at a time when the price of the relevant Underlying is unfavourable, or they may not be able to make such sale at all.

**(E) Risks relating to the quarantine procedures of the Custodian(s)**

The relevant Custodian(s) may conduct reviews in relation to Crypto Asset Collateral when transferred to and from the public Wallet addresses attributable to the Issuer and thereafter from time to time, which may involve anti-money laundering checks, verification screenings and other related checks and procedures designed to ensure compliance with any KYC Requirements, applicable laws and regulations and/or the relevant Custodian's own internal policies ("Quarantine Reviews").

Crypto Assets transferred to the Issuer may not form part of the Crypto Asset Collateral in relation to the relevant Series of Securities (and may not thus form part of the Transaction Security) until any relevant Quarantine Review has been completed. Moreover, if Crypto Assets that had already been transferred to or recorded against the public Wallet address(es) attributable to the Issuer were to fail a Quarantine Review ("Quarantined Crypto Assets"), then those Quarantined Crypto Assets may become inaccessible to the Issuer and/or no longer constitute Crypto Asset Collateral for the relevant Series of Securities. In these circumstances, the Quarantined Crypto Assets may no longer be subject to the Transaction Security and may thus no longer be available for distribution to the Secured Creditors in a default scenario.

In addition, the Conditions of the Securities provide that:

- A Disruption Event may occur if any of the Crypto Assets transferred to or held in the Collateral Account maintained by a Custodian in relation to the Issuer and a Series of Securities are or become Quarantined Crypto Assets. If the Issuer has determined that such a Disruption Event has occurred, it may (in the circumstances described in the Conditions) postpone one or more valuation or redemption dates relating to the affected Securities and/or decline requests for subscriptions or redemptions thereof until, in each case, the relevant disruption has ceased.
- If the Issuer determines, in its sole discretion, that a Disruption Event (including a Disruption Event caused by Crypto Assets becoming Quarantined Crypto Assets, as aforesaid) is continuing for 30 days or more, then the Issuer may redeem the affected Securities in whole but not in part. The consent of or approval by the Securityholders, the Trustee or any other Transaction Party is not required in relation to such a redemption.

Prospective investors should be aware of the possibility that Crypto Assets will become Quarantined Crypto Assets and of the consequences outlined above, which could adversely affect

the liquidity and valuation of any affected Securities (amongst other things). Neither the Issuer nor the Custodian provide any assurance as regards the prospect of such events occurring in relation to any given Crypto Asset.

(F) **Network fees**

The protocols underlying certain blockchain networks require fees to be paid when transferring Crypto Assets from one address or Wallet to another ('network fees'). Such network fees are payable in the Crypto Asset that is native to the relevant blockchain network. Network fees charged in relation to Crypto Asset Collateral of a given Series will generally be borne by the Custodian(s) appointed in relation to that Series. The relevant Custodian may pay network fees by pre-funding the relevant address or Wallet with additional Crypto Assets (with the surplus being deducted when network fees are charged) and/or by paying network fees using Crypto Assets recorded against the relevant address or Wallet and reimbursing the address or Wallet by an equivalent amount of Crypto Assets, on the same day, by the end of a week or by the end of a month (as applicable) in accordance with the terms of the relevant Custody Agreement.

Securityholders should be aware that the imposition of network fees, and the routes adopted by the Custodian(s) to pay them, may result in a temporary shortfall in the amount of Crypto Asset Collateral held by the Custodian(s) in respect of a given Series of Securities when compared to the amount of Crypto Asset Collateral that is required to cover the Issuer's obligations (including to Securityholders). However, the quantum of such shortfall is expected to be low, and any such shortfall is expected to be rectified at the end of day, week or month (as applicable in accordance with the terms of the relevant Custody Agreement) in which it arises.

4.3 **Blockchain-related risks**

(A) **Risks in respect of blockchain technology**

Crypto Assets rely on blockchain technology and other cryptographic and algorithmic protocols that represent new and rapidly evolving technologies that are subject to a variety of factors that are difficult to evaluate. There is a risk that certain technical issues might be uncovered and the troubleshooting and resolution of such issues likely will require the attention and efforts of decentralised communities including but not limited to developers, node operators and miners / validators where applicable. Moreover, in the past, flaws in the source code for Crypto Assets have been exposed and exploited, including flaws that disabled some functionality for users, exposed users' personal information and/or Crypto Assets, even resulting in the theft of users' Crypto Assets. Discovery of flaws in, or exploitations of, the source code that allow malicious actors to take or create Crypto Assets in contravention of known network rules have occurred. The cryptography underpinning the Underlying could prove to be flawed or ineffective, or developments in mathematics and/or technology, including advances in digital computing, algebraic geometry and quantum computing, could result in such cryptography becoming ineffective. In any of these circumstances, if the Issuer holds the affected Crypto Asset, a malicious actor may be able to steal the Underlying, which would adversely affect an investment in the Securities. Moreover, this could rapidly destroy the integrity of any Crypto Asset and undermine confidence in the Crypto Asset markets in general. Crypto Assets may experience periods of disruption or become subject to manipulation as new technologies become available or during periods of disparate adoption of new hardware, software or protocols. The Issuer makes no guarantees about the reliability of the protocol or cryptography used to create, issue, distribute, transmit, secure or store Crypto Assets held by the Issuer.

Even if only a particular Crypto Asset (which was not an Underlying) was affected by such circumstances, any reduction in confidence in the source code or cryptography generally could negatively affect the demand for Crypto Assets and therefore negatively impact the market value of the Underlying. This in turn will lead to a reduction in the market value of the Securities, which may result in Securityholders receiving less (or significantly less) than their initial investment.

(B) **Development, maintenance and governance of Crypto Assets networks**

The public networks underlying Crypto Assets operate based on an open-source protocol maintained and further developed by a group of decentralised developers. There may be a lack of financial incentive for developers to maintain or develop the network, and the developers may lack the resources to adequately address emerging issues with the relevant Crypto Assets protocol. There can be no assurance that the core developers of a Crypto Assets network will

continue to be involved in the network, or that new volunteer developers will emerge to replace them. Moreover, the group of “core” developers of a Crypto Asset network may be highly concentrated, leading to additional development and maintenance risks. Additionally, some development and developers are funded by companies whose interests may be at odds with other participants in the network or with investors’ interests. To the extent that material issues arise with a Crypto Asset protocol and the developers are unable or unwilling to address the issues adequately or in a timely manner, the Crypto Assets may diminish in value or become worthless.

In addition, many Crypto Assets rely on decentralised participants to operate the network through verifying transactions on an ongoing basis. As the underlying technology and node operators facilitate the transfer of Crypto Assets and keep records of transactions that take place across the network, their role is essential in designating and sizing the amounts that are held by the holder. The failure of decentralised participants to continue to maintain a network by verifying transactions may result in the relevant Crypto Assets losing value or becoming worthless.

Governance of decentralised Crypto Asset networks is achieved through voluntary consensus and open competition. In other words, Crypto Asset networks have no central decision-making body or clear manner in which participants can come to an agreement other than through majority consensus. The lack of clarity on governance may adversely affect such Crypto Asset networks’ utility and ability to grow and address challenges, both of which may require solutions and directed effort to overcome problems, especially long-term problems.

The occurrence of any failures or malfunctions above may result in a decrease (or total) loss in value of the relevant Underlying, which would result in Securityholders suffering a loss (or a significant loss) on their investment in the Securities.

(C) **Scalability risks**

Many Crypto Assets’ networks face significant challenges in respect of scaling and the number of transactions per second the network can handle. Various solutions to such scalability issues have been proposed for different Crypto Assets. For example, the Bitcoin network was upgraded in 2017 with a technical feature referred to as “segregated witness” that, amongst other things, could increase the number of transactions that can be handled on the network.

An increasing number of Wallets and Crypto Asset intermediaries, such as trading venues, have begun supporting segregated witness and similar technologies, however such solutions do not yet have uniform widespread adoption. If the use of Crypto Assets’ networks increase without a corresponding increase of solutions to increase scalability of the networks, network congestion may significantly increase transaction costs and settlement times. This could preclude certain use cases for Crypto Assets (e.g. small payment amounts), which could reduce demand for and the price of such Crypto Assets, which in turn could adversely impact an investment in the Securities.

There is no guarantee that any of the mechanisms in place or being explored for increasing the scalability of Crypto Assets’ networks will be effective, or how long these mechanisms will take to become effective, which could adversely impact an investment in the Securities.

(D) **Disruption of the internet**

Crypto Assets are dependent upon the internet. A significant disruption in internet connectivity could disrupt a Crypto Assets network’s operations and have an adverse effect on the price of such Crypto Assets.

(E) **Hacking and Denial-of-service attacks**

Blockchains on which Crypto Assets operate utilise the internet, cryptography and the use of public and private keys to prove ownership of Crypto Assets and record the transfer of Crypto Assets. There have been public examples of hacking of Crypto Assets service providers such as trading venues, custodians and computer systems. In particular, certain Crypto Assets are susceptible to border gateway protocol (“BGP”) hijacking. Such an attack can be a very effective way for an attacker to intercept traffic en route to a legitimate destination. BGP hijacking impacts the way different nodes and miners are connected to one another to isolate portions of them from the remainder of the network, which could lead to a risk of the network allowing double-spending and other security issues.

In many Crypto Asset transactions, the recipient of the Crypto Assets must provide its public key, which serves as an address for a digital Wallet, to the party initiating the transfer. In the data

packets distributed from Crypto Asset software programs to confirm transaction activity, each Crypto Asset user must “sign” transactions with an output derived from entering such user’s private key and this signature serves as validation that the transaction has been authorised by the owner of such Crypto Asset. This process is vulnerable to hacking and malware, and could lead to theft of the Issuer’s digital Wallets and the loss of the Issuer’s Crypto Assets.

Additionally, users of several Crypto Asset exchanges and other Crypto Asset service providers have been subject to “phishing” scams, where hackers have fraudulently obtained account credentials and perpetuated large-scale thefts of users’ Crypto Assets.

Some Crypto Assets have been subjected to a number of denial-of-service attacks, which have led to temporary delays in block creation and in the transfer of such Crypto Assets. While in certain cases in response to an attack, a hard fork has been introduced to increase the cost of certain network functions, the relevant network has continued to be the subject of additional attacks. Moreover, it is possible that if such Crypto Assets increase in value, it may become a bigger target for hackers and subject to more frequent hacking and denial-of-service attacks.

Any event of hacking in relation to a Crypto Assets may impact faith and sentiment in that Crypto Assets and Crypto Assets generally and may negatively impact the market value of Crypto Assets. This could consequently impact the value of an Underlying and therefore an investment in the Securities.

**(F) Irreversibility and Irrecoverability**

Under standard operating conditions, transactions in Crypto Assets are generally irreversible, in that they can only be reversed by carrying out a subsequent trade in the opposite direction. Accordingly, rectifying a mistaken or unauthorised transaction in a Crypto Asset can only be done with the consent and active participation from the recipient of the transaction. To the extent that any of the relevant Crypto Assets are incorrectly or fraudulently transferred, they therefore are likely to be irretrievable. Please see further details under “*Malicious Activity*” below that may impact irreversibility and irrecoverability.

**(G) Malicious Activity**

Crypto Asset networks and service providers (e.g. custodians, platforms and trading venues) may be subject to attacks by malicious persons, entities or malware.

A malicious actor or group of actors could obtain a majority of the transaction validation process of a particular Crypto Asset’s blockchain network. The malicious actor(s) may be able to construct fraudulent blocks or prevent certain transactions from completing, either in a timely manner or at all. The malicious actor(s) could control, exclude or modify the ordering of transactions. While a malicious actor would not be able to generate new transactions in the Crypto Asset using such control, it could “double-spend” its own Crypto Assets (i.e. spend the same Crypto Asset in more than one transaction (in a so-called “51% attack”)) and prevent the confirmation of other users’ transactions for so long as it maintained control of the network. To the extent that such malicious actor(s) did not yield its control of the network, or the network community did not reject the fraudulent blocks as malicious, reversing any changes made to the blockchain may not be possible. Further, a malicious actor could create a flood of transactions in order to slow down confirmations of transactions on the network.

Malicious activities such as these may reduce confidence in Crypto Assets generally and result in greater price volatility. This in turn could affect the return on the Securities and may negatively impact the amount a Securityholder may receive on redemption.

**(H) Risks relating to the Underlying’s consensus mechanisms**

Crypto Assets reach decentral consensus on the network state (i.e., transactions) based on their underlying consensus mechanisms. Consensus mechanisms are integral to the operation of the blockchain networks underpinning Crypto Assets. Errors in the consensus mechanism could jeopardise the integrity and security of the blockchain network. Material issues may be hard to overcome and/or easy to exploit and may even lead to a Crypto Asset losing all of its value. Any issues with the operation of a consensus mechanism or other technological process may affect the availability or value of an Underlying and therefore may adversely impact the value of any associated Securities.

Crypto assets based on decentral consensus mechanisms have gained commercial acceptance only within recent years and, as a result, there is little data on the long-term viability. Additionally, due to the rapidly evolving nature of the Crypto Asset market, Securityholders are exposed to additional risks which are difficult to predict as of the date of this Base Prospectus. This uncertainty makes an investment in the Security very risky.

Network participants that validate new transactions to the blockchain (miners in proof of work blockchains and validators in proof of stake blockchains) are able to see pending transactions, and to choose what transactions they include in the blocks they are creating. While miners and validators are generally economically incentivised, there is no guarantee that they process a particular transaction even if sufficient transaction fees were added to the transaction. This may cause a settlement delay which could negatively impact redemption timelines. Also, the finality of a blockchain settlement may not be fully verified. In addition, this enables these network participants to manipulate the market to an extent by reordering, adding or removing transactions in the blocks being broadcast across the network, which may include inserting their own trades either before or after certain transactions. This is known as “maximal extractable value” or “MEV”. MEV allows these network participants to front- or back-run the market to maximise the value of the transactions they are making, at the expense of other market participants, which may negatively affect transactions in the Underlying when they are bought or sold.

The two most widespread consensus mechanisms are proof of work and proof of stake, described further below.

**(1) Risks stemming from proof of work consensus mechanism**

Certain Crypto Assets rely on “proof of work” consensus mechanisms for the purposes of validating proposed transactions. The proof of work consensus mechanism requires network participants commonly referred to as “miners” to compete to solve a computationally-intensive mathematical problem in order to add a new block containing new transactions to the blockchain. The process of solving such mathematical problems requires miners to expend a potentially significant amount of processing power, which (in aggregate) consumes a high amount of energy. To incentivise participation in the mining process, the miner that solves the mathematical problem first is awarded a “block reward”. The block reward consists of transaction fees for all transactions included in the new block and potentially newly minted Crypto Assets. We outline certain additional risks relating to proof of work consensus mechanisms below:

**(a) High energy consumption and associated risks**

As a result of the high energy consumption involved in certain proof of work consensus mechanisms, it is possible that regulators will take the view that the relevant blockchain network(s) should be subject to rules that limit the amount of energy (and carbon emissions) that can be expended by nodes during the proof of work process. This could result in the effective prohibition on proof of work protocols in extreme cases. Any such prohibition would have a negative effect on the price and liquidity of the affected Crypto Assets, and by extension, any Securities linked to such Crypto Assets (unless the applicable blockchain network is able to transition to an alternative consensus mechanism that complies with the relevant rules).

It is also possible that proof of work consensus mechanisms, and the Crypto Assets that utilise them, become unpopular as a result of environmental concerns, which could have a bearing on market prices.

**(b) Miners may collude to raise transaction fees**

Miners are not forced to confirm any specific transaction, but they are economically incentivised to confirm valid transactions as a means of collecting fees. Miners have historically accepted relatively low transaction fees. If miners collude in an anticompetitive manner to reject low transaction fees, then Crypto Assets users could be forced to pay higher fees, thus reducing the attractiveness of the Crypto Assets network. Mining occurs globally, and it may be difficult for authorities to apply antitrust regulations across multiple jurisdictions. Any collusion among miners may adversely impact the attractiveness of the network on which the relevant Underlying is based and may adversely impact an investment in the Securities.

(c) **Reduction in miner rewards may adversely impact ability to verify transactions**

Miners generate revenue from both transaction fees and rewards of the relevant Crypto Assets (known as “block reward”) for verifying transactions. Mining operations have rapidly evolved over the past several years and frequently involve “professionalised” operations which may use proprietary hardware or sophisticated machinery which requires significant capital and scale to run.

If the aggregate revenue from the block reward is below a miner’s cost, or the difficulty and time taken to solve blocks increases, or miners are unable to acquire the required equipment necessary to develop and launch operations, the miner may not have adequate incentive to continue to mine and may cease operations. In addition, a “professionalised” mining operation operating a low profit margin may be more likely to sell a higher percentage of the Crypto Assets earned as “block reward”, which may result in a higher percentage of new Crypto Assets being sold into the market which may reduce prices.

Any reduction in the amount of rewards generated by miners may lead to reduced numbers of miners, which would adversely affect the process for verifying transactions in the Crypto Assets and make the network of that Crypto Assets more vulnerable to a malicious actor obtaining sufficient control to alter the relevant blockchain and hinder transactions. It may also lead to an increase of newly-minted Crypto Assets being sold into the market. Any reduction in confidence in the confirmation process or processing power of the Crypto Assets may adversely affect an investment in the Underlying, which may in turn adversely affect an investment in the Securities.

(d) **Exclusion of transactions**

To the extent that any miners solve blocks that exclude some or all transactions that have been transmitted to the Crypto Assets network, such transactions will not be recorded on the relevant blockchain until another miner solves a block that incorporates those transactions. In respect of certain Crypto Assets (for example, Bitcoin), some participants in the community suspect the use of certain technologies enhance speed and reduce electricity use of mining while reducing the number of transactions that are included in mined blocks on the network. If more blocks are mined without transactions, transactions will settle more slowly, and fees will increase. This could result in a loss of confidence in the relevant Crypto Assets network, which could reduce the value of the Underlying and, in turn, adversely impact an investment in the Securities.

(2) **Risks stemming from proof of stake consensus mechanism**

Crypto Assets may rely in total or in part on a “proof of stake” method of generating a distributed consensus. Proof of stake consensus mechanisms allow certain network participants called “validators” to validate transactions and add new blocks by “staking” Crypto Assets, i.e., providing the staked Crypto Assets as collateral which incentivises the validator to only add legitimate transactions. If a validator adds illegitimate transactions to the blockchain, they can lose a portion, or all, of their staked Crypto Assets in a penalty known as “slashing”. Staking generates payments to the validator of the staked Crypto Assets, depending on the amount of Crypto Assets a validator has staked. One advantage of proof of stake systems is that they are far less energy intensive than proof of work systems.

As the proof of stake method rewards holders depending on the number of Crypto Assets it stakes, it may also encourage holders (such as the early participants) to retain large amounts of the Crypto Assets and effectively give such holders the right to veto or control the Crypto Assets or its associated blockchain network. While there are advantages to having users “buy in” to a Crypto Assets and support its development, excessive hoarding reduces the decentralised nature of verification of the relevant blockchain and may impair the spread of such Crypto Assets, including interfering with the widespread adoption of such Crypto Assets for use in transactions.

Proof of stake networks are newer and have a younger track record compared to proof of work networks and may be untested at scale. As a result, proof of stake networks may not work as intended. If proof of stake networks do not function as intended, or fail to gain

adoption, the value of Crypto Assets relying on proof of stake consensus may be negatively affected, which could adversely affect the value of the Securities.

#### 4.4 **No staking rewards**

As outlined above, blockchain networks associated with certain Crypto Assets rely on proof of stake consensus mechanisms. Participants that stake Crypto Assets within those networks may receive staking rewards, depending on how the relevant protocols operate.

Prospective investors should note that the Issuer will procure that the Underlying relating to each Series of Securities is not staked. As such, the Issuer will not receive any staking rewards, and there is no prospect of any benefits associated with staking processes accruing for the benefit of the Securityholders.

#### 4.5 **Trading venue risks**

Crypto Assets do not have a central regulated marketplace or trading venue. The trading venues on which Crypto Assets are traded, commonly called “crypto exchanges” (although not regulated as “exchanges” in the U.S. or Europe), may pose special risks, as these crypto exchanges are relatively new and the rules governing their activities are unsettled. Given that Crypto Assets themselves may not yet be considered regulated financial instruments in many jurisdictions, the activities of crypto exchanges are still largely unregulated or under-regulated when compared to traditional asset exchanges. They may therefore be more exposed to theft, fraud, and failure than established, regulated exchanges for other products. Crypto exchanges may be start-up businesses with limited institutional backing, limited operating history, and no publicly available financial information. In some cases their financial positions are unclear and some trading venues have failed due to financial mismanagement. Many go beyond matching trades for third parties and instead take proprietary positions. This makes crypto exchanges more susceptible to cybercrime, hackers, and malware and the risk of being shut down or experiencing losses of assets traded on such venue as a result of cybercrime.

There are a small number of large crypto exchanges worldwide, some of which exert significant market influence. The exercise of this market influence has in the past caused significant movements in the Crypto Assets markets and may continue to do so in the future.

Crypto exchanges may impose daily, weekly, monthly, or customer-specific transaction or distribution limits or suspend trading or withdrawals entirely, rendering the trading of Crypto Assets for fiat currency difficult or impossible. Crypto Assets prices and valuations on exchanges have been volatile and subject to influence by many factors, including the levels of liquidity on particular venues and operational interruptions and disruptions. In addition, significant volatility and unexpected price movements, as well as congestion on Underlying networks, has resulted in extreme stress on crypto exchanges and their infrastructure, which has in turn resulted in trading halts and the suspension of services. Moreover, there may be high price discrepancies for a particular Crypto Asset between different trading venues.

Any of the failures described above may result in the price of Crypto Assets (including the Underlying) being subject to significant volatility or hinder the ability of the Issuer (or any Crypto Broker) to acquire and/or sell the Underlying in respect of a Series of Securities. Any such event is likely to negatively impact an investment in the Securities.

#### 4.6 **Hard forks**

##### (A) **General risks associated with hard forks**

When a modification to the protocol underlying a Crypto Asset is adopted by a majority or significant minority of node operators, and it is not compatible with the protocol prior to its modification, the consequence may be an inadvertent or deliberate “hard fork” (i.e., a “split”) of the relevant protocol. The effect of such a hard fork is generally the existence of two (or more) versions of the network running in parallel; one version running the pre-modified protocol and the other running the modified protocol, each with its own version of the relevant Crypto Asset(s). If both networks continue to operate in parallel, they could potentially compete with each other for users, developers and node operators. The post-hard fork value of the Crypto Assets that exist by reference to each version of a blockchain network can be volatile and unpredictable. This may result in the holder owning the same Crypto Asset after the hard fork as before the hard fork, but at a lower market value. Hard forks may result in a number of issues, including the suspension of trading. Further, one or both of the post-hard fork blockchain networks may not be supported by an adequate amount of node operators or developers and may be vulnerable to attack and other risks. Hard forks may ultimately affect the integrity and stability of a blockchain network and overall

confidence in its native Crypto Asset. Where a hard fork affects an Underlying, this may, in turn, impact the value of relevant Securities. A hard fork could also fundamentally alter the nature or functionality of a Crypto Asset or the associated blockchain network, which could have further consequences that are difficult to predict.

Additionally, it may be unclear following a hard fork which blockchain represents the Original Crypto Asset and which represents the New Crypto Asset. Different metrics adopted by industry participants to determine which is the Original Crypto Asset may include e.g., wishes of the core developers of a Crypto Asset, the blockchain with the greatest amount of hashing power contributed by miners or higher share of the Crypto Assets staked by validators. To the extent that the Issuer decides which fork is a continuation of the Original Crypto Asset and which is the New Crypto Asset (as it is entitled under the Conditions of the Securities, as described further under “*Consequences of a hard fork in relation to the Securities*”, below), the Issuer may not look to any one factor as being dispositive and instead may seek to determine which asset is generally accepted as being the continuation of the Original Crypto Asset by looking at a number of factors, including those listed above, the actions of market participants, discussions on relevant forums, and the relevant spot and futures prices of the assets, among other factors.

**(B) Consequences of a hard fork in relation to the Securities**

The Conditions of the Securities provide that, if a hard fork has occurred with respect to an Underlying, the Issuer may, in its sole discretion, consider whether or not to take any actions in relation to the hard fork and whether or not to make any adjustments to the terms of the relevant Securities to account for such hard fork. If the Issuer determines to take such actions and/or make such adjustments, those actions and/or adjustments may be made without the consent of the Trustee or the Securityholders. Prospective investors should be aware that the Issuer is under no obligation to consult with the Trustee or the Securityholders when considering whether or not to take actions or make adjustments in relation to a hard fork, and may thus take actions or make adjustments that the Trustee or Securityholders may otherwise have objected to. The Issuer may, alternatively, determine to take no action following the occurrence of a hard fork.

Without limiting the rights of the Issuer as described above, if a hard fork occurs with respect to an Underlying, the Issuer may resolve (but is under no obligation) to:

- Determine which of the Original Crypto Assets or the New Crypto Assets should be treated as the Underlying in relation to the Securities affected by the hard fork (the “Selected Forked Crypto Assets”).
- Instruct the Crypto Execution Agent to sell, on behalf of the Issuer, the Crypto Assets that the Issuer did not select as the Selected Forked Crypto Assets (the “Non-Selected Forked Crypto Assets”) and to apply the proceeds of such sale to acquire on behalf of the Issuer additional Crypto Assets of the same type as the Selected Forked Crypto Assets (which would become part of the Crypto Asset Collateral, with a corresponding adjustment being made to the Coin Entitlement of the relevant Series of Securities). The Issuer may also surrender, discard or dispose of such remaining Non-Selected Forked Crypto Assets (without benefitting the Securityholders).
- If the New Crypto Assets resulting from the relevant hard fork are not supported by the Custodian(s) relating to the relevant Series of Securities (but the Original Crypto Assets continue to be), in its sole discretion, determine that the Original Crypto Assets shall continue to be the Underlying in respect of such Series.
- If the New Crypto Assets resulting from the relevant Hard Fork are not supported by the Custodian relating to the relevant Series of Securities and the Original Crypto Assets relating to the relevant Series of Securities can no longer be supported by a Custodian as a result of a relevant hard fork, in its sole discretion, determine to utilise the custodial services of another Custodian appointed for relevant Series of Securities for the purposes of holding such Original Crypto Assets and/or New Crypto Assets or to redeem the relevant Series of Securities pursuant to Condition 9.1 (*Optional redemption of Securities by the Issuer*).

Potential investors should be aware of the risks associated with a hard fork, including those described above.



#### 4.7 **Airdrops**

An airdrop occurs with respect to an existing Crypto Asset when the issuer of another Crypto Asset declares that some or all holders of the existing Crypto Asset will be entitled to claim, for free, a quantity of such other Crypto Asset by virtue of its holding of the existing Crypto Asset. Airdrops are often designed to promote or market new Crypto Assets, and may require the holder of the existing Crypto Asset to perform certain activities or tasks prior to obtaining any new Crypto Assets.

The Conditions of the Securities provide that, if an Airdrop occurs with respect to an Underlying and the new Crypto Assets relating to such Airdrop are supported by the relevant Custodian, any such new Crypto Assets will, when held by the Custodian(s) on behalf of the Issuer, form part of the Crypto Asset Collateral with respect to the relevant Series of Securities. However, no adjustments will be made to the Coin Entitlement of the Series of Securities to which the Airdrop relates. Securityholders will also have no entitlement to the Crypto Assets received by the Issuer as a result of the Airdrop, nor the value represented by such Crypto Assets, save where all Securities in the relevant Series are being redeemed in full (and not in part) and the Crypto Execution Agent has agreed, and is able, to sell such new Crypto Assets on behalf of the Issuer for an amount which is economically reasonable, in the determination of the Crypto Execution Agent.

Neither the Issuer nor the Custodian(s) are under any obligation to actively engage or participate in any Airdrop, including taking any steps to secure receipt of any Crypto Assets relating to an Airdrop. There can be no assurance that the Custodian(s) will support an Airdrop.

Accordingly, potential investors should be aware that the occurrence of an Airdrop in relation to an Underlying will not result in benefits they may have been able to secure had they held the relevant Crypto Assets directly.

### 5. **Risks relating to the market and market value of Securities**

#### 5.1 **Trading of Crypto Assets**

Each Series of Securities will only trade during the trading hours on the Exchange on which such Series of Securities are listed. However, the relevant Underlying trade continuously and (as set out above) are extremely volatile and may experience significant and short-term price movements in a matter of days, hours or even minutes. This combination will limit Securityholders' ability to react to price movements or volatility in the market for the Underlying, which may be substantial.

If there is a decrease in the price of the Underlying in the period during which the Exchange is not open for trading, Securityholders may suffer a loss which would be less than it otherwise would have been had the Securityholder been able to trade in, or redeem, its Securities during that period. Investors in the Securities should be aware that the Value per Security is a mere indicative value and is not necessarily representative of the actual value of the Crypto Assets nor the value of the Securities at any point in time.

#### 5.2 **Market participants determine prices in respect of Crypto Assets and the Securities in different ways and there may be material variation between prices determined**

The relevant Redemption Amount that an investor receives on redemption with respect to a Series of Securities is calculated using the Coin Entitlement (subject to any deductions), which is a quantity of Underlying per single Security. Market participants may convert the Coin Entitlement for the Series of Securities into an indicative market value for a Security in different ways using different price sources. The price at which the Securities are traded on the Exchange may not reflect the indicative market value of the Coin Entitlement, depending on the price source used by an investor. A prospective investor may therefore pay more for the relevant Securities than the indicative market value of Coin Entitlement. If a redemption of the Series of Securities occurs, the relevant Redemption Amount the investor will receive will be based on the Coin Entitlement (minus any deductions) and an investor may receive less, or substantially less, than the amount the investor paid when purchasing the relevant Securities.

In particular, the price of Underlying is extremely volatile and can change over the course of weeks, days, hours and even minutes (in relation to which see "*Risks relating to the Underlying*"). This may mean that the price at which an investor paid for the Securities may quickly change and an investor may only be able to sell the Securities at a price that is less, or substantially less, than the subscription price or the price paid by such Securityholder. This may mean Securityholders receive less, or substantially less, than the amount invested in the Securities.

### 5.3 **No Authorised Participants**

There can be no assurance that there will at all times be an Authorised Participant appointed by the Issuer to process subscription and redemption of the Securities. In such circumstances where no Authorised Participant has been appointed with respect to the relevant Series of Securities, any Securityholder may redeem the Securities directly with the Issuer either by way of Cash Settlement or by way of Physical Settlement but Securityholders should note that (i) such instances are likely to cause a delay in the redemption of the Securities or give rise to additional administrative burden on the part of the Securityholder or lead to an early redemption of the Securities, (ii) the Securityholders may need to provide additional documents to the satisfaction of the Issuer and/or the Principal Paying agent including the validation and/or KYC Requirement checks made over the financial intermediary (being the relevant Clearing System or a broker acting as the intermediary to the Securityholder) who maintains the relevant securities account for such Securityholder and who will deliver the Securities subject to the redemption back to the Issuing Agent and (iii) all (and not part only) of the Securities owned by such holders of Securities will be subject to redemption. Such delays may have an adverse impact on the value of the Securities and the investment of the Securityholders.

### 5.4 **Authorised Participant(s) Activities**

Authorised Participants provide liquidity by creating a market in the Securities and processing subscription and redemption of the Securities.

The price at which a Securityholder may sell its Securities of a Series to an Authorised Participant may be lower than the price at which the Authorised Participant may sell Securities of the same Series to prospective Securityholders. The price at which an Authorised Participant may sell Securities to prospective Securityholders may also take into account fees, charges, expenses, commissions and other costs which the Authorised Participant may charge to prospective Securityholders. Prospective Securityholders may also incur fees charged by the Exchange on which such Securities are admitted to trading.

Any changes in the “bid/offer” spread offered by Authorised Participant(s) and/or fees charged by Authorised Participant(s) may impact a prospective investor’s return on the Securities and may mean that an investor suffers a loss on the Securities.

## 6. **Risks relating to taxation**

### 6.1 **Payments to Securityholders will not be grossed-up**

All payments and deliveries in respect of the Securities (including the relevant Redemption Amount) shall be made subject to any deduction or withholding for or on account of any present or future tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) imposed by any authority of any jurisdiction. The tax legislation of the jurisdiction of the Securityholder and the Issuer’s country of incorporation may have an impact on the income received from the Securities.

In the event of any such deduction or withholding, the Securityholders will not be entitled to receive amounts which are grossed up in order to compensate for such deduction or withholding nor will Securityholders be entitled to be reimbursed for the amount of any shortfall resulting from such deduction or withholding.

### 6.2 **Tax treatment of Crypto Assets**

There is currently no tax certainty regarding the treatment of investments in Crypto Assets across various jurisdictions due to the novelty of the asset class. Any change in the tax treatment of Underlying could result in the Issuer incurring additional taxes which would be deducted from the relevant Redemption Amount payable or deliverable with respect to the Securities. This would result in Securityholders receiving less than if such taxes had not been incurred.

### 6.3 **Tax treatment of Securities**

Securityholders should also consult with their local tax advisor regarding their specific investment and circumstances to identify any tax implications in investing in Securities. Each investor is solely responsible for all taxes which they may incur as a result of acquiring, holding or disposing of Securities.

Prior to investing in Securities, Securityholders should consider and have due regard for the tax treatment of the Securities and in particular of acquiring, holding or disposing of Securities in any jurisdiction relevant to them.

7. **Risks relating to the Transaction Parties**

7.1 **The Issuer's ability to meet its obligations under the Securities may depend upon the Custodian(s)', the Crypto Brokers' and the Crypto Execution Agent's ability to perform their respective obligations**

The Crypto Asset Collateral in respect of a Series of Securities will be held with the relevant Custodian.

Notwithstanding the security expressed to be created over the Crypto Asset Collateral in the Trust Deed and other Security Documents, the ability of the Issuer to meet its obligation in respect of such Redemption Amount to Securityholders will be dependent upon the ability of the relevant Custodian to make such a transfer under the relevant Custody Agreement, and the Crypto Execution Agent to arrange, on behalf of the Issuer, the relevant sale of the Crypto Asset Collateral to a Crypto Broker. If the relevant Custodian is, for any reason, unable to make such a transfer and/or the Crypto Execution Agent is unable to arrange such a sale or such sale is not settled correctly, the Issuer will be unable to meet its redemption obligation to Securityholders and Securityholders may receive less, or substantially less, than expected on an investment in the Securities. Similar considerations apply in relation to subscriptions in the Securities, which may necessitate the purchase, by the Issuer, of Crypto Assets.

The Issuer is exposed to certain counterparty and settlement risks relating to the Crypto Brokers and the transactions that the Issuer enters with them from time to time. Those transactions will be arranged by the Crypto Execution Agent, on behalf of the Issuer, and represent the sole means by which the Issuer is able to purchase and sell Crypto Assets in order to fulfil its obligations to Securityholders.

Consequently, Securityholders will be exposed if any Custodian, Crypto Broker and/or Crypto Execution Agent are unable to perform their respective obligations (for any reason, for example due to credit or solvency related issues or the issues posed by regulatory compliance issues). Any delay or failure in the performance of those obligations could lead to the delay or failure of any corresponding subscription or redemption action by the Issuer. Any such delay or failure could also have an adverse effect on the price or liquidity of the Securities.

7.2 **The Arranger has no obligations to Securityholders**

The Conditions give the Issuer discretion in making certain determinations, calculations and adjustments in relation to the Securities, which are conclusive and binding on the Securityholders. These include the determination or any calculations involved with respect to the relevant Redemption Amount payable or deliverable to Securityholders on redemption and whether certain disruption and adjustment events may have occurred such that redemption of the Series of Securities may be postponed or Conditions amended to reflect such adjustments. The Issuer may consult the Arranger before making any such determinations, calculations and adjustments and may rely on the Arranger's recommendations without the consent of the Securityholders, Trustee or any other Transaction Party.

The Arranger has no obligations to the Securityholders in making such calculations, determinations or providing any recommendations, and may make determinations which may negatively impact Securityholders, for example by determining that redemptions in respect of a Series of Securities may be suspended. The Arranger only has the obligations expressed to be binding on it pursuant to the Arranger Agreement.

The recommendations from the Arranger may have a negative impact on the value of the Securities, or may result in a Securityholder being unable to redeem its securities, in particular due to the volatility of the price of the Underlying as set out in the risk factor headed "*Securityholders exposed to the value of the Underlying*" above.

7.3 **The Securities may be redeemed where the appointment of the relevant Custodian, Arranger or Issuing Agent and/or Principal Paying Agent is terminated**

The Securities may be redeemed early if the relevant Custodian or Calculating Agent in respect of the applicable Series of Securities resigns or its appointment is terminated for any reason and, at the time such termination takes effect, no successor or replacement Custodian, Arranger or Issuing Agent and/or Principal Paying Agent has been appointed with respect to such Series of Securities.

If there is no Custodian appointed in respect of a Series of Securities, the Issuer may experience a delay in its ability to access, or may be unable to access, the relevant Crypto Asset Collateral in respect of such

Series of Securities. This may result in the payment or delivery being made at a time where the price of the Underlying is disadvantageous to Securityholders, or possibly not at all. This risk is heightened due to the volatility of Crypto Assets when compared to a traditional asset class, as is set out in paragraph 4 (*Risks relating to the Underlying*). This may result in a partial or substantial loss of a Securityholder's investment. To the extent that at the time of any redemption of the Securities, if a Crypto Execution Agent has not been appointed then the redemption of the Securities cannot take place by way of a Cash Settlement.

#### 7.4 **The Trustee has no obligations to individual Securityholders**

In carrying out its responsibilities, the Trustee will take into account the interests of the Securityholders of a Series of Securities but will not consider the impact of exercising its function on an individual Securityholder. Neither the Trustee nor any Securityholder are entitled to be indemnified or recompensed in respect of any tax consequences for an individual Securityholder resulting from the Trustee exercising its function. In some circumstances the exercise of the Trustee's functions in the interests of the Securityholders of a Series of Securities may result in a partial or substantial loss to an individual Securityholder.

#### 7.5 **Failure to publish Value per Security by Administration Agent**

Securityholders in the Securities should be aware that the Administration Agent may fail to publish or be delayed in publishing the Value per Security for reasons including market fluctuation in prices, occurrence of a Disruption Event, occurrence of an Event of Default and/or internal failures with the Administration Agent which may prevent such calculations from being conducted.

### 8. **Risks relating to regulatory change**

#### 8.1 **The Issuer may redeem the Securities if it becomes illegal or impossible for the Issuer to issue or deal in the Securities or hold or deal with the Underlying**

There is currently no single regulatory regime for the ownership, purchase and sale of Underlying. As Crypto Assets have grown in popularity in market size, regulators in multiple jurisdictions have been examining the operation of Crypto Assets networks, participants and trading venues. In addition to potential financial regulation, because of the high energy usage for Crypto Assets which rely on a "proof of work" method, Crypto Assets mining may be subject to regulation arising from energy usage or climate concerns.

The nature and extent of any future regulation of the Underlying is uncertain, and any such future regulation may negatively impact on the price and demand of such Underlying and therefore an investment in the Securities.

Whilst the Underlying are either unregulated or lightly regulated in many jurisdictions, one or more jurisdictions may take action which makes it illegal or impossible for the Issuer to issue or deal with the Securities or to hold or deal with the Underlying. If the Issuer (acting reasonably) determines that this is the case, it may redeem the Securities. This may occur at a time when the price of the Underlying is less than would otherwise be the case and as a result Securityholders may receive less than their initial investment.

#### 8.2 **Regulatory environment and Regulatory Event**

The regulatory environment relating to the Securities and Crypto Assets is fast-evolving, with many jurisdictions developing new rules that will become effective after the date of this Base Prospectus. For example, Regulation (EU) 2023/1114 on markets in crypto-assets ("MiCAR") is scheduled to come into force in 2024 in phases, and will apply to persons or entities that perform certain activities or provide certain services in relation to Crypto Assets. Certain jurisdictions may also prohibit distribution of the Securities to investors or investors of certain regulatory information – for instance, the UK FCA Conduct of Business Sourcebook currently provides that crypto asset exchange traded notes must not be sold, distributed or marketed to retail clients (as such terms are defined in the UK FCA Conduct of Business Sourcebook).

The precise way in which forthcoming regulation (or any amendments to any existing regulation) affects the Securities, any given Underlying and/or the Transaction Parties is uncertain. Securityholders should be aware, however, that any regulatory changes could have an adverse impact on the value and trading of Crypto Assets and/or on the Securities, and could affect the services that the Transaction Parties are permitted to perform with respect to the Crypto Assets or the Securities (and/or the nature or pricing of those services). Any such changes may result in a regulatory environment that is less favourable than the regulatory environment in existence as of the date of this Base Prospectus.

In addition, Securityholders should be aware that if the Issuer determines that a Regulatory Event has occurred, the Issuer will redeem the Securities in whole but not in part without any consent of or approval by the Securityholders, the Trustee or any other Transaction Party. Securityholders should consider the implications of the occurrence of a Regulatory Event and take whatever legal or regulatory advice they deem necessary or desirable to assess the likelihood of a Regulatory Event occurring. The Issuer is under no obligation to notify Securityholders of regulatory developments that may be relevant to Crypto Assets, the Securities or any related matters, nor the likelihood of a Regulatory Event occurring.

**8.3 The application of the Alternative Investment Fund Managers Directive to special purpose entities such as the Issuer is uncertain**

The EU Directive 2011/61/EU on Alternative Investment Fund Managers (“AIFMD”) became effective on 22 July 2013. The application of the AIFMD to special purpose entities such as the Issuer is unclear. The Issuer does not operate in the same manner as a typical alternative investment fund. However, the definition of “alternative investment funds” (each an “AIF”) and “alternative investment funds manager” (“AIFM”) in the AIFMD are broad and there is only limited guidance as to how such definitions should be applied in the context of a special purpose entity such as the Issuer.

Were the Issuer to be found to be an AIF or an AIFM, or were the Arranger acting in any capacity in respect of the Securities and/or the Trustee to be found to be acting as an AIFM with respect to the AIF, the AIFM would be subject to the AIFMD. Owing to the special purpose nature of the Issuer, it would be unlikely that either the Issuer or Arranger could comply fully with the requirements of the AIFMD.

In such circumstance, it is likely that the Issuer would determine that it has become impossible or illegal to issue or deal with the Securities and therefore the Securities would be redeemed early in full at a time which may not be favourable to the Securityholders.

### IMPORTANT INFORMATION

“Responsibility”

Xtrackers Digital Markets ETC AG (LEI: 529900WIXTJRV6RK4G26) (the “Issuer”) accepts responsibility for the information contained in this Base Prospectus. To the best of the Issuer’s knowledge (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer is responsible for the information contained in this Base Prospectus in accordance with applicable laws in Switzerland.

State Street Fund Services (Ireland) Limited accepts responsibility for the information contained in the section entitled “*The Administration Agent*”. To the best of the knowledge and belief of the Administration Agent (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

Galaxy Digital Funds LLC accepts responsibility for the information contained in the section entitled “*The Crypto Execution Agent and Crypto Development Advisor*”. To the best of the knowledge and belief of the Crypto Execution Agent and Crypto Development Advisor (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

Coinbase Custody International Limited (“Coinbase”) accepts responsibility for the information contained in the subsection entitled “*Coinbase Custody International Limited*” under the section entitled “*The Custodian(s)*”. To the best of the knowledge and belief of Coinbase (who has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

Zodia Custody (Ireland) Limited (“Zodia”) accepts responsibility for the information contained in the subsection entitled “*Zodia Custody (Ireland) Limited*” under the section entitled “*The Custodian(s)*”. To the best of the knowledge and belief of Zodia (who has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

DWS Investments UK Limited accepts responsibility for the information contained in the section entitled “*The Arranger*”. To the best of the knowledge and belief of the Arranger (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

Vistra Capital Markets Trustees Limited accepts responsibility for the information contained in the section entitled “*The Trustee*”. To the best of the knowledge and belief of the Trustee (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

State Street Bank International GmbH Munich, Zürich Branch accepts responsibility for the information contained in the section entitled “*Issuing Agent*”. To the best of the knowledge and belief of the Issuing Agent (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

State Street Bank International GmbH Munich, Zürich Branch accepts responsibility for the information contained in the subsection entitled "*Principal Paying Agent and Technical Account Bank*" under the section entitled "*The Paying Agents*". To the best of the knowledge and belief of the Principal Paying Agent (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

State Street Bank International GmbH Munich, Zürich Branch accepts responsibility for the information contained in the subsection entitled "*Swiss Paying Agent*" under the section entitled "*The Paying Agents and Technical Account Bank*". To the best of the knowledge and belief of the Swiss Paying Agent (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

State Street Bank International GmbH Munich, Zürich Branch accepts responsibility for the information contained in the subsection entitled "*Technical Account Bank*" under the section entitled "*The Paying Agents and Technical Account Bank*". To the best of the knowledge and belief of the Technical Account Bank (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer has not made any investigation with regards to the accuracy and completeness of the information under the sections entitled "*The Administration Agent*", "*The Custodian(s)*", the "*Issuing Agent*", "*The Paying Agents and Technical Account Bank*", "*The Arranger*", "*The Crypto Execution Agent and Crypto Development Advisor*" and "*The Trustee*" in this Base Prospectus (the "Third Party Information"). Prospective Securityholders in the Securities should not rely upon, and should make their own independent investigations and enquires in respect of, the accuracy and completeness of the Third Party Information.

"Approval"

This Base Prospectus has been approved by the Swedish Financial Supervisory Authority *Finansinspektionen* (the "Swedish FSA"), as competent authority under Regulation (EU) 2017/1129 (such approval the "Swedish FSA Approval"). The Swedish FSA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the Issuer or the quality of the Securities that are the subject to this Base Prospectus. Securityholders should make their own assessment as to the suitability of investing in the Securities.

The Issuer has requested the Swedish FSA to provide the competent authorities in Luxembourg, France, Germany, Portugal, Finland, The Netherlands and Spain with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the EU Prospectus Regulation.

The Issuer is not and will not be regulated by any regulator as a result of issuing the Securities.

**SECURITIES ISSUED UNDER THE PROGRAMME WILL BE EXCHANGE TRADED PRODUCTS, WHICH 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 SECURITIES ARE NEITHER GOVERNED BY THE CISA NOR SUPERVISED OR APPROVED BY FINMA. ACCORDINGLY, INVESTORS DO NOT HAVE THE BENEFIT OF THE SPECIFIC INVESTOR PROTECTION PROVIDED UNDER THE CISA. ANY INVESTMENT IN THE**

**SECURITIES DOES NOT HAVE THE STATUS OF A BANK DEPOSIT AND IS NOT WITHIN THE SCOPE OF ANY DEPOSIT PROTECTION SCHEME. THE ISSUER IS NOT AND WILL NOT BE REGULATED BY ANY REGULATOR AS A RESULT OF ISSUING THE SECURITIES.**

**ANY INDIVIDUAL INTENDING TO INVEST IN ANY INVESTMENT DESCRIBED IN THIS DOCUMENT SHOULD CONSULT HIS OR HER PROFESSIONAL ADVISER AND ENSURE THAT HE OR SHE FULLY UNDERSTANDS ALL THE RISKS ASSOCIATED WITH MAKING SUCH AN INVESTMENT AND HAS SUFFICIENT FINANCIAL RESOURCES TO SUSTAIN ANY LOSS THAT MAY ARISE FROM IT.**

This Base Prospectus is valid for a maximum period of twelve months from the Swedish FSA Approval. The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of the Securities, prepare a supplement to this Base Prospectus. The obligation to prepare a supplement to this Base Prospectus in the event of any significant new factor, material mistake or inaccuracy does not apply when this Base Prospectus is no longer valid.

This Base Prospectus permits offers of Securities to the public in Sweden and Luxembourg, France, Germany, Portugal, Finland, The Netherlands Spain and, subject to the paragraph immediately below, Switzerland and/or admission to trading on the Exchange specified in the applicable Final Terms. The Securities may be made available to retail investors. There are restrictions on the offer and sale of the Securities into certain jurisdictions. See the section headed "*Subscription and Sale*".

It is expected that this Base Prospectus (together with any supplements hereto as at such time), together with evidence of the Swedish FSA Approval, will be filed with a Swiss Review Body for automatic recognition in accordance with article 54(2) of the FinSA as a base prospectus within the meaning of article 45 of the FinSA. In connection with any such filing, such Swiss Review Body will not review or approve this Base Prospectus (as so supplemented) or any subsequently published supplements hereto. Once this Base Prospectus (together with any supplements hereto as at such time) has been so filed and published in accordance with the FinSA, this Base Prospectus (together with any supplements hereto subsequently published from time to time, which supplements, once approved by the Swedish FSA, will be filed with the relevant Swiss Review Body and published in accordance with the FinSA) may be used, subject to any other applicable requirements under the FinSA or the Swiss Financial Services Ordinance of 6 November 2019, as amended (the "FinSO"), for any public offering of Securities in Switzerland and/or application for the admission to trading of Securities on the SIX Swiss Exchange or any other trading venue (exchange or multilateral trading facility) in Switzerland. In such case, the applicable Final Terms will be filed with the relevant Swiss Review Body and published in accordance with the FinSA. The Final Terms for any such Securities will not be reviewed or approved by such Swiss Review Body. The Swiss Review Body is not the competent authority and will neither approve nor review the Final Terms in respect of such Securities.

Certain offers of the Securities may also be made where there is an exemption available under Article 3.2 of the EU Prospectus Regulation to the requirement to publish a Prospectus.

Each Securityholder is hereby informed, and is deemed to have acknowledged and consented, that for Securities listed on the SIX Swiss Exchange, the SIX Swiss Exchange, SIX Exchange Regulation, the Regulatory Board and/or any other competent regulatory body of the SIX Swiss Exchange may at the request of the Issuer or on its



own initiative suspend the trading in the Securities, if such suspension is deemed necessary in exceptional cases, in particular, in the event of suspected price manipulation, falsification of liquidity or criminal activities. If trading in the Securities has been suspended for a continuous three-month period, the Securities will be delisted by the Regulatory Board of SIX Swiss Exchange, unless the reasons for the suspension ceased to exist. The SIX Swiss Exchange and/or its regulatory bodies accept no liability for damage or loss incurred in connection with the suspension of trading and delisting.

Each Securityholder acknowledges that for Securities listed on the SIX Swiss Exchange, the SIX Swiss Exchange, SIX Exchange Regulation, the Regulatory Board and/or any other competent regulatory body of the SIX Swiss Exchange may at the request of the Issuer or on its own initiative suspend the trading in the Securities, if listing requirements that must be met continuously during the term of the Securities are no longer fulfilled, in particular if the custodian lacks or loses the authorization required pursuant to Art. 14 para. 4 of the Additional Rules for the Listing of Exchange Traded Products. If trading in the Securities has been suspended for a continuous three-month period, the Securities will be delisted by the Regulatory Board of SIX Swiss Exchange, unless the reasons for the suspension ceased to exist. The SIX Swiss Exchange and/or its regulatory bodies accept no liability for damage or loss incurred in connection with the suspension of trading and delisting.

“No representations”

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus and the applicable Final Terms in connection with the issue or sale of the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Arranger, the Trustee or any of their respective affiliates. Neither the delivery of this Base Prospectus nor any sale of Securities made in connection therewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date of this Base Prospectus or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date of this Base Prospectus or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither the Arranger nor the Trustee nor any of their respective affiliates has separately verified the information contained in this Base Prospectus. Except as described above with respect to Third Party Information in respect of such party, neither the Arranger nor the Trustee nor any of their respective affiliates makes any representation, express or implied, or, to the fullest extent permitted by law, accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus or for any other statement made or purported to be made by the Arranger, the Trustee or any of their respective affiliates or on behalf of any of them in connection with the Issuer or the issue and offering of the Securities. Each of the Arranger and the Trustee accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any such statement.

“Risk factors”

Prospective Securityholders should have regard to the factors described under the section headed “*Risk Factors*” and, in particular, to the limited recourse nature of the Securities and the fact that the Issuer is a special purpose vehicle. This Base Prospectus does not describe all of the risks of an investment in the Securities and there may be

other reasons why the Issuer is unable to pay amounts due in respect of the Securities and/or why amounts payable in respect of the Securities may be reduced.

The risk factors identified in this Base Prospectus are provided as general information only and the Arranger and the Trustee disclaim any responsibility to advise purchasers of Securities of the risks and investment considerations associated therewith as may exist at the date hereof or from time to time.

“No Investment Advice”

The directors of the Issuer have taken all reasonable care to ensure that the facts stated in this Base Prospectus are true and accurate in all material respects, and that there are no other facts, the omission of which would make misleading any statement in this Base Prospectus, whether of facts or of opinion. All the directors accept responsibility accordingly. Nothing in this document or anything communicated to holders or potential holders of Securities or other obligations by the Issuer is intended to constitute or should be construed as advice on the merits of the purchase or subscription for the Securities.

The Issuer makes no representations as to:

- the suitability of any Securities for any particular investor;
- the appropriate accounting treatment or possible tax consequences of an investment in any Securities; or
- the expected performance of any Securities, either in absolute terms or relative to competing investments.

“Independent review/investor suitability”

***Independent review and investment advice***

Each prospective investor in the Securities must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Securities is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Securities.

To determine whether an investment in the Securities is appropriate, each prospective investor must consider its own assessment of the financial condition and affairs and the creditworthiness of the Issuer and such professional advice (including, without limitation, any tax, accounting, business, legal and regulatory advice) as it deems appropriate to assess the economic and political condition of the country in which such obligor is located.

Neither this Base Prospectus nor any Final Terms is intended to provide the basis of any credit or other evaluation or should be considered as a recommendation or as constituting an invitation or offer that any recipient of this Base Prospectus or any Final Terms should purchase any of the Securities. Prospective Securityholders should read the information set out in this Base Prospectus and the applicable Final Terms, and reach their own conclusions prior to making a decision in respect of any investment. The Trustee and the Arranger expressly do not undertake to review the financial condition, creditworthiness or affairs of the Issuer or any other relevant obligor(s) during the life of the arrangements contemplated by this Base Prospectus or the term of any Securities issued nor to advise any investor or potential investor in the Securities of any information coming to the attention of any of the Arranger, the Trustee or any of their respective affiliates.

***Investor suitability for complex products***

Prospective purchasers of Securities should conduct such independent investigation and analysis regarding the Issuer, the security arrangements and the Securities as they deem appropriate to evaluate the merits and risks of an investment in the Securities. Prospective purchasers of Securities should have sufficient knowledge and experience in financial and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained in this Base Prospectus and the applicable Final Terms and the merits and risks of investing in the Securities in the context of their financial position and circumstances.

***Sufficient financial resources***

Each prospective investor in the Securities should have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Securities. This includes the risk of where the invested amount may reduce as a result of the occurrence of different events whether related to the creditworthiness of any entity or otherwise or changes in particular rates, values, prices or indices, or where the currency for the invested amount is different from the prospective investor's currency.

A prospective investor may not rely on the Issuer, the Arranger, or the Trustee or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Securities or as to the other matters referred to above.

***Applicable Laws***

Investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should therefore consult its professional advisers to determine whether and to what extent:

- the Securities are legal investments for it; and/or
- other restrictions apply to its purchase of any Securities.

Financial institutions should consult their professional advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

***No advisory or fiduciary obligations***

None of the Issuer, the Arranger or any of the other Transaction Parties or any of their respective affiliates is acting as an investment adviser or as adviser in any other capacity. None of them (other than the Trustee under the Trust Deed) assumes any fiduciary obligation to any purchaser of Securities or any other party, including the Issuer.

***No representations***

None of the Issuer, the Arranger or any of the other Transaction Parties makes any representation or warranty, express or implied, in respect of:

- any Underlying;
- any information contained in any documents prepared, provided or filed in respect of such Underlying with any exchange, governmental, supervisory or self-regulatory authority or any other person.

None of the Arranger or any of the other Transaction Parties makes any representation or warranty, express or implied, in respect of the Issuer or in respect of any information contained in any documents prepared, provided or filed by or on behalf of the Issuer.

The risk factors identified in this Base Prospectus are provided as general information only and the Arranger and the Trustee disclaim any responsibility to advise purchasers

of Securities of the risks and investment considerations associated therewith as they may exist at the date hereof or as they may from time to time alter.

“Non-Exempt Offers”

This Base Prospectus has been prepared on a basis that permits offers that are not made within an exemption from the requirement to publish a prospectus under Article 1(4) of the EU Prospectus Regulation (a “Non-Exempt Offer”) in Sweden, Luxembourg, France, Germany, Portugal, Finland, The Netherlands and Spain and, subject to completion of relevant notification measures, any other Member State within the EEA that is specified as a Non-Exempt Offer Jurisdiction in the applicable Final Terms (each a “Non-Exempt Offer Jurisdiction” and together, the “Non-Exempt Offer Jurisdictions”). Any person making or intending to make a Non-Exempt Offer of Securities on the basis of this Base Prospectus must only do so with the Issuer’s consent – see “*Consent to use this Base Prospectus*” below.

“Consent to use this Base Prospectus”

In the context of any Non-Exempt Offer of Securities, the Issuer accepts responsibility, in each of the Non-Exempt Offer Jurisdictions, for the content of this Base Prospectus in relation to any prospective investor who purchases any Securities in a Non-Exempt Offer made by the Issuer or an Authorised Offeror (as defined below) where that offer is made during the offer period for which the consent is given and in compliance with the other conditions attached to the giving of the consent, all as set forth in the applicable Final Terms.

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 Securities in any jurisdiction. Any offer made without the consent of the Issuer is unauthorised and neither the Issuer nor, for the avoidance of doubt, the Arranger accepts any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.

If, in the context of a Non-Exempt Offer, a prospective investor is offered Securities by a person which is not an Authorised Offeror, the prospective investor should check with such person whether anyone is responsible for this Base Prospectus for the purpose of the relevant Non-Exempt Offer and, if so, who that person is. If a prospective investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents, the prospective investor should take legal advice.

If so specified in the Final Terms in respect of any particular Series of Securities, the Issuer consents to use of this Base Prospectus (as supplemented at the relevant time, if applicable) in connection with any Non-Exempt Offer of a Tranche of Securities in any of the Non-Exempt Offer Jurisdictions specified in the Final Terms during the Offer Period specified in the Final Terms which are to be admitted to trading on a regulated market for the purposes of MiFID II and/or are to be offered to the public in the European Economic Area, by:

- the financial intermediary/ies specified in the applicable Final Terms (each, an “Authorised Offeror”); and
- any other financial intermediary appointed after the date of the applicable Final Terms and whose name is published on the Issuer’s Website and identified as an Authorised Offeror in respect of the relevant Non-Exempt Offer,

in each case subject to the relevant conditions as specified in the applicable Final Terms.

It shall be a condition of such consent that this Base Prospectus may only be used by the relevant Authorised Offeror(s) to make offerings of any Series of Securities in the Non-Exempt Offer Jurisdiction. The Securities may be made available to retail investors.

The Issuer may (i) give consent to one or more additional Authorised Offerors after the date of the applicable Final Terms, (ii) discontinue or change the offer period, and/or (iii) remove or add conditions and, if it does so, such information in relation to the relevant Securities will be published on the Issuer's Website. The consent relates only to offer periods occurring within the maximum period of 12 months from the date of this Base Prospectus.

**A prospective investor intending to acquire or acquiring any Securities from an Authorised Offeror will do so, and offers and sales of the Securities to such prospective investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and the prospective investor including as to price, allocations and settlement arrangements (the "Terms and Conditions of the Non-Exempt Offer"). The Issuer will not be a party to any such arrangements with such prospective investor and, accordingly, this Base Prospectus does not, and any Final Terms will not, contain such information. The Terms and Conditions of the Non-Exempt Offer shall be provided to such prospective investor by that Authorised Offeror at the time the offer is made. None of the Issuer or, for the avoidance of doubt, the Arranger or other Authorised Offerors has any responsibility of liability for such information. Each Authorised Offeror using this Base Prospectus shall state on its website that it uses this Base Prospectus in accordance with the consent and conditions attached hereto.**

"Distribution"

The distribution of this Base Prospectus and any Final Terms and the offering or sale of the Securities in certain jurisdictions may be restricted by law. In particular, no action has been or will be taken by the Issuer, the Arranger, the Trustee or any of their respective affiliates (save as specified in the applicable Final Terms) which is intended to permit a public offering of the Securities or distribution of this Base Prospectus or any Final Terms in any jurisdiction where action for that purpose is required. Accordingly, the Securities may not be offered or sold, directly or indirectly, and neither this Base Prospectus nor any Final Terms nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any Applicable Laws. None of the Issuer, the Arranger or the Trustee represents that this Base Prospectus may be lawfully distributed, or that any Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. Persons into whose possession this Base Prospectus and any Final Terms comes are required by the Issuer, the Arranger and the Trustee to inform themselves about and to observe any such restriction.

In October 2020, the Financial Conduct Authority (the "FCA") issued rules prohibiting the sale, marketing and distribution to all retail consumers in the United Kingdom of any derivatives and exchange traded notes that reference unregulated transferrable Crypto Assets by firms acting in, or from, the United Kingdom. As at the date of this Base Prospectus such rules remain in place. In line with such rules, the Securities may not be offered or sold to any retail investors in the United Kingdom. See "*Subscription and Sale*".

“Prohibition of sales to EEA retail investors”

If the Final Terms in respect of any Securities includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“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 Directive 2014/65/EU (as amended, “MiFID II”); (ii) a customer within the meaning of Directive (EU) 2016/97 (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 Regulation (EU) 2017/1129 (as amended, the “EU Prospectus Regulation”. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIPs Regulation”) for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.

“Prohibition of sales to UK retail investors”

The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 and as amended or supplemented in the UK thereafter; (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “FSMA”) and any rules or regulations made under the FSMA which were relied on immediately before exit day to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 and as amended or supplemented in the UK thereafter; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 as it forms part of the domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 and as amended or supplemented in the UK thereafter (the “UK Prospectus Regulation”). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of the domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 and as amended or supplemented in the UK thereafter (as amended, the “UK PRIPs Regulation”) for offering or selling the Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIPs Regulation.

“MiFID II Product Governance/Target Market”

The Final Terms in respect of any Series of Securities may include a legend entitled “*MiFID II Product Governance*” which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (a “distributor”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels. The target market assessment in respect of the Securities may be retail investors.

“UK MiFIR Product Governance/Target Market”

The Final Terms in respect of any Series of Securities may include a legend entitled “*UK MiFIR Product Governance*” which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (a “distributor”) should take into consideration the target market assessment; however, a

distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels. The target market assessment in respect of the Securities may be retail investors.

“STS”

While the Issuer is established as a special purpose vehicle for the issuance of the Securities as described in this Base Prospectus, no notification has been or is intended to be communicated to the European Securities and Markets Authority in relation to the Simple, Transparent and Standardised (STS) criteria set out in Regulation (EU) 2017/2402.

## CONFLICTS OF INTEREST

### **Conflicts of interest may arise between the various parties involved in the issuance of Securities**

The Arranger and other Transaction Parties may act in multiple capacities in connection with any Series of Securities. In connection with ongoing or future restructuring and/or reorganisations within the Arranger's group, it is possible that some of the roles currently performed by the Arranger may be novated, delegated or otherwise transferred to a different entity within the Arranger group without the prior written consent of Securityholders or the Trustee, provided that it is legally permitted to make such novation, delegation or transfer. The Arranger acting through any of its branches or affiliates may also be an Authorised Participant in relation to a Series of Securities. The Arranger has been, or may be, appointed to act as a distributing entity in respect of the Securities.

The Arranger and other Transaction Parties have only the duties and responsibilities expressly agreed to in the relevant capacity and will not be deemed to have other duties or responsibilities or be deemed to be subject to a standard of care or any fiduciary duty to any Securityholder, other than as may be expressly provided with respect to the relevant capacity. The Arranger and other Transaction Parties may enter into business dealings relating to the Securities or the Underlying, and take steps that it deems appropriate to protect their interests, without any duty to account for such revenues, profits or other consequences to the purchasers of the Securities or any other person. The Arranger and other Transaction Parties may purchase and hold Securities of any Series.

The Arranger's group and/or its affiliates and its personnel, including its sales and trading, investment research and investment management personnel, regularly make investment recommendations, or publish or express independent views in respect of a wide range of markets, issuers, securities and instruments. They regularly implement, or recommend, various investment strategies relating to these markets, issuers, securities and instruments. These strategies include, for example, buying or selling credit protection against a default or other event involving an entity or financial instruments. Any of these recommendations and views may or may not be considered by the Arranger's group and/or its affiliates when the Arranger's group and/or its affiliates are trading for their own account or those of their customers, as the case may be. Such recommendations and views may be negative with respect to the Issuer or the Securities or other securities or instruments similar to the Securities or result in trading strategies that have a negative impact on the market for any such securities or instruments, particularly in illiquid markets. Securityholders should expect that personnel in the trading and investing businesses of the Arranger's group will have independent views of the Issuer or other market trends which may not be aligned with the views and objectives of Securityholders.

The Arranger's group and/or its affiliates, and its personnel, may, from time to time, including its sales and trading, investment research and investment management personnel, by virtue of their activities, possess or have access to information relating to the Securities and/or the other Transaction Parties. There is no obligation on any entity to disclose to any purchaser of the Securities any such information.

The Arranger's group and/or its affiliates and other Transaction Parties may at any time be an active and significant participant in or act as market maker in relation to a wide range of markets for financial instruments, securities and derivatives relating to the Underlying and may hold long or short positions in any of the aforementioned for their proprietary accounts or for other accounts under their management. The Arranger's group and/or its affiliates and the other Transaction Parties may also issue securities. To the extent that the Arranger's group or Transaction Parties, directly or through its affiliates, serves as issuer, agent, manager, sponsor or underwriter of such securities or other instruments, its interests with respect to such products may be adverse to those of the Securityholders. Such activities undertaken by the Arranger's group and other Transaction Parties may be on such a scale as to affect, temporarily or on a long-term basis, the price of such Underlying, securities and derivatives relating to, or based on the Securities or any Underlying. Notwithstanding this, neither the Arranger nor other Transaction Parties necessarily have a duty or obligation to take into account the interests of any party in relation to any Securities when effecting transactions in such markets. The Arranger's group and/or its affiliates and other Transaction Parties may be entitled to receive fees or other payments pursuant to products linked to the Underlying to which the Securities relate or otherwise and to exercise all rights, including rights of termination or resignation, which they may have, even though so doing may have a detrimental effect on purchasers of the Securities.



The Arranger's group and/or its affiliates and other Transaction Parties may, as an issuer or counterparty of the Underlying linked obligations or transactions, engage in activities designed to reduce its exposure to the risk of adverse price movements that may impact on the price of the Underlying on any particular day, meaning it may be different from the price which it would otherwise have been, whether directly or indirectly.

**The Trustee is required to have regard to the interests of the Securityholders as a class and not individually and does not assume any duty or responsibility to the Transaction Parties**

In connection with the exercise of its functions, the Trustee will have regard to the interests of the Securityholders as a class and is not required to have regard to the consequences of such exercise for individual Securityholders. The Trustee is not entitled to require, nor is any Securityholder entitled to claim, from the Issuer any indemnification or payment in respect of any such exercise upon individual Securityholders.

In acting as Trustee under the Trust Deed, the Trustee does not, in respect of Securities of any Series, assume any duty or responsibility to any of the Custodian(s), the Administration Agent, the Issuing Agent, the Paying Agents, the Technical Account Bank, the Arranger, the Crypto Execution Agent or any other Secured Creditor or any other Transaction Party (other than to pay any such party any monies received and payable to it and to act in accordance with the Conditions and the Trust Deed). The Trustee is not obliged to act on any directions of any Secured Creditor or Transaction Party other than where expressly provided otherwise in the Transaction Documents to which the Trustee is a party, including in circumstances where it is directed to enforce the security.

## **ECONOMIC OVERVIEW OF THE SECURITIES**

The Issuer from time to time may issue Securities under the Programme which are secured on the Underlying for such Series of Securities. Information specific to each Series of Securities will be specified in the applicable Final Terms.

The amount payable on the Securities will depend on the performance of the Underlying and the fees, costs and expenses charged in relation to the Securities. See the section of this Base Prospectus headed "*Risk Factors*".

### **ELIGIBLE CRYPTO ASSET COLLATERAL**

For any Series of Securities the relevant Underlying that such Securities are linked to must be a single Eligible Crypto Asset, as determined by the Issuer on the Issue Date of the first Tranche of the relevant Series of Securities.

"**Eligible Crypto Asset**" is a Crypto Asset that is amongst the top one hundred Crypto Assets, as measured by market capitalisation as determined by the Issuer on the relevant trade date with respect to the first Tranche of the relevant Series of Securities and that is not a Prohibited Crypto Asset.

The determination as to whether a Crypto Asset is an Eligible Crypto Asset shall be based on:

1. the data regarding aggregate market capitalisation of such Crypto Asset in the Settlement Currency based on the price per unit of such Crypto Asset as published on [www.coinmarketcap.com](http://www.coinmarketcap.com) as at the relevant trade date with respect to the first Tranche of the relevant Series of Securities; or
2. if no data is available as per paragraph 1 above, then the most recent data published on [www.coinmarketcap.com](http://www.coinmarketcap.com).

The Issuer takes no responsibility for the content of these sources and they are not incorporated by reference into this Base Prospectus.

### **APPLICATIONS FOR SECURITIES**

It is intended each Series of Securities will be subject to a continual and ongoing subscription and redemption mechanism. Only Authorised Participants may make an order for subscription of Securities (a "Subscription Order"). Authorised Participants may submit a redemption order (a "Redemption Order") for the redemption of existing Securities. The minimum initial investment in Securities which must be made by an Authorised Participant is the amount equal to the Minimum Trading Lot as specified in the Final Terms.

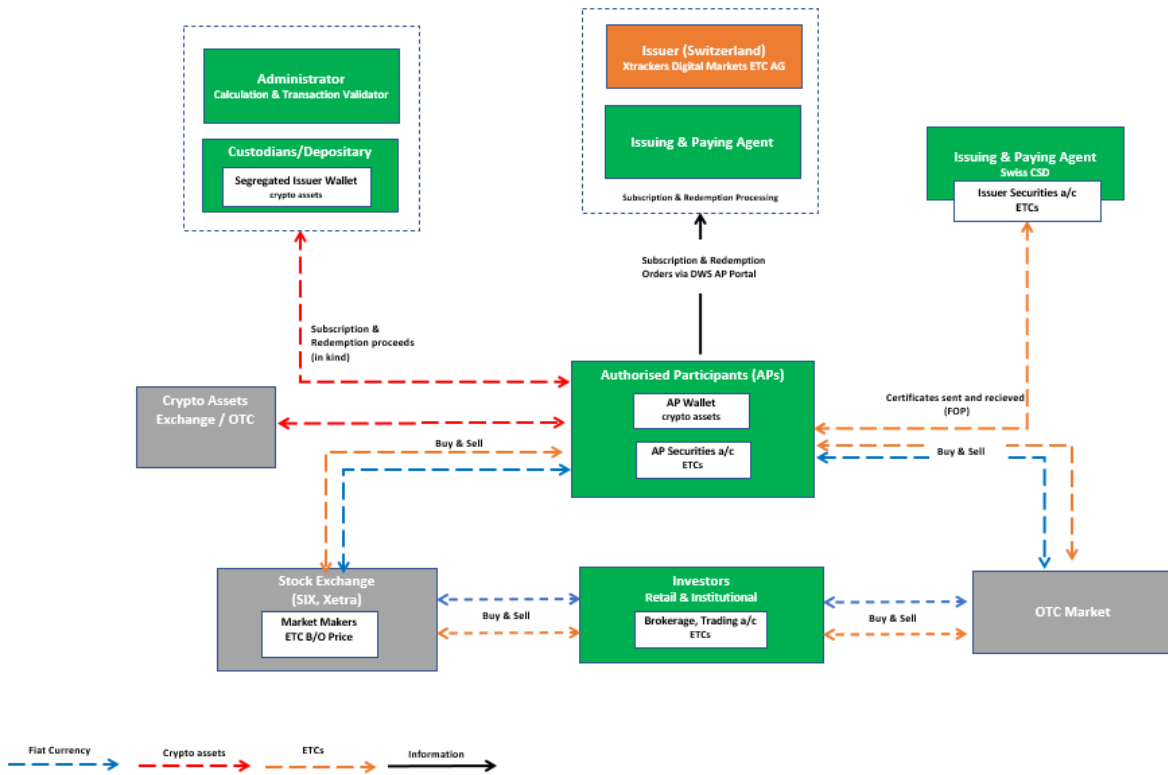
#### ***Subscriptions***

The Issuer may charge the Authorised Participant fees in respect of the subscription of Securities, as agreed between the Issuer and the Authorised Participant. In the event that the Issuer is holding cash or Underlying in respect of a Subscription Order which does not satisfy the requirements set out in the Conditions and the Authorised Participant Agreement, or such order fails to settle in accordance with the Conditions and the Authorised Participant Agreement, the Issuer will notify the Authorised Participant forthwith and arrange for such cash or Underlying to be returned to the Authorised Participant as soon as reasonably possible.

#### ***Subscription in kind***

A diagrammatic overview of the process of application by Authorised Participants for subscription for Securities in kind is set out below in Diagram 1.

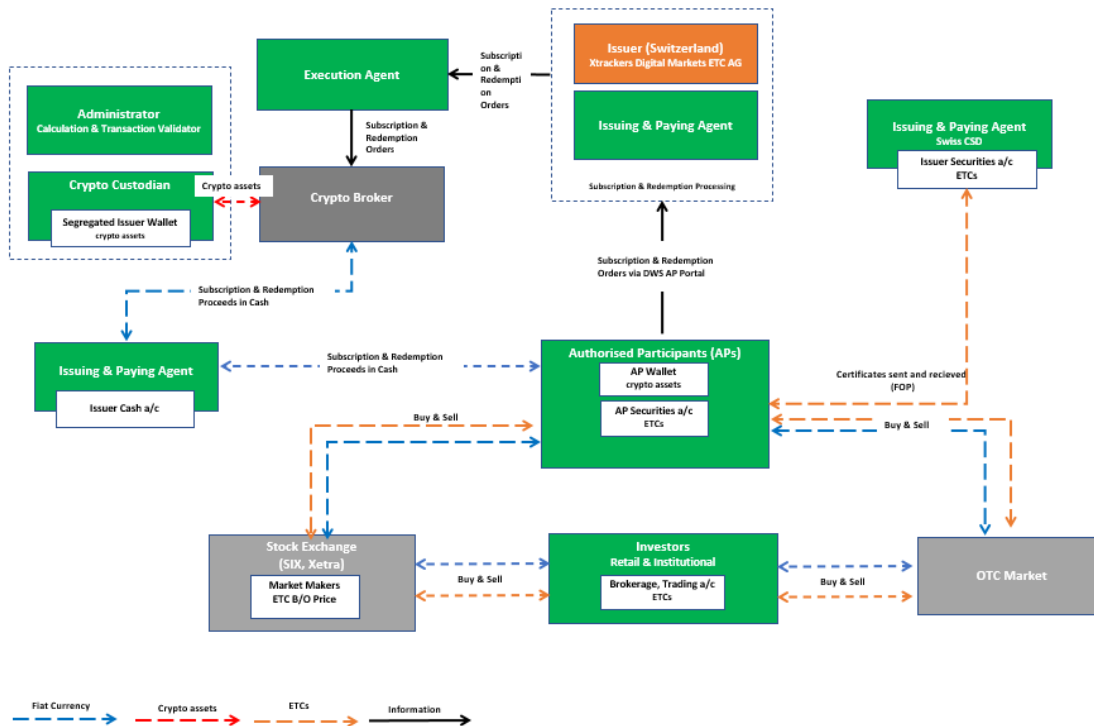
Simplified Structuring Diagram 1) AP subscription and redemption process in kind (cryptoassets)



**Subscription in cash**

A diagrammatic overview of the process of application by Authorised Participants for subscription for Securities in cash is set out below in Diagram 2.

Simplified Structuring Diagram 2) AP subscription and redemption process in cash



## REDEMPTION EVENTS

The Securities are perpetual and have no fixed maturity date. The Securities will only redeem in accordance with Condition 9 (*Redemption of Securities*). The Securities do not bear interest.

### **Optional redemption of Securities by the Issuer**

The Issuer may redeem the Securities outstanding in any Series at any time in full (and not in part) by way of Cash Settlement, at the Issuer's sole discretion and without any consent of or approval by the Securityholders, the Trustee or any other Transaction Party, by publishing an Early Redemption Notice in respect of such Series.

### **Optional redemption by a holder of Securities**

The Securities may be redeemed by an Authorised Participant subject to satisfying certain requirements set out in the Conditions. The Securities may be redeemed by a holder of Securities that is not an Authorised Participant only if the Investor Cash Settlement Conditions have been satisfied.

### **Redemption of Securities by the Issuer due to certain early redemption events**

The Securities shall redeem by way of Cash Settlement upon occurrence of any of the following events:

- an Adjustment Event occurs which cannot be addressed through an adjustment to the Conditions of the Securities;
- the Issuer determines, in its sole discretion, that an Illegality Event, a Regulatory Event and/or a Hedging Event has occurred;
- the Issuer determines, in its sole discretion, that Securities shall redeem in part under Condition 16(B) as a result of consolidation of Securities where a Securityholder would otherwise become entitled to a fraction of a Security; and/or
- the Issuer determines, in its sole discretion, that a Disruption Event is continuing for 30 days or more; and/or

- the Issuer determines, in its sole discretion, that no Authorised Participant has been appointed with respect to a Series of Securities; and/or
- the Issuer determines, in its sole discretion, that no Crypto Execution Agent has been appointed with respect to a Series of Securities within 90 days following termination of its appointment (or in case of its insolvency); and/or
- the Issuer determines that a Minimum Value Event has occurred.

**REDEMPTION PROCESS AND REDEMPTION AMOUNT**

On redemption the Securityholder will receive a cash amount in the Settlement Currency (where the Securities are redeemed by way of Cash Settlement) or a quantity of the Crypto Asset Collateral (where the Securities are redeemed by way of Physical Settlement) equal to the relevant Redemption Amount on the relevant Redemption Date.

**Physical Settlement – at the option of an Authorised Participant**

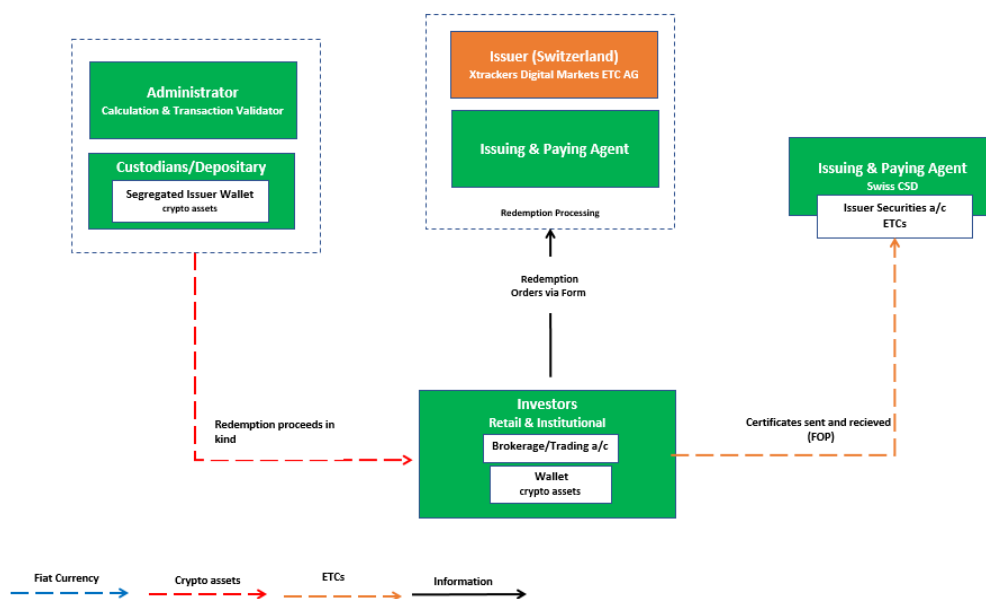
An Authorised Participant may require the Issuer to redeem all or part of its holding of Securities by way of Physical Settlement by lodging with the Issuer a Redemption Order. A diagrammatic overview of the process of a request by Authorised Participants for redemption for Securities in kind is set out in Diagram 1 above.

**Physical Settlement – at the option of the Securityholder which are not Authorised Participants**

A Securityholder, which is not an Authorised Participant, may at any time, require the Issuer to redeem all or part of its holding of Securities by way of Physical Settlement as set out below but only if all the Investor Physical Settlement Conditions have been satisfied. Any such redemption shall be subject to satisfactory verification checks made by the Issuer and the Principal Paying Agent with respect to such holder of Securities including the validation and/or KYC Requirement checks made over the financial intermediary (being the relevant Clearing System or a broker acting as the intermediary to the Securityholder) who maintains the relevant securities account for such Securityholder and who will deliver the Securities subject to the redemption back to the Issuing Agent.

A diagrammatic overview of the process of a request by the Securityholders which are not Authorised Participants for redemption for Securities in kind is set out below in Diagram 3.

**Simplified Structuring Diagram 3) Investor redemption in kind (cryptoassets)**



**Cash Settlement – at the option of an Authorised Participant**

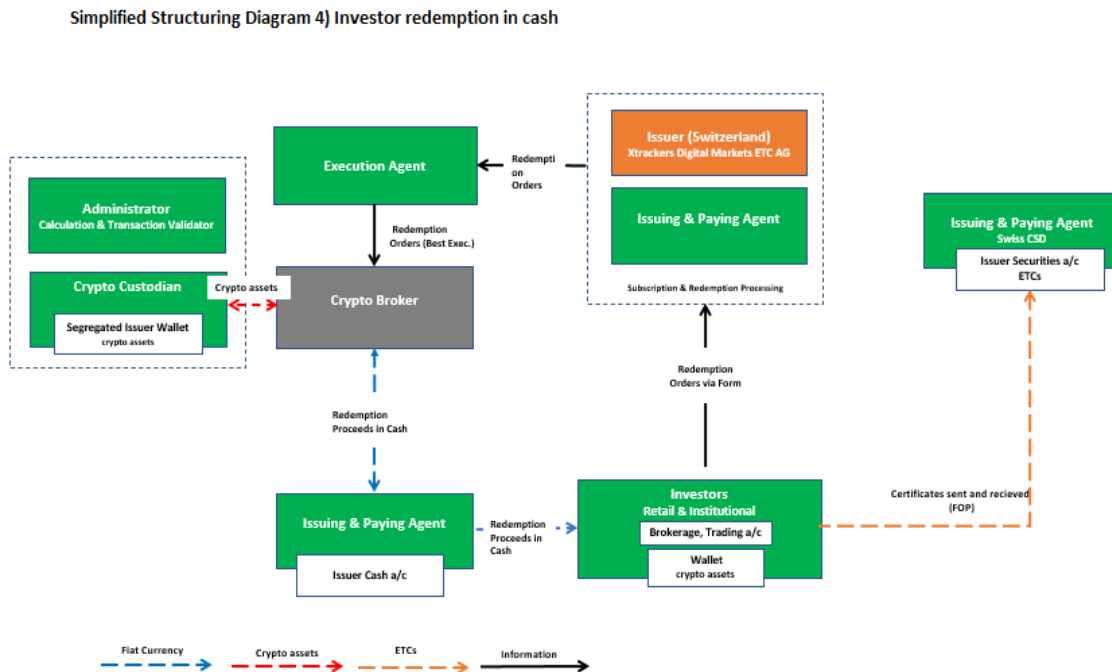
If any of the AP Cash Settlement Conditions have been satisfied with respect to any redemption of Securities, an Authorised Participant may require the Issuer to redeem all or part of its holding of Securities by way of Cash

Settlement by lodging with the Issuer a Redemption Order. A diagrammatic overview of the process of a request by Authorised Participants for redemption for Securities in cash is set out in Diagram 2 above.

**Cash Settlement – at the option of a holder of Securities that is not an Authorised Participant**

If the Investor Cash Settlement Conditions have been satisfied, a holder of Securities that is not an Authorised Participant may require the Issuer to redeem all (and not in part only) of its holding of Securities by way of Cash Settlement by lodging with the Issuer a Redemption Order together with the Investor Redemption Order Form in accordance with the Conditions. Any such redemption shall be subject to satisfactory verification checks made by the Issuer and the Principal Paying Agent with respect to such holder of Securities including the validation and/or KYC Requirement checks made over the financial intermediary (being the relevant Clearing System or a broker acting as the intermediary to the Securityholder) who maintains the relevant securities account for such Securityholder and who will deliver the Securities subject to the redemption back to the Issuing Agent.

A diagrammatic overview of the process of a request by a holder of Securities that is not an Authorised Participant for redemption in cash is set out in diagram 4 below.



**Coin Entitlement**

Each Security forming a Series of Securities has a Coin Entitlement. The Coin Entitlement is a quantity of Underlying which is used to calculate the relevant Redemption Amount with respect to a single Security for such Series of Securities. The initial Coin Entitlement is specified in the applicable Final Terms and will be published each Scheduled Valuation Day on the Issuer’s Website. The Coin Entitlement is calculated in accordance with the following formula and reduces on a daily basis (and rounded down to Entitlement Precision Level) to reflect the accrued Product Fee in respect of that Series of Securities.

$$CE_{(i,t)} = E_{(i,t-1)} \left(1 - PF_{(i,t)}\right)^{1/N}$$

where:

*i* means the relevant Series of Security;

*t* means the applicable day (with *t-1* being the previous day);

$CE_{(i,t)}$	means the Coin Entitlement per Security for that Series i for day $t$ ;
$CE_{(i,t-1)}$	means the Coin Entitlement per Security Series i on the day prior to day $t$ ;
$PF_{(i,t)}$	means the per annum Product Fee applicable to that Series of Security on day $t$ , expressed as a decimal (for example, an annual fee of 91 basis points per annum is expressed as 0.0091); and
$N$	means the calendar day count, being 360.

**Product Fee**

The Product Fee accrues on a daily basis and reduces the Coin Entitlement. The Product Fee for a Series of Securities is specified in the applicable Final Terms and may be varied by the Issuer from time to time in accordance with the Conditions. If the Product Fee is varied, the Securityholders will be notified and the varied Product Fee will not take effect for a period of 5 Business Days from the date of such notice.

**Worked example of Coin Entitlement**

Consider on day 1 the Coin Entitlement is specified in the applicable Final Terms as 0.02 and the Product Fee for the Series of Securities is 0.0098 per cent. per annum. On day 2 the Coin Entitlement would be reduced to take account for the daily amount of the annual Product Fee charged for that day. This would be calculated as follows.

$$CE_{(i,t)} = 0.02 \times (1 - 0.0098)^{\frac{1}{360}} = 0.02 \times (0.999973) = 0.01999945$$

On day three, the Coin Entitlement would reduce further to reflect another day of accrued Product Fee payable. This would be calculated as follows.

$$CE_{(i,t)} = 0.01999945 \times (1 - 0.0098)^{\frac{1}{360}} = 0.019998906 \times (0.999973) = 0.019998359$$

As demonstrated above, the Coin Entitlement reduces on a daily basis to take account for the daily accrual of the Product Fee payable by the Issuer.

**Redemption Deductions**

The Redemption Deductions are deducted at redemption as part of the calculation of the Redemption Amount. The Redemption Deductions reflect the necessary costs of the Issuer actually incurred in connection with the sale or transfer of the Crypto Asset Collateral.

The Redemption Deductions may be incurred by the Issuer in fiat currency. In the case of a redemption to be settled by Physical Settlement, the amount of Crypto Asset Collateral to be deducted on account of Redemption Deductions shall be as calculated by the Administration Agent. In the case of any redemption to be effected by way of Cash Settlement, the amount of any Redemption Deductions not denominated in the currency of payment shall be converted into an amount in the currency of payment as calculated by the Administration Agent.

The Redemption Deductions will be notified to the relevant Securityholders at the time of redemption and are deducted from the Coin Entitlement to calculate the relevant Redemption Amount.

**Converting the Coin Entitlement into an indicative market value**

There are multiple indicative prices publicly available with respect to the relevant Crypto Asset Collateral relating to a Series of Securities that may be used by Securityholders to determine an indicative market value price for such Series of Securities which it holds on any given day. The Securities that are held by a Securityholder contain an entitlement on redemption to the relevant Redemption Amount which is calculated by reference to the Coin

Entitlement. Securityholders or prospective investors may convert that Coin Entitlement into an indicative market value for Securities by using the following formula:

$$\text{Coin Entitlement} \times \text{Indicative Price} = \text{Indicative Market Value}$$

There may be multiple indicative prices for the Crypto Asset Collateral available which may be used by Securityholders for this purpose. For example, consider (i) a Securityholder holds Bitcoin-linked Securities with a Coin Entitlement of 0.001 and (ii) the closing price for Bitcoin on the relevant trading date was \$10,000. The indicative market value per single Security would therefore be calculated as follows:

$$0.001 \times \$10,000 = \$10$$

### **Worked examples relating to change in market value of Crypto Asset Collateral**

The below examples show how an investor's holding of the Securities may be impacted by a change in the market value of the Crypto Asset Collateral over the period of one year. These examples are for illustrative purposes only and do not indicate or represent actual or future performance of the Securities or the Underlying.

The following assumptions have been made with respect to these worked examples:

1. The Securities redeem within one full calendar year.
2. 1 Security is purchased at a price of \$100.
3. The price of the relevant Underlying referenced by that Security when the Security is bought is \$10,000.
4. The Coin Entitlement of the Security when the Security is purchased is 0.01.
5. The annual Product Fee is 0.90 per cent. per annum, for which a dollar value has been given in the scenarios below.
6. There are no changes in the level of fees charged on the Securities during the investment period.
7. All transaction fees (including any commission) of the investor's broker and investment adviser for the sale and purchase of the Securities and the custody fees of the investor's bank are excluded and deemed to be zero for the purposes of this example.

Scenario 1: The price of the relevant Crypto Asset Collateral increases:

- 1 Security is purchased from the broker at a price of \$100.
- The price of the relevant Underlying increases by 75 per cent. from \$10,000 to \$17,500 one year later.
- The sum of the Product Fee accrued during one year would reduce the Coin Entitlement from 0.01 to 0.00991.
- The market price of the Security (taking into account the Product Fee but as mentioned above ignoring any redemption/transaction fees) has increased from \$100 to \$173.42 (i.e.  $0.00991 \times \$17,500$ ).
- The investor has gained \$73.42 from an initial investment of \$100 a year ago.

Scenario 2: The price of the relevant Crypto Asset Collateral decreases:

- 1 Security is purchased from the broker at a price of \$100.
- The price of the relevant Underlying decreases by 75 per cent. to \$2,500 one year later.
- The sum of the Product Fee accrued during one year would reduce the Coin Entitlement from 0.01 to 0.00991.
- The market price of the Security (taking into account the Product Fee but as mentioned above ignoring any redemption/transaction fees) has decreased from \$100 to \$24.77 (i.e.  $0.00991 \times \$2,500$ ).
- The investor has lost \$75.23 from an initial investment of \$100 a year ago.

Scenario 3: The price of the relevant Crypto Asset Collateral remains the same:

- 1 Security is purchased from the broker at a price of \$100;
- The price of the relevant Underlying remains the same one year later;



- The sum of the Product Fee accrued during one year would reduce the Coin Entitlement from 0.01 to 0.00991.
- The market price of the Security (taking into account the Product Fee but as mentioned above ignoring any redemption/transaction fees) has decreased from \$100 to \$99.10 (i.e.  $0.00991 \times \$10,000$ ).
- The investor has lost \$0.90 from an initial investment of \$100 a year ago.

### **Taxation**

All payments or deliveries in respect of the Securities, including but not limited to payment or deliveries of any Cash Redemption Amount, shall be made subject to any deduction or withholding for or on account of tax that the Issuer or any Agent is required to make, by any Applicable Law. In that event, the Issuer or such Agent shall make such payment after such deduction or withholding for or on account of tax has been made and shall account to the relevant authorities for the amount(s) of tax so withheld or deducted. Neither the Issuer nor any Agent will be liable for, or otherwise obliged to make any additional payments to Securityholders in respect of, or in compensation for, any such deduction or withholding for or on account of tax.

## OVERVIEW OF THE UNDERLYING MARKET

*The information provided below does not purport to be a complete summary of information relating to the Underlying and prospective Securityholders are advised to conduct their own independent investigation of the Underlying or consult with their relevant advisors as to the prospects and consequences of an investment in the Securities.*

*The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from published information, no facts have been omitted which would render the reproduced information inaccurate or misleading.*

### Introduction

Crypto Assets are a novel technology and asset class, popularised by the creation of the Bitcoin network and its native Crypto Asset, Bitcoin. Crypto Assets are not backed by any government, corporation or other centralised body, rather, they are developed and maintained by participants in an online, peer-to-peer network that connects computers that run publicly accessible, or “open source,” software that follows the rules and procedures governing the respective Crypto Asset network.

The successful adoption of the Bitcoin network, and the use of its underlying blockchain technology, proliferated the development of other blockchain networks such as Ethereum and its native Crypto Asset, Ether. Ethereum represented the next advancement in blockchain-based utility by introducing the concept of smart contracts.

Smart contracts refer to a network’s underlying source code allowing cryptographic operations that verify and secure transactions that operate by a predefined set of rules (i.e., “if/then statements”) and are executed systematically. Such actions taken by the predefined set of rules are not necessarily contractual in nature, but are intended to eliminate the arbitration of a third party for carrying out code execution on behalf of users, making the system decentralised, while empowering developers to create a wide range of applications layering together different smart contracts.

The use of smart contracts has enabled the development of decentralised applications (“dApps”) which greatly expanded the use cases for blockchain technology and Crypto Assets. Other types of use cases related to Crypto Assets such as decentralised finance applications, non-fungible token (“NFT”) marketplaces, stablecoins, and tokenised real-world assets, to name a few, have been enabled by the advancement afforded by smart contract-based blockchain networks.

As of the date of this Base Prospectus, there are thousands of different Crypto Assets in circulation with Bitcoin and Ethereum being the first and second largest blockchain networks, respectively.

### *Consensus Mechanism*

Blockchain networks are distributed ledgers that are operated and governed by a decentralised community of participants, or node operators. In order for transactions to be processed on the blockchain network, node operators must achieve consensus, or come to an agreement, on the validity of each transaction. There are two primary mechanisms by which a blockchain achieves consensus: proof of work and proof of stake.

#### *Proof of Work Blockchains*

The proof of work consensus mechanism refers to the method in which node operators, that actively participate in the consensus mechanism, use sophisticated computer programs to repeatedly solve complex mathematical problems on specialised computer hardware. The complex mathematical problems refer to the cryptographic hashing algorithms associated to a block and the data it contains that requires validation. The node operator that solves the mathematical problem first is awarded the opportunity to add the block to the chain by propagating that block and its data to the other node operators on the network in order to achieve consensus that the block and its data is valid. Once consensus is achieved, the block is added to the blockchain. In performing this process, the node operator is rewarded by proving they performed sufficient computational work to solve the mathematical problem which can be capital intensive and require significant energy consumption. The award typically consists of newly minted coins of the Crypto Asset in addition to transaction fees. This entire process is referred to as “mining” and node operators, that actively participate in the consensus mechanism, are referred to as “miners”. The Bitcoin network is the largest and most common example of a proof of work blockchain. Other examples of proof of work blockchains are Litecoin, Bitcoin Cash, Ethereum Classic, and EthereumPOW.

#### *Proof of Stake Blockchains*

The proof of stake consensus mechanism refers to the method in which node operators, that actively participate in the consensus mechanism, stake capital in the form of the blockchain's native Crypto Asset in order to be selected to validate a block and the data it contains. In proof of stake blockchains, the node operators, that actively participate in the consensus mechanism, are referred to as validators. Validators stake their capital for an opportunity to be selected to validate a block and reap the reward for doing so. More specifically, validators deposit their Crypto Asset into a smart contract ("deposit contract") on the blockchain to ensure they validate blocks and their data in good faith. Validators acting in bad faith and falsely validating transactions or data will have their staked deposits taken from them, or slashed. The Ethereum network is now the largest and most common example of a proof of stake blockchain. Other examples of proof of stake blockchains are Solana, Cardano, Polkadot, Polygon, and Avalanche.

### *Trading and Liquidity*

Crypto Assets are not broadly regulated, so trading venues to purchase or sell Crypto Assets may be limited relative to traditional asset classes. Three of the primary venues to trade Crypto Assets are:

- *Centralised exchanges*: a trading platform that is owned and operated by a single entity that acts as the intermediary for buyers and sellers. The centralised exchange operates an order book to match buyers and sellers and set market clearing prices.
- *Decentralised exchanges*: although there are different operating models for decentralised exchanges, generally, they allow buyers and sellers to transact on a peer-to-peer basis, removing the need of an intermediary, directly on a blockchain.
- *Over-the-counter*: primarily used by institutional participants, buyers and sellers will agree to a market clearing price to transact with one another, much like how OTC trading exists with traditional asset classes, and transfer the Crypto Asset to one another on the blockchain.

Given the 24/7 nature of the Crypto Asset ecosystem, market participants are available to provide liquidity in many Crypto Assets 24 hours a day, 7 days a week. That said, the best timeframes to find liquidity are those during the trading hours of most major equity markets.

### *Pricing and Volatility*

The trading prices of many Crypto Assets, including Bitcoin and Ethereum, have experienced extreme volatility when compared to fiat currencies and most (if not all) traditional asset classes, and may continue to do so in future. Due to the peer-to-peer nature of Crypto Assets and the fact they can be traded continuously, price is heavily influenced by supply and demand. The price of a Crypto Asset can increase or decrease significantly in a matter of hours or even minutes, often caused by short-term trading.

Although the Issuer relies solely on the Coin Entitlement for purposes of the subscription and redemption process, potential Securityholders can look to external sources for real time prices of the Underlying. Those sources include dedicated trading venues for Crypto Assets and more traditional indexes and reference prices provided by index providers.

### *Regulation*

The regulatory treatment of a given Crypto Asset can vary markedly, depending on how it is classified by a relevant regulator. For example, Crypto Assets like Bitcoin or Ethereum have historically been regarded as unregulated investments, and are not typically subject to the rules that apply to conventional investments such as bonds, equities, commodities, funds etc. By contrast, Crypto Assets that share the same characteristics as conventional investments may be treated and regulated in the same way as the corresponding conventional financial instrument, irrespective of the differences in how the Crypto Asset is held or traded – for example, tokens that represent a debt claim against an issuer may be classified and regulated in the same way as a conventional debt security. In addition, different regulators may classify the same Crypto Asset in a different way, depending on the classification methodology deployed by the applicable regulator (which, in turn, may reflect differences in regulators' policy approaches and/or their perception of the risks associated with the Crypto Asset in question).

However, regulatory approaches to Crypto Assets are evolving. For example:

- In the EU, any person or undertaking that engages in the issuance to the public or admission to trading of 'crypto-assets' (defined as a digital representation of a value or of a right that is able to be transferred and stored electronically using distributed ledger technology or similar technology) or that provide services relating

to crypto-assets in the EU will be subject to Regulation (EU) 2023/1114 on markets in crypto-assets (“MiCAR”). By doing so, MiCAR will bring many activities relating to crypto-assets within the scope of the EU's regulatory perimeter. MiCAR is scheduled to come into force in phases, with provisions relating to asset-referenced tokens and e-money tokens coming into force on 30 June 2024, and provisions relating to utility tokens and certain Crypto Asset service providers coming into force on 30 December 2024.

- In the UK, the FCA has recently signalled its intention to include Crypto Assets within the regulatory framework established under the FSMA by expanding the list of regulated specified investments to include Crypto Assets (which is expected to be defined broadly, following the definition in the FSMA). In very general terms, this will mean activities performed in relation to Crypto Assets will be regulated under the same frameworks as that applicable to activities relating to conventional investments (albeit with certain adaptations), rather than under a separate, newly established regulatory framework. The specific rules are being developed in phases, and have not yet been finalised.

Investors should be aware that the regulatory treatment of Crypto Assets and activities performed in relation to them is evolving rapidly, and can differ significantly from jurisdiction to jurisdiction. The above is a high-level description and does not and cannot consider the regulatory implications of dealing in the Securities or any Crypto Assets relating thereto. Investors should also be aware that the Securities may be regulated in a different manner to the underlying Crypto Asset, despite the link between the Underlying and the Securities.

## PROGRAMME STRUCTURE

The Programme is established on the basis of programme level documents and issue level documents. The programme level documents set out the base terms and conditions of the Securities and document the terms of the agreements on which the various parties involved in the Series of Securities are appointed.

For each Series of Securities there are documents required for the issuance itself (the "Issue Level Documents") which apply the master programme level documents (the "Master Programme Level Documents"). Certain programme level documents apply to all Series of Securities issued under the Programme (the "Core Programme Documents").

### **Issue Level Documents**

When the Issuer is to issue a Series of Securities, it will enter into a single "Constituting Document".

Pursuant to the Constituting Document, the Master Trust Terms (which include the terms and conditions applicable to each Series of Securities (the "Conditions")) and the other Master Programme Level Documents relevant to that Series will be incorporated by reference and adopted for that Series, as amended and supplemented to the extent necessary to reflect the particular features of that Series. This means that one single document constitutes all the main contractual documents which are to apply to a Series of Securities.

### **Master Programme Level Documents**

The Master Programme Level Documents that exist as at the date of this Base Prospectus are summarised below:

#### ***Master Trust Terms (including Conditions)***

The Master Trust Terms contain the provisions relating to the creation of security in favour of the Trustee (both under English and Irish laws) and the terms of appointment of the Trustee. These terms will, together with the Constituting Document relating to a Series of Securities, comprise the Trust Deed for that Series, as amended and supplemented by the Constituting Document. The Master Trust Terms include the Conditions for any Securities issued by the Issuer (being those included in this Base Prospectus) and which (as amended and supplemented by the relevant Constituting Document) are adopted as the Conditions of the relevant Series of Securities pursuant to the relevant Constituting Document.

#### ***Master Definitions and Construction Terms***

The Master Definitions and Construction Terms define the terms used in the various Programme Level Documents and Issue Level Documents, and certain of the Core Programme Documents.

#### ***Master Issuing and Paying Agency Terms***

The Master Issuing and Paying Agency Terms contains the terms on which (i) the Issuing Agent will be appointed to provide certain services in connection with subscriptions and redemptions of the Securities, (ii) the Paying Agent(s) is appointed to process payments due under the Securities on behalf of the Issuer and (iii) the Technical Account Bank is appointed to maintain the Series Transaction Account for the relevant Series of Securities.

#### ***Master Administration Agency Terms***

The Master Administration Agency Terms contains the terms on which the Administration Agent is appointed to provide certain administration services to the Issuer in respect of all Series of Securities issued under the Programme, including making certain determinations required under the terms of all Series of Securities.

#### ***Master Crypto Execution Services Terms***

The Master Crypto Execution Services Terms contains the terms on which the Crypto Execution Agent agrees to provide to the Issuer certain services related, but not limited, to arranging the sales of Crypto Asset Collateral on

behalf of the Issuer on a periodic basis with respect to a Series of Securities issued under the Programme for the purposes of the Issuer subscribing and redeeming Securities and paying the fees of the Arranger.

### **Core Programme Documents**

The Core Programme Documents are entered into on or around the date of this Base Prospectus and apply to all Series of Securities issued under the Programme. Set out below is a summary of each of the key documents and its function.

#### ***Custody Agreements***

Each Custody Agreement will contain the terms on which the relevant Custodian with respect to the relevant Series of Securities is appointed to act on behalf of the Issuer to hold the Crypto Asset Collateral in respect to such Series of Securities on behalf of the Issuer. A Custody Agreement appointing a Custodian in respect of a Series of Securities may be entered into after the Issue Date of such Series.

#### ***Arrangement Agreement***

The Arrangement Agreement contains the terms on which the Arranger agrees to provide certain administrative and operational services to the Issuer in respect of all Series of Securities issued under the Programme.

#### ***Corporate Services Administration Agreement***

The Corporate Services Administration Agreement contains the terms on which the Corporate Services Administrator is appointed to provide certain administration services to the Issuer in respect of all Series of Securities issued under the Programme.

#### ***Crypto Development Services Agreement***

The Crypto Development Services Agreement contains the terms on which the Crypto Development Advisor agrees to provide certain services to the Arranger including, but not limited, to (i) monitoring developments relating to the Underlying in order to identify any events or circumstances which may have an impact on the Underlying (including any potential or forthcoming Hard Forks and similar events) and providing advice on the potential consequences and actions that may be taken by the Issuer in relation to the Underlying in respect of such developments; (ii) providing initial and ongoing screening and due diligence with respect to the Underlying (and certain other Crypto Assets); (iii) liaising with the relevant Custodian(s) to create and maintain the relevant Collateral Accounts for the Issuer (including assisting with maintaining user access rights to relevant third parties) and ensuring third-party Wallet addresses are whitelisted as well as the administration rights relating thereto; (iv) providing written guidance to the Administration Agent with respect to the periodic rebalancing of the Crypto Asset Collateral held by the Issuer between Collateral Accounts of different Custodians or between different Collateral Accounts of the Issuer at the same Custodian and (v) providing other support in connection with the Programme and Underlying under the terms of the Crypto Development Services Agreement.

#### ***Authorised Participant Agreement***

Each Authorised Participant Agreement is entered into between the Issuer and the relevant Authorised Participant. Such Authorised Participant Agreements set out the terms on which the Authorised Participant will act as Authorised Participant in relation to each Series of Securities issued by the Issuer under the Programme. The Authorised Participant Agreement sets out the contractual obligations that govern interactions between the Issuer and Authorised Participants, including in relation to new issuances and redemptions of Securities.

#### ***Other Security Documents***

##### ***Swiss Law Pledge***

The Swiss Law Pledge entered into between the Issuer and the Secured Creditors represented by the Trustee for each Series of Securities contains the provisions relating to the creation of security by the Issuer in favour of the

Trustee and the other Secured Creditors with respect to any Issuer's rights under any Series Agency Agreement governed the laws of Switzerland.

## CONDITIONS

*The following is the text of the Conditions applicable to the Securities issued under the Programme.*

*In respect of a Series of Securities, such Conditions, subject to completion and amendment and as supplemented and/or varied in accordance with the provisions of Part A of the applicable Final Terms, shall be applicable to such Securities.*

*References in the Conditions to “Securities” are references to the Securities of one Series only, not to all Securities that may be issued under the Programme. References to the “Securities” and the “Series” shall be construed accordingly.*

### 1. **Definitions**

*The following definitions are applicable to all Securities issued under the Programme by the Issuer and shall be read in conjunction with the Final Terms related to each Series of Securities, which completes them.*

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

“Adjustment Event” has the meaning given to it in Condition 13 (*Adjustments for Securities*).

“Administration Agent” means State Street Fund Services (Ireland) Limited or any other entity specified as such in the relevant Final Terms.

“Agent” means the Issuing Agent, the Principal Paying Agent, the Registrar (if appointed), the Arranger, the Crypto Execution Agent, the Paying Agent(s), the Administration Agent and any other person designated as an “Additional Agent” in the Final Terms and, in each case, any successor or replacement agent.

“Airdrop” means the allocation and distribution of airdrop Crypto Assets by a third party to the holders of a different Crypto Asset. Airdrop events are usually used either for promotional purposes of new Crypto Assets or hard fork events and may require the holder of a Crypto Asset to perform a certain activity or task to receive the airdrop Crypto Assets.

“AP Cash Settlement Conditions” means, in respect of any redemption of Securities of any Series by the Securityholder which is an Authorised Participant, any of the following conditions has been satisfied with respect to such redemption:

- (A) the Securityholder in its Redemption Order certifies that it is prohibited for legal or regulatory reasons from owning or taking delivery of the relevant Crypto Asset Collateral upon the relevant redemption if Physical Settlement would otherwise be applicable; and/or
- (B) the Issuer is prohibited for legal or regulatory reasons from effecting a delivery of the relevant Crypto Asset Collateral to the Securityholder if Physical Settlement would otherwise be applicable; and/or
- (C) as a result of such redemption, no outstanding Securities of such Series shall continue to remain outstanding; and/or
- (D) the Issuer has notified the Securityholders that it will accept Cash Settlement with respect to any Redemption Order; and/or
- (E) if none of the conditions in paragraphs (A)-(D) above are satisfied but the Issuer has accepted, acting in its absolute direction, a request from the relevant Securityholder to redeem the relevant Securities by way of Cash Settlement,



provided that the AP Cash Settlement Conditions will not be satisfied if the Crypto Execution Agent is insolvent, resigns, has terminated or has had its appointment terminated or materially breaches its obligations under the relevant Series Agency Agreement and the Issuer has not appointed an alternative Crypto Execution Agent.

“AP Redemption Date” means the transaction date specified by a relevant Authorised Participant in its Redemption Order, or such other date as may be agreed in writing between the Issuer and the relevant Authorised Participant.

“Applicable Law” means any law or regulation of any jurisdiction, including but not limited to:

- (A) any statute or regulation of any jurisdiction;
- (B) any rule or practice of any authority by which any party is bound or with which it is accustomed to comply;
- (C) any agreement entered into by any party and any authority or between two or more authorities; and/or
- (D) FATCA.

“Arrangement Agreement” means the arrangement agreement entered into between the Issuer and the Arranger in respect of the Programme.

“Arranger” means DWS Investments UK Limited or any successor thereto or replacement Arranger appointed by the Issuer.

“Arranger Default” has the meaning given to that term in Condition 23.1 (*Event of Default*).

“Authorised Participant” means, in respect of any Series of Securities, any Eligible Authorised Participant that has entered into an Authorised Participant Agreement with the Issuer.

“Authorised Participant Agreement” means an agreement between the Issuer and another person under which such person is appointed to act as an “Authorised Participant”, distribution agent or in a substantially similar function in relation to a Series of Securities, as may be amended and/or supplemented and/or restated from time to time.

“Base Currency” means, in respect of any Series of Securities, the currency of denomination of the Securities of that Series, as specified in the Final Terms.

“Base Prospectus” means the base prospectus in respect of the Programme, as updated and/or supplemented from time to time.

“Blockchain” means a single, sequenced, standardised and cryptographically secured record of activity to be shared among and acted upon by multiple participants.

“Business Day” means a day on which (i) commercial banks are open and settle payments in London, (ii) Underlying of the relevant Securities can be settled, (iii) for the purposes of Cash Settlement only, commercial banks are open and settle payments in New York and (iv) any other day, as specified in the Final Terms, if applicable.

“Cash Redemption Amount” means, in respect of all the Securities to be redeemed by the same Securityholder by Cash Settlement, an amount in the Settlement Currency equal to the higher of (i) zero and (ii) the net proceeds of sale of the aggregate Coin Entitlement of all such Securities subject to redemption rounded down to the Delivery Precision Level of such Securities as at the Final Fixing Date less any Redemption Deductions.

“Cash Settlement” means, in respect of any Security:

- (A) with respect to redemption, the redemption of such Security by way of sale by the Issuer of the relevant amount of Crypto Asset Collateral and payment of the Cash Redemption Amount to the relevant Securityholder; and
- (B) with respect to subscription, the payment of the relevant cash subscription amount by an Authorised Participant to the Issuer and the Issuer using such subscription amount to purchase the required amount of Crypto Asset Collateral.

“Certificates” has the meaning given to that term in Condition 3.2 (*Registered Securities*).

“Clearing System” means (i) in relation to a Series of Securities listed on the SIX Swiss Exchange, SIS and any additional clearing system approved by the SIX or (ii) any other additional clearing system specified in the Final Terms.

“CO” means the Swiss Code of Obligations of 30 March 1911, as amended.

“Code” means the US Internal Revenue Code of 1986.

“Coin Entitlement” means, as at any date and in relation to a Security of a Series of Securities, the amount(s) of the Crypto Asset Collateral to which (subject as provided in the Conditions) the Securityholder is entitled on redemption of that Security on that date calculated in accordance with Condition 8 (*Coin Entitlement*).

“Collateral Account” means, with respect to any Series of Securities, any Wallet administered by any Custodian for the Issuer for the purposes of holding the Crypto Asset Collateral for such Series of Securities. The Issuer may have one or more than one Collateral Account with respect to the Series of Securities held with one or more than one Custodian appointed for such Series of Securities. The Issuer may transfer Crypto Asset Collateral from one Collateral Account to another Collateral Account (including to another Collateral Account held with another Custodian appointed for the same Series) without consent of the Trustee or any holders of Securities.

“Collateralisation” means the procedures set out in Condition 5.3 (*Collateralisation*).

“Conditions” means, with respect to a Series of Securities, the terms and conditions of such Series of Securities, comprising these conditions as amended and/or supplemented and/or varied in accordance with the Constituting Document.

“Constituting Document” means the document which is executed by the Issuer and the Trustee, amongst others, to, amongst other things, constitute the relevant Series of Securities.

“Corporate Services Administration Agreement” means the corporate services administrator agreement entered into between the Issuer and the Corporate Services Administrator in connection with the Programme as may be amended and/or supplemented and/or restated from time to time.

“Corporate Services Administrator” means Vistra Zürich AG and any successor corporate services administrator appointed by the Issuer.

“Crypto Asset” means money, scrip or other representation of value or contractual rights that can only be exchanged electronically on a Blockchain.

“Crypto Asset Collateral” means with respect to any Series of Securities, (i) the amount of Underlying credited to the relevant Collateral Accounts with respect to such Series of Securities and (ii) any additional Crypto Assets other than Underlying held by the Custodian(s) for the Issuer with respect to such Series of Securities as a result of any Hard Fork and/or Airdrop.

“Crypto Broker” means a broker that specialises in buying and selling Crypto Assets that complies with the Crypto Broker Eligibility Criteria.

“Crypto Broker Eligibility Criteria” means the eligibility criteria applicable to any Crypto Broker that the Crypto Execution Agent can purchase from or sell to, the Crypto Asset Collateral, on behalf of the Issuer

in connection with the subscription and redemption of Securities and sale of Excess Crypto Collateral, as agreed between the Issuer, the Arranger and the Crypto Execution Agent from time to time without the consent of the Trustee or any holders of Securities.

“Crypto Development Advisor” means Galaxy or another entity appointed as Crypto Development Advisor, as specified in the Final Terms.

“Crypto Development Services Agreement” means the crypto development services agreement between the Arranger and the Crypto Development Advisor appointing the Crypto Development Advisor under the Programme.

“Crypto Execution Agent” means Galaxy or any other person appointed as Crypto Execution Agent, as specified in the Final Terms.

“Custodian” means each custodian appointed in relation to a Series which may be Coinbase Custody International Limited and/or Zodia Custody (Ireland) Limited and/or any successor(s) thereto and/or any other custodian as specified in the applicable Final Terms or notified to Securityholders from time to time.

“Custodian Default” has the meaning given to that term in Condition 23.1 (*Event of Default*).

“Custody Agreement” means the agreement appointing the Custodian(s) with respect to each Series of Securities which may include:

- (A) the custodial services agreement in relation to the Crypto Assets collateralising such Series of Securities issued under the Programme and entered into between the Issuer and Coinbase Custody International Limited as Custodian, as may be amended and/or supplemented and/or restated from time to time and which is entered into with respect to such Series of Securities; and/or
- (B) the custodial services agreement in relation to the Crypto Assets collateralising such Series of Securities issued under the Programme and entered into between the Issuer and Zodia Custody (Ireland) Limited as Custodian, as may be amended and/or supplemented and/or restated from time to time and which is entered into with respect to such Series of Securities; and/or
- (C) any other custodial services agreement between the Issuer and the relevant Custodian specified in the applicable Final Terms or notified to Securityholders with respect to such Series of Securities

and, for the avoid of doubt, includes any custodial services agreement entered between the Issuer and the relevant Custodian after the Issue Date with respect to such Series of Securities.

“DEBA” means the Swiss Debt Enforcement and Bankruptcy Act of 11 April 1889, as amended.

“Delivery Precision Level” means, in relation to a Series of Securities, the level specified as such in the Final Terms.

“Disruption Event” has the meaning specified in Condition 11.1 (*Market Disruption*).

“DWS AP Portal” means an electronic portal operated by DWS Investments UK Limited or its affiliate (or any successor), which enables Authorised Participants to (amongst other things) submit orders to subscribe for and redeem Securities from the Issuer.

“Early Redemption Notice” means the Issuer’s notice to the Securityholders of the redemption of the Securities in accordance with Condition 9.1 (*Optional redemption of Securities by the Issuer*) or Condition 9.2 (*Redemption of Securities by the Issuer due to certain early redemption events*).

“Electronic Consent” means, where the Securities are held by or on behalf of a relevant Clearing System, approval of a resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant

Clearing System(s) in accordance with its operating rules and procedures by or on behalf of the holders of not less than 75 per cent. of the aggregate number of the Securities then outstanding.

“Eligible Crypto Asset” means, with respect to any Series of Securities, any Crypto Asset that is amongst the top one hundred Crypto Assets, as measured by market capitalisation as determined by the Issuer on the relevant trade date with respect to the first Tranche of the relevant Series of Securities and that is not a Prohibited Crypto Asset. For the purposes of such determination, the Issuer shall rely on:

- (A) the data regarding aggregate market capitalisation of such Crypto Asset in the Settlement Currency based on the price per unit of such Crypto Asset as published on [www.coinmarketcap.com](http://www.coinmarketcap.com) as at the relevant trade date with respect to the first Tranche of the relevant Series of Securities; or
- (B) if no data is available as per (A) above, then the most recent data published on [www.coinmarketcap.com](http://www.coinmarketcap.com).

“Eligible Authorised Participant” means a person with whom the Issuer may lawfully enter into an Authorised Participant Agreement and observe and perform the terms thereof and who meets any other conditions of eligibility determined from time to time by the Issuer.

“Eligible Wallet” has the meaning given to that term in Condition 9.4(C).

“English Proceedings” has the meaning given to that term in Condition 31.2 (*Jurisdiction*).

“English Secured Property” means all Secured Property subject to the English Transaction Security.

“English Transaction Security” means all Transaction Security located in England and/or governed by English law.

“Entitlement Precision Level” means, in relation to each Security forming a Series of Securities, the level specified as such in the Final Terms.

“Equivalent Event” means, any event or circumstance which, in the sole opinion of the Issuer, has an effect on the Underlying or the Securities that is equivalent to any other Adjustment Event.

“Event of Default” has the meaning given in Condition 23 (*Events of Default*).

“Event of Default Redemption Notice” has the meaning assigned to such term in Condition 23.1 (Event of Default).

“Excess Crypto Asset Collateral” has the meaning given in Condition 9.8 (*General Provisions related to Excess Crypto Asset Collateral*).

“Exchange” means SIX Swiss Exchange, Xetra and/or any other stock exchange on which a Series of Securities may be listed and/or admitted to trading, as specified in the Final Terms.

“Extraordinary Event” has the meaning assigned to such term in Condition 22 (*Liability of losses*).

“Extraordinary Resolution” means a resolution of Securityholders passed (i) at a meeting duly convened and held in accordance with the Trust Deed by a majority of at least 75 per cent. of the votes cast, (ii) by a Written Resolution, or (iii) by Electronic Consent.

“FATCA” means:

- (A) sections 1471 to 1474 of the Code;
- (B) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (A) above; or

- (C) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (A) or (B) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

“Final Fixing Date” means, with respect to any redemption of Securities by way of Cash Settlement, subject to provisions regarding a Disruption Event and Underlying liquidity, the date on which settlement of sale of the required amount of Crypto Asset Collateral was completed in full and the Administration Agent is able to calculate the Cash Redemption Amount in the Settlement Currency.

“Final Terms” means the final terms completed by the Issuer in respect of the Series of Securities.

“Galaxy” means Galaxy Digital Funds LLC, a limited liability company organised and existing under the laws of the State of Delaware, USA with its principal place of business at 300 Vesey Street, 13<sup>th</sup> floor, New York, NY 10282.

“Global Registered Certificate” means, in respect of Registered Securities, a certificate in permanent global form representing all of the Securities of the Series, substantially in the form set out in the Master Trust Terms.

“Hard Fork” means, with respect to a Crypto Asset, the splitting of the protocol applicable to that Crypto Asset, which results in (i) two or more Blockchains which are technologically incompatible with each other and (ii) two or more Crypto Assets being available for trading simultaneously, one being native to the original Blockchain that existed immediately prior to the aforementioned protocol split (the “Original Crypto Assets”), and one or more relating to the new Blockchain(s) resulting from such protocol split (“New Crypto Assets”).

“Hedging Event” means that the Issuer:

- (A) is unable, after using commercially reasonable efforts, to (1) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s), including Crypto Asset Collateral, it deems necessary to hedge the risk of issuing and performing its obligations with respect to the Securities, or (2) realise, recover or remit the proceeds of any such transaction(s) or asset(s), including Crypto Asset Collateral; or
- (B) would incur a materially increased (as compared with circumstances existing on the Issue Date and as determined by the Issuer in its sole discretion) amount of Tax (other than brokerage commissions) to: (1) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s), including Underlying, it deems necessary to hedge the risk of issuing and performing its obligations with respect to the Securities, or (2) realise, recover or remit the proceeds of any such transaction(s) or asset(s), including Crypto Asset Collateral.

“Illegality Event” means that any time on or after the Issue Date the performance of the Issuer’s obligations under the Conditions will be unlawful in whole or in part as a result of compliance in good faith by the Issuer with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power or any Applicable Law.

“Insolvency Event” means that the Issuer is declared bankrupt within the meaning of article 736 para 1 No. 3 of CO and the DEBA by a competent court.

“Intermediated Securities” has the meaning specified in Condition 3.3 (*Uncertificated Securities*).

“Investor Cash Settlement Conditions” means, in respect of any redemption of Securities of any Series by the Securityholder which is not an Authorised Participant, all the following conditions have been satisfied with respect to such redemption:

- (A) completion of the required verification checks by the Principal Paying Agent to its satisfaction based on the documents provided by such holder of Securities to the Principal Paying Agent including the validation and/or KYC Requirements checks with respect to the financial intermediary (being the relevant Clearing System or a broker acting as the intermediary to the

- holder) who maintains the relevant securities account for such holder and who will deliver the Securities subject to the redemption back to the Issuing Agent;
- (B) payment of an upfront Investor Redemption Fee to the Principal Paying Agent as specified in the Investor Redemption Order Form;
- (C) one or more of the following conditions have been satisfied:
- (1) the Securityholder in its Redemption Order certifies that it is prohibited for legal or regulatory reasons from owning or taking delivery of the relevant Crypto Asset Collateral upon the relevant redemption if Physical Settlement would otherwise be applicable;
  - (2) the Issuer is prohibited for legal or regulatory reasons from effecting a delivery of the relevant Crypto Asset Collateral to the Securityholder if Physical Settlement would otherwise be applicable; and/or
  - (3) on the date of such Investor Redemption Order Form is lodged by a holder of Securities, there is no Authorised Participant appointed under the Programme with respect to the relevant Series of Securities; and
- (D) completion by such holder of Securities of the Investor Redemption Order Form as verified by the Principal Paying Agent.

“Investor Physical Settlement Conditions” means, in respect of any redemption of Securities of any Series by the Securityholder which is not an Authorised Participant, all the following conditions have been satisfied with respect to such redemption:

- (A) completion of the required verification checks by the Principal Paying Agent to its satisfaction based on the documents provided by such holder of Securities to the Principal Paying Agent including the validation and/or KYC Requirements checks with respect to the financial intermediary (being the relevant Clearing System or a broker acting as the intermediary to the holder) who maintains the relevant securities account for such holder and who will deliver the Securities subject to the redemption back to the Issuing Agent;
- (B) completion by such holder of Securities of the Investor Redemption Order Form as verified by the Principal Paying Agent, including providing evidence that the Wallet specified in the Investor Redemption Order Form belongs to such holder of Securities and that it is an Eligible Wallet pursuant to Condition 9.4(C);
- (C) payment of an up-front Investor Redemption Fee to the Principal Paying Agent as specified in the Investor Redemption Order Form; and
- (D) if there is at least one Authorised Participant appointed with respect to the relevant Series of Securities, the Investor Redemption Order Form is submitted at least 12 months after the Issue Date of the first Tranche of such Series of Securities.

“Investor Redemption Fee” means the fee payable by a Securityholder to the Principal Paying Agent by way of an upfront payment on the redemption of Securities pursuant to Condition 10 (*Investor Redemption Fee*).

“Investor Redemption Order Form” has the meaning given in:

- (A) with respect to redemption of Securities by way of Physical Settlement, Condition 9.4 (*Physical Settlement at the Option of a Securityholder which is not an Authorised Participant*); and
- (B) with respect to redemption of Securities by way of Cash Settlement, Condition 9.10 (*Cash Settlement at the Option of a Securityholder which is not an Authorised Participant*).

“IPA Default” has the meaning given to that term in Condition 23.1 (*Event of Default*).

“Irish Act” means the Land and Conveyancing Law Reform Act 2009 of Ireland (as amended from time to time).

“Irish Delegate” means any delegate, agent, manager, attorney or co-trustee appointed by the Trustee or any Irish Receiver.

“Irish Law Provisions” means Clause 5.2 (*Irish Transaction Security*), Clause 5.6(B)(3) (*Realisation of Transaction Security*), Clause 5.9 (*Appointment and powers of the Irish Receiver in respect of the Irish Transaction Security*), Clause 5.10 (*Enforcement of the Irish Transaction Security*), Clause 5.11 (*Right of appropriation*), Clause 5.13 (*Further assurance*) (in respect of the Irish Receiver only), Clause 5.15(B) (*Attorney*), Clause 5.16 (*No obligation to account*) (in respect of the Irish Receiver only) Clause 5.18(B) (*Additional Powers*), Clause 5.19(B) (*No duty to enquire*), Clause 5.23 (*Role of Trustee in the Irish Transaction Security*), Clause 5.29 (*Mortgagee or heritable creditor*) (in respect of the Irish Receiver only), Clause 9.14 (*Indemnity*) (in respect of the Irish Receiver only) of the Master Trust Terms, as contained in the Trust Deed.

“Irish Proceedings” has the meaning given to that term in Condition 31 (*Governing law and Jurisdiction*).

“Irish Receiver” means a receiver, receiver and manager or, where permitted by law, an administrative receiver and shall include any appointee made under a joint or several appointment in connection with any Irish Transaction Security.

“Irish Secured Property” means any Secured Property subject to the Irish Transaction Security.

“Irish Transaction Security” means all Transaction Security located in Ireland and/or governed by Irish law.

“Issue Date” means the date specified in the Final Terms on which the Securities are issued.

“Issue Price” means, with respect to each Series of Securities the issue price per Security as specified in the relevant Final Terms.

“Issuer” means Xtrackers Digital Markets ETC AG a corporation incorporated under the laws of Switzerland.

“Issuer Expenses Account” means the bank account in the name of the Issuer opened with any bank for the purposes of receiving, holding and transferring proceeds from the sale of any Excess Crypto Asset Collateral with respect to any Series of Securities transferred from the Series Transaction Account. The Issuer Expenses Account shall not be subject to Transaction Security and a single Issuer Expenses Account shall be opened by the Issuer with respect to the Programme.

“Issuer Technical Amendment” means any amendment, variation or modification to the Conditions, any Trust Deed and/or any Transaction Document which is made:

- (A) in connection with (i) the appointment of an Authorised Participant and/or (ii) the entry into an Authorised Participant Agreement and/or (iii) any change to the terms of an Authorised Participant Agreement which is necessary or desirable in the opinion of the Issuer;
- (B) in connection with (i) the appointment of a Custodian, Corporate Services Administrator, Arranger, the Administration Agent, Crypto Execution Agent, Crypto Development Advisor, Issuing Agent, Paying Agent or any other Agent and/or (ii) the entry into a Custody Agreement or Additional Series Agency Agreement and/or (iii) any change to the terms of a Series Agency Agreement which is necessary or desirable in the opinion of the Issuer;
- (C) in connection with any change in the fees or costs payable to any Transaction Party by a party other than the Issuer;
- (D) to comply or align with rules, regulations or procedures of any stock exchange, settlement system, Authorised Participant or Custodian where such compliance or alignment is mandatory or is for the benefit of the Securityholders; and/or

(E) pursuant to Condition 13 (*Adjustments for Securities*) or 16 (*Consolidation and Division and Trading of Securities*) or otherwise which, under the Conditions or the Trust Deed, the Trustee is bound to agree to or which can be made by the Issuer without the consent of the Trustee.

"Issuer's Website" means www.etf.dws.com or any successor or alternative website notified to Securityholders.

"Issuing Agent" means State Street Bank International GmbH Munich, Zürich Branch and any successor issuing agent.

"KYC Requirements" means applicable anti-money laundering, counter terrorist financing laws and regulations, sanctions and any related "know your customer" standards.

"Main Register" has the meaning specified in Condition 3.3 (*Uncertificated Securities*).

"Master Administration Agency Terms" means the Master Administration Agency Terms 2024 Edition, or such other edition as specified in the Constituting Document.

"Master Crypto Execution Services Terms" means Master Crypto Execution Services Terms 2024 Edition, or such other edition as specified in the Constituting Document.

"Master Definitions and Construction Terms" means the Master Definitions and Construction Terms 2024 Edition, or such other edition as specified in the Constituting Document.

"Master Issuing and Paying Agency Terms" means Master Issuing and Paying Agency Terms 2024 Edition, or such other edition as specified in the Constituting Document.

"Master Trust Terms" means the Master Trust Terms 2024 Edition, or such other edition as specified in the Constituting Document.

"Minimum Threshold Trigger" means, an amount in per cent. specified in the Final Terms, if any.

"Minimum Trading Lot" means a minimum trading lot specified in the Final Terms, if any.

"Minimum Value Event" means, if specified as applicable in the Final Terms, as determined by the Issuer, an event where the Value per Security on each of any three consecutive Scheduled Valuation Days is equal to or less than the product of (i) the Minimum Threshold Trigger and (ii) the Value per Security on the Issue Date of the first Tranche of the relevant Series of Securities.

"New Crypto Assets" has the meaning given to it in the definition of Hard Fork.

"Non-Selected Forked Crypto Assets" has the meaning given to it in Condition 13.2(B)(1)(a).

"Non-Selected Forked Crypto Assets Proceeds" has the meaning given to it in Condition 13.2(B)(1)(b).

"Operating Manual" means the operating manual in respect of the procedures for the subscription and redemption of Securities, calculation of Product Fees and corresponding reduction of Coin Entitlement and payment of the Product Fees and various other processes relating to the operation of the Issuer and the Securities, as agreed and updated from time to time between the Issuer, the relevant Authorised Participants, the Agents and the Arranger.

"Original Crypto Assets" has the meaning given to it in the definition of Hard Fork.

"Paying Agent(s)" means the Principal Paying Agent, the Swiss Paying Agent and any entity or entities specified as an additional Paying Agent in the Final Terms or any successor thereto or replacement Paying Agent appointed by the Issuer, in each case at its Specified Office.



“Physical Redemption Amount” means in respect of any Securities to be redeemed by Physical Settlement, means:

- (A) the aggregate Coin Entitlement of such Securities subject to redemption as at the Redemption Date rounded down to the next lowest Delivery Precision Level; less
- (B) an amount of such Crypto Asset Collateral having a value equal (in the opinion of the Administration Agent) to the Redemption Deductions rounded up to the next highest Delivery Precision Level.

“Physical Settlement” in relation to the redemption of any Security, means redemption of such Securities by way of delivery of the required amount of the Crypto Asset Collateral equal to the Physical Redemption Amount determined under these Conditions to the relevant Securityholder.

“Potential Event of Default” means an event or circumstance that could, with the giving of notice, lapse of time, issue of a certificate and/or the fulfilment of any other requirement become an Event of Default.

“Price Source” means, with respect to Underlying, the price or value source, including but not limited to information providers such as Reuters or Bloomberg and the respective pages on their systems, that officially provides for the respective price or value of such Underlying, as such source determined by the Administration Agent (or the Arranger in circumstances set out in Condition 17.3(G) (*Administration Agent*)) in its absolute discretion.

“Principal Paying Agent” means State Street Bank International GmbH Munich, Zürich Branch and any successor principal paying agent.

“Proceedings” means English Proceedings or Irish Proceedings, as applicable.

“Product Fee” has the meaning, in respect of any Series of Securities, given to that term in Condition 8.1 (*Coin Entitlement Calculation*), as set out in the Final Terms of that Series, as may be varied as accordance with these Conditions.

“Programme” means the Issuer’s programme for the issuance of exchange traded securities collateralised by Crypto Assets.

“Prohibited Crypto Asset” means any Crypto Asset which, in the reasonable opinion of the Issuer, falls within any of the following categories, in each case as determined by the Issuer on the Issue Date of the relevant Series of Securities:

- (A) any stablecoin (including asset-referenced tokens and electronic money tokens) where the relevant protocols and rules governing such stablecoin do not provide for prudent collateralisation requirements;
- (B) any Crypto Asset which is regarded as a “privacy coin” and which rules and protocols hide or obscure transactions on its blockchain by way of anonymising the origin and destination of transacted coins or tokens, the amount transacted and/or balances of Wallet addresses;
- (C) any Crypto Asset which is regarded as a “meme coin”, and which has all of the following characteristics: (i) such Crypto Asset being considered by the broad investment community to be a “meme coin”; (ii) being associated with comical or animated memes; and (iii) having no intrinsic utility or functionality;
- (D) any Crypto Asset which is regarded as an “exchange token”, i.e., is issued by a Crypto Asset exchange; and/or
- (E) any Crypto Asset which is regarded as a “wrapped token”, i.e., which is pegged to the value of another native Crypto Asset in order to make the Crypto Asset available on a different blockchain.

“Prohibited Securityholder” means any Securityholder that, through its holding of the Securities, is, in the opinion of the Issuer, in breach of or subject to sanctions under any Applicable Law, identified as a

Restricted Party or would risk exposing the Issuer or any Transaction Party to a breach of or sanction under any Applicable Law.

“Quarantine Review” means a review carried out by a Custodian where Crypto Assets are transferred to the Collateral Account held by such Custodian on behalf of the Issuer and in relation to a given Series of Securities and thereafter from time to time, which may involve anti-money laundering checks, verification screenings and other related checks and procedures designed to ensure compliance with any KYC Requirements, applicable laws and regulations and/or the relevant Custodian’s own internal policies.

“Quarantined Crypto Assets” means Crypto Assets held by the Custodian(s) on behalf of the Issuer in relation to a given Series of Securities that have failed a Quarantine Review and are, as a consequence, inaccessible to the Issuer and/or no longer constitute Crypto Asset Collateral for that Series of Securities.

“Redemption Amount” means in case of redemption of Securities by Cash Settlement, Cash Redemption Amount and in case of redemption of Securities by Physical Settlement, Physical Redemption Amount.

“Redemption Date” means, with respect to any redemption:

- (A) following delivery of an Early Redemption Notice, the redemption date specified in the Early Redemption Notice;
- (B) in case of Physical Settlement, if such redemption is requested by an Authorised Participant, the AP Redemption Date;
- (C) in case of Physical Settlement, if such redemption is requested by the Securityholder which is not an Authorised Participant, no more than 10 Business Days after the Principal Paying Agent has confirmed the details of the Redemption Order to the Administration Agent in accordance with Condition 9.4(A)(6); and
- (D) in case of Cash Settlement no more than 10 Business Days after the Final Fixing Date.

“Redemption Deductions” in respect of any Securities to be redeemed, means an amount equal to the costs, charges and/or fees incurred by the Issuer per Security in connection with such redemption, including, without limitation:

- (A) in respect of any redemption to be effected by Physical Settlement, any costs incurred by the Issuer, the Custodian(s), the Crypto Execution Agent (as agent of the Issuer) or any other of the Issuer’s agents as part of a transfer of the relevant Crypto Asset Collateral;
- (B) any banking and custody fees or costs incurred as part of transfer of cash or Crypto Asset Collateral between accounts of the Issuer and/or any Securityholder;
- (C) in respect of any redemption to be effected by Cash Settlement, any costs incurred as part of currency conversions which may be necessary to facilitate such redemption;
- (D) any blockchain network fees which are incurred as part of transfer of Crypto Asset Collateral from the relevant Collateral Account to another Wallet (to the extent those fees are not covered by the Custodian(s) in accordance with the Custody Agreements);
- (E) any costs, fees and expenses of the Trustee incurred in relation to enforcing the Transaction Security or taking any steps required as a part of a sale, a purchase or the transfer of Crypto Asset Collateral; and
- (F) any withholding or deduction for or on account of, any present or future Taxes of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any relevant jurisdiction or any political subdivision thereof or any authority thereof having power to Tax.

In the case of a redemption to be settled by Physical Settlement, the Redemption Deductions shall be applied in kind by deduction of an amount of Crypto Asset Collateral and the amount of such Crypto Asset Collateral to be deducted on account of Redemption Deductions shall be as calculated by the

Administration Agent. In the case of any redemption to be effected by way of Cash Settlement, the Redemption Deductions shall be applied by deduction of the relevant amount of cash and the amount of any such Redemption Deductions in cash not denominated in the currency of payment shall be converted into an amount in the currency of payment as calculated by the Administration Agent.

“Redemption Order” means a request from a Securityholder to the Issuer for redemption of Securities by way of Physical Settlement or Cash Settlement as applicable.

“Register” has the meaning given to that term in Condition 3.4 (*Title to Registered Securities*).

“Registered Securities” has the meaning given to that term in Condition 3 (*Form and Title*).

“Registrar” means any other person with respect to Registered Securities appointed by the Issuer as the registrar maintaining the Register.

“Registrar Agreement” with respect to a Series Securities issued in registered form, means the agreement for the provision of registry and associated Services entered into between the Registrar and the Issuer and the Trustee. For the avoidance of doubt, there will no Registrar Agreement with respect to the Series Securities that are not issued in registered form.

“Regulatory Event” means that, at any time on or after the Issue Date, as a result of:

- (A) an implementation or adoption of, or change in, Applicable Law, regulation, interpretation, action or response of a regulatory authority; or
- (B) the promulgation of, or any interpretation by any court, tribunal, government or regulatory authority with competent jurisdiction (a “Relevant Authority”) of, any relevant law or regulation (including any action taken by a taxing authority); or
- (C) the public or private statement or action by, or response of, any Relevant Authority or any official or representative of any Relevant Authority acting in an official capacity,

there is a reasonable likelihood of it becoming:

- (1) unlawful, impossible or impracticable, for the Issuer to maintain the Securities and/or to perform its obligations under the Securities; and/or
- (2) necessary for the Issuer to obtain a licence, authorisation or other approval for the continuation or maintenance of the business relating to or supporting the Securities or their hedging activities in relation to such Securities.

“Restricted Party” means any person, entity or government instrumentality that is, or is owned or controlled (as such terms are interpreted in accordance with applicable Sanctions laws and regulations) by one or more persons, entities or government instrumentalities that is:

- (A) publicly designated by a Sanctioning Authority to be the target of Sanctions;
- (B) a citizen of, located or resident in or incorporated or organised under the laws of a Sanctioned Country; or
- (C) otherwise the target of Sanctions.

“Sanctioned Country” means a country or territory which is the subject of any country-wide Sanctions.

“Sanctioning Authority” means:

- (A) the U.S. government or any U.S. agency or official institution thereof (including OFAC, the U.S. Department of State, the U.S. Department of Commerce and the U.S. Department of the Treasury);
- (B) the United Nations Security Council;
- (C) the E.U. or any of the governments of its member states or any agency or official institution thereof; or
- (D) the U.K. government (including, without limitation, any of His Majesty's Treasury, the Foreign, Commonwealth & Development Office and the Department for Business, Energy & Industrial Strategy) or any agency or official institution thereof; and
- (E) any other authority that is reasonably determined to be relevant for a Series.

"Sanctions" means any economic or financial sanctions, trade embargoes or other similar restrictive measures imposed, enacted, administered or enforced from time to time by a Sanctioning Authority.

"Scheduled Valuation Day" means the Issue Date and each day thereafter on which banks are open for business in London.

"Secured Creditors" means the Trustee, the Issuing Agent and the Paying Agents, the Technical Account Bank, the Arranger, the Administration Agent, the Crypto Execution Agent, the Custodian(s) and the Securityholders, to the extent entitled to the benefit of the Secured Obligations relating to a Series of Securities.

"Secured Obligations" means the payment and delivery obligations of the Issuer to the Trustee and the other Secured Creditors under the Transaction Documents with respect to each Series of Securities that such Secured Creditor is a party to.

"Secured Property" means the assets subject to the Transaction Security relating to a Series of Securities.

"Securities" means the non-interest bearing, secured, limited recourse debt obligations of the Issuer constituted by the Trust Deed.

"Security Documents" means any security document relating to the Securities pursuant to which the Transaction Security in respect of the Secured Property is created or perfected, and any other document designated as such by the Issuer and the Trustee, as such document may be amended, supplemented, novated and/or replaced from time to time, including but not limited to:

- (A) the Trust Deed;
- (B) the Swiss Law Pledge; and
- (C) any additional security or pledge agreement entered into between, amongst others, the Issuer and the Trustee to grant security in respect of the Crypto Asset Collateral.

"Securityholders" means the person in whose name a Registered Security or Uncertificated Security is registered (as the case may be).

"Selected Forked Crypto Assets" has the meaning given to it in Condition 13.2(B)(1)(a).

"Selected Forked Crypto Assets Purchase" has the meaning given to it in Condition 13.2(B)(1)(b).

"Series" means the series of Securities issued by the Issuer and identified in the Final Terms, comprised of one Tranche or of multiple Tranches, where each subsequent Tranche is expressed to form a single Series with each earlier Tranche.

“Series Agency Agreement” means any of (i) the Master Issuing and Paying Agency Terms, the Master Crypto Execution Services Terms, the Master Administration Agency Terms, the Registrar Agreement and any other agreement or terms constituted by the Constituting Document in each case in respect of the relevant Series of Securities and (ii) any other agency agreement or terms with respect to any Series of Securities designated as an “Additional Series Agency Agreement” in the Final Terms.

“Series Transaction Account” means a separate bank account in the name of the Technical Account Bank, opened by the Technical Account Bank with respect to each Series of Securities, for the purposes of (amongst other things):

- (A) settlement of subscriptions and redemptions of Securities by way of Cash Settlement; and
- (B) settlement of relevant transactions with the Crypto Brokers (including as a result of purchase and sale of any part of Crypto Asset Collateral, including sale of any part of the Excess Crypto Asset Collateral to settle any fees payable to the Arranger).

The Series Transaction Account shall not be subject to Transaction Security.

“Settlement Currency” means the currency specified in the Final Terms in which the Cash Redemption Amount is settled.

“SIS” means SIX SIS AG, Olten, Switzerland, or any successor thereof.

“SIX” or “SIX Swiss Exchange” means the SIX Swiss Exchange AG, Pfingstweidstrasse 110, 8005 Zurich, Switzerland, or its successor.

“Specified Office” means, in relation to a party, the office identified with its name in the Final Terms and/or the office identified with its name in the Constituting Document or any other office notified to Securityholders and the Trustee in accordance with the Trust Deed.

“Subscription Coin Amount” means, in respect of a Subscription Order and the related Subscription Settlement Date applicable to such Subscription Order, the product of:

- (A) the number of newly issued Securities requested by the relevant Authorised Participant in such Subscription Order to be issued by the Issuer to such Authorised Participant; and
- (B) the Coin Entitlement per Security applicable to each such Security as at the Subscription Settlement Date,

rounded upwards to the next highest Delivery Precision Level.

“Subscription Order” means an order by an authorised person of the Authorised Participant to the Issuer for the issuance of Securities by the Issuer to such Authorised Participant, which is delivered through the DWS AP Portal in accordance with the Operating Manual unless otherwise agreed by the parties, in the form agreed between the Issuer and the Authorised Participant (as may be updated from time to time).

“Subscription Settlement Date” means, with respect to any new Securities, the originally scheduled Issue Date of such new Securities agreed on the Subscription Trade Date related to such new Securities.

“Subscription Trade Date” means, with respect to issue of any new Securities, the trade date (day “T”) on which all the settlement terms related to the issue of such new Securities have been agreed between the Issuer, the Administration Agent, the Crypto Execution Agent (if applicable) and the Authorised Participant in accordance with the Operating Manual.

“Substituted Issuer” has the meaning given to it in Condition 19.4 (*Issuer substitution*).

“Swiss Law Pledge” means, with respect to the relevant Series of Securities, a Swiss law governed security agreement between the Issuer and the Secured Creditors represented by the Trustee with respect to

granting security with respect to such Series of Securities over the Issuer's rights under any Series Agency Agreement governed by the laws of Switzerland.

"Swiss Paying Agent" means State Street Bank International GmbH Munich, Zürich Branch or any other eligible Swiss paying agent performing the paying agency function for a particular Series of Securities for the purposes of the regulations of the SIX Swiss Exchange as set forth in the relevant Final Terms.

"T2" means the real time gross settlement system operated by the Eurosystem, or any successor system.

"Taxation" or "Tax" means all forms of taxation (other than deferred tax) and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, in each case in the nature of tax, whether levied by reference to income, profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments to a Tax Authority on account of Tax, in each case of a jurisdiction in the EEA or elsewhere in the world wherever imposed and whether chargeable or primarily against or attributable directly or primarily to a Party or any other person and all penalties and interest relating thereto.

"Tax Deduction" means a deduction or withholding for or on account of Tax, including any deduction or withholding for or on account of FATCA.

"Technical Account Bank" means (i) State Street Bank International GmbH Munich, Zürich Branch or (ii) or any other entity as specified in the relevant Final Terms relating to a Series of Securities.

"Tranche" means a tranche of Securities which form part of the same Series as Securities comprised in another tranche with respect to the same Series of Securities.

"Transaction Document" means each of the Security Document(s), each Series Agency Agreement, each Custody Agreement, each Authorised Participant Agreement, the Corporate Services Administration Agreement and the Constituting Document.

"Transaction Party" means each party to a Transaction Document other than the Issuer.

"Transaction Security" means, with respect to a Series of Securities:

- (A) a first fixed charge over the Crypto Asset Collateral and all property, income, sums and assets derived therefrom from time to time in accordance with the Trust Deed;
- (B) an assignment by way of security of all the Issuer's rights, title and interest attaching to or in respect of the Crypto Asset Collateral and all property, income, sums or other assets derived therefrom, including, without limitation, any right to delivery thereof or to an equivalent number or nominal value thereof which arises in connection with any such assets being held in a clearing system or through a financial intermediary in accordance with the Trust Deed;
- (C) an assignment by way of security of the Issuer's rights, title and interest with respect to each Collateral Account and Custody Agreement in accordance with the Trust Deed;
- (D) a first fixed charge over all sums held by any Paying Agent and/or the Custodian(s) to meet payments due in respect of any Secured Obligation in accordance with the Trust Deed;
- (E) an assignment by way of security of the Issuer's rights, title and interest under each of the Series Agency Agreements (other than any Series Agency Agreement governed by the laws of Switzerland), any Authorised Participant Agreement (which are related and attributable to the relevant Series) and any rights of the Issuer's rights against any Crypto Broker (which are related and attributable to the relevant Series) in accordance with the Trust Deed;
- (F) a first fixed charge over the Issuer's interest in any bank accounts (present and future) other than the Issuer Expenses Account and the Series Transaction Account opened in respect of the Series (each, an "Additional Account") maintained with any bank or custodian in respect of any Series and any sums relating to such Series standing to the credit of each such Additional Account from time to time in accordance with the Trust Deed;

- (G) an assignment by way of security of the Issuer's rights, title and interest under any agreement (present or future) with any account bank or custodian in respect of any Additional Accounts in accordance with the Trust Deed;
- (H) an assignment by way of security or pledge (as applicable) of the Issuer's rights, title and interest under any Series Agency Agreements governed by the laws of Switzerland, in each case in accordance with the Swiss Law Pledge; and
- (I) any other security constituted by the Trust Deed and any other Security Document for such Series,

and, in each case, the rights, title and interest of the Issuer in any other assets, property, income, rights and/or agreements of the Issuer (other than the Issuer's share capital) from time to time charged or assigned or otherwise made subject to the security created by the Issuer in favour of the Trustee pursuant to the Security Documents, as the case may be, in each case securing the Secured Obligations and includes, where the context permits, any part of that Transaction Security.

"Trust Deed" means the trust deed constituted by the Constituting Document between, amongst others, the Issuer and the Trustee as trustee for the Securityholders in the form of the Master Trust Terms, as amended by the Constituting Document.

"Trustee" means Vistra Capital Markets Trustees Limited or such other entity named in the Constituting Document as trustee, but which definition shall include all persons for the time being acting as the trustee or trustees under the Trust Deed.

"Travel Rule" means the Financial Action Task Force's recommendations (as updated from time to time) for virtual asset service providers sending or receiving crypto asset transfers on behalf of a customer to:

- (A) obtain, hold and submit information between the transacting parties on the transaction originator including but not limited to the name, address and beneficiary information; and
- (B) on request provide the required information to their competent authorities as part of their anti-money laundering and combating the financing of terrorism legislation.

"Uncertificated Securities" has the meaning given to that term in Condition 3 (*Form and Title*).

"Underlying" means the Eligible Crypto Asset with respect to a Series of Securities as specified in the Final Terms. If a recognised ticker for such Underlying (including "BTC" with respect to Bitcoin or "ETH" with respect to Ether) have changed with respect to such Underlying and, in sole determination by the Issuer, the relevant Underlying prior to such change continue to be the same as such Underlying after such of the relevant ticker, the relevant Series of Securities (and the relevant Coin Entitlement) will continue to be linked to and refer to such same Underlying with the new ticker.

"Underlying Illiquidity" has the meaning assigned to such term in Condition 12.1 (*Underlying Illiquidity*).

"Underlying Reference Price" means, with respect to any day, the market price of the relevant Underlying on such date, as calculated by the Administration Agent by reference to such price being published by any Price Source on such day as selected by the Administration Agent.

"Value per Security" means, with respect to each Security on any day, an amount per Security expressed in the Settlement Currency and determined by the Administration Agent as being equal (calculated to two decimal places with 0.005 rounded upwards, and subject to a floor of zero) to:

- (A) the Coin Entitlement per Security in respect of any day; multiplied by
- (B) the Underlying Reference Price in respect of any day,

as published by the Issuer on the Issuer's Website in accordance with Condition 8.2 (*Coin Entitlement and Value per Security publication*).

“Wallet” means a software program used to store private and public keys to send and receive Crypto Assets through on-chain transactions.

“Written Resolution” means a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the aggregate number of the Securities of the relevant Series who for the time being are entitled to receive notice of a meeting held in accordance with the Trust Deed.

“Xetra” means Deutsche Börse Xetra.

## 2. **Interpretation**

To the extent of any inconsistency between the terms defined in the Trust Deed, these Conditions and/or the Final Terms, the document ranking the highest in the following order of priority shall prevail:

- (A) the Final Terms;
- (B) the Trust Deed; and
- (C) these Conditions.

## 3. **Form and Title**

### 3.1 **Form**

- (A) The Securities are issued in either registered form (“Registered Securities”) or in dematerialised uncertificated form as simple uncertificated securities (*einfache Wertrechte*) within the meaning of article 973c CO (“Uncertificated Securities”), as specified in the Final Terms, in each case in the Base Currency specified in the Final Terms.
- (B) If it is stated in the Final Terms that the form of the Securities is:
  - (1) “Registered” such Securities are Registered Securities; or
  - (2) “Uncertificated” such Securities are Uncertificated Securities.
- (C) Unless otherwise stated in the Final Terms, the form of all of the Securities with respect to a particular Series will be the same.

### 3.2 **Registered Securities**

- (A) Registered Securities may initially be represented by registered certificates (“Certificates”) and, save as provided in Condition 4 (*Exchange and transfer*), each Certificate shall represent the entire holding of Registered Securities by the same holder, or may initially be represented by one or more Global Registered Certificates.
- (B) In respect of Registered Securities relating to a Series to be issued in global form, as stated in the Final Terms, the Global Registered Certificate in respect of such Registered Securities will be registered in the name of a nominee for, and shall be deposited on its issue date with a common depository on behalf of, the Clearing Systems.

### 3.3 **Uncertificated Securities**

- (A) Uncertificated Securities shall be held in uncertificated registered form and as such are dematerialised and not constituted by any physical document of title.
- (B) Uncertificated Securities shall be cleared through the relevant Clearing System in accordance with the rules of such Clearing System.



- (C) Notwithstanding anything to the contrary in these Conditions, for so long as the Uncertificated Securities are participating securities:
- (1) the Main Register shall be maintained at all times outside the United Kingdom; and
  - (2) these Conditions in respect of the Uncertificated Securities shall remain applicable notwithstanding that they are not endorsed on any certificate or document of title.
- (D) If the Clearing System with respect to the Uncertificated Securities is SIS, such Securities will then be entered into the main register of the Clearing System (*Hauptregister*) (the “Main Register”). Once the Securities are registered in the Main Register of the Clearing System and entered into the accounts of one or more participants of the Clearing System, they will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act of 3 October 2008, as amended (“Intermediated Securities”).
- (E) The records of the Clearing System will determine the number of Securities held through each participant in the Clearing System.
- (F) In respect of the Securities held in the form of Intermediated Securities, the account holder other than a custodian holding Intermediated Securities, or a custodian holding Intermediated Securities for its own account, will be the Securityholder. When the Securities are not or no longer registered with the Clearing System, the Securities may only be transferred by written assignment.

#### 3.4 **Title to Registered Securities**

Title to Registered Securities shall pass by registration in the register that the Issuer shall procure will be kept by the Registrar (the “Register”). A copy of the Register will, upon written request from the Issuer, and promptly upon any changes made thereto, be sent by the Registrar to the Issuer, with the information contained in such copy to be transcribed in a register held by the Issuer at its registered office to enable the Issuer to keep the register held at its registered office up-to-date, complete and correct. The Register shall at all times be located, kept and maintained in Switzerland.

#### 4. **Exchange and transfer**

##### 4.1 **Transfer of beneficial interests in Registered Securities represented by a Global Registered Certificate**

Beneficial interests in Securities represented by a Global Registered Certificate will be transferable only in accordance with the rules and procedures for the time being of the Clearing System(s).

##### 4.2 **Transfer of Registered Securities in definitive form**

One or more Registered Securities may be transferred upon the surrender (at the Specified Office of the Issuing Agent) of the Certificate representing such Registered Securities to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Issuing Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. The regulations concerning the transfer of Registered Securities may be changed by the Issuer with the prior written approval of the Issuing Agent. A copy of the current regulations will be made available by the Issuing Agent to any holder of Registered Securities upon request.

##### 4.3 **Exercise of options or partial redemption in respect of Registered Securities**

In the case of an exercise of the Issuer’s or a Securityholder’s option in respect of, or a redemption of a part of, a holding of Registered Securities represented by a single Certificate, a new Certificate shall be issued to the holder in respect of the balance of the holding not subject to the exercise of such option or, as the case may be, redeemed. New Certificates shall only be issued against surrender of the existing Certificates to the Issuing Agent.

**4.4 Delivery of new Certificates**

Each new Certificate to be issued pursuant to this Condition 4 will be available for delivery within five business days of surrender of the relevant Certificate and, if applicable, receipt of the relevant request for exchange, form of transfer or notice of exercise together with such other evidence (if any) as may be required pursuant to the relevant Condition. Delivery of new Certificate(s) shall be made at the Specified Office of the Issuing Agent or, at the option of the holder making such delivery and surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, notice of exercise or otherwise in writing, shall be mailed at the risk of the holder entitled to the new Certificate to such address as may be so specified. In this Condition 4.4 "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the Specified Office of the Issuing Agent.

**4.5 Exchange and transfer free of charge**

Exchange and transfer of Securities in accordance with this Condition 4 shall be effected without charge by or on behalf of the Issuer or the Issuing Agent, but upon payment by the relevant Securityholder (or the giving by the relevant Securityholder of such indemnity as the Issuing Agent may require in respect thereof) of any Tax which may be imposed in relation to it.

**4.6 Closed periods**

No Securityholder may require the transfer of a Registered Security to be registered:

- (A) during the period of 15 calendar days ending on the Redemption Date for that Security;
- (B) after an Early Redemption Notice in respect of such Series of Securities has been delivered; or
- (C) during the period of seven calendar days ending on (and including) the relevant date on which Clearing Systems are open and Securities can be settled immediately prior to the date for payment on such Security.

**4.7 Exchange of Uncertificated Securities**

- (A) All transactions in respect of Uncertificated Securities must be effected through an account with the relevant Clearing System. All transfers of Uncertificated Securities shall be subject to and made in accordance with the rules, procedures and practices in effect of the Issuing Agent and the Clearing System which may change from time to time. No provision of the Conditions shall (notwithstanding anything to the contrary herein) apply or have effect to the extent that it is in any respect inconsistent with the holding or transfer of title to Uncertificated Securities.
- (B) If at any time Securities cease to be, or notice is received by or on behalf of the Issuer that the Securities will cease to be, held in uncertificated form and/or accepted for clearance through Clearing System and/or the Clearing System is closed for business for a continuous period of 14 calendar days (other than by reason of holidays, statutory or otherwise) or the Clearing System announces an intention permanently to cease business or does in fact do so, the Issuer, the Paying Agent(s) and other relevant Transaction Parties shall agree such procedures as they determine necessary in relation to the transfer of such Securities and shall as soon as reasonably practicable give notice thereof to the Securityholders. None of the Issuer, the Securityholders, the Trustee, any Swiss Paying Agent, Custodian, Corporate Services Administrator, Administration Agent, Arranger, Agent, Crypto Execution Agent, Crypto Development Advisor, Paying Agent or any other person shall at any time have the right to affect or demand the conversion of Uncertificated Securities into, or the delivery of, a permanent global certificate (*Globalurkunde*) or individually certificated securities (*Wertpapiere*).
- (C) To the extent a Securityholder, which has otherwise not appointed an agent or broker which are a member of the relevant Clearing System, ceases to be a Clearing System member, such Securityholders shall be obliged to find an alternative Clearing System acceptable to the Issuer, the Paying Agent(s) and other relevant Transaction Parties.

5. **Series, status and collateralisation**

5.1 **Series and Tranches**

Securities issued under the Programme are issued in Series, and each Series may comprise one or more Tranches. Each Tranche is subject to the Final Terms. Tranches in a Series shall be identical in all respects except for the Issue Date and the Issue Price.

5.2 **Status**

The Securities are constituted and secured by the Trust Deed. The Securities are non-interest bearing, secured, limited recourse debt obligations of the Issuer, at all times ranking *pari passu* and without any preference among themselves and secured in the manner described in Condition 6 (*Security*) and recourse in respect of which is limited in the manner described in Conditions 24 (*Application of Proceeds*) and 28 (*Limited Recourse and Non-Petition*).

5.3 **Collateralisation**

(A) The Issuer will, by no later than the Issue Date (or as soon as possible thereafter) of the relevant Series of Securities, credit the relevant amount of Underlying with respect to such Series of Securities to the respective Collateral Accounts for such Series in the amount equal to product of the number of Securities issued on the relevant Issue Date and the Coin Entitlement as of the trading date related to such new Securities. The Issuer has entered into the Trust Deed and the Security Documents in order to secure its Secured Obligations for the benefit of the Trustee.

(B) On the Issue Date of each Tranche of the relevant Series of Securities none of the Underlying with respect to such Series of Securities will comprise any Prohibited Crypto Asset.

5.4 **Collateral Accounts**

The Issuer may open more than one Collateral Account with each Custodian appointed with respect to the same Series of Securities. The Issuer may transfer Crypto Asset Collateral between different Collateral Accounts (including between Collateral Accounts opened with different Custodian(s) appointed for the same Series of Securities) without consent of the Trustee and any holders of Securities.

6. **Security**

6.1 **Transaction Security**

(A) The Trust Deed and the Security Documents provide that the Secured Obligations are secured in full in favour of the Trustee for the benefit of itself and the other Secured Creditors, unless otherwise provided therein, by the Transaction Security.

(B) If any Custodian is replaced or an additional Custodian is appointed with respect to Series of Securities, then the security interests described above shall extend to all rights, title and interest of the Issuer against such replacement or additional Custodian under the relevant new Custody Agreement and the Issuer shall, if required, enter into additional Security Documents to secure its rights under such new Custody Agreement and corresponding Crypto Asset Collateral.

(C) As further provided in the Trust Deed and the relevant Security Documents, the Transaction Security shall be released automatically, without the need for any notice or other formalities, to the extent required for the Issuer to be able to duly make any payment or delivery in respect of the Securities and/or the other Transaction Documents which is due and payable or deliverable, or as otherwise provided for under the Conditions or the Transaction Documents in respect of the Securities.

6.2 **Enforcement of security**

The Transaction Security in respect of the Securities shall become enforceable upon the occurrence of an Event of Default.

### 6.3 Realisation of Transaction Security

- (A) At any time after the Transaction Security has become enforceable, the Trustee may, at its discretion, and shall, if so directed in writing by holders of at least 25 per cent. in number of the Securities then outstanding or by an Extraordinary Resolution (a copy of which has been provided to the Trustee) of the Securityholders, in each case subject to its having been pre-funded and/or secured and/or indemnified to its satisfaction, enforce the Transaction Security.
- (B) To do this, the Trustee may, at its discretion:
- (1) enforce and/or terminate any Transaction Document to the extent related to the Securities in accordance with its or their terms, and/or take action against the relevant Transaction Party; and/or
  - (2) take possession of and/or realise all or part of the Secured Property and in its discretion, sell, call in, collect and convert into money all or part of such assets, in such manner, at such time and on such terms as it thinks fit, in each case without any liability as to the consequence of such action and without having regard to the effect of such action on individual Securityholders.
  - (3) without first appointing an Irish Receiver, exercise:
    - (a) the power of sale;
    - (b) all the powers or rights which may be exercisable by the registered holder of the Irish Secured Property including those set out herein;
    - (c) all or any of the powers and rights conferred on mortgagees by the Irish Act as varied or extended herein; and
    - (d) all the powers, authorities and discretions conferred by herein expressly or by implication on any Irish Receiver or otherwise conferred by statute or common law on mortgagees or receivers.
- (C) Following the occurrence of an Insolvency Event, upon instruction by or on behalf of the holders of at least 25 per cent. in number of the Securities of the relevant Series then outstanding or by an Extraordinary Resolution (a copy of which has been provided to the Trustee) of the Securityholders of such Series, in each case subject to its having been pre-funded and/or secured and/or indemnified to its satisfaction, the Trustee shall, contact the Swiss bankruptcy official or administrator (the "Swiss Bankruptcy Official"), such Swiss Bankruptcy Official may then decide to either: (a) in accordance with the applicable laws of Switzerland, take such action, step or proceeding as necessary to enforce the rights under any of the Transaction Documents; or (b) instruct the Trustee to institute such proceedings and/or take such action, step or proceeding as instructed to enforce the rights under any of the Transaction Documents.
- (D) If the Transaction Security has become enforceable, the Trustee may, in writing, appoint (i) a receiver or receivers over all or part of the English Secured Property and/or (ii) appoint one or more persons to be an Irish Receiver over all or part of the Irish Secured Property, and may remove any such receiver or Irish receiver so appointed and appoint another in its place. No delay or waiver of the right to exercise these powers shall prejudice their future exercise.
- (E) Neither the Trustee nor any receiver nor any Irish Receiver appointed by it or any attorney or agent of the Trustee will, by reason of taking possession of any assets or any other reason and whether or not as mortgagee in possession, be liable to account for anything except actual receipts or be liable for any loss or damage arising from the realisation of such assets or from any act or omission to such assets or otherwise unless such loss or damage shall be caused by its own fraud, gross negligence or wilful default.
- (F) The Trustee shall not be required to take any action in relation to the Transaction Security which may:

- (1) be illegal or contrary to any Applicable Law or regulation; or
  - (2) cause it to expend or risk its own funds or otherwise incur any liability (including any personal liability) in the performance of its duties or in the exercise of any of its rights, powers and discretions, without first being indemnified and/or secured and/or prefunded to its satisfaction.
- (G) None of the Securityholders shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails or is unable to do so within a reasonable time and such failure or inability is continuing. By purchasing a Security, the relevant Securityholder will be deemed to have acknowledged and agreed with the Issuer and the Trustee and the other Transaction Parties that only the Trustee may enforce the Transaction Security over the Secured Property in respect of the Securities in accordance with, and subject to the terms of, the Trust Deed and the Security Documents.

#### 6.4 **Application of proceeds following enforcement**

Subject to and in accordance with the terms of the Trust Deed and/or any Security Document(s), with effect from the date on which any Event of Default Redemption Notice is delivered by the Trustee following the occurrence of an Event of Default, the Trustee shall hold the proceeds of enforcement of the Transaction Security received by it under the Trust Deed and/or any Security Document(s) on trust for application in accordance with Condition 24 (*Application of Proceeds*).

#### 6.5 **Issuer's rights with respect to the Secured Property**

The Issuer shall not exercise any rights with respect to the Secured Property, except with the prior written consent of the Trustee or as instructed by an Extraordinary Resolution, provided that the Issuer may, at any time before the Transaction Security becomes enforceable, and without the consent of the Securityholders or the Trustee:

- (A) take such action in relation to the Secured Property as may be either expressly permitted, contemplated or required by the Conditions or the Transaction Documents; and
- (B) exercise any rights incidental to the ownership of the Secured Property which are exercisable by the Issuer and, in particular (but, without limitation, and without responsibility for their exercise), all rights to enforce any such ownership interests in respect of such property,

provided that the Issuer shall not exercise any rights with respect to such assets if it is directed to the contrary by the Trustee or by an Extraordinary Resolution and, if such direction is given, the Issuer shall act only in accordance with such direction.

#### 7. **Perpetual Securities**

The Securities are perpetual (otherwise referred to as "open-ended") and have no fixed maturity.

The Issuer has the right to redeem the outstanding Securities in any Series in accordance with Condition 9 (*Redemption of Securities*).

#### 8. **Coin Entitlement**

##### 8.1 **Coin Entitlement calculation**

Each Security part of each Series of Securities will have a Coin Entitlement calculated as follows:

- (A) the initial Coin Entitlement per Security of the relevant Series of Securities on the Issue Date will be as set out in the Final Terms in relation to such Series of Securities; and

- (B) for any day following the Issue Date, the Coin Entitlement in respect of each Security of the relevant Series will be calculated by the Administration Agent daily and rounded down to the applicable Entitlement Precision Level, in accordance with the following formula:

$$CE(i,t) = CE(i,t-1) (1 - PF(i,t))^{1/N}$$

where:

“i” refers to the relevant Series of Security;

“t” refers to the applicable day t (with t-1 being the day immediately prior to day t);

“CE(i,t)” is the Coin Entitlement per Security of Series i for day t;

“CE(i,t-1)” is the Coin Entitlement per Security of Series i on the day immediately prior to t;

“PF(i,t)” is the per annum fee applicable to Series i on day t, expressed as a decimal (so that by way of example 91 basis points per annum is expressed as 0.0091 or 0.91%) (the “Product Fee”) as such Product Fee is set out in the Final Terms in relation to the relevant Series of Securities; and

“N” is the calendar day count being 360.

## 8.2 Coin Entitlement and Value per Security publication

On each Scheduled Valuation Day, the Coin Entitlement and Value per Security for each Series of Securities will be published on the Issuer’s Website subject to occurrence of the Disruption Event on such Scheduled Valuation Day in which case the Issuer shall only publish the Value per Security on the next Scheduled Valuation Day when no Disruption Event is occurring.

## 8.3 Product Fee variation

The Issuer may, with the agreement of the Arranger, vary the Product Fee. The Issuer will notify the Securityholders of any such variation and the varied Product Fee will not take effect for a period of 5 Business Days from the date of such notice.

## 9. Redemption of Securities

### 9.1 Optional redemption of Securities by the Issuer

(A) The Issuer may redeem the Securities outstanding in any Series at any time, at the Issuer’s sole discretion and without any consent of or approval by the Securityholders, the Trustee or any other Transaction Party, by publishing an Early Redemption Notice in respect of such Series in accordance with Condition **21** (*Notices*) and designate the Redemption Date in such Early Redemption Notice.

(B) Redemption pursuant to this Condition **9.1** in respect of any Security will be effected by Cash Settlement in accordance with Condition **9.6** (*Cash Settlement in case Securities redeem in full*).

### 9.2 Redemption of Securities by the Issuer due to certain early redemption events

(A) If any of the following events occurs, the Issuer shall redeem the Securities in whole but not in part (other than under sub-paragraph (3) where Securities shall redeem in part) without any consent of or approval by the Securityholders, the Trustee or any other Transaction Party, by publishing an Early Redemption Notice in respect of such Series in accordance with Condition **21** (*Notices*) and designate the Redemption Date in such Early Redemption Notice:

- (1) the Issuer determines, in its sole discretion, that an Adjustment Event occurred which cannot be addressed through an adjustment to the Conditions of the Securities;

- (2) the Issuer determines, in its sole discretion, that an Illegality Event, a Regulatory Event and/or a Hedging Event has occurred; and/or
  - (3) the Issuer determines, in its sole discretion, that Securities shall redeem in part under Condition 16(B); and/or
  - (4) the Issuer determines, in its sole discretion, that a Disruption Event is continuing for 30 days or more; and/or
  - (5) the Issuer determines, in its sole discretion, that no Authorised Participant has been appointed with respect to a Series of Securities; and/or
  - (6) the Issuer determines, in its sole discretion, that the Crypto Execution Agent is insolvent, resigns, terminates its appointment or materially breaches its obligations under the relevant Series Agency Agreement and the Issuer is not able to appoint an alternative Crypto Execution Agent for such Series within 90 days from the date of such event; and/or
  - (7) the Issuer determines that a Minimum Value Event has occurred.
- (B) Redemption pursuant to this Condition 9.2 in respect of any Security will be effected by Cash Settlement in accordance with Condition 9.6 (*Cash Settlement in case Securities redeem in full*).
- (C) Settlement of the Issuer's redemption obligations pursuant to this Condition shall be effected on the Redemption Date or such later date as soon thereafter as reasonably practicable subject to Condition 11 (*Market Disruption*).

### 9.3 Physical Settlement at the Option of an Authorised Participant

- (A) An Authorised Participant may require the Issuer to redeem all or part of its holding of Securities by way of Physical Settlement in accordance with this Condition 9.3 and in accordance with the Operating Manual by lodging with the Issuer a Redemption Order.
- (B) Where Securities are required by an Authorised Participant to be redeemed by way of Physical Settlement in accordance with paragraph (A) above:
- (1) the Authorised Participant shall submit a Redemption Order on the DWS AP Portal;
  - (2) the Redemption Order shall be verified by the Principal Paying Agent to ensure that it complies with the Conditions and the Operating Manual;
  - (3) the Authorised Participant shall deliver the Securities subject to redemption to the Issuing Agent;
  - (4) following confirmation from the Issuing Agent as to receipt of the Securities in accordance with paragraph (3) above, the Administration Agent shall notify the relevant Custodian that settlement of such redemption required by the relevant Authorised Participant requires the relevant amount of Crypto Asset Collateral equal to the Physical Redemption Amount to be transferred to the Authorised Participant's Wallet on the relevant Redemption Date; and
  - (5) the Issuing Agent shall de-register and/or cancel (as applicable) the relevant Securities subject to such redemption and cancel the relevant Securities in the Issuer's book of uncertificated securities (as applicable).
- (C) A Redemption Order submitted by an Authorised Participant shall be submitted in accordance with the relevant Authorised Participant Agreement and shall be submitted through the DWS AP Portal or in such manner as agreed separately between the Arranger and the Authorised Participant.

**9.4 Physical Settlement at the Option of a Securityholder which is not an Authorised Participant**

- (A) A Securityholder, which is not an Authorised Participant, may at any time, require the Issuer to redeem all or part of its holding of Securities by way of Physical Settlement in accordance with the procedure set out below but only if all of the following Investor Physical Settlement Conditions have been satisfied:
- (1) the relevant Securityholder must, together with the applicable Redemption Order, submit the necessary details for such Physical Settlement by completing an investor order request form that can be obtained from the Issuer (the "Investor Redemption Order Form"). An Investor Redemption Order Form shall include (and be accompanied with), *inter alia*, the number and type of Securities to be redeemed (and be accompanied with a proof of holding of the relevant amount of Securities by the relevant Securityholder to the satisfaction of the Principal Paying Agent), the Eligible Wallet to which the relevant Crypto Asset Collateral shall be delivered, and shall be duly signed by the Securityholder;
  - (2) an Investor Redemption Fee shall be paid by the Securityholder to the Principal Paying Agent, in accordance with Condition **10** (*Investor Redemption Fee*);
  - (3) the Redemption Order and Investor Redemption Order Form shall be verified by the Principal Paying Agent to ensure that they comply with the Conditions and the Operating Manual;
  - (4) the Principal Paying Agent shall complete required validation and/or KYC Requirements checks with respect to the financial intermediary (being the relevant Clearing System or a broker acting as the intermediary to the Securityholder) who maintains the relevant securities account for such Securityholder and who will deliver the Securities subject to the redemption back to the Issuing Agent;
  - (5) upon the Principal Paying Agent having completed the checks pursuant to (4) above and to its satisfaction and having confirmed the settlement of the Investor Redemption Fee (and confirming of the same to the Securityholder), the Principal Paying Agent shall provide further details to the Securityholder on the procedure to deliver the Securities subject to redemption to the Issuing Agent via the Securityholders financial intermediary (being the relevant Clearing System or a broker acting as the intermediary to the Securityholder);
  - (6) the Principal Paying Agent will confirm the details of the Redemption Order to the Administration Agent and the Arranger;
  - (7) the Administration Agent shall notify the relevant Custodian that settlement of such redemption required by the Securityholder requires the relevant amount of Crypto Asset Collateral equal to the Physical Redemption Amount (as calculated by the Administration Agent) to be transferred to the Securityholder's Eligible Wallet on the relevant Redemption Date; and
  - (8) the Issuing Agent shall de-register and/or cancel (as applicable) the relevant Securities subject to such redemption and cancel the relevant Securities in the Issuer's book of uncertificated securities (as applicable).
- (B) Any redemption under paragraph (A) by way of a transfer of a Physical Redemption Amount to a Securityholder which is not an Authorised Participant shall be subject to the Principal Paying Agent having completed the required verification checks with respect to such Securityholder and the documentation provided under the Redemption Order Form to its satisfaction.
- (C) Any Securityholder who is not an Authorised Participant that requests redemption of Securities by way of Physical Settlement under this Condition **9.4** bears the full responsibility for opening, maintaining and use of an Eligible Wallet. The Issuer shall not accept any Wallet for the purpose of Physical Settlement unless such Wallet constitutes an "Eligible Wallet" in accordance with the current Investor Redemption Order Form available on the Issuer's Website.



For the purposes of this paragraph (C) an “Eligible Wallet” means a Wallet at one of the regulated and supervised Crypto Asset custodians that has implemented the Travel Rule. The Issuer will, on a periodic basis, at its own discretion assess and decide which Crypto Asset custodian(s) meets these requirements. The current list of accepted Crypto Asset custodian(s) will be published by the Issuer in the Investor Redemption Order Form available on the Issuer’s Website. A holder of Securities must provide evidence that its Wallet is an Eligible Wallet and meets these requirements and that the Wallet address provided to the Issuer through the Investor Redemption Order Form belongs to such Securityholder. To evidence the characteristics of the Eligible Wallet and the fact that the Wallet address belongs to the Securityholder, an authenticated account statement by the Crypto Asset custodian that hosts the Eligible Wallet shall be provided by the Securityholder to the Issuer as per the instructions set out in the Investor Redemption Order Form. The Issuer will assess if the Wallet address belongs to the Securityholder and will only send Physical Redemption Amount to such Securityholder’s Wallet that is an Eligible Wallet once this assessment is made to the satisfaction of the Issuer.

- (D) Securityholders (including Authorised Participants) may not request a redemption of Securities by way of Physical Settlement under this Condition 9.4 after the Issuer has made a decision to redeem the Securities in whole but not in part by way of Cash Settlement in accordance with Condition 9.2(A) or Condition 9.1(A) and published an Early Redemption Notice in respect of such Series in accordance with Condition 21 (Notices) and designated the Redemption Date in such Early Redemption Notice.

#### 9.5 Cash Settlement at the Option of an Authorised Participant

- (A) If any of the AP Cash Settlement Conditions have been satisfied with respect to any redemption of Securities, an Authorised Participant may require the Issuer to redeem all or part of its holding of Securities by way of Cash Settlement in accordance with this Condition 9.5 and in accordance with the Operating Manual by lodging with the Issuer a Redemption Order.
- (B) Upon the AP Cash Settlement Conditions having been satisfied, an Authorised Participant may require the Issuer to redeem all or part of its holding of Securities by way of Cash Settlement as set out below:
- (1) the Authorised Participant shall submit a Redemption Order via the DWS AP Portal;
  - (2) the Redemption Order shall be verified by the Principal Paying Agent to ensure that it complies with the Conditions and the Operating Manual;
  - (3) the details of the Redemption Order shall be confirmed to the Administration Agent and the Crypto Execution Agent via the DWS AP Portal;
  - (4) the Crypto Execution Agent shall execute a sale order of the amount of the Crypto Asset Collateral equal to the aggregate Coin Entitlement of all the Securities subject to redemption on behalf of the Issuer with the relevant Crypto Broker(s) in accordance with the Redemption Order and provide confirmation of such sale(s) to the Administration Agent, the Principal Paying Agent and the Arranger;
  - (5) upon receipt by the Issuer of the cash sale proceeds from the Crypto Broker(s) with respect to realised Crypto Asset Collateral, the Issuing Agent shall pay the Cash Redemption Amount to the Authorised Participant against delivery of the Securities relevant to the Redemption Order on a delivery versus payment basis on the Redemption Date;
  - (6) the Issuing Agent shall notify the Administration Agent that the Securities relevant to the Redemption Order have been delivered by the Authorised Participant. Upon receipt of such notification, the Administration Agent shall notify the relevant Custodian that settlement of such redemption required by the relevant Authorised Participant requires the relevant amount of Crypto Asset Collateral to be transferred to the Crypto Broker(s) Wallet; and

- (7) the Issuing Agent shall de-register and/or cancel (as applicable) the relevant Securities subject to such redemption and cancel the relevant Securities in the Issuer's book of uncertificated securities (as applicable).

#### 9.6 Cash Settlement in case Securities redeem in full

Where Securities of any Series are required to be redeemed by Cash Settlement (i) in full (and not in part), including in accordance with Conditions 9.1 (*Optional redemption of Securities by the Issuer*) and 9.2 (*Redemption of Securities by the Issuer due to certain early redemption events*) and (ii) in part in accordance with Condition 16(B), such redemption shall be made as follows:

- (A) the Administration Agent shall notify the Crypto Execution Agent that settlement of such redemption requires all the Crypto Asset Collateral with respect to such Series to be sold;
- (B) the Crypto Execution Agent shall, during the course of 60 calendar days after having received the notification pursuant to (A) above, execute sale orders of all the Crypto Asset Collateral on behalf of the Issuer with the relevant Crypto Broker(s) and provide confirmation of such sale to the Administration Agent and the Principal Paying Agent and the Arranger; and
- (C) Upon the Crypto Execution Agent having confirmed the final sale of the Crypto Asset Collateral, the Administration Agent together with the Arranger shall calculate and publish by way of notice the Cash Redemption Amount per Security, if any, to be paid by the Issuer to Securityholders on the Redemption Date and in respect of the Series of Securities being redeemed.

On the Redemption Date, the Principal Paying Agent shall initiate the redemption process including the settlement of the Cash Redemption Amount, by way of the established SIX SIS AG final redemption procedure.

#### 9.7 General Provisions related to redemption

- (A) The Issuer may change or vary the procedures for the lodgement and completion of the Redemption Order and Investor Redemption Order Form as set out in the Operating Manual (as updated from time to time) and Condition 9 (*Redemption of Securities*) shall be modified in respect of redemption to the extent of any such variation.
- (B) To request any redemption of Securities by way of Physical Settlement by a Securityholder who is not an Authorised Participant, such Securityholder must instruct the financial intermediary (being the relevant Clearing System or a broker acting as the intermediary to the Securityholder) maintaining the relevant securities account for such holder to deliver a Redemption Order to the Principal Paying Agent, acting on behalf of the Issuer. All Redemption Orders received by the Principal Paying Agent, the Issuer or the Administration Agent (as the case may be) shall be deemed to be valid, and may not be subsequently withdrawn without the prior consent of the Issuer.
- (C) Where Securities are redeemed by Cash Settlement, if there is a Disruption Event or Underlying Illiquidity on the relevant Redemption Date, then any such redemption shall be subject to Condition 11 (*Market Disruption*) and Condition 12 (*Underlying Illiquidity*).
- (D) Where Securities are required to be redeemed by Cash Settlement, each Securityholder of the Securities being redeemed acknowledges and agrees (i) that none of the Issuer, the Arranger, the Administration Agent, the Crypto Execution Agent, any Paying Agent or the Trustee makes any representations or warranties as to the price at which the relevant amount of Crypto Asset Collateral may be sold or the amount of the proceeds of sale realised from the sale of such Crypto Asset Collateral; and (ii) none of the Issuer, the Arranger, the Administration Agent, the Crypto Execution Agent, any Paying Agent or the Trustee shall be liable for any failure by any purchaser of such Crypto Asset Collateral to effect or complete the purchase of such Crypto Asset Collateral, to deliver the applicable net proceeds of sale or other amount due or otherwise comply with its obligations entered into pursuant to Cash Settlement redemption, but in the event of any such failure, the Issuer shall to the extent practicable procure the assignment to the redeeming Securityholder of its claims in relation to such Crypto Asset Collateral in satisfaction of all claims of such Securityholder in respect of the Securities to be redeemed and the Securityholder shall

have no further claims against the Issuer, the Administration Agent, the Arranger, the Crypto Execution Agent, any Paying Agent or the Trustee or the Secured Property.

- (E) With respect to Physical Settlement, from the relevant Redemption Date, all title to and risks in such Crypto Asset Collateral shall pass to the holder of the relevant Securities. None of the Issuer, the Corporate Services Administrator the Trustee, the Crypto Execution Agent, the Principal Paying Agent or any Swiss Paying Agent or other paying agent shall be responsible or liable for any failure by the relevant Custodian to effect delivery of the relevant Crypto Asset Collateral. However, in the event of such failure, the Issuer shall to the extent practicable, assign to the redeeming Securityholder its claims in respect of such Crypto Asset Collateral in satisfaction of all claims of such holder in respect of the Securities to be redeemed and the holder shall have no further claims against the Issuer.
- (F) The obligations of the Issuer in respect of Securities being redeemed pursuant to Physical Settlement shall be satisfied by transferring the relevant Physical Redemption Amount to the Securityholder.
- (G) The Securityholder in a Series of Securities is not entitled to any rights or claim to the Crypto Asset Collateral aside from those described in these Conditions. In case of Physical Settlement, Securityholders are not entitled to any Crypto Asset Collateral, but rather they have a right to receive the relevant amount of Crypto Asset Collateral equal to the Physical Redemption Amount to satisfy their claim under the Securities subject to redemption.

#### 9.8 **General Provisions related to Excess Crypto Asset Collateral**

If there is any amount of Underlying comprising Crypto Asset Collateral for any Series of Securities that is in excess of (and therefore does not form part of) the aggregate Coin Entitlements of all the outstanding Securities for such Series that is retained by the Issuer as a result of:

- (A) reduction of Coin Entitlement due to the daily accrual of the Product Fee;
- (B) any rounding up to the next highest Delivery Precision Level of the Subscription Coin Amount of Underlying applicable in connection with subscriptions for new Securities; and
- (C) any rounding down to the next lowest Delivery Precision Level of:
  - (1) the amount of Underlying deliverable by the Issuer to a holder of Securities in connection with any redemption of Securities by way of Physical Settlement; and
  - (2) the amount of Underlying sold by the Issuer in connection with any redemption of Securities by way of Cash Settlement,

(the amount of such excess amount of Underlying on any day that is retained but not yet sold by the Issuer as of such day, the "Excess Crypto Asset Collateral"),

the Issuer shall sell from time to time all or any part of the Excess Crypto Asset Collateral to fund the amounts payable to the Arranger in accordance with the terms of the Arrangement Agreement and the Operating Manual without the consent of the Trustee or any holder of Securities.

#### 9.9 **Early Redemption due to Securities held by a Prohibited Securityholder**

- (A) The Issuer may at any time, without any requirement to state a reason, give notice to any Securityholder requiring that Securityholder to provide, no later than the date falling 10 Business Days after the date of the Issuer's notice, an executed certificate (together with evidence satisfactory to the Issuer, acting reasonably) confirming that:

- (1) the Securityholder is not a Prohibited Securityholder; or
  - (2) the number of Securities in respect of which it is a Prohibited Securityholder.
- (B) The Issuer shall be entitled, save to the extent that it has made enquiry under this Condition **9.9** and received notice to the contrary from any Securityholder, to assume that none of the Securities are held by a Prohibited Securityholder.
- (C) The Issuer may redeem the relevant Securities early by way of Cash Settlement, but only if the Issuer is allowed to pay the relevant Cash Redemption Amount to the relevant Securityholder subject to any Applicable Law and subject to completion of the required validation and/or KYC Requirements checks, if:
- (1) following delivery of such notice, that Securityholder (i) certified that it is a Prohibited Securityholder or (ii) failed to provide an executed certificate in the form and manner required by the Issuer; or
  - (2) at any time the Issuer considers, in its sole discretion, that:
    - (a) the relevant Securities are or may be owned or held directly or beneficially by any person in breach of any law or requirement of any country or by virtue of which such person is not qualified to own those Securities; or
    - (b) the ownership or holding or continued ownership or holding of those Securities (whether on its own or in conjunction with any other circumstance appearing to the Issuer to be relevant) would, in the reasonable opinion of the Issuer, cause a pecuniary or tax disadvantage to the Issuer or any other Securityholders which it or they might not otherwise have suffered or incurred and/or expose any Transaction Party to a risk of violation of any law or regulation.

**9.10 Cash Settlement at the Option of a Securityholder which is not an Authorised Participant**

A Securityholder, which is not an Authorised Participant, may require the Issuer to redeem all (and not in part) of its holding of Securities by way of Cash Settlement in accordance with the procedure set out below but only if all the Investor Cash Settlement Conditions have been satisfied:

- (A) the relevant Securityholder must, together with the applicable Redemption Order, submit the necessary details for such Cash Settlement by completing an investor order request form that can be obtained from the Issuer (the "Investor Redemption Order Form");
- (B) an Investor Redemption Fee shall be paid by the Securityholder to the Principal Paying Agent, in accordance with Condition 10 (*Investor Redemption Fee*);
- (C) the Redemption Order and Investor Redemption Order Form shall be verified by the Principal Paying Agent to ensure that they comply with the Conditions;
- (D) the Principal Paying Agent shall complete required validation and/or KYC Requirements checks with respect to the financial intermediary (being the relevant Clearing System or a broker acting as the intermediary to the Securityholder) who maintains the relevant securities account for such holder and who will deliver the Securities subject to the redemption back to the Issuing Agent;
- (E) upon the Principal Paying Agent having completed the checks pursuant to paragraphs (C) and (D) above and to its satisfaction and having confirmed the settlement of the Investor Redemption Fee (and confirming of the same to the Securityholder), the Principal Paying Agent shall provide further details to the Securityholder on the procedure to deliver the Securities subject to redemption to the Issuing Agent via the Securityholders financial intermediary (being the relevant Clearing System or a broker acting as the intermediary to the Securityholder);
- (F) the Principal Paying Agent will confirm the details of the Redemption Order to the Administration Agent, the Arranger and the Crypto Execution Agent;

- (G) the Crypto Execution Agent shall execute a sale order of the relevant amount of Crypto Asset Collateral on behalf of the Issuer with the relevant Crypto Broker(s) in accordance with the Redemption Order and provide confirmation of such sale to the Administration Agent and the Principal Paying Agent;
- (H) upon receipt by the Issuer of the cash sale proceeds from the Crypto Broker(s) with respect to realised Crypto Asset Collateral, the Administration Agent shall notify the relevant Custodian that settlement of such redemption required by the relevant Securityholder requires the relevant amount of Crypto Asset Collateral to be transferred to the Crypto Broker(s) Wallet;
- (I) The Principal Paying Agent shall pay the Cash Redemption Amount to the Securityholder on the Redemption Date; and
- (J) the Issuing Agent shall de-register and/or cancel (as applicable) the relevant Securities subject to such redemption and cancel the relevant Securities in the Issuer's book of uncertificated securities (as applicable).

10. **Investor Redemption Fee**

- (A) On a redemption of Securities at the request of a Securityholder who is not an Authorised Participant by way of Physical Settlement under Condition 9.4 (*Physical Settlement at the Option of a Securityholder which is not an Authorised Participant*), or by way of Cash Settlement under Condition 9.10 (*Cash Settlement at the Option of a Securityholder which is not an Authorised Participant*), it is a condition to the performance by the Issuer of the obligation to redeem Securities that such Securityholder shall pay the Investor Redemption Fee to the Principal Paying Agent by way of an upfront payment.
- (B) The amount of Investor Redemption Fee and the payee account details will be notified to Securityholders by the Issuer on receipt of a request for redemption pursuant to paragraph (A) above and will be set out in the Investor Redemption Order Form which will be made available on the Issuer's Website.

11. **Market Disruption**

11.1 **Disruption Event**

For the purpose of this Condition 11.1 "Disruption Event" means:

- (A) in respect of an Underlying, that the price or value relevant for the Security (including as a result of the Price Source not being available) cannot be calculated or announced or published or otherwise is not being made available on a day relevant for the fixing, observation or valuation of such Underlying, in particular the Final Fixing Date, as determined by the Issuer, in its duly exercised discretion; and/or
- (B) in respect of a Series of Securities, the relevant Custodian temporarily suspends the provision of its services (including the servicing of any redemption requests) including but not limited to circumstances during which the relevant Custodian determines whether it is able to support any Crypto Assets subject to a Hard Fork; and/or
- (C) in respect to a Series of Securities, any of the Crypto Assets transferred to or held in the Collateral Account maintained by a Custodian in relation to the Issuer and such Series of Securities are or become Quarantined Crypto Assets; and/or
- (D) a delay in the settlement of the Securities as a result of any disruption or failures with (i) the relevant Clearing System, (ii) the relevant Custodian or Technical Account Bank, (iii) the blockchain network and/or (iv) any other medium preventing settlement finality.

## 11.2 **Rights on the occurrence of a Disruption Event**

- (A) If the Issuer, in its duly exercised discretion determines that a Disruption Event has occurred and is continuing on a day relevant for (i) the fixing, observation or valuation of an Underlying, in particular the Final Fixing Date or (ii) redemption of Securities on the scheduled Redemption Date, then the respective day relevant for the fixing, observation or valuation of such Underlying or the relevant scheduled Redemption Date shall be postponed until the next following Scheduled Valuation Day where there is no such Disruption Event.
- (B) On the occurrence of a Disruption Event, any request for subscriptions or redemption of Securities will not be accepted until the next following Scheduled Valuation Day where there is no such Disruption Event.

## 12. **Underlying Illiquidity**

### 12.1 **Underlying Illiquidity**

For the purpose of this Condition 12, "Underlying Illiquidity" means, in respect of any Underlying:

- (A) low or no trading volume in the Underlying; and/or
- (B) the difficulty to buy and/or sell the Underlying in a short period of time without its price being affected; and/or
- (C) any protocol bug in underlying blockchain protocol resulting in an Underlying no longer being accessible or transferrable; and/or
- (D) the Issuer (or any agent on its behalf) not being able to sell the required amount of Crypto Asset Collateral in full prior to the relevant Redemption Date (including following delivery of the Early Redemption Notice); and/or
- (E) or any comparable event that leads to an extraordinary illiquidity in any Underlying,

as in each case determined by the Issuer in its sole discretion.

### 12.2 **Rights upon Underlying Illiquidity**

- (A) Postponed fixing and/or redemption.

In case of Underlying Illiquidity, the determination (fixing) and/or the payment and/or transfer of the relevant Redemption Amount shall be postponed accordingly (including postponement of the relevant Redemption Date) by such number of days necessary to account for such prevailing market conditions as determined by the Issuer.

- (B) Suspension of publishing of Value per Security.

In case of Underlying Illiquidity, the Issuer may suspend publishing Value per Security until the Underlying Illiquidity is no longer occurring.

## 13. **Adjustments for Securities**

### 13.1 **Adjustment Events**

- (A) Subject to sub-paragraph (B) below, the Issuer may, acting in a commercially reasonable manner and in accordance with established market practice and without the consent of Securityholders, the Trustee or any other Transaction Party, determine whether or not, at any time, any of the following events have occurred with respect to an Underlying (each an "Adjustment Event"):

- (1) a Hard Fork;
  - (2) an Airdrop; or
  - (3) an Equivalent Event.
- (B) None of the Issuer, Arranger, Custodian or other Transaction Party shall be under an obligation to monitor whether an Adjustment Event has occurred, nor to investigate whether a particular event or circumstances qualifies as an Adjustment Event.

### 13.2 Hard Forks

- (A) If a Hard Fork has occurred with respect to an Underlying, the Issuer, in its sole discretion, may (but is under no obligation to) consider whether or not to take any actions in relation to the Hard Fork and whether or not to make any adjustments to the terms of the relevant Securities to account for such Hard Fork. If the Issuer determines to take such actions and/or make such adjustments, those actions and/or adjustments may be made without the consent of the Trustee or the Securityholders.
- (B) Without limiting sub-paragraph (A) above, in the event of a Hard Fork affecting the Underlying applicable to any Series of Securities:
- (1) If the New Crypto Assets arising as a result of the Hard Fork are supported by the Custodian(s) relating to the relevant Series of Securities and the Custodian(s) continue to support the Original Crypto Assets:
    - (a) The Issuer, in its sole discretion, may (but is under no obligation to) determine which of the Original Crypto Assets or the New Crypto Assets is to constitute the Underlying in relation to such Series of Securities (and the actions and adjustments to be made pursuant to Condition **13.2(A)** above, if any, in connection with such determination). In these Conditions, the Crypto Assets determined by the Issuer to be the Underlying in respect of the applicable Series of Securities on or following a Hard Fork shall be referred to as the "Selected Forked Crypto Assets", and the other Crypto Asset (being either the Original Crypto Assets or the New Crypto Assets, as the case may be) shall be referred to as the "Non-Selected Forked Crypto Assets".
    - (b) The Issuer may resolve to instruct the Crypto Execution Agent to sell on behalf of the Issuer the Non-Selected Forked Crypto Assets as soon as practicable upon the Non-Selected Forked Crypto Assets becoming available to the Issuer by the relevant Custodian(s), and to apply the net proceeds of such sale (the "Non-Selected Forked Crypto Assets Proceeds") towards acquiring on behalf of the Issuer additional Crypto Assets of the same type as the Selected Forked Crypto Assets (such acquisition, the "Selected Forked Crypto Assets Purchase"), provided that the Crypto Execution Agent shall not sell such Non-Selected Forked Crypto Assets if the Selected Forked Crypto Assets Purchase cannot take place contemporaneously. Upon settlement of any such Selected Forked Crypto Assets Purchase, the newly acquired Crypto Assets shall become part of the Crypto Asset Collateral and the Issuer shall adjust the Coin Entitlement of the relevant Series of Securities accordingly; and

- (c) If, after 60 calendar days of Non-Selected Forked Crypto Assets becoming available to the Issuer by the relevant Custodian(s), the Non-Selected Forked Crypto Assets cannot be fully liquidated by Crypto Execution Agent on behalf of the Issuer (and the corresponding Non-Selected Forked Crypto Assets Proceeds applied towards the Selected Forked Crypto Assets Purchase), then the portion of Non-Selected Forked Crypto Assets that has not been liquidated will be added to the Crypto Asset Collateral for the relevant Series of Securities. The Issuer shall be under no obligation to adjust the Coin Entitlement of the relevant Series of Securities to account for the portion of Non-Selected Forked Crypto Assets that has not been liquidated and may (but has no obligation to) surrender, discard or dispose of such remaining Non-Selected Forked Crypto Assets;
- (2) If the New Crypto Assets resulting from the relevant Hard Fork are not supported by the Custodian(s) relating to the relevant Series of Securities (but the Original Crypto Assets continue to be), then the Issuer may, in its sole discretion, determine that the Original Crypto Assets shall continue to be the Underlying in respect of such Series, and the Issuer will not obtain any such New Crypto Assets or realise any value from them, no such New Crypto Assets will form part of the Crypto Asset Collateral with respect to any Series, and no adjustments to the Coin Entitlement of the relevant Series of Securities shall be made as a result of the relevant Hard Fork;
- (3) If the Original Crypto Assets relating to the relevant Series of Securities can no longer be supported by the relevant Custodian(s) as a result of a relevant Hard Fork (but the New Crypto Assets resulting from the relevant Hard Fork are so supported), then the Issuer may, in its sole discretion, determine that the New Crypto Assets shall be deemed to be the Underlying in relation to such Series of Securities (and take any actions and make any adjustments, pursuant to Condition 13.2(A), as it determines, in its sole discretion, to be necessary in connection therewith). In such circumstances the Issuer shall be under no obligation to realise any value from the Original Crypto Assets, no such Original Crypto Assets shall form part of the Crypto Asset Collateral with respect to any Series, and the Issuer shall be under no obligation to make adjustments to the Coin Entitlement of the relevant Series of Securities; and
- (4) If the New Crypto Assets resulting from the relevant Hard Fork are not supported by the relevant Custodian relating to the relevant Series of Securities and the Original Crypto Assets relating to the relevant Series of Securities can no longer be supported by a Custodian as a result of a relevant Hard Fork, then the Issuer may, in its sole discretion, determine to (A) utilise the custodial services of another Custodian appointed for relevant Series of Securities for the purposes of holding such Original Crypto Assets and/or New Crypto Assets (and take any actions and make any adjustments, pursuant to Condition 13.2(A), as it determines, in its sole discretion, to be necessary in connection therewith) or (B) redeem the relevant Series of Securities pursuant to Condition 9.1 (*Optional redemption of Securities by the Issuer*).

### 13.3 Airdrop

- (A) Subject to paragraphs (B) and (D) below, if an Airdrop has occurred with respect to an Underlying and the new Crypto Assets relating to such Airdrop are supported by the relevant Custodian, any such new Crypto Assets will, when held by the relevant Custodian on behalf of the Issuer, form part of the Crypto Asset Collateral with respect to the relevant Series.
- (B) No adjustments shall be made to the Coin Entitlement of the Series of Securities to which the Airdrop relates and Securityholders shall have no entitlement to the Crypto Assets received by the Issuer as a result of the Airdrop, nor the value represented by such Crypto Assets save paragraph (C) applies:
- (C) If:



- (1) the Issuer is holding any new Crypto Assets as a result of an Airdrop;
- (2) all Securities in the relevant Series are being redeemed in full (and not in part); and
- (3) the Crypto Execution Agent has agreed, and is able, to sell such new Crypto Assets on behalf of the Issuer for an amount which is economically reasonable in the relevant circumstances, in the determination of the Crypto Execution Agent,

the Issuer shall pay to the holders of Securities the pro-rata amount of such net sale proceeds.

- (D) If an Airdrop occurs and the relevant Custodian or Crypto Execution Agent does not support the holding or trading (as applicable) of the new Crypto Assets relating to the Airdrop, the Issuer will not be required to hold any such new Crypto Assets nor realise any value from them, and any such additional Crypto Assets will not form part of the Crypto Asset Collateral with respect to any Series of Securities.
- (E) Neither the Issuer nor the Custodian(s) shall be required to actively engage or participate in any Airdrop, including taking any steps to secure receipt of any Crypto Assets relating to an Airdrop.

#### 13.4 **Equivalent Event**

If an Equivalent Event occurs, the provisions in this Condition 13 that apply following the Adjustment Event that is equivalent to the Equivalent Event shall apply *mutatis mutandis* and the Issuer (or the Arranger at the direction of the Issuer) may take any action(s) that would be permitted had such an Adjustment Event occurred.

#### 13.5 **Notices of Adjustment**

The Issuer shall give notice to the Securityholders in accordance with Condition 21 (*Notices*) of any change to the terms and conditions of the Securities made in accordance with this Condition 13. For the avoidance of doubt, the consent of the Securityholders, the Trustee or any other Transaction Party shall not be required to make any of the changes to the Securities set out in this Condition 13.

#### 14. **Staking**

The Issuer shall procure that no Underlying in respect of any Series of Securities is staked.

#### 15. **Tax**

Each Securityholder shall assume and be responsible for any and all Taxes imposed on or levied against (or which could be imposed on or levied against) such Securityholder in any jurisdiction or by any governmental or regulatory authority.

All payments or deliveries in respect of the Securities, including but not limited to payment or deliveries of any Cash Redemption Amount or Physical Redemption Amount, shall be made subject to any Tax Deduction that the Issuer, the Arranger, the Trustee or any Agent is required to make, by any Applicable Law. In that event, the Issuer or such Agent shall make such payment after such Tax Deduction has been made and shall account to the relevant authorities for the amount(s) of Tax so withheld or deducted. None of the Issuer, the Arranger, the Trustee nor any Agent will be liable for, or otherwise obliged to make any additional payments to Securityholders in respect of, or in compensation for, any such Tax Deduction.

#### 16. **Consolidation and Division and Trading of Securities**

- (A) If the Minimum Trading Lot with respect to Series of Securities is specified as applicable in the Final Terms, the minimum order for subscription or redemption of Securities of such Series shall be with respect to a number of Securities that is equal to or higher than the Minimum Trading Lot applicable for such Series. The Issuer may separately agree with Authorised Participants a higher number of Securities that are subject to subscription or redemption or the minimum Redemption Amount with respect to Securities subject to early redemption.

- (B) The Issuer may, without the consent of the Trustee and the Securityholders, consolidate or divide all of the Securities of any Series into Securities of the same Series but with a proportionately larger or smaller Coin Entitlement. Such consolidation or division shall be effected by deed or instrument supplemental to the Trust Deed.

Whenever as a result of consolidation of Securities a Securityholder would become entitled to a fraction of a Security the Issuer will redeem such fraction of a Security. In such circumstances the provisions of Condition 9.2(A)(3) (*Redemption of Securities by the Issuer due to certain early redemption events*) shall apply, provided that amounts less than USD5.00 or its equivalent otherwise payable to any particular Securityholder may be retained for the benefit of the Issuer.

## 17. **Agents and Arranger**

### 17.1 **Arranger**

- (A) The Arranger does not act as agent for the Securityholders and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders.
- (B) The Arranger shall apply relevant proceeds of sale of Excess Crypto Asset Collateral, on behalf of the Issuer, to meet costs and expenses of the Issuer, including fees or other costs in connection with the services provided to the Issuer by the Transaction Parties (and invoiced to the Issuer, marked as payable by the Arranger on behalf of the Issuer, as a third party payer) and the fees of the Arranger, in each case other than where such costs and expenses have already been deducted from the Crypto Asset Collateral (or from the proceeds of sale of such Crypto Asset Collateral) by the Custodian(s) and/or the Crypto Execution Agent (as applicable) in accordance with the relevant Custody Agreement or the Master Crypto Execution Services Terms. Where relevant proceeds of sale of Excess Crypto Asset Collateral is insufficient to meet such costs and expenses of the Issuer, the Arranger shall pay and discharge such fees and expenses on behalf of the Issuer out of the Arranger's own funds.
- (C) All calculations and determinations made by the Arranger shall (save in the case of manifest error or wilful misconduct) be final and binding on the Issuer, the Trustee, the Agents and the Securityholders.
- (D) For the purposes of making any calculations, adjustments and determinations made by the Issuer in accordance with the Conditions, the Issuer may consult the Arranger and may rely on its recommendations, calculations and determinations.
- (E) The Arranger may consult the Crypto Development Advisor for the purposes of providing any recommendations, calculations and determinations in relation to the Underlying to the Issuer and may rely on its recommendations, calculations and determinations.
- (F) The Arranger may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate provided that such delegation shall not cause the Issuer to become subject to any Tax which it would not otherwise have become subject to, either directly or indirectly, and shall not cause any Tax Deduction to be required to be made from any payment or delivery under or in connection with the Securities.
- (G) The Issuer may vary or terminate the appointment of the Arranger in certain circumstances. It shall give notice to the Securityholders in accordance with Condition 21 (*Notices*) of any modification in the appointment of the Arranger.

### 17.2 **Issuing Agent and Paying Agents**

- (A) The Issuer reserves the right at any time to vary or terminate the order/mandate of the Issuing Agent and the Principal Paying Agent and to appoint another issuing agent and/or paying agent provided that (i) if Securities are outstanding, it will maintain a paying agent and issuing agent, and (ii) as long as the Securities are listed on SIX, it will maintain a Swiss Paying Agent for listing purposes only. The Swiss Paying Agent will be specified in the relevant Final Terms.

- (B) Each of the Principal Paying Agent and Issuing Agent and any other paying agent or issuing agent appointed in respect of a particular Series of Securities 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 Securityholders.
- (C) Any determinations and calculations by the Paying Agents shall (save in the case of manifest error or wilful misconduct) be final and binding on the Issuer and the Securityholders.
- (D) The Issuer may at any time vary or terminate the appointment of the Issuing Agent and Paying Agents. It shall give notice to the Securityholders in accordance with Condition 21 (*Notices*) of any modification in the appointment of the Issuing Agent and Paying Agents. 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 Securityholders in accordance with Condition 21 (*Notices*).

### 17.3 Administration Agent

- (A) The Administration Agent will be specified in the Final Terms and shall be appointed in accordance with the relevant Series Agency Agreement.
- (B) The Administration Agent does not act as agent for the Securityholders and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders.
- (C) All calculations and determinations made by the Administration Agent shall (save in the case of manifest error or wilful misconduct) be final and binding on the Issuer, the Paying Agents and the Securityholders. The Administration Agent shall perform the calculation of relevant fees and deductions applicable with respect to a Series of Securities (including the Cash Redemption Amount, Physical Redemption Amount and Product Fees).
- (D) The Administration Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party, as it deems appropriate provided that (1) such third party is resident for Tax purposes only in Ireland and performs and will perform the services of the Administration Agent only through business establishments and staff located in Ireland; and (2) such delegation shall not cause the Issuer to become subject to any Tax which it would not otherwise have become subject to, either directly or indirectly, and shall not cause any Tax Deduction to be required to be made from any payment or delivery under or in connection with the Securities.
- (E) The Issuer may at any time vary or terminate the appointment of the Administration Agent. It shall give notice to the Securityholders in accordance with Condition 21 (*Notices*) of any modification in the appointment of the Administration Agent.
- (F) The Issuer may at any time vary or terminate the appointment of the Administration Agent.
- (G) If the Administration Agent is insolvent, resigns, terminates its appointment or breaches any of its obligations under the relevant Series Agency Agreement and the Issuer has not appointed an alternative Administration Agent (the "Administration Agent Default"), it will not be an Event of Default with respect to the Securities and:
  - (1) the Issuer may, upon request from the Arranger, appoint a third party (including but not limited to the Crypto Execution Agent) to perform certain functions of the Administration Agent; and/or
  - (2) the Arranger may publish Value per Security and Coin Entitlement on Issuer's Website; and/or
  - (3) the Issuer may, upon request from the Arranger, appoint a third party to perform any other duties of the Administration Agent,

in each case until an alternative Administration Agent has been appointed, unless the Issuer, in its sole discretion, has determined that it is impracticable for the Securities to be maintained in view of the Administration Agent Default. Upon such determination that it is impracticable for the

Securities to be maintained, the Issuer may redeem the Securities in accordance with Condition 9.1.

**17.4 Trustee**

- (A) By investing in the Securities, each Securityholder is deemed to agree and acknowledge that the Trustee is appointed to act on behalf of the Securityholders as set out in, and in accordance with, the terms and conditions set out in the Trust Deed and the Security Documents.
- (B) The Trustee may, in accordance with the provisions of the Trust Deed, delegate any of its obligations and functions to a third party, as it deems appropriate.
- (C) Pursuant to the Trust Deed, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid or reimbursed any liabilities incurred by it in priority to the claims of the Securityholders (save in relation to any responsibility arising out of or liabilities incurred as a result of its own fraud, wilful misconduct or gross negligence).
- (D) The Trustee will not be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Transaction Security or any documents of title thereto being uninsured or inadequately insured. The Trustee 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.
- (E) The Trustee shall not be required or obliged to take any action, step or proceeding whether in relation to the enforcement of the Transaction Security or otherwise without first being indemnified and/or secured and/or pre-funded to its satisfaction.
- (F) The Trustee shall not be responsible or liable for monitoring or ascertaining whether or not an Event of Default, a Potential Event of Default, an Adjustment Event, a Disruption Event, a Minimum Value Event, an Extraordinary Event or an early redemption event has occurred or exists. Unless and until it has received written notice to the contrary, the Trustee shall be entitled to assume (without any liability to any person) that no Event of Default, Potential Event of Default, Adjustment Event, a Disruption Event, an Extraordinary Event or an early redemption event has occurred or exists.
- (G) The Trustee is exempt from liability with respect to any loss or theft or reduction in value of the assets comprised in the Transaction Security (or any of them).

**17.5 Crypto Execution Agent**

- (A) The Crypto Execution Agent will be specified in the Final Terms and shall be appointed by the Issuer. The rights and obligations of the Crypto Execution Agent are set out in the Master Crypto Execution Services Terms and include, but not limited to arranging sales and purchases of Crypto Asset Collateral on behalf of the Issuer on a periodic basis for the purposes of the Issuer (i) funding any product fees payable by the Issuer to the Arranger or any third party (ii) redeeming existing Securities and (iii) issuing new Securities in each case in accordance with the Master Crypto Execution Services Terms and the Operating Manual.
- (B) The Crypto Execution Agent does not act as agent for the Securityholders and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders.
- (C) All executions, recommendations and determinations made by the Crypto Execution Agent shall (save in the case of manifest error or wilful misconduct) be final and binding on the Issuer, the Paying Agents and the Securityholders.
- (D) The Issuer may at any time vary or terminate the appointment of the Crypto Execution Agent in accordance with the Master Crypto Execution Services Terms. It shall give notice to the Securityholders in accordance with Condition 21 (*Notices*) of any modification in the appointment of the Crypto Execution Agent.

- (E) If at any time a Crypto Execution Agent has not been appointed with respect to a Series of Securities, redemption of such Securities by way of Cash Settlement pursuant to Condition 9 shall be suspended until an alternative Crypto Execution Agent has been appointed. The rights of the Issuer, an Authorised Participant and/or a Securityholder to redeem Securities by way of Physical Settlement shall not be prejudiced by operation of this Condition 17.5(E).

#### 17.6 **Crypto Development Advisor**

The Crypto Development Advisor will be specified in the Final Terms and shall be appointed by the Arranger. The rights and obligations of the Crypto Development Advisor shall be set out in the Crypto Development Services Agreement and may include, but will not be limited to:

- (A) monitoring developments relating to the Underlying in order to identify any events or circumstances which may have an impact on the Underlying (including any potential or forthcoming Hard Forks and similar events) and providing advice on the potential consequences and actions that may be taken by the Issuer in relation to the Underlying in respect of such developments;
- (B) providing initial and ongoing screening and due diligence with respect to the Underlying;
- (C) liaising with the relevant Custodian(s) to create and maintain the relevant Collateral Accounts for the Issuer (including assisting with maintaining user access rights to relevant third parties) and ensuring third-party Wallet addresses are whitelisted;
- (D) providing written guidance to the Administration Agent with respect to the periodic rebalancing of the Crypto Asset Collateral held by the Issuer between Collateral Accounts of different Custodian(s) or between different Collateral Accounts of the Issuer at the same Custodian; and
- (E) providing other support in connection with the Programme and the Underlying under the terms of the Crypto Development Services Agreement.

The Crypto Development Advisor does not act as agent for the Securityholders and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders.

The Arranger may at any time vary or terminate the appointment of the Crypto Development Advisor in accordance with the Crypto Development Services Agreement. The Issuer shall give notice to the Securityholders in accordance with Condition 21 (*Notices*) of any modification in the appointment of the Crypto Development Advisor.

#### 17.7 **Liability**

Without prejudice to the provisions of the Trust Deed, none of the Issuer, the Arranger, the Agents or Trustee 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 Conditions or with respect to any Securities, irrespective of whether any such person acts in the interest of the Issuer or the Securityholder.

### 18. **Removal, Retirement and Replacement of Trustee**

#### 18.1 **Trustee retirement**

The Trustee may retire at any time, without assigning any reason therefor and without being responsible for any costs incurred by reason of such retirement, upon giving not less than three months' prior written notice to the Issuer.

#### 18.2 **Trustee removal**

The Securityholders may by Extraordinary Resolution appoint or remove any trustee or trustees in respect of the Securities for the time being.

**18.3 Appointment of new Trustee**

The Issuer will use its reasonable endeavours to appoint a new trustee as soon as reasonably practicable after the Trustee gives notice of its retirement or being removed by Extraordinary Resolution. The retirement or removal of any Trustee shall not become effective until a successor trustee is appointed.

**18.4 Trustee power to appoint new Trustee**

If the Trustee gives notice of retirement or any Extraordinary Resolution is passed for its removal, the Issuer shall use reasonable endeavours to procure that a new trustee is appointed, but if it fails to do so before the expiry of the months' notice period, the Trustee shall have the power to appoint a new trustee.

**19. Meetings of Securityholders, Modification, Waiver and Substitution**

**19.1 Meetings of Securityholders**

- (A) The Trust Deed contains provisions for convening meetings of Securityholders (including by means other than physical meetings) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of the Conditions, any provisions of the Trust Deed or any other Transaction Document and giving authority, direction or sanction required to be given by Extraordinary Resolution. Any Extraordinary Resolution duly passed shall be binding on Securityholders, whether or not they were present at or participated in the meeting at which such resolution was passed.
- (B) The quorum at any such meeting for passing an Extraordinary Resolution will be two or more Securityholders of the relevant Series of Securities or agents present in person holding or representing more than 50 per cent. in number of the Securities of such Series for the time being outstanding, or at any adjourned meeting two or more Securityholders of the relevant Series of Securities or agents present in person being or representing Securityholders of such Series whatever the number of the Securities held or represented.
- (C) The holder of Securities in global form representing all of the Securities of such Series for the time being outstanding will be treated as being two persons for the purposes of such quorum requirements.

**19.2 Modification and Waiver**

- (A) The Trustee may agree, without the consent of the Securityholders, to:
  - (1) any modification of any of the Conditions or any of the provisions of the Transaction Documents that is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error;
  - (2) any Issuer Technical Amendment effected in accordance with Condition **19.3**;
  - (3) any other modification and any waiver or authorisation of any breach or proposed breach of any of the Conditions or any of the provisions of the Trust Deed and/or any Transaction Document that is, in the opinion of the Trustee, not materially prejudicial to the interests of the Securityholders,

provided that, in each case, the Trustee shall not do so in contravention of an express direction given by an Extraordinary Resolution.

- (B) Any such modification, authorisation or waiver as is made or given under this Condition **19.2** shall be binding on each Series of Securityholders and shall be notified to each Series of Securityholders as soon as is reasonably practicable.

**19.3 Issuer Technical Amendments and change of Programme name**

- (A) Subject to Condition **19.3(B)** and (D), the Issuer may, without the consent of the Securityholders, make any Issuer Technical Amendment provided that the Issuer has certified in writing to the Trustee (upon which certification the Trustee may rely without any obligation to investigate or verify or form its own opinion) that such amendment, in the opinion of the Issuer:
- (1) is not materially prejudicial to the interests of the Securityholders;
  - (2) has been drafted solely for the purposes set out in paragraphs (A)-(D) of the definition of "Issuer Technical Amendment"; and
  - (3) does not result in a negative impact to the Coin Entitlement or Redemption Amount;
- (such certificate, an "Issuer Technical Amendment Certificate").
- (B) Subject to provision of an Issuer Technical Amendment Certificate, the Trustee shall be bound to concur with any such Issuer Technical Amendment, provided that the Trustee shall not be bound to concur with any Issuer Technical Amendment that would, in the opinion of the Trustee, impose more onerous obligations upon it or expose it to further liabilities or reduce its rights, powers or protections.
- (C) Any Issuer Technical Amendment made in accordance with this Condition **19.3** shall be notified to Securityholders and shall be binding on Securityholders, provided that such Issuer Technical Amendment shall not take effect until at least five calendar days after the date of such notice.
- (D) The Issuer may, without the consent of the Securityholders and the Trustee change the name of the Programme (including the name of the Programme as it appears in the Base Prospectus, Final Terms and any other Transaction Documents). The Issuer shall give notice to the Securityholders and the relevant Exchanges (as applicable) promptly following any such change.
- (E) This Condition **19.3** shall be without prejudice to Condition **13** (*Adjustments for Securities*). For the avoidance of doubt, no adjustment or termination pursuant to those conditions shall be precluded on the basis that the relevant event or circumstances may also permit the Issuer to make an Issuer Technical Amendment.

**19.4 Issuer substitution**

- (A) The Trust Deed contains provisions permitting the Trustee to agree without the consent of the Securityholders to the substitution of any company in the place of the Issuer, or of any previous substitute, as principal debtor under the Trust Deed, the other Transaction Documents and the Securities (such company being the "Substituted Issuer") if the following conditions are met:
- (1) the Issuer certifies to the Trustee (on which certification the Trustee may rely without investigation or verification) that it has been advised that (i) an instrument or deed is executed or undertaking given by the Substituted Issuer to the Trustee, in form and manner satisfactory to the Trustee, agreeing to be bound by the Trust Deed, any Security Document and the Securities (with such consequential amendments as the Trustee may deem appropriate) as if the Substituted Issuer had been named in the Trust Deed, any Security Document and the Securities as the principal debtor in place of the Issuer. The Issuer must also certify that its advice confirms that the substitution will not trigger any requirement to make any withholding or deduction for or on account of Tax;
  - (2) the Substituted Issuer assumes all rights, obligations and liabilities in relation to the Secured Property, acknowledges the Transaction Security created in respect thereof pursuant to the Trust Deed and any Security Document and takes all such action as the Trustee may require so that the Transaction Security and the Secured Property constitutes a valid mortgage, charge, assignment, pledge, lien or other security interest as was originally created by the Issuer for the obligations of the Substituted Issuer;

- (3) a director of the Substituted Issuer certifies that it will be solvent immediately after such substitution (in which case the Trustee need not have regard to the Substituted Issuer's financial condition, profits or prospects or compare them with those of the Issuer);
  - (4) the Trustee is satisfied (if it requires, by reference to legal opinions) that (i) all necessary governmental and regulatory approvals and consents necessary for or in connection with the assumption by the Substituted Issuer of liability as principal debtor in respect of, and of its obligations under, the Securities and any Transaction Document (to the extent relating to the Securities) have been obtained and (ii) such approvals and consents are at the time of substitution in full force and effect;
  - (5) the Issuer and the Substituted Issuer will execute and the Issuer shall procure that any Transaction Party will execute such other deeds, documents and instruments (if any) as the Trustee may require in order that such substitution is fully effective;
  - (6) the Issuer and the Substituted Issuer comply with such other requirements as the Trustee may direct in the interests of the Securityholders; and
  - (7) legal opinions satisfactory to the Trustee are provided concerning any proposed substitution.
- (B) In connection with any proposed substitution of the Issuer, the Trustee may, without the consent of the Securityholders, agree to a change of the law from time to time governing the Securities, the Trust Deed and/or the Transaction Documents.
- (C) An agreement by the Trustee pursuant to this Condition **19.4** and the Trust Deed will, if so expressed, release the Issuer (or a previous substitute) from any or all of its obligations under the Trust Deed, the Securities and the other Transaction Documents. The Substituted Issuer shall give notice of the substitution to the Securityholders within 14 calendar days of the execution of such documents and compliance with such requirements.
- (D) On completion of the formalities set out in this Condition **19.4** and the Trust Deed, the Substituted Issuer shall be deemed to be named in the Conditions, the Trust Deed and the other Transaction Documents (to the extent relating to the Securities) and the Securities as the principal debtor in place of the Issuer (or any previous substitute) and the Conditions, the Trust Deed and the other Transaction Documents (to the extent relating to the Securities) and the Securities shall be deemed to be amended as necessary to give effect to such substitution.

**19.5 Regard to interests of Securityholders as a whole**

In accordance with the terms of the Trust Deed, in connection with the exercise of its functions under the relevant Transaction Documents, the Trustee will have regard to the interests of the Securityholders as a whole and will not have regard to the consequences of such exercise for any individual Securityholder, and the Trustee will not be entitled to require, nor shall any Securityholder be entitled to claim, from the Issuer any indemnification or payment in respect of any Tax consequence of any such exercise upon any individual Securityholder.

**20. Purchase by the Issuer**

The Issuer may at any time purchase Securities of any issue at any price in the open market or otherwise. Such Securities 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.

**21. Notices**

Notices to Securityholders holding Securities 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 <https://www.ser-ag.com/en/resources/notifications-market-participants/official-notices.html#/>, on the Issuer's Website or, in any other form as permitted by the rules and regulations of the SIX Swiss Exchange.



Notices to Securityholders holding Securities listed on a securities exchange or trading venue other than the SIX Swiss Exchange will be published in accordance with the regulations of the relevant securities exchange or trading venue.

Notices to Securityholders of non-listed Securities may be published, as specified in the applicable Final Terms, in newspapers, on a website or otherwise.

22. **Liability for losses**

None of the Issuer, the Trustee, any Agent, the Crypto Development Advisor or any other obligor under any Securities 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 comprises Crypto Asset Collateral, the Issuer shall give notice to Securityholders in accordance with Condition 21 (*Notices*) and to the Trustee. The corresponding amount of the Crypto Asset Collateral and the Coin Entitlement may be adjusted to compensate for the losses and/or the Cash Redemption Amount or the Physical Redemption Amount (as relevant) for such Securities shall be reduced to account for such Extraordinary Event and may be as low as zero, as calculated by the Issuer.

In no event shall the Issuer or the Trustee 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 Securities. Securityholders are entitled to damages only and are not entitled to the remedy of specific performance in respect of a Series of Securities.

23. **Events of Default**

23.1 **Event of Default**

If any of the following events (each an "Event of Default") occurs in respect of the Series of Securities, the Trustee at its discretion may, and if directed in writing by holders of at least 25 per cent. in number of such Series of Securities then outstanding or by an Extraordinary Resolution (a copy of which has been provided to the Trustee) shall, (provided that in each case the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction) give notice to the Issuer and each Transaction Party that the Securities shall become immediately due and payable at their Cash Redemption Amount in accordance with the Conditions (such notice an "Event of Default Redemption Notice"):

- (A) the Issuer defaults in payment of any sum or delivery due in respect of any Security of such Series for a period of 14 calendar days or more; or
- (B) the Issuer does not perform or comply with any one or more of its material obligations under the Conditions or the Trust Deed or any Security Document (other than such obligations as may, with the passage of time, constitute an event under paragraph (A) above), which default is in the opinion of the Trustee incapable of remedy, or is not (in the opinion of the Trustee) remedied within 30 calendar days after notice of such default shall have been given to the Issuer; or
- (C) the Issuing Agent and/or the Principal Paying Agent is insolvent, resigns, terminates its appointment or materially breaches its obligations under the relevant Series Agency Agreement and the Issuer is not able to appoint an alternative Issuing Agent and/or the Principal Paying Agent (as applicable) for such Series within 90 days from the date of such event (the "IPA Default"); or
- (D) the Arranger is insolvent, resigns, terminates its appointment or materially breaches its obligations under the Arrangement Agreement and the Issuer is not able to appoint an alternative Arranger within 90 days from the date of such event (the "Arranger Default"); or
- (E) any Custodian with respect to the relevant Custody Agreement is insolvent, resigns, its appointment is terminated or materially breaches its obligations under the relevant Custody Agreement and the Issuer is not able to appoint an alternative Custodian for such Series and transfer all the Crypto Asset Collateral held with such Custodian for such Series to such alternative Custodian within 90 days from the date of such event (the "Custodian Default"); or

- (F) an Insolvency Event occurs.

Such redemption shall be effected by the Issuer in accordance with Condition 24 (*Application of Proceeds*) and otherwise in accordance with Condition 8 (*Coin Entitlement*).

23.2 **Event of Default Redemption Notice**

The Issuer will, as soon as reasonably practicable after receipt of any Event of Default Redemption Notice, give notice thereof to the Securityholders.

24. **Application of Proceeds**

Pursuant to the terms of the Trust Deed, the Trustee will apply any amounts received or recovered under the Trust Deed and the proceeds derived from the realisation of the Secured Property (whether by way of liquidation or enforcement and after taking into account and providing for or paying Taxes incurred or payable in respect of such realisation) as follows:

- (A) *first*, in payment or satisfaction of all fees, costs, charges, expenses, liabilities, losses and other amounts properly incurred by, or payable in connection with the Securities to, the Trustee, any Irish Receiver or any receiver(s) under or pursuant to the Trust Deed or any Security Document, including, without limitation, any Taxes required to be paid by the Trustee (other than any Tax in respect of the Trustee's income, profits or gains), the costs of enforcing the Transaction Security and/or realising all or some of the Secured Property and the Trustee's remuneration;
- (B) *second, pro rata and pari passu*, in payment or satisfaction of all fees, costs, charges, expenses, liabilities, losses and other amounts properly incurred by, or payable in connection with the Securities to, the Custodian(s) under or pursuant to the relevant Custody Agreements;
- (C) *thirdly*, in payment or satisfaction of all fees, costs, charges, expenses, liabilities, losses and other amounts properly incurred by, or payable in connection with the Securities to, the Technical Account Bank, the Issuing Agent and Paying Agents under the relevant Series Agency Agreement;
- (D) *fourthly*, in payment or satisfaction of all fees, costs, charges, expenses, liabilities, losses and other amounts properly incurred by, or payable in connection with the Securities to, the Administration Agent under the relevant Series Agency Agreement;
- (E) *fifthly*, in payment or satisfaction of all fees, costs, charges, expenses, liabilities, losses and other amounts properly incurred by, or payable in connection with the Securities to, the Crypto Execution Agent under the relevant Series Agency Agreement;
- (F) *sixthly*, in payment or satisfaction of all fees, costs, charges, expenses, liabilities, losses and other amounts properly incurred by, or payable in connection with the Securities to, the Arranger under the Arranger Agreement incurred with respect to the relevant Series of Securities;
- (G) *seventhly, pro rata and pari passu*, in or towards payment or delivery of the Redemption Amount to Securityholders; and
- (H) *eighthly*, in payment of any balance to the Issuer for itself or as it may direct.

25. **Prescription**

Claims for payment of a Cash Redemption Amount or delivery of Physical Redemption Amount with respect to a Series of Securities shall be prescribed and become void, unless made within ten (10) years from the relevant due redemption date.

26. **FATCA and similar information**

- (A) Each Securityholder and beneficial owner of Securities shall provide the Issuer and/or any agent acting on behalf of the Issuer and/or the Trustee with such documentation, information or waiver as may be requested by the Issuer and/or any agent acting on behalf of the Issuer and/or the Trustee in order for the Issuer, the Trustee or any such agent to comply with any obligations any such party may have in connection with the Securities under:
- (1) FATCA and under any agreement entered into by the Issuer and/or any agent acting on behalf of the Issuer pursuant to, or in respect of, FATCA; and
  - (2) any other information reporting or exchange arrangements (including, without limitation, any legislation implementing EU Council Directive 2014/107/EU on the mandatory automatic exchange of information, which implements the Organisation for Economic Co-operation and Development measures known as the 'Common Reporting Standard').
- (B) Each Securityholder and beneficial owner of the Securities further agrees and consents that, in respect of FATCA, the Issuer may, but is not obliged and owes no duty to any person to, comply with the terms of any intergovernmental agreement between the United States of America and another jurisdiction with respect to FATCA or any legislation implementing such an intergovernmental agreement or enter into an agreement with the U.S. Internal Revenue Service in such form as may be required to avoid the imposition of any deduction or withholding pursuant to FATCA on payments made to the Issuer. In connection therewith, the Issuer may make such amendments to the Securities as are necessary to enable the Issuer to enter into, or comply with the terms of, any such agreement or legislation. The Trustee shall be bound to concur in any such amendments provided that doing so would not, in the opinion of the Trustee, impose more onerous obligations upon it or expose it to further liabilities or reduce its rights, powers or protections. Any such amendment will be binding on the Securityholders.

27. **Payments**

- (A) All monies payable by the Issuer in respect of Securities, including any Cash Redemption Amount shall be paid (unless otherwise agreed with any particular Securityholder) in the Settlement Currency in full cleared and immediately available funds and in accordance with the following provisions:
- (1) cash payments in respect of Uncertificated Securities will be made through SIS or another relevant Clearing System through which such Uncertificated Securities are settled; and
  - (2) cash payments in respect of Registered Securities will be made to the bank account specified by the Securityholder or, where no bank account or other settlement details have been provided by a Securityholder, or in other circumstances as provided in the Trust Deed, will be made by cheque or warrant and despatched by post at the risk of the Securityholder.
- (B) Where a day on which a payment would otherwise be due and payable is not an Business Day, such payment shall be due and payable by the Issuer on the next following Business Day.

28. **Limited Recourse and Non-Petition**

28.1 **Limited Recourse**

- (A) The recourse of the Securityholders against the Issuer with respect to a Series of Securities is limited to the Secured Property, subject to the Transaction Security with respect to such Series of Security, and Securityholders shall not have recourse to any other assets of the Issuer.
- (B) If the amounts realised from the Secured Property with respect to a Series of Securities are not sufficient to discharge the Secured Obligations with respect to such Series of Securities in full, then no other assets of the Issuer shall be available to meet any resulting shortfall which shall be

borne by the relevant person(s) in accordance with the order of priority set out in Condition **24** (*Application of Proceeds*).

- (C) Following realisation of the Secured Property and application of the proceeds in accordance with the Conditions and the Trust Deed, any outstanding claim, debt or other liability of the Issuer that remains shall be extinguished in full and no debt shall be owed by the Issuer in respect thereof.
- (D) Failure by the Issuer to make payment in respect of any shortfall described in this Condition **28** shall in no circumstances constitute an Event of Default.

#### 28.2 **Non-Petition**

None of the Transaction Parties, the Securityholders or any person acting on behalf of any of them may:

- (A) bring, institute, or join with any other person in bringing, instituting or joining any administration, bankruptcy, insolvency, liquidation, winding-up, re-organisation, arrangement or other similar actions in relation to the Issuer; or
- (B) join with any other person in bringing, instituting or joining any action or proceeding described in sub-paragraph (A) above; or
- (C) take any steps to recover any debts or amounts extinguished as described in Condition **28.1** (*Limited Recourse*) from the Issuer and/or any shareholder, member, agent or director of the Issuer.

Notwithstanding the foregoing, the Trustee shall be entitled to exercise its rights pursuant to the Trust Deed.

#### 28.3 **Corporate obligation**

None of the Transaction Parties, the Securityholders or any person acting on behalf of any of them shall have any recourse against any director, shareholder or officer of the Issuer in respect of any obligations, covenant or agreement entered into or made by the Issuer pursuant to the terms of the Conditions, the Trust Deed or any other Transaction Documents.

#### 28.4 **Survival**

The provisions of this Condition 28 shall survive notwithstanding any redemption of the Securities or the termination or expiration of any Transaction Document.

### 29. **Further Tranches and Series and consolidation**

#### 29.1 **Further Tranches and Series**

- (A) The Issuer may from time to time without the consent of the Trustee or any Securityholder in accordance with the Trust Deed, the Conditions and each Authorised Participant Agreement relating to the Securities, create and issue further Tranches of Securities so that such further Tranche shall be consolidated and form a single Series with the outstanding Securities of the Series upon such terms as the Issuer may determine at the time of their issue and/or incur further obligations relating to such Series of Securities.
- (B) Any such further Securities shall only form a single Series with the Securities (unless otherwise sanctioned by an Extraordinary Resolution) if the Issuer provides additional assets (as security for such further Securities) which are fungible with, and have the same proportionate composition as, those forming part of the Secured Property for such Series of Securities and in the same proportion as the proportion that the number of such new Securities bears to the existing number of Securities of such Series.

- (C) The Issuer may, at any time in its sole discretion, suspend the right to request subscriptions of any further Tranches of any Series of Securities.

29.2 **Consolidation and division of Tranches and Series**

- (A) The Issuer may consolidate or divide all of the Securities into Securities of the same Series but with proportionately larger or smaller number of Securities with corresponding adjustment to the Coin Entitlement.
- (B) Whenever as a result of consolidation of Securities a Securityholder would become entitled to a fraction of a Security, the Issuer will redeem such fractional Security.

30. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Securities under the Contracts (Rights of Third Parties) Act 1999, except and to the extent (if any) that the Securities expressly provide for such Act to apply to any of their terms.

31. **Governing law and jurisdiction**

31.1 **Governing law**

- (A) The Trust Deed and the Securities other than the Irish Law Provisions, unless otherwise specified therein, and any non-contractual obligations arising out of or in connection with them shall be governed by and construed in accordance with English law.
- (B) The Irish Law Provisions, unless otherwise specified therein, and any non-contractual obligations arising out of or in connection with them shall be governed by and construed in accordance with Irish law.

31.2 **Jurisdiction**

- (A) Subject to paragraph (B) below, the courts of England are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Securities and exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Securities and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed and any Securities ("English Proceedings") may be brought in such courts. The Issuer has irrevocably submitted to the jurisdiction of such courts in respect of English Proceedings.
- (B) Notwithstanding paragraph (A), regarding any disputes that may arise out of or in connection with the Irish Law Provisions in the Trust Deed (an "Irish Dispute"), the Trustee may elect to bring any legal action or proceedings to settle the Irish Dispute (the "Irish Proceedings") in the courts of Ireland and such courts are to have non-exclusive jurisdiction (to which the Issuer irrevocably submits) in respect of the Irish Proceedings. This submission is for the benefit of the Trustee and shall not limit the right of the Trustee to take Irish Proceedings in any other court of competent jurisdiction nor shall the taking of Irish Proceedings in any one or more jurisdictions preclude the taking of Irish Proceedings in any other jurisdiction (whether concurrently or not).

31.3 **Service of process**

The Issuer has appointed DWS Investments UK Limited at 21 Moorfields, London EC2Y 9DB, United Kingdom as agent in England to receive, for it and on its behalf, service of process in any English Proceedings in England.

The Issuer has appointed Goodbody Secretarial Limited, International Financial Services Centre, North Wall Quay, Dublin 1, Ireland as agent in Ireland to receive, for it and on its behalf, service of process in any Irish Proceedings in Ireland.

## FORM OF FINAL TERMS

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “UK”). 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 Directive 2014/65/EU (as amended, “MiFID II”); (ii) a customer within the meaning of Directive (EU) 2016/97 (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 Regulation (EU) 2017/1129 as it forms part of the domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 and as amended or supplemented in the UK thereafter (the “UK Prospectus Regulation”). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of the domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 and as amended or supplemented in the UK thereafter (as amended, the “UK PRIIPs Regulation”) for offering or selling the Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**[UK MiFIR II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“COBS”) and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of the domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 and as amended or supplemented in the United Kingdom thereafter (“UK MiFIR”); and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Securities (a “distributor”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “UK MiFIR Product Governance Rules”) is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

**[MiFID II product governance / Retail investors, professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties, professional clients and retail clients, each as defined in [Directive 2014/65/EU (as amended, “MiFID II”)] [MiFID II]; and [(ii) all channels for distribution of the Securities are appropriate] / [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Securities to retail clients are appropriate [*specify*]]. Any person subsequently offering, selling or recommending the Securities (a “distributor”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

**FINAL TERMS DATED [●]  
Xtrackers Digital Markets ETC AG**

*(incorporated in Switzerland)*

LEI: 529900WIXTJRV6RK4G26

**Issue of [number of newly issued securities] being the Tranche no. [tranche number] of Series [series number] up to [series limit number] [description of securities] issued under Xtrackers Digital Markets ETC AG Exchange Traded Products Programme (the “Securities”)**

This document constitutes the Final Terms of the Securities described herein.

**PART A – CONTRACTUAL TERMS**

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Securities 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 Securities. Accordingly, any person making or intending to make an offer in that Relevant Member State of the Securities may only do so in circumstances in which no obligation arises for the Issuer or any Authorised Participant to publish a prospectus pursuant to Article 1 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any Authorised Participant has authorised, nor do they authorise, the making of any offer of the Securities in any other circumstances.]<sup>1</sup>

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (B) below, any offer of Securities 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 Securities. Accordingly any person making or intending to make an offer of the Securities may only do so:

- (A) in circumstances in which no obligation arises for the Issuer to publish a prospectus pursuant to Article 1(4) of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer; or
- (B) 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 Securities 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 [Sweden, Luxembourg, France, Germany, Portugal, Finland, The Netherlands and Spain] (“Non-Exempt Offer Jurisdictions”) [and Switzerland] during the period from the Issue Date of the Securities until the later of (i) the date of expiry of the Base Prospectus and (ii) the expiry of the validity of a new base prospectus succeeding the Base Prospectus (the “Offer Period”).

Neither the Issuer nor any Authorised Participant has authorised, nor do they authorise, the making of any offer of Securities in any other circumstances.]<sup>2</sup>

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions of the Securities (the “Conditions”) issued by Xtrackers Digital Markets ETC AG (the “Issuer”) set forth in the Base Prospectus dated [●] [, as supplemented by the Supplements thereto dated [date]] (the “Base Prospectus”), which together constitute[s] a base prospectus for purposes of Regulation (EU) 2017/1129, as amended (the “Prospectus Regulation”). This document constitutes the Final Terms of the Securities 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). Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus (together with any supplement thereto) and the

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<sup>1</sup> Include this legend for an exempt offer of Securities.

<sup>2</sup> Include this legend for a Non-Exempt Offer.

Form of Final Terms

Final Terms are available for viewing at the registered office of the Issuer and on the website of the Issuer [www.etf.dws.com](http://www.etf.dws.com).

[The Base Prospectus, together with the Final Terms, has been deposited with the prospectus office of the SIX Exchange Regulation and constitutes the prospectus with respect to the Securities described herein for the purposes of the Swiss Financial Services Act.] [In accordance with article 58a of the Listing Rules of SIX, the Issuer has appointed Homburger AG, located at Prime Tower, Hardstrasse 201, 8005 Zurich, Switzerland, as recognised representative to file the listing application with SIX.]

<b>Issue Date of the first Tranche of the Securities:</b>	[•]
<b>Tranche Subscription Trade Date:</b>	[•]
<b>Tranche Issue Date<sup>3</sup>:</b>	[•]
<b>Series:</b>	[•]
<b>Tranche:</b>	[•]
<b>Maximum Number of Securities that can be issued under this Series of Securities:</b>	[•]
<b>Form of Securities:</b>	[Registered] [Uncertificated]
<b>Base Currency:</b>	[•]
<b>Date on which Securities become fungible:</b>	The Securities shall be consolidated and form a single series with the existing Tranches (if any) on the Tranche Issue Date.
<b>Aggregate Number of Securities of Series:</b>	
(i) of Series immediately prior to Tranche Issue Date:	[•]
(ii) immediately following the Tranche Issue Date:	[•]
(iii) comprising the relevant Tranche of this Series of Securities:	[•]
<b>Issue Price per Security:</b>	[•] / [With respect to subscription for Securities by way of cash settlement, [Settlement Currency] [amount fixed as of the Subscription Trade Date] per each Security and by way of physical settlement,] [number of units of Underlying fixed as of the Subscription Trade Date] per each Security.]
<b>Underlying:</b>	[•] Information regarding the Securities and the Underlying is available at <a href="http://www.etf.dws.com">www.etf.dws.com</a> .

<sup>3</sup> With respect to the first Tranche, the Issue Date is the same as Tranche Issue Date



Form of Final Terms

<b>Coin Entitlement per Security on the Issue Date of the first Tranche of the Securities:</b>	[●]
<b>Coin Entitlement per Security on the Tranche Issue Date:</b>	[●]
<b>Product Fee:</b>	As of the Tranche Issue Date [●] per cent. per annum. The Issuer may, with the agreement of the Arranger, vary the Product Fee. The Issuer will notify the Securityholders of any such variation and the varied Product Fee will not take effect for a period of 5 Business Days (or 5 trading days with respect to SIX SIS AG) from the date of such notice.
<b>Entitlement Precision Level:</b>	[●] decimal places
<b>Delivery Precision Level:</b>	[●] decimal places
<b>Minimum Value Event:</b>	[Applicable] / [Not Applicable]
<b>Minimum Threshold Trigger:</b>	[[●] %] / [Not Applicable]
<b>Arranger:</b>	DWS Investments UK Limited
<b>Administration Agent:</b>	[State Street Fund Services (Ireland) Limited]
<b>Crypto Execution Agent:</b>	[Galaxy Digital Funds LLC] / [●]
<b>Crypto Development Advisor:</b>	[Galaxy Digital Funds LLC] / [●]
<b>Swiss Paying Agent:</b>	[State Street Bank International GmbH Munich, Zürich Branch] / [Not Applicable]
<b>Technical Account Bank:</b>	[State Street Bank International GmbH Munich, Zürich Branch] / [●]
<b>Issuing Agent:</b>	[State Street Bank International GmbH Munich, Zürich Branch]
<b>Principal Paying Agent:</b>	[State Street Bank International GmbH Munich, Zürich Branch]
<b>[Additional Paying Agent] :</b>	[●] / [Not Applicable]
<b>Additional Agent:</b>	[●] / [Not Applicable]
<b>Additional Series Agency Agreement:</b>	[●] / [Not Applicable]
<b>Settlement Currency:</b>	[USD] / [EUR] / [other]
<b>Exchange:</b>	[SIX Swiss Exchange, Xetra and] [details of respective Exchange]
<b>Custodian(s):</b>	[Coinbase Custody International Limited ][and][.][ Zodia Custody (Ireland) Limited] [and [●]] [or any other custodian notified to the Securityholders and any change of the Custodian will not take effect for a period of 5 trading days on the SIX Swiss Exchange from the date of such notice.]
<b>Minimum Trading Lot:</b>	[Applicable, [number] of Securities] [Not Applicable]
<b>Representative:</b>	In accordance with article 58a of the Listing Rules of the SIX Swiss Exchange, the Issuer has appointed [●], located at [●], as recognised

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	representative to lodge the listing application with the SIX Exchange Regulation of the SIX Swiss Exchange.
(i) Responsibility:	The Issuer accepts responsibility for the information contained in these Final Terms.
(ii) Date of Board of Directors approval of issuance of the Series of Securities:	[Board of directors approval date for the entire Series of Securities]

**Signed on behalf of the Issuer:**

By: \_\_\_\_\_

*Duly authorised*

**PART B – OTHER INFORMATION**

(i) Listing and admission to trading:	[Application has been made for the Securities to which these Final Terms apply to be admitted to [the SIX Swiss Exchange], [Xetra] [●] [the multilateral trading facility of [●]] [and] [other].  [Not Applicable]
(ii) [Notification]:	[The <i>Finansinspektionen</i> (the “SFSA”) of Sweden has provided the competent authorities of [France, Finland, Germany, Luxembourg, Netherlands, Portugal and Spain and [●]] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Regulation.] <sup>4</sup>
(iii) Interests of natural and legal persons involved in the issue:	[So far as the Issuer is aware, no person involved in the offer of the Securities has an interest material to the offer] / [give details]
(iii) Eurosystem eligibility:	[Not Applicable]
(iv) Distribution:	An offer of the Securities may be made by the Authorised Offerors other than pursuant to Article 1(4) of the Prospectus Regulation in [Sweden, France, Finland, Germany, Luxembourg, Netherlands, Portugal and Spain and [●]] (“Non-Exempt Offer Jurisdiction[s]”) and Switzerland during the Offer Period. See further “Terms and Conditions of the Offer” below.
(v) Additional Selling Restrictions:	[Not Applicable] [specify]
(vi) ISIN and other Security Codes:	[●]
(vii) Clearing Systems:	[SIX SIS AG, [specify address]] / [give details of additional or alternative clearing system(s)]

<sup>4</sup> Only applicable if the approval of the Base Prospectus has been notified by the SFSA to the competent authorities of another EEA Member State; otherwise, this section can be deleted.

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(viii)	Reasons for the offer:	As stated in the Base Prospectus.
(ix)	Estimated total expenses of the issue/offer and the estimated net amount of the proceeds:	[Not Applicable] / [The total expenses of the [issue]/[offer] is estimated to amount to [●]].
(x)	Terms and Conditions of the Offer:	Securities are made available by the Issuer for subscription only to Authorised Participants.
(xi)	Offer Price:	Not applicable.  (i) An investor intending to acquire or acquiring any Securities from an Authorised Offeror will do so; and  (ii) offers and sales of the Securities 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.
(xii)	Conditions to which the offer is subject:	Offers of the Securities are conditional upon their issue and, as between the Authorised Offeror(s) and their customers, any further conditions as may be agreed between them.
(xiii)	Description of the application process:	Not Applicable.
(xiv)	Description of the possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	Not Applicable.
(xv)	Details of the minimum and/or maximum amount of application:	Not Applicable.
(xvi)	Details of the method and time limited for paying up and delivery of the Securities:	Not Applicable.
(xvii)	Manner in and date on which results of the offer are made available to the public:	Not Applicable.
(xviii)	Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	Not Applicable.
(xix)	Whether tranche(s) have been reserved for certain countries:	Not Applicable.

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(xx)	Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	Not Applicable.
(xxi)	Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	Not Applicable.
(xxii)	Name and address of financial intermediary/ies authorised to use the Base Prospectus, as completed by these Final Terms (the " <u>Authorised Offerors</u> ") :	[●] [and] [each Authorised Participant expressly named as an Authorised Offeror on the Issuer's Website ( <a href="http://www.etf.dws.com">www.etf.dws.com</a> )].
(xxiii)	Prohibition of Sales to EEA Retail Investors:	Not Applicable.

**APPENDIX 1 : ISSUE SPECIFIC SUMMARY**

*Issue specific summary of the Securities as per Article 7 of the Prospectus Regulation to be inserted if Securities are to be publicly offered or admitted to trading on a regulated market in a Member State of the EEA*

## CLEARING AND SETTLEMENT

### Form of Securities

Securities may be issued as Series of Securities (or Tranches of the same Series of Securities) comprising either Registered Securities or Uncertificated Securities, as specified in the applicable Final Terms.

Registered Securities may be represented by Certificates or by Global Registered Certificates. Uncertificated Securities will be issued in dematerialised uncertificated form as simple uncertificated securities (*einfache Wertrechte*) within the meaning of article 973c of the Swiss Code of Obligations.

Where the Clearing System with respect to the Uncertificated Securities is SIS, such Securities will be entered into the main register of the Clearing System (*Hauptregister*) (the "Main Register"). Once the Securities are registered in the Main Register of the Clearing System and entered into the accounts of one or more participants of the Clearing System, they will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act of 3 October 2008, as amended.

If the Global Registered Certificates are not to be held under the new safekeeping structure ("NSS"), upon registration of Registered Security in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relevant Global Registered Certificate to the common depository, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of the Securities equal to the nominal amount thereof for which it has subscribed and paid.

If the Global Registered Certificates are to be held under the NSS, the Global Registered Certificates will be delivered on or prior to the issue date to a common safekeeper.

Uncertificated Securities are issued in dematerialised form and are not constituted by any physical document of title.

### Exchange and transfer

#### Registered Securities

Registered Securities may be transferred upon surrender at the Specified Office of the Issuing Agent of the Certificate representing such Registered Securities, together with the form of transfer endorsed on such Certificate duly executed and completed and any other evidence as the Issuing Agent may reasonably require.

In the case of transfer or redemption of part only of a holding of Registered Securities represented by one certificate, a new certificate shall be issued in respect of the part transferred (in the case of a transfer of part) and a further new certificate in respect of the balance of the holding not transferred shall be issued to the transferor (in the case of a transfer of part) or cancelled (in the case of redemption of part).

#### Uncertificated Securities

All transactions in respect of Uncertificated Securities must be effected through an account with SIS subject to and in accordance with the rules, procedures and practices of the Issuing Agent and SIS.

If at any time Securities cease to be, or notice is received by or on behalf of the Issuer that the Securities will cease to be, held in uncertificated form and/or accepted for clearance through SIS and/or SIS is closed for business for a continuous period of 14 calendar days (other than by reason of holidays, statutory or otherwise) and/or SIS announces an intention permanently to cease business or does in fact do so, the Securities shall continue to be in registered form and the Issuer and the Paying Agent(s) and any other relevant Transaction Party may agree such procedures as they determine necessary in relation to the transfer of Uncertificated Securities and shall as soon as reasonably practicable give notice thereof to the Securityholders.

## CUSTODY ARRANGEMENTS

### **Custody Agreement**

The Issuer will enter into a Custody Agreement in respect of each Series of Securities with each relevant Custodian on the terms agreed between the Issuer, the Arranger and the relevant Custodian. A Custody Agreement appointing a Custodian in respect of a Series of Securities may be entered into after the Issue Date of such Series.

### **General**

Each Custody Agreement will provide that (unless otherwise directed by the Trustee) the Crypto Asset Collateral will be held in safe custody on behalf of the Issuer by the relevant Custodian in a segregated Collateral Account. The Collateral Account will be operated through an online portal provided by the relevant Custodian and will be subject to the security granted to the Trustee in respect of the relevant Series of Securities. See “*Security Arrangements*”.

The relevant Custodian shall comply with any instruction from authorised representatives of the Issuer to withdraw Crypto Asset Collateral from, or deposit Crypto Asset Collateral into, the Collateral Accounts.

The relevant Custodian shall keep a substantial portion of the private keys associated with the Crypto Asset Collateral in “cold storage” or similarly secure technology. Cold storage is a safeguarding method with multiple layers of protections and protocols, by which the private key(s) corresponding to the Crypto Asset Collateral are generated and stored in an offline manner. Private keys are generated in offline computers that are not connected to the internet so that they are resistant to being hacked.

Cold storage of private keys may involve keeping such keys on a non-networked computer or electronic device or storing the public key and private keys on a storage device (for example, a USB thumb drive) or printed medium and deleting the keys from all computers. The relevant Custodian may receive deposits of Crypto Asset Collateral but may not send Crypto Asset Collateral without use of the corresponding private keys. In order to send Crypto Asset Collateral when the private keys are kept in cold storage, either the private keys must be retrieved from cold storage and entered into a software program to sign the transaction, or the unsigned transaction must be sent to the “cold” server in which the private keys are held for signature by the private keys. At that point, the relevant Custodian can transfer the Crypto Asset Collateral.

The Issuer may open multiple Collateral Accounts with the Custodian(s) appointed for the relevant Series of Securities.

### **Termination**

The Issuer undertakes in the relevant Trust Deed, without prejudice to the provisions of automatic termination of any Custodian, to use reasonable endeavours to at all times maintain a Custodian in relation to the relevant Series of Securities.

The relevant Custodian’s appointment in respect of a Series of Securities may be terminated by the Issuer or the relevant Custodian in accordance with the terms of the relevant Custody Agreement.

## SECURITY ARRANGEMENTS

Securities issued under the Programme will be secured obligations. The security interests described below and any additional security created in relation to a particular Series of Securities shall be known as the Transaction Security. This security is, in particular, granted under English law, Swiss law and Irish Law in favour of the Trustee who will hold this on trust for itself and the other Secured Creditors in accordance with the Trust Deed and the Swiss Law Pledge. The enforcement of a claim as against any Transaction Security may only be exercised with respect to the Transaction Security relating to a particular Series of Securities and such enforcement shall not be with respect to the Transaction Security held in relation to any other Series of Securities.

### Transaction Security

The various payment obligations of the Issuer in respect of each Series of Securities shall be secured, pursuant to the Trust Deed, over some or all of the following assets:

- the Crypto Asset Collateral and all property, income, sums and assets derived therefrom from time to time;
- all the Issuer's rights, title and interest attaching to or in respect of the Crypto Asset Collateral and all property, income, sums or other assets derived therefrom, including, without limitation, any right to delivery thereof or to an equivalent number or nominal value thereof which arises in connection with any such assets being held in a clearing system or through a financial intermediary;
- the Issuer's rights, title and interest with respect to each Collateral Account and Custody Agreement;
- all sums held by any Paying Agent and/or the Custodian(s) to meet payments due in respect of any Secured Obligation;
- the Issuer's rights, title and interest under each of the Series Agency Agreements, any Authorised Participant Agreement (which are related and attributable to the relevant Series) and any rights of the Issuer's rights against any Crypto Broker (which are related and attributable to the relevant Series);
- the Issuer's interest in any Additional Account and any sums relating to such Series standing to the credit of each such Additional Account from time to time;
- the Issuer's rights, title and interest under any agreement (present or future) with any account bank or custodian in respect of any Additional Accounts;
- any other security constituted by the Trust Deed and any other Security Document for such Series; and
- the rights, title and interest of the Issuer in any other assets, property, income, rights and/or agreements of the Issuer (other than the Issuer's share capital).

No security will be taken with respect to the Issuer Expenses Account or the Series Transaction Account.

### Order of Priority

The security constituted by the Trust Deed and/or any other Security Document for each Series of Securities shall be known as the Transaction Security. The order of priority in which the Secured Creditors will be paid if the Transaction Security is enforced is as follows, as further set out in the Conditions:

- first, in payment or satisfaction of all fees, costs, charges, expenses, liabilities, losses and other amounts properly incurred by, or payable in connection with the Securities to, the Trustee, any Irish Receiver or any receiver(s) under or pursuant to the Trust Deed or any Security Document, including, without limitation, any Taxes required to be paid by the Trustee (other than any Tax in respect of the Trustee's income, profits or gains), the costs of enforcing the Transaction Security and/or realising all or some of the Secured Property and the Trustee's remuneration;
- second, *pro rata* and *pari passu*, in payment or satisfaction of all fees, costs, charges, expenses, liabilities, losses and other amounts properly incurred by, or payable in connection with the Securities to, the Custodian(s) under or pursuant to the relevant Custody Agreements;



- thirdly, in payment or satisfaction of all fees, costs, charges, expenses, liabilities, losses and other amounts properly incurred by, or payable in connection with the Securities to, the Technical Account Bank, the Issuing Agent and Paying Agents under the relevant Series Agency Agreement;
- fourthly, in payment or satisfaction of all fees, costs, charges, expenses, liabilities, losses and other amounts properly incurred by, or payable in connection with the Securities to, the Administration Agent under the relevant Series Agency Agreement;
- fifthly, in payment or satisfaction of all fees, costs, charges, expenses, liabilities, losses and other amounts properly incurred by, or payable in connection with the Securities to, the Crypto Execution Agent under the relevant Series Agency Agreement;
- sixthly, in payment or satisfaction of all fees, costs, charges, expenses, liabilities, losses and other amounts properly incurred by, or payable in connection with the Securities to, the Arranger under the Arranger Agreement incurred with respect to the relevant Series of Securities;
- seventhly, *pro rata* and *pari passu*, in or towards payment or delivery of the Redemption Amount to Securityholders; and
- eighthly, in payment of any balance to the Issuer for itself or as it may direct.

**Additional security interests**

Additionally, the Constituting Document may provide that different security arrangements apply to the Securities and/or that the Secured Obligations of the Issuer may be secured pursuant to a document (which would be a Security Document) other than the Trust Deed. The existence of a Security Document (other than the Trust Deed) for a particular Series of Securities will be specified in the applicable Final Terms. A Security Document (other than the Trust Deed) will be entered into, for example, where there is a security interest to be created under a law other than English law or Irish law in respect of a particular asset for a Series of Securities.

The Swiss Law Pledge entered into between the Issuer and the Secured Creditors represented by the Trustee contains the provisions relating to the creation of security by the Issuer in favour of the Trustee and the other Secured Creditors with respect to the Issuer's rights under the Series Agency Agreements governed by the laws of Switzerland.

## **SALE OR TRANSFER OF UNDERLYING, ENFORCEMENT OF SECURITY AND LIMITED RECOURSE**

### **Sale or transfer of Crypto Asset Collateral**

The submission of a valid Redemption Order (and an Investor Redemption Order Form as relevant) by an Authorised Participant (or a holder of Securities if permitted) will trigger a process which will require the Issuer to (in the case of Cash Settlement) arrange for the sale of the Crypto Asset Collateral or (in the case of Physical Settlement) transfer the relevant amount of Crypto Asset Collateral to the relevant Securityholders, in each case in accordance with the provisions set out in the Conditions and the Transaction Documents.

### **Redemption Amount**

Following such sale or transfer, the Securities will redeem early and the Securityholders will receive the relevant Redemption Amount. The Redemption Amount for a Series of Securities will be calculated as:

- in the case of cash settlement, the Cash Redemption Amount; and
- in the case of physical settlement, the Physical Redemption Amount.

See the section headed “*Economic Overview of the Securities*” for a description of how the Redemption Amount is calculated.

### **Enforcement of security**

Pursuant to the Conditions and the terms of the Trust Deed and/or any Security Document, the Transaction Security shall become enforceable on the occurrence of one of the following events (each an “Event of Default”):

- the Issuer defaults in payment or delivery on the Securities for 14 days or more;
- the Issuer fails to comply with any of its other material obligations for 30 days;
- the IPA Default occurs;
- the Arranger Default occurs;
- the Custodian Default occurs; or
- an Insolvency Event occurs.

Upon instruction by or on behalf of the holders of not less than 75 per cent. of the aggregate number of the Securities then outstanding following the occurrence of an Insolvency Event, the Trustee shall contact the Swiss bankruptcy official or administrator (the “Swiss Bankruptcy Official”), such Swiss Bankruptcy Official may then decide to either: (a) take such action, step or proceeding as necessary to enforce the rights under any of the Transaction Documents; or (b) instruct the Trustee to institute such proceedings and/or take such action, step or proceeding as instructed to enforce the rights under any of the Transaction Documents.

The Trustee shall hold the proceeds of enforcement of the Secured Property received by it under the Trust Deed on trust for application in accordance with the order of priority set out in Condition 24 (*Application of Proceeds*).

### **Limited recourse**

The limited recourse and non-petition provisions provide that claims against the Issuer by Securityholders and each other creditor relating to any Series of Securities will be limited to the series assets applicable to such Securities. If, following liquidation or enforcement of security as described above, the available cash sums pursuant to Condition 24 (*Application of Proceeds*) or assets available for delivery, as the case may be, are insufficient for the Securityholders to receive payment or delivery in full of any Redemption Amount, Securityholders will receive less than such amount and Condition 28 (*Limited Recourse and Non-Petition*) will apply. No other assets of the Issuer will be available to meet such shortfall, the claims of such Securityholders or other creditors relating to such Securities in respect of any such shortfall shall be extinguished. No Securityholders will be able to petition for the winding-up of the Issuer as a consequence of any such shortfall or launch proceedings against the Issuer.

## THE ISSUER

### General

Xtrackers Digital Markets ETC AG (the “Issuer”) was established (at a meeting of its founders) as a stock corporation (*Aktiengesellschaft*) on 7 November 2023 under the Laws of Switzerland for an unlimited duration with the name “Xtrackers Digital Markets ETC AG” and first registered on November 13, 2023. It is registered with the commercial register of the Canton of Zurich under the company registration number CHE- 224.432.590.

The Issuer has been established as a special purpose vehicle for the purposes of issuing asset-backed Securities. The registered office of the Issuer is at c/o Vistra Zürich AG, Talstrasse 83, 8001 Zürich. The telephone number of the Issuer is +49 (69) 910 30549. The Issuer’s Legal Entity Identifier (LEI) is 529900WIXTJRV6RK4G26.

The Issuer’s Website is available at [www.etf.dws.com](http://www.etf.dws.com). The information on the Issuer’s Website does not form part of this Base Prospectus unless that information is incorporated by reference into this Base Prospectus.

### Share capital

As at the date hereof, the share capital of the Issuer amounts to CHF 100,000, divided into 100 registered shares with a face value of CHF 1,000 each. The shares are paid-up in the amount of CHF 100,000.

The share capital is held in its entirety by Vistra Fund Services Limited in its capacity as trustee for the Xtrackers Digital Markets (Jersey) Trust.

### Ownership of the Issuer

The share capital is held in its entirety by Vistra Fund Services Limited in its capacity as trustee for the Xtrackers Digital Markets (Jersey) Trust.

### Activities of the Issuer

The Issuer was set up to issue exchange traded products linked to the performance of Crypto Assets. The Issuer will also engage in other activities related to the maintenance of the Programme and the creation of new crypto-linked financial products. It does not have other revenue generating business activities. The Issuer is not authorised or subject to prudential supervision by FINMA or any other regulatory authority.

While currently this Programme is the Issuer’s only product, the Issuer may expand its product suite to include other financial products catered to crypto investors and the broader crypto market.

### Directors

The directors of the Issuer are as follows:

<b>Director</b>	<b>Business Address</b>
Piedad Lucia Delgado-Bauhofer	c/o Vistra Zürich AG, Talstrasse 83, 8001 Zürich
Raphael Benedikt Baumann	c/o Vistra Zürich AG, Talstrasse 83, 8001 Zürich
Kurt Gamper	c/o Vistra Zürich AG, Talstrasse 83, 8001 Zürich

See the section headed “*Conflicts of Interest*”.

### Corporate Services Administrator

Pursuant to the terms of an agreement in respect of each Series of Securities between Vistra Zürich AG (the “Corporate Services Administrator”) and the Issuer (the “Corporate Services Administration Agreement”) the Issuer has appointed the Corporate Services Administrator to perform certain administrative, accounting and related services to the Issuer. In consideration of these services, the Corporate Services Administrator will receive various fees from the Issuer as set out in the Corporate Services Administration Agreement. The registered office of the Corporate Services Administrator is Talstrasse 83, 8001 Zurich, Switzerland.

### **Statutory Auditors**

KPMG AG at Badenerstrasse 172, PO Box, CH-8036 Zurich (the “Auditor”) has been appointed for the purpose of auditing the Issuer’s financial statements. The Auditor is supervised by the Swiss Federal Audit Oversight Authority FAOA and is a member of EXPERTsuisse, veb.ch and the Institute of Internal Auditing Switzerland (IIAS).

The information in this Base Prospectus has not been audited or reviewed by the Auditor.

### **Financial statements**

The Issuer is a newly-incorporated special purpose vehicle and, as at the date of this Base Prospectus, has not produced any audited financial statements. As and when available, the Issuer’s annual financial statements will be available at [www.etf.dws.com](http://www.etf.dws.com). This website does not form part of this Base Prospectus (other than where information has been explicitly incorporated by reference into this Base Prospectus) and has not been scrutinised or approved by the SFSA.

The financial year of the Issuer will end on 30 September of each year.

### **Material Changes Since Foundation**

Save as published or disclosed herein there has been no material change in the financial position of the Issuer since the incorporation on 7 November 2023.

### **Dividends**

The Issuer has not paid any dividends since its foundation and incorporation.

**THE ADMINISTRATION AGENT**

State Street Fund Services (Ireland) Limited (the “Administration Agent”) is an Irish private company limited by shares, registered on 23 March 1992 under company number 186184. The registered office of the Administration Agent is 78 Sir John Rogerson’s Quay, Dublin 2, Ireland, D02 RK57.

The Administration Agent is appointed to provide certain calculation and determination services to the Issuer in respect of all Series of Securities issued under the Programme.

**THE CRYPTO EXECUTION AGENT AND THE CRYPTO DEVELOPMENT ADVISOR**

Galaxy Digital Funds LLC as Crypto Execution Agent and Crypto Development Advisor is a limited liability company, organised and existing under the laws of the State of Delaware, USA. The registered office of the Crypto Execution Agent and Crypto Development Advisor is 300 Vesey Street, New York, NY 10282, United States.

The Crypto Execution Agent is appointed by the Issuer to arrange purchases and sales of Crypto Assets on behalf of the Issuer for the purposes of the Issuer (i) issuing new Securities by way of Cash Settlement, (ii) redeeming existing Securities by way of Cash Settlement and (iii) paying third party fees payable by the Issuer (including to the Arranger) under the Programme.

The Crypto Development Advisor is appointed by the Arranger to provide (i) certain monitoring, due diligence and advisory services to the Arranger in relation to the Underlying for the purposes of the Arranger managing the Programme and (ii) know-how support to the Arranger with respect to the Programme and the Underlying.

## THE CUSTODIAN(S)

The Custodian(s) shall be responsible for the safekeeping of the Crypto Asset Collateral held in the Collateral Accounts related to the relevant Series of Securities.

The Custodian(s) appointed by the Issuer in relation to a Series may include one or both of Coinbase Custody International Limited and Zodia Custody (Ireland) Limited or any other custodian as appointed from time to time as notified to the Securityholders.

The Issuer may open one or more Collateral Accounts with one or more Custodian(s) appointed with respect to the same Series of Securities. The Issuer may transfer Crypto Asset Collateral between different Collateral Accounts (including between Collateral Accounts opened with different Custodian(s) appointed for the same Series) without consent of the Trustee and any holders of Securities.

The following entities may act as Custodian(s) in relation to a Series of Securities.

### **Coinbase Custody International Limited**

Coinbase Custody International Limited ("Coinbase") is an Irish private company limited by shares, registered on 25 September 2019 under company number 657718. The registered office of Coinbase is 70 Sir John Rogerson's Quay, Dublin 2, Dublin, Ireland D02 R269.

Coinbase serves as a European entity of the Coinbase group for the handling of Crypto Assets. Coinbase is part of the Coinbase group's Coinbase Custody service which includes Coinbase Custody Trust Company, LLC. Coinbase Custody Trust Company, LLC operates as a standalone, independently-capitalised business to Coinbase Global, Inc. and is a fiduciary under NY State Banking Law, regulated by the New York Department of Financial Services. Coinbase Global, Inc operates a global cryptocurrency exchange platform which operates in over 100 countries.

Coinbase Custody International Limited provides custodial services to institutional customers and acts as custodian to the Issuer by holding the relevant Underlying in respect of a Series of Securities on behalf of the Issuer.

### **Zodia Custody (Ireland) Limited**

Zodia Custody (Ireland) Limited ("Zodia") is an Irish private company limited by shares, registered on 18 August 2021 under company number 701983. The registered office of Zodia is 27 Fitzwilliam Street, Dublin 2, Dublin, Ireland D02 TP23. Zodia is registered with the Central Bank of Ireland with Firm Reference Number C453603 under the Criminal Justice Act 2010 to 2021 (as amended) in respect of its activities in Crypto Assets. The Central Bank of Ireland's Deposit Guarantee Scheme and the Investor Compensation Scheme and the Financial Services and Pensions Ombudsman (FSPO) services do not apply to the cryptoasset activities carried out by Zodia.

Zodia is a virtual asset service provider supervised by Grand Duchy of Luxembourg Commission de Surveillance Secteur Financier (CSSF) only for AML/CFT purposes in accordance with the AML/CFT Law dated 12 November 2004, under the reference number @00000010.

The Issuer can appoint additional Custodian(s) under the Programme with respect to any Series of Securities as specified in the Final Terms.

### **THE ARRANGER**

DWS Investments UK Limited (the “Arranger”) is a private limited company incorporated in the United Kingdom on 16 September 2004, via the Companies Act 1985 Table A model articles, as varied, under company number 05233891. It was previously named DB Absolute Return Strategies Limited but on 18 December 2006 was renamed to Deutsche Asset Management (UK) Limited. On 21 December 2018, the company was consequently renamed to DWS Investments UK Limited. The registered office and the principal place of business of the Arranger is 21 Moorfields, London EC2Y 9DB, United Kingdom. The Arranger offers Fund Management services and is regulated by the UK FCA, with firm reference number 429806, and is authorised for specific activities and product types.

The Arranger provides certain administrative and operational services to the Issuer pursuant to an arrangement agreement entered into between the Issuer and the Arranger in respect of the Programme dated on or about the date of this Base Prospectus. The Arranger may delegate certain of those services to its affiliates.



**THE TRUSTEE**

Vistra Capital Markets Trustees Limited (the "Trustee") is a private limited company registered under company number 05912118. The Trustee acts as trustee under the Programme with respect to each Series of Securities issued under the Programme.

### **THE ISSUING AGENT**

State Street Bank International GmbH Munich, Zürich Branch (the “Issuing Agent”) is a bank branch established under Swiss law, with its registered branch office at Beethovenstrasse 19, 8027 Zürich. The Issuing Agent acts as issuing agent under the Programme with respect to each Series of Securities issued under the Programme.

### **THE PAYING AGENTS AND TECHNICAL ACCOUNT BANK**

#### **Principal Paying Agent**

State Street Bank International GmbH Munich, Zürich Branch (the “Principal Paying Agent”) is a bank branch established under Swiss law, with its registered branch office at Beethovenstrasse 19, 8027 Zürich. The Principal Paying Agent acts as principal paying agent under the Programme with respect to each Series of Securities issued under the Programme.

#### **Swiss Paying Agent**

State Street Bank International GmbH Munich, Zürich Branch (the “Swiss Paying Agent”) is a bank branch established under Swiss law, with its registered branch office at Beethovenstrasse 19, 8027 Zürich. The Swiss Paying Agent performs the paying agency function for a particular Series of Securities for the purposes of the regulations of the SIX Swiss Exchange issued under the Programme.

#### **Technical Account Bank**

State Street Bank International GmbH Munich, Zürich Branch (the “Technical Account Bank”) is a bank branch established under Swiss law, with its registered branch office at Beethovenstrasse 19, 8027 Zürich. The Technical Account Bank shall maintain the Series Transaction Account for a particular Series of Securities for the purposes of subscription and redemption of Securities in its own name (and not in the name of the Issuer).

## TAXATION

*Below is a summary of certain tax considerations which may impact the return on the Securities. Securityholders should be aware that the tax legislation of their home country and the Issuer's country of incorporation may have an impact on the return on the Securities.*

### **Switzerland**

*The following discussion is a summary of certain material Swiss tax considerations relating to (i) Securities issued by the Issuer where the holder is a tax resident in Switzerland or has a tax presence in Switzerland or (ii) Securities 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 Securities. The tax treatment for each investor depends on the particular situation. All investors are advised to consult with their professional tax advisers as to the respective Swiss tax consequences of the purchase, ownership, disposition, lapse, exercise or redemption of Securities (or options embedded therein) in light of their particular circumstances.*

### **Swiss Withholding Tax**

Payments on a unit of Securities should currently not be subject to Swiss federal withholding tax. The holders of the Securities will be subject to such withholding tax and will not be entitled to receive amounts to compensate for such withholding tax.

On 3 April 2020, the Swiss Federal Council published draft legislation and opened a consultation procedure regarding the reform of the Swiss withholding tax regime. The draft legislation, if enacted in its current form, would replace the current debtor-based regime applicable to interest payments with a paying agent-based regime for Swiss withholding tax. In general terms, the proposed paying agent-based regime would (i) subject all interest payments made through paying agents in Switzerland to individuals that are residents in Switzerland to Swiss withholding tax and (ii) exempt from Swiss withholding tax interest payments to all other persons, including to Swiss-domiciled legal entities and foreign investors (other than for indirect interest payments via foreign and domestic collective investments vehicles). However, the results of the consultation, which ended on 10 July 2020, were controversial. Consequently, on 15 April 2021, the Swiss Federal Council submitted new draft legislation on the reform of the Swiss withholding tax system providing for the abolition of Swiss withholding tax on interest payments on bonds for submission to the Swiss Parliament, which legislation was accepted by the Swiss Parliament on 17 December 2021. The proposed legislation has been rejected in a referendum held on 25 September 2022. Notwithstanding the foregoing, if a new paying agent-based regime were nevertheless to be enacted as contemplated by the draft legislation published on 3 April 2020 and were to result in the deduction or withholding of Swiss withholding tax on any payment in respect of the Securities by any person in Switzerland other than the Issuer, the holder of such Securities would not be entitled to any additional amounts with respect to such Securities as a result of such deduction or withholding under the terms and conditions.

### **Income Taxation**

*Securities held as Private Assets by a Swiss resident holder.*

### **Structured Notes**

If a unit of Securities classifies as a structured note, its income taxation depends on whether the bond and the derivative financial instrument(s) embedded therein are recorded separately from each other and whether the Security is classified as a structured note with or without a predominant one-time interest payment (a structured note is classified as a note with a predominant one-time interest payment if the one-time interest payment exceeds the sum of the periodic interest payments):

*Non-transparent derivative financial instruments:* If the bond is not recorded separately from the embedded derivative financial instrument(s), the Security is classified as a non-transparent structured note and any return over the initial investment is classified as a taxable interest payment. Non-transparent derivative financial instruments

generally include a predominant one-time interest payment and are taxed in accordance with the principles set forth below under “—Transparent derivative financial instruments with a predominant one-time interest payment”.

*Transparent derivative financial instruments without a predominant one-time interest payment:* If the bond is recorded separately from the embedded derivative financial instrument(s) and the yield-to-maturity predominantly derives from periodic interest payments and not from a one-time-interest-payment (see below “—Transparent derivative financial instruments with a predominant one-time interest payment”), then any such periodic interest payment and the non-predominant one-time interest payment, if any, is taxed when paid to the holder of the Securities. A gain, including interest accrued, a loss, respectively, realised on the sale of a unit of Securities is a tax-free private capital gain, a non-tax-deductible private capital loss, respectively (see below “—Capital Gains, Securities held as Private Assets by a Swiss resident holder”). The same applies if the Security is redeemed except that interest accrued is taxed when paid.

*Transparent derivative financial instruments with a predominant one-time interest payment:* If the bond is recorded separately from the embedded derivative financial instrument(s) and the yield-to-maturity predominantly derives from a one-time-interest-payment such as an original issue discount or a repayment premium and not from periodic interest payments, then any periodic interest payments and on the sale or redemption of the Securities, the difference between the value of the bond at redemption or sale, as applicable, and its value at issuance or secondary market purchase, as applicable, converted, in each case, into Swiss Francs at the exchange rate prevailing at the time of redemption or sale, issuance or purchase, respectively (modified differential taxation method) constitutes taxable income. A value decrease on the bond respectively realised on the sale or redemption of the Securities may be offset against any gains (including periodic interest payments) realised within the same taxation period from all instruments with a predominant one-time interest payment. Any residual return realised on the embedded derivative financial instrument(s) is a tax-free private capital gain, and any residual loss is a non-tax-deductible private capital loss, respectively (see below “—Capital Gains, Securities held as Private Assets by a Swiss resident holder”).

#### Bonds

*Bonds without a predominant one-time interest payment:* If a unit of Securities is classified as a pure bond without a predominant one-time interest payment (the yield-to-maturity predominantly derives from periodic interest payments and not from a one-time-interest-payment), Swiss resident private investors will be taxed on the periodic and any one-time interest payments, if any, converted into Swiss Francs at the exchange rate prevailing at the time of payment. A gain, including interest accrued, a loss, respectively, realised on the sale of a unit of Securities is a tax-free private capital gain, a non-tax-deductible private capital loss, respectively (see below “—Capital Gains, Securities held as Private Assets by a Swiss resident holder”).

*Bonds with a predominant one-time interest payment:* If a unit of Securities is classified as a pure bond with a predominant one-time interest payment (the yield-to-maturity predominantly derives from a one-time-interest-payment such as an original issue discount or a repayment premium and not from periodic interest payments), Swiss resident private investors will be taxed on any periodic interest payments and on any gains, including capital and foreign exchange gains, realised on the Securities (differential taxation method).

#### Pure Derivative Financial Securities

Periodic and one-time dividend equalisation payments realised on a unit of Securities which is classified as a pure derivative financial instrument (such as pure call and put options, including low exercise price options with a maturity not exceeding one year, pure futures, static certificates replicating an index or a basket of at least five shares and with a fixed maturity or an annual redemption right) and which is held as part of a holder’s private assets constitute taxable investment income. Any other return will be classified as a tax-exempt capital gain or a non-tax deductible capital loss (see below “—Capital Gains, Securities held as Private Assets by a Swiss resident holder”).

#### Low Exercise Price Options

According to the current practice of the Swiss Federal Tax Administration low exercise price options are given if the underlying of an option has been pre-financed by at least 50% at the time of issuance.

For low exercise price options with a maturity exceeding one year the interest component of the low exercise price option (i.e. issue discount) constitutes taxable investment income. Any other return will be classified as a tax-exempt capital gain or a non-tax deductible capital loss (see below “—Capital Gains, Securities held as Private Assets by a Swiss resident holder”).

#### Fund-like Securities

A Security classified as a fund-like instrument will be considered a pass-through instrument for Swiss tax purposes if dividend and interest income (less attributable costs) from, and capital gains and losses (less costs attributable) realised on the underlying investments, are reported and distributed separately. Under such conditions, an individual holding a fund-like Security as part of private assets only receives taxable income (which he or she must report annually) over such portion of the distributions (in case the fund is distributing the income realised on the underlying investments) or earnings credits (in case the fund is reinvesting the income realised on the underlying investment) as derive from dividends and interest (less attributable costs) on the underlying instruments. Any distributions or credits deriving from capital gains realised on the underlying investments constitute a tax-free private capital gain and any respective loss on the underlying investments is a non-tax-deductible private capital loss. Any gain realised within a taxation period on the sale of a fund-like instrument (including accrued dividends and interest) is exempt from income taxation as a private capital gain, and, conversely, any loss realised a non-tax-deductible capital loss (see below “—Capital Gains, Securities held as Private Assets by a Swiss resident holder”).

#### *Securities held as Assets of a Swiss Business*

Corporate entities and individuals who hold Securities 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 Securities (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.

#### **Capital Gains Taxation**

##### *Securities 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 unit of Securities 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 “—Securities held as Assets of a Swiss Business”. In relation to the bifurcation of a tax-exempt capital gains component, non-tax deductible capital loss component, respectively, from taxable income components of a unit of Securities, see the bifurcation principles set forth above with regard to the different instruments under “—Income Taxation, Securities held as Private Assets by a Swiss resident holder”).

##### *Securities held as Assets of a Swiss Business*

Capital gains realised on Securities held as Assets of a Swiss Business are taxed in accordance with the taxation principles set forth above under “—Income Taxation, Securities held as Swiss Business Assets”).

#### **Stamp Taxes**

##### *Swiss Federal Issue Stamp Tax*

The Securities are not subject to Swiss federal stamp tax on the issuance of securities.

### *Swiss Federal Securities Turnover Tax*

Dealings in Securities which are classified as pure derivative financial instruments (such as pure call and put options, including low exercise price options with a maturity not exceeding twelve months, pure futures with a maximal pre-financing of 25%, static certificates replicating an index or a basket of at least five shares and with a fixed maturity on an annual redemption right) are not subject to the Swiss federal securities turnover tax.

Dealings in Securities which have been issued by an issuer outside of Switzerland and which are classified as structured notes, share-like instruments (including low exercise price warrants on shares with a maturity exceeding twelve months) or fund-like instruments are subject to Swiss federal securities turnover tax of 0.3% on the consideration paid, however, only if a Swiss securities dealer (as defined in the Swiss federal stamp tax act) is a party or intermediary to the transaction and no exemption applies.

Dealing in bonds and structured notes with a maturity not exceeding one year are exempt from Swiss federal turnover tax.

The issuance of Securities by an issuer outside of Switzerland and which are classified as fund-like instruments are subject to Swiss federal securities turnover tax of 0.3% on the consideration paid, however, only if a Swiss securities dealer (as defined in the Swiss federal stamp tax act) is a party or intermediary to the transaction and no exemption applies.

The delivery of an underlying taxable security at exercise or redemption to the holder of the Securities is subject to Swiss federal securities turnover tax up to 0.3% if a Swiss domestic securities dealer (as defined in the Swiss federal stamp tax act) is a party or intermediary to the transaction and no exemption applies.

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

Subject to an applicable tax treaty in an international scenario, transfers of Securities 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 Securities 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. The taxable base is usually the market value of the property transferred.

### ***Net Worth and Capital Taxes***

A holder of Securities who is an individual resident in Switzerland for tax purposes or is a non-Swiss resident holding Securities as part of a Swiss business operation or a Swiss permanent establishment is required to report Securities 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 Securities), in the case of non-Swiss resident individual holding Securities as part of a Swiss business operation or a Swiss permanent establishment to the extent the aggregate taxable wealth is allocable to Switzerland. Incorporated holders of Securities are subject to cantonal and communal capital tax on net taxable equity, in the case of non-Swiss resident person holding Securities as part of a Swiss permanent establishment, to the extent the aggregate taxable equity is allocable to Switzerland. No net worth and capital taxes exist at the federal level.

### ***Non-Swiss resident holders***

A holder of a unit of Securities 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.

## **Germany**

*The following discussion is a summary of certain material German tax considerations relating to the Securities in particular where the holder is (i) tax resident in Germany and (ii) not an Authorised Participant. The summary does not purport to cover all potential tax aspects that may be relevant to the decision to purchase the Securities. In particular, it does not consider the particular situation or any circumstances relevant to a particular purchaser. This summary is based on the laws of Germany in force at the date of this Base Prospectus and their interpretation by the German tax administration and German tax courts as published until this date, which all may be subject to changes, possibly with retroactive effect.*

*Prospective purchasers of the Securities are advised to consult their own tax advisors as to the tax consequences of the purchase, holding, redemption and disposal of the Securities under the laws applicable in the Federal Republic of Germany.*

*It should further be noted that the following summary only expresses the opinion of the Issuer and must not be misunderstood as a representation or guarantee with regard to potential German tax consequences. In particular, the Issuer is not aware of any court rulings with respect to the taxation of Securities linked to a single Crypto Asset so that it cannot be excluded that the German tax courts might take a differing view.*

### **Taxation of a Securityholder with unlimited tax liability in the Federal Republic of Germany for whom the Security is held as a non-business asset**

According to the German Federal Ministry of Finance (*Bundesfinanzministerium*, “BMF”), (i) units of virtual currencies or other tokens are an “other asset” (*anderes Wirtschaftsgut*) within the meaning of section 23 (1) sentence 1 no. 2 of the German Income Tax Act (*Einkommensteuergesetz*, “*EstG*”) and (ii) if a bond solely embodies a claim to delivery of a fixed quantity of units of virtual currencies or other tokens deposited with the issuer or a claim to a payout by the issuer of proceeds from the sale of units of virtual currency or other tokens, then there is not a financial claim (*Kapitalforderung*) within the meaning of section 20 (1) no. 7 *EstG* but a non-financial claim (*Sachleistungsanspruch*) (circular of the BMF of 10 May 2022, file no. IV C 1 – S 2256/19/10003 :001, margin no. 85). The sale of such a bond results in income from private sales transactions under section 22 no. 2 in conjunction with section 23 (1) sentence 1 no. 2 *EstG* if the holding period is less than one year (circular of the BMF of 10 May 2022, file no. IV C 1 – S 2256/19/10003 :001, margin no. 86).

Furthermore, according to the BMF in its circular on the German flat tax rate regime, based on the Xetra-Gold bearer bond and gold bullion securities case law of the German Federal Fiscal Court, no financial claim (*Kapitalforderung*) within the meaning of Section 20 (1) no. 7 *EstG* exists if the terms and conditions of the issuance of bonds stipulate that the issuer must invest almost all of the capital received through the issuance in gold or another commodity and if there is only a claim to delivery of the deposited commodity or a claim to a payout of the proceeds from the sale of the commodity by the issuer (circular of the BMF of 19 May 2022, file no. IV C 1 – S 2252/19/10003 :009, margin no. 57). Virtual currencies – as commodities - qualify as an other asset (*anderes Wirtschaftsgut*) within the meaning of section 23 (1) sentence 1 no. 2 *EstG* and therefore such principles should apply also if the terms and conditions of the issuance stipulate that the issuer must invest almost all of the capital received through the issuance in virtual currencies and if there is only a claim to delivery of the deposited virtual currencies or a claim to a payout of the proceeds from the sale of the virtual currencies by the issuer.

As the Securities should solely embody a claim to a delivery of a fixed number of units of virtual currencies (as stipulated in the Conditions) deposited with the Issuer or, in case there is no Authorised Participant appointed under the Programme with respect to the relevant Series of Securities, also a claim to a payout of the proceeds from the sale of units of virtual currency by the Issuer, they should not qualify as financial claims (*Kapitalforderungen*) within the meaning of section 20 (1) no. 7 *EstG* and the sale and redemption of the Securities should not lead to taxable capital income (*Einkünfte aus Kapitalvermögen*) pursuant to section 20 *EstG* being subject to the flat tax regime (*Abgeltungssteuer*).

Thus, if the Securities are acquired by a natural person which is tax resident in Germany (i.e. has its residence or habitual abode in Germany) and holds the Securities as part of its private assets (“*Private Investor*”), the sale of the Securities should result in income from private sales transactions under section 22 no. 2 in conjunction with section 23 (1) sentence 1 no. 2 *EstG* if the holding period is less than one year. In this context, it is not necessary to establish the intention to realise profits (*Einkünftezielungsabsicht*) as this is already assumed because of the sale within the one year holding period. However, under section 23 (3) sentence 5 *EstG*, gains remain tax-free if the total sum of the gains generated from all private sales transactions per calendar year (*Gesamtgewinn*) is less than €600. If the holding period is longer than one year, gains should not be taxable.

The redemption of the Securities by way of Physical Settlement should not constitute a sale under the private sales transactions rules, but just the fulfilment of the claim for payment in kind with a roll-over of acquisition costs. Even though this is not explicitly stated by the German tax administration and case law, it should also be reasonable for the purpose of calculating the one year holding period to assume that the point in time at which the units of the underlying Crypto Assets are acquired corresponds to the point in time at which the Securities were acquired.

However, there exists the risk that the tax administration will take the position that the one year holding period for Crypto Assets acquired by a Private Investor directly following a redemption will start only upon the redemption. Contrary to this, the sale of the Crypto Assets following a redemption of the Securities by way of Cash Settlement should constitute a sale under the private sales transaction rules and should therefore be taxable if realised within one year after the acquisition of the Securities.

Taxable gains must be included in the income tax return and are, in principle, subject to income tax (up to 45%, plus solidarity surcharge of up to 5.5% and church tax as the case may be). Losses from private sale transactions can only be set-off against gains from private sale transactions of the same calendar year. If such gains do not exist, it may be possible under certain circumstances to set-off against the gains from private sale transactions from the previous year or from subsequent years.

Gains from private sales transactions should generally not be subject to German withholding tax (*Kapitalertragsteuer*) so that German custody banks should deduct no withholding tax on any sale, redemption or delivery of the Securities.

***Taxation of a Securityholder with unlimited tax liability in the Federal Republic of Germany for whom the Security is held as a business asset***

If the Securities are acquired by persons (including entities) which are tax residents of Germany (i.e. have their residence, habitual abode, statutory seat or place of effective management and control in Germany) and which hold the Securities as part of their business assets ("Business Investors"), the following principles should apply:

Gains realised upon the sale of the Securities are subject to income tax at the applicable personal, progressive income tax rates or, in case of corporate entities, to corporate income tax at a uniform 15% tax rate (in each case plus solidarity surcharge at a rate of 5.5% on the tax payable and in case where such income is subject to personal, progressive income tax plus church tax, if applicable). Such gains may also be subject to trade tax if the Securities form part of the property of a German trade or business. Losses from the sale of the Securities are generally recognised for tax purposes. As for Private Investors the redemption of the Securities by way of Physical Settlement should not constitute a (taxable) sale, but the acquisition costs for the Securities should be rolled over to the Crypto Assets. Contrary to this, the sale of the Crypto Assets following a redemption of the Securities by way of Cash Settlement should constitute a taxable sale.

Withholding tax should, as for Private Investors, not be levied on gains from the sale of the Securities, or, after redemption, the sale of the Crypto Assets.

***Taxation of persons not being subject to unlimited tax liability in the Federal Republic of Germany***

Foreign resident investors should not be taxable in Germany with gains from the sale of the Securities or the underlying Crypto Assets and no German withholding tax should be withheld from such income. This should hold true even if the Securities are held in custody with a German custodian. Exceptions apply, for example, where the Securities are held as business assets of a German permanent establishment or trigger for other reasons German taxable source income.

**DAC 8**

The Council of the EU adopted on 17 October 2023 a directive amending the EU rules on administrative cooperation in the area of taxation (Council Directive amending Directive 2011/16/EU, "DAC 8"). The key objectives of this legislation are, inter alia, the following:

- To extend the scope of automatic exchange of information under DAC between EU member states to information that will have to be reported by crypto-asset service providers (e.g. crypto exchanges, Wallet providers, payment service providers for Crypto Assets) on transactions (transfer or exchange) of crypto-assets and e-money; and
- to amend a number of other existing provisions of DAC. In particular, the directive seeks to improve the rules on reporting and communication of the Tax Identification Number (TIN), in order to facilitate the task of tax authorities of identifying the relevant taxpayers and correctly assessing the related taxes.

Member States will have until 31 December 2025 to transpose the new rules into national law and most provisions shall apply from 1 January 2026 on. They will require all crypto-asset service providers, of whatever size and wherever located, to report on crypto asset transactions carried out by clients residing in the EU. DAC 8 covers both domestic and cross-border transactions.

DAC 8 is designed to complement the recently implemented Markets in Crypto-assets (MiCA) Regulation and anti-money laundering rules. These rules will provide the conditions for access to the EU market for crypto assets, replacing existing national rules governing the issuance, trading and custody of such assets.



Securityholders should consult their tax advisors regarding how these rules apply to their investment in the Securities.

### **FATCA**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“foreign passthru payments”) to persons that fail to meet certain certification, reporting or related requirements.

A number of jurisdictions (including Switzerland) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, are uncertain and may be subject to change.

Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, such withholding would not apply prior to the date that is two years after the date on which final regulations defining “foreign passthru payments” are published in the U.S. Federal Register and Securities characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Securities (as described under “Terms and Conditions – Further Tranches and Series Consolidation”) that are not distinguishable from previously issued Securities are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all such Securities, including those Securities offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Securities.

### **The proposed financial transactions tax (“FTT”)**

On 14 February 2013, the European Commission published a proposal (the “Commission’s Proposal”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “participating Member States”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in Securities (including secondary market transactions) in certain circumstances.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Securities where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional Member States may decide to participate.

Prospective holders of Securities are advised to seek their own professional advice in relation to the FTT.

## SUBSCRIPTION AND SALE

Only Authorised Participants (or, in circumstances where the Issuer has permitted, Securityholders who are not Authorised Participants) may subscribe for Securities from the Issuer. The Authorised Participant(s) in respect of each Series of Securities will be specified in the applicable Final Terms.

### United States of America

Securities have not been and will not be registered under the United States Securities Act of 1933 as amended (the "Securities Act"), or under the securities laws of any states of the United States. Securities may not be directly or indirectly offered, sold, taken up, delivered or transferred in or into the United States or to any US person (as defined in Regulation S under the Securities Act) (a "US Person"). The Issuer has not registered, and does not intend to register, as an investment company under the United States Investment Company Act of 1940, as amended (the "Investment Company Act"). Accordingly, Securities may not be offered, sold, pledged or otherwise transferred or delivered within the United States or to, or for the account or benefit, of any US Person unless done so in a manner such that the Issuer would not be subject to registration under the Investment Company Act. Securities may be offered and sold outside of the United States in offshore transactions (as such term is defined in Regulation S) to persons who are not US Persons in reliance upon Regulation S under the Securities Act. The Issuer and each Authorised Participant has represented and agreed, and each further Authorised Participant appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of the Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms within the United States or to any US Person, nor will it engage in any "directed selling efforts" (as such term is defined by Regulation S under the Securities Act) with respect to the Securities.

### United Kingdom

The Issuer and each Authorised Participant has represented and agreed, and each further Authorised Participant appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of the Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in the UK, except that it may make an offer of such Securities to the public in the UK:

- (a) to any legal entity which is a qualified investor as defined in the UK Prospectus Regulation;
- (b) to fewer than 150 legal persons (other than qualified investors as defined in the UK Prospectus Regulation); or
- (c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Securities referred to in (a) to (c) above shall require the Issuer or any Authorised Participant to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a base prospectus pursuant to Article 23 of the UK Prospectus Regulation or shall be in contravention on any other restriction on an offer of the Securities in the UK.

For the purposes of the provision above, the expression an "offer of Securities to the public" in relation to any Securities in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities, and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of the domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 and as amended or supplemented in the United Kingdom thereafter.

### Prohibition of Sales to UK Retail Investors

Each Authorised Participant has represented and agreed, and each further Authorised Participant appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated

by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 and as amended or supplemented in the United Kingdom thereafter; or
  - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “FSMA”) and any rules or regulations made under the FSMA which were relied on immediately before exit day to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 and as amended or supplemented in the United Kingdom thereafter; or
  - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 and as amended or supplemented in the United Kingdom thereafter (the “UK Prospectus Regulation”); and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

#### **European Economic Area**

If the Final Terms in respect of any Series of Securities specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area (each, a “Relevant State”), the Issuer and each Authorised Participant has represented and agreed, and each further Authorised Participant appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant State except that it may make an offer of such Securities to the public in that Relevant State:

- (a) if the Final Terms in relation to the Series of Securities specify that an offer of those Securities may be made other than pursuant to Article 1(4) of the EU Prospectus Regulation in that Relevant State (a “Non-Exempt Offer”), following the date of publication of this a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-Exempt Offer, in accordance with the EU Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus of Final Terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-Exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation), as permitted under the EU Prospectus Regulation; or
- (d) at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation, provided that no such offer of the Securities shall require the Issuer or any Authorised Participant to publish a prospectus pursuant to the Article 3 of the EU Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation or shall be in contravention on any other restriction on an offer of the Securities in that Relevant State.

For the purposes of this provision, the expression an “offer of Securities to the public” in relation to any Securities in any Relevant State means the communication in any form and by any means of sufficient information on the

terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe to the Securities, and the expression “EU Prospectus Regulation” means Regulation (EU) 2017/1129, as amended.

#### **Prohibition of Sales to EEA Retail Investors**

Unless the Final Terms in respect of any Securities specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Authorised Participant has represented and agreed, and each further Authorised Participant appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or
  - (ii) a customer within the meaning of Directive (EU) 2016/97 (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 Regulation (EU) 2017/1129 (as amended, the “EU Prospectus Regulation”); and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

#### **Switzerland**

- (a) Subject to paragraph (b) below:
  - (i) the Securities may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the FinSA and no application has or will be made to admit the Securities to trading on any trading venue (exchange or multilateral trading facility) in Switzerland;
  - (ii) neither this Base Prospectus nor any Final Terms nor any other offering or marketing material relating to the Securities constitutes a prospectus pursuant to the FinSA; and
  - (iii) neither this Base Prospectus nor any Final Terms nor any other offering or marketing material relating to the Securities may be publicly distributed or otherwise made publicly available in Switzerland.
- (b) Notwithstanding paragraph (a) above,
  - (i) if and when this Base Prospectus (together with any supplements hereto) has been automatically approved in accordance with article 54(2) of the FinSA by a Swiss Review Body as a base prospectus within the meaning of article 45 of the FinSA, and published in accordance with the FinSA, this Base Prospectus (as supplemented from time to time) may be used, subject to any other applicable requirements under the FinSA or the FinSO (including the depositing of the relevant Final Terms), for any public offering of Securities in Switzerland and/or application for the admission to trading of Securities on the SIX Swiss Exchange or any other trading venue (exchange or multilateral trading facility) in Switzerland; and
  - (ii) otherwise, in respect of any Securities to be issued, the Issuer and the relevant Authorised Participant(s) may agree that (A) such Securities may be publicly offered in Switzerland within the meaning of the FinSA and/or (B) an application will be made by (or on behalf of) the Issuer to admit such Securities to trading on the SIX Swiss Exchange or any other trading venue (exchange or multilateral trading facility) in Switzerland, provided that the Issuer and the relevant Authorised

Participant(s) agree to comply, and comply, with any applicable requirements of the FinSA in connection with such offering and/or application for admission to trading.

- (c) Under no circumstances may Securities with a derivative character within the meaning of article 86(2) of the FinSO be offered or recommended to private clients within the meaning of the FinSA in Switzerland, unless a key information document (*Basisinformationsblatt*) pursuant to article 58(1) FinSA (or any equivalent document under the FinSA) has been prepared in relation to such Securities.
- (d) Securities issued under the Programme will be exchange traded products and will not constitute participations in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 (as amended, the "CISA"). Therefore, the Securities are neither governed by the CISA nor subject to the approval of, or supervision by the Swiss Financial Market Supervisory Authority FINMA ("FINMA"), and investors in the Securities will not benefit from protection under the CISA or supervision by FINMA.

### **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 applicable Final Terms issued in respect of the issue of Securities to which it relates or in a supplement to this Base Prospectus.

Save for the approval of this Base Prospectus by the Swedish FSA and an offer of Securities to the public in Sweden and, if and when this Base Prospectus (together with any supplements hereto) is automatically approved in accordance with article 54(2) of the FinSA by, and deposited with, a Swiss Review Body as a base prospectus within the meaning of article 45 of the FinSA, and the respective Final Terms have been deposited with such Swiss Review Body in accordance with article 45(3) of the FinSA, a public offering of Securities in Switzerland, no representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of this Base Prospectus or any other offering material or any applicable Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Authorised Participant has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Securities or has in its possession or distributes this Base Prospectus, any other offering material or any applicable Final Terms and neither the Issuer nor any other Authorised Participant shall have responsibility therefor.

## GENERAL INFORMATION

<b>Authorisation</b>	This Base Prospectus was approved by a resolution of the Board of the Issuer passed on 13 March 2024. The issue of each Series of Securities issued by the Issuer will be authorised by a separate resolution of the Board of the Issuer.
<b>No significant change</b>	There has been no material adverse change in the financial position or prospects of the Issuer since the date of its incorporation. There has been no significant change in the financial performance of the Issuer or the financial or trading position of the Issuer since the date of its incorporation.
<b>No legal proceedings</b>	There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had since the date of its incorporation, a significant effect on the financial position or profitability of the Issuer.
<b>Settlement and clearing</b>	<p>Securities may be accepted for clearance through any relevant Clearing System including SIS, Euroclear and Clearstream, Luxembourg and Clearstream, Frankfurt.</p> <p>The Common Code, the International Securities Identification Number (ISIN), the Swiss Security Number (if applicable) and (where applicable) the identification number for any other relevant clearing system for each Series of Securities will be set out in the applicable Final Terms.</p>
<b>Address of relevant Clearing System</b>	The address of any other applicable relevant Clearing System will be specified in the applicable Final Terms.
<b>Publication of documents</b>	This Base Prospectus, each applicable Final Terms, each relevant Trust Deed and the Articles of the Issuer will be published and available on the Issuer's Website free of charge.
<b>Third party information</b>	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.
<b>Post issuance information</b>	<p>On each Scheduled Valuation Day, the Issuer will publish the Coin Entitlement and Value per Security of each Series of Securities on the Issuer's Website as described in the Conditions.</p> <p>Save as set out above, the Issuer does not intend to provide any post-issuance information in relation to any issues of Securities or in relation to the Underlying, except as required by any Applicable Law.</p>
<b>Websites</b>	Any websites referred to herein do not form part of this Base Prospectus <b><u>and have not been scrutinised or approved by the Swedish FSA.</u></b>

**Available documents**

For so long as Securities may be issued pursuant to this Base Prospectus copies of the following documents will be available upon reasonable notice in printed form free of charge, during the hours between 9.00 a.m. and 5.00 p.m. (with respect to the location of the relevant offices specified below) on any weekday (Saturdays, Sundays and public holidays excepted), for inspection and collection at the registered office of the Issuer:

- the Master Definitions and Construction Terms;
- the Master Trust Terms;
- the Master Administration Agency Terms;
- the Master Issuing Agent and Paying Agency Terms;
- the Articles of the Issuer;
- a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further prospectus;
- each Final Terms and each subscription agreement (if any), any Security Document and the Constituting Document comprising, amongst other things, the Trust Deed for Securities which are listed on any Exchange or any other stock exchange; and
- such other documents as may be required by the rules of any stock exchange on which any Security is at the relevant time listed.

So long as any of the Securities are outstanding, copies of these documents may also be provided by email to a Securityholder following prior written request to the Issuing Agent subject to such Securityholder providing evidence satisfactory to the Issuing Agent as to its holding of such Securities and as to its identity.

**Use of proceeds**

The net proceeds of each issue of a Series of Securities will be used to purchase the Underlying in respect of such Series and/or enter into the Transaction Documents and/or in meeting certain expenses and fees payable in connection with the operations of the Issuer and the issue of any Securities.

The Redemption Amount payable or deliverable on the Securities is dependent on the performance of the Underlying, therefore the Issuer expects to be fully collateralised in respect of its obligations to Securityholders.

**Listing Agent**

In the case of Securities to be admitted to trading and listed on the SIX Swiss Exchange, the applicable Listing Agent will be specified in the applicable Final Terms.

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