

# Zerocap

## Smart Beta Bitcoin Fund

### Investment Objective

The investment objective of the Fund is to offer the beta exposure of Bitcoin with a predefined volatility level of 14% over time. The fund will only invest in two assets; Spot Bitcoin and a US dollar equivalent stable coin (USDC or other stablecoins pegged to the value of the US dollar). In support of this objective, the Manager will rebalance the assets of the Fund on a weekly basis. In doing so, the Fund aims to match the equivalent volatility of equity market investments, whilst maintaining the statistical properties of the beta of Bitcoin in a portfolio.

### Investment Thesis

Bitcoin was created as a response to monetary stimulus after the 2008 Global Financial Crisis and today is the world's largest cryptocurrency by market capitalisation. This is a unique point in time to harness the diversification and non-correlation benefits of this asset class, whilst improving the risk adjusted returns to an overall portfolio.

Bitcoin's investment thesis centres on the following fundamentals:

#### Store of wealth

Bitcoin is akin to digital gold, sharing scarcity and low production output characteristics.

#### Increasing institutional participation

Leading investment funds are investing in Bitcoin, and institutions are deploying treasury capital. The growing interest is driving critical infrastructure, risk management, and insurance to this emerging asset class.

#### Network value

Like the internet, the growth of diversified participants holding Bitcoin increases the value of the network; this is happening exponentially.

#### Portfolio value

Bitcoin has achieved strong historical risk-adjusted returns as part of a broader investment portfolio.

Global balance sheets are expanding and currencies are devaluing however, Bitcoin will only ever have 21 million coins in circulation. Bitcoin's supply is designed to constrict over time, leading to a unique investment case that complements modern monetary policy.

Bitcoin shares many of the qualities of gold, providing a hedge to inflation shocks and a store of value for an investment portfolio. Bitcoin also has some key advantages over gold; the asset is truly liquid, easily accessible from anywhere in the world, and weighs nothing.

Current global dynamics, including quantitative easing, inflation, ongoing geopolitical uncertainty and non-correlated portfolio benefits, support inflows over the coming decade, remain supportive of the Bitcoin investment thesis in the medium to long term.

### About Zerocap

Zerocap is a market-leading private wealth management firm for crypto assets, providing unique investment products, custody and advisory to forward-thinking investors and institutions globally.

Founded in Melbourne, Australia, Zerocap has global operations and has processed over a billion dollars of spot crypto assets for their client base.

The Fund aims to be the leading provider of volatility-adjusted Bitcoin exposure to Wholesale Clients in Australia.

### Why Invest Through the Zerocap Bitcoin Trust?

#### On-shore fund and custodian

Most existing cryptocurrency funds offered to Australian investors are foreign-domiciled, even those led by Australian teams. Likewise are the custodians.

#### Best-in-class security

MPC-CMP with hardware isolation to create a multi-layer security technology, eliminating single point of failure and insulating digital assets from cyberattacks, internal collusion, and human error.

#### Market-leading insurance

The Fund has secured a best-in-market insurance policy across the Fund's asset base direct from Lloyd's of London.

#### Highly liquid

Monthly redemptions available on request.

#### Low management fees

2.5% p.a. (plus GST) inclusive of custody and best-in-market insurance.

## Fund Overview

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### Terms and Structure

<b>Fund name</b>	Zerocap Smart Beta Bitcoin Fund
<b>Trustee</b>	Zerocap Fund Services Pty Ltd ACN 649 694 039
<b>Manager</b>	Zerocap Pty Ltd ACN 164 874 597
<b>Custodian</b>	Zerocap Pty Ltd ACN 164 874 597
<b>Licensee</b>	Gannet Capital Pty Ltd ACN 139 264 690
<b>Investment vehicle</b>	Australian unit trust
<b>Structure</b>	Unregistered managed investment scheme under the Corporations Act
<b>Term</b>	Open ended
<b>Investment type</b>	Portfolio of selected digital assets comprising Bitcoin and USDC (or other stablecoins pegged to the value of the US dollar)
<b>Investment objective</b>	Provide exposure to Bitcoin whilst matching equity market volatility by investing into USDC (or similar stablecoins) based on the underlying volatility of Bitcoin
<b>Rebalancing frequency</b>	Weekly
<b>Fund currency</b>	Australian dollars
<b>Investor eligibility</b>	Wholesale Clients (as defined in the Corporations Act)
<b>Management fee</b>	2.5% p.a. (exclusive of GST) of the Net Asset Value of the Fund, payable monthly in arrears
<b>Performance fee</b>	Nil
<b>Other expenses</b>	All out-of-pocket expenses properly incurred in connection with the management of the affairs of the Fund
<b>Buy/Sell spread</b>	+/- 0.30%
<b>Minimum initial investment</b>	\$50,000*
<b>Minimum additional investment</b>	\$50,000*
<b>Minimum redemption amount</b>	\$25,000*
<b>Applications</b>	On three (3) Business Days' notice to the Trustee.
<b>Distributions</b>	30 June each year (if any). Distributions will be automatically reinvested in the Fund unless otherwise notified by the Unitholder.

<b>Redemptions</b>	Monthly, with three (3) Business Days' notice to the Trustee. Redemptions will be processed on the last Business Day of each month, and it is expected that redemption proceeds will be paid within ten (10) Business Days. Redemptions outside of the above timetable may be requested subject to payment of an intramonth redemption fee of 1.5% of the redemption amount
<b>Pricing</b>	Initial Units in the Funds will be issued on a fully-paid basis at \$1 per Unit. Subsequent Units will be issued at the Net Asset Value per Unit as at the Subscription Day, plus any transaction costs associated with the issue of the Units.
<b>Unit pricing frequency</b>	Daily
<b>For further information contact</b>	<p>Zerocap Pty Ltd</p> <p>Telephone: 1800 937 622 (within Australia) +61 3 9491 825 (outside Australia)</p> <p>Email: hello@zerocap.com"</p>

\*Unless the Trustee determines otherwise in its discretion

## Disclaimer

This Fact Sheet document has been prepared for the general information of prospective investors in the Zerocap Smart Beta Bitcoin Fund by Zerocap Pty Ltd ACN 164 874 597 (Manager), the manager of the Fund on a confidential basis solely in connection with the offer of units in the Fund (Units) and is intended for distribution only to Wholesale Clients as defined in section 761G (Wholesale Clients) of the Corporations Act 2001 (Cth) (Corporations Act) and no other persons. This Fact Sheet (FS) document does not constitute an investment offer, and the associated Information Memorandum (IM) document supersedes this FS document.

The Manager is an authorised representative (representative number 001289130) of Gannet Capital Pty Ltd (ACN 139 264 690; AFSL 340799). The trustee of the Fund is Zerocap Fund Services Pty Ltd ACN 649 694 039 (Trustee) (authorised representative of Gannet Capital Pty Ltd (ACN 139 264 690; AFSL 340799), representative number 001289131). The return of capital and the performance of the Fund are not guaranteed by the Manager or Trustee or by any other person. Investments in the Fund are subject to risk and market fluctuations. Investors should ensure that they read the IM document in full, understand the risks of making an investment in the Fund and where necessary seek independent professional advice before deciding to invest. Investors should be aware that the risks may result in possible loss of income and principal and may involve delays with repayment.