

BTCetc – Bitcoin Exchange Traded Crypto | BTCE

Introduction

ETC Group has recently launched the first physically backed Bitcoin ETC listed on Deutsche Börse /Xetra, Europe's largest ETF exchange and one of the world's top 10 stock exchanges. BTCE is distributed in cooperation with HANetf and will be passported across several European countries.



BTCetc – Bitcoin Exchange Traded Crypto (primary ticker: BTCE) allows investors to track the price of Bitcoin, just like a share of a company on a stock exchange. BTCE is fully backed by physical Bitcoin, held in cold storage with a regulated custodian and security over the collateral account is held by a trustee for additional investor protection.

BTCE product details

Listing venue	Deutsche Börse/Xetra
Ticker	BTCE
Issuer	ETC Issuance GmbH
ISIN	DE000A27Z304
Asset Backed	100% backed by Bitcoin, held in cold storage with BitGo Trust Company
Custodian	BitGo Trust Company
Security Trustee	Apex Corporate Trust Services (UK) Limited APEX Trustee acts as security trustee for the Bitcoin held in custody as an additional layer of investor protection
Administrator	Apex Corporate & Advisory Services Ltd Apex Administrator independently verifies all of the Issuer's transactions on the primary market as an additional layer of investor protection
Total Expense Ratio (TER)	2.00% per annum
Redemption	Investors have the option to redeem their units of BTCE for actual Bitcoin

For professional clients only



What makes BTCE different?

The following table outlines the key advantages of BTCE and provides a general comparison with other Bitcoin exchange traded products (ETPs) in Europe.

Feature	BTCE	Other Bitcoin ETPs
Listing Venue	BTCE is listed on Deutsche Börse's Xetra, the first time a Crypto ETP has been listed on one of the world's top 10 stock exchanges. Deutsche Börse is also Europe's largest ETF Exchange and has 28% market share in Europe ¹ . Through this, investors have access to world leading liquidity and standards of regulation.	Other existing Bitcoin ETPs are listed on a variety of European exchanges, some of which are only regional or not part of the EU, which can make access for investors more difficult. Through BaFin regulation, BTCE can be passported for sale across the EU.
Liquidity	BTCE shares many benefits with traditional ETFs/ETPs. It is listed on a major exchange and supported by a deep pool of world class market makers such as Flow Traders, Jane Street, Bank Frick and ITI Capital, which provides investors with several alternatives to execute their trades.	Existing products have a more limited choice of liquidity providers, sometimes only a single one, which creates an unwanted dependence for investors in times of volatile markets. It also means that arbitrage is not present, a very important feature of an ETP which prevents discounts and premiums.
Physical Redemption	BTCE offers investors the option to redeem their holdings for actual Bitcoin.	Very few Bitcoin ETPs support this mechanism. Investors like this feature in other physically backed ETPs such as Gold. It gives investors a further level of comfort that the product is 100% backed.
Issuer Risk	The issuer of BTCE is a special purpose vehicle set up for the sole purpose of issuing the product. BTCE is 100% backed by physical Bitcoin, which means that for every outstanding security, there is a corresponding amount of Bitcoin held in custody with a reputable custodian. These features minimise the counterparty risk for investors. BTCE cannot be created without the physical Bitcoin in custody.	Some existing Bitcoin ETPs are in the form of certificates which bear counterparty risk towards the entity who issues them. Additionally, some products do not actually own Bitcoin as collateral, but instead use synthetic replication.

¹ https://www.xetra.com/resource/blob/59130/080ca33ee4e455c7dbda9469bd11724b/data/Exchange-Traded-Funds-ETFs-Xetra_en.pdf as of December 2019.

For professional clients only



Custody	BTCE keeps Bitcoin backing the product at the reputable, safe, regulated and insured custodian called BitGo Trust Company. Deposits are insured by Lloyds of London against hacking and white-collar crime up to the value of \$100 million. BitGo is a regulated trust and all Bitcoin is stored air-gapped in cold storage in their vaults.	Other Bitcoin ETPs use a variety of different custody arrangement with different custodians. Not all of these custodians are regulated or insured and cannot offer equally high standards of protection to investors.
Fork policy	BTCE entitles investors to the proceeds of a fork.	Most other Bitcoin ETPs leave this to the discretion of the issuer, which means investors might not receive the proceeds.
EU passport	BTCE is approved by the German regulator BaFin, it can be passported into any EU country.	Many prevailing products are listed in Switzerland, which is outside the EU and does not allow for passporting into other EU countries.

Risks of Investing in BTCE:

- ETC's are a highly volatile digital asset and performance is unpredictable
- Like equities, an investor's capital is fully at risk and you may not get back the amount originally invested.
- Exchange rate fluctuations can also have both a positive and negative effect on returns.
- Past performance of Bitcoin is no guarantee of future performance.
- The product may not be a suitable investment for all investors and each investor should determine the suitability of its investment in light of their own circumstances.
- For a full, list of risks associated with the BTCE product, please consult the prospectus.

When you trade ETCs, your capital is at risk. For professional investors only. This content is issued by HANetf Limited), an appointed representative of Mirabella Advisers LLP, which is authorised and regulated by the Financial Conduct Authority. For professional clients only.

For professional clients only



Contact Us

If you would like more information about BTCE, please visit the [BTCE fund page](#).

For further details on BTCE, please visit HANetf.com or contact HANetf on: Tel: +44(0) 203 794 1800,

Email: info@hanetf.com

About HANetf

HANetf is an independent provider of UCITS ETFs, working with asset management companies to bring differentiated, modern and innovative exposures to European ETF investors. Via our white-label ETF platform, HANetf provides a complete operational, regulatory, distribution and marketing solution for asset managers to launch and manage UCITS ETFs. www.hanetf.com,

For further information, please visit www.hanetf.com.

For professional clients only



Important Information

The content in this document is issued by HANetf Limited, an appointed representative of Mirabella Advisers LLP, which is authorised and regulated by the Financial Conduct Authority ("FCA"). This communication has been prepared for professional investors, but the Exchange Traded Cryptocurrency ("ETC") is available in some jurisdictions to any investors. Please check with your broker or intermediary that the ETC is available in your jurisdiction and suitable for your investment profile.

ETC's are a highly volatile digital asset and performance is unpredictable. Past performance is not a reliable indicator of future performance. The price of the ETC may vary and does not offer a fixed income. The value of any investment may be affected by exchange rate and underlying price movements.

This document may contain forward looking statements including statements regarding our belief or current expectations with regards to the performance of certain assets classes. Forward looking statements are subject to certain risks, uncertainties and assumptions. There can be no assurance that such statements will be accurate and actual results could differ materially from those anticipated in such statements. Therefore, readers are cautioned not to place undue reliance on these forward-looking statements.

The content of this document does not constitute investment advice nor an offer for sale nor a solicitation of an offer to buy any product or make any investment. An investment in an ETC is dependent on the performance of the underlying cryptocurrency, less costs, but it is not expected to match that performance precisely. ETCs involve numerous risks including among others, general market risks relating to underlying adverse price movements and currency, liquidity, operational, legal and regulatory risks.

The information contained on this document is not, and under no circumstances is to be construed as, an advertisement or any other step in furtherance of a public offering of shares in the United States or any province or territory thereof, where none of the Issuers or their products are authorised or registered for distribution and where no prospectus of any of the Issuers has been filed with any securities commission or regulatory authority. No document or information on this document should be taken, transmitted or distributed (directly or indirectly) into the United States. ETC Issuance GmbH, nor any securities issued by it, have been or will be registered under the United States Securities Act of 1933 or the Investment Company Act of 1940 or qualified under any applicable state securities statutes.

The ETCs discussed on this document are issued by ETC Issuance GmbH, a limited liability company incorporated under the laws of the Federal Republic of Germany, issuing under the terms in the Prospectus approved by the Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin") on 4th June 2020 and the final terms ("Prospectus"). Investors should read the Prospectus before investing and should refer to the section of the Prospectus entitled 'Risk Factors' for further details of risks associated with an investment in the ETC's. Any decision to invest should be based on the information contained in the Issue Documentation.

The decision and amount to invest should take into consideration your specific circumstances after seeking independent investment, tax and legal advice.

For professional clients only

