

Privacy Coin Certificate

Factsheet

For information purpose only



A Multi Blockchain Technology Investment Strategy

Open end | USD | Private Placement | Only for qualified investors

January 2019

Product Details

Privacy Coin Certificate

The Privacy Coin Certificate is a **passive investment vehicle that tracks the Privacy Coin Portfolio**, which covers the blockchain category focusing on Privacy Features. The certificate offers qualified investors **cost-effective, convenient and transparent access** to a rising asset class.

TokenSuisse AG

TokenSuisse is a **dynamic and innovative Crypto Asset Investment Manager** with the mission to **provide simple access** to the world of **Blockchain Assets** for institutional and individual investors. TokenSuisse can offer comprehensive solutions and access for investments in Blockchain Assets through traditional investment products.

TokenSuisse enables the investor **to participate** in this new investment universe **by providing professional tailor-made advisory solutions**.

TokenSuisse was founded in July 2017 by **experienced financial markets professionals** with considerable **expertise** in the field of Crypto Assets and Blockchain **Technology**.

TokenSuisse AG is based in Baar, Switzerland and is a member of:



Details

Name	Privacy Coin Certificate
Issuer	TSE Issuer Limited
Index Sponsor	TokenSuisse AG
Currency	USD
Underlying	Privacy Coin Portfolio (Wrapped)
Subscription period	15.08.2018 – 14.09.2018
Issue date	17.09.2018
Fixing	Over 1-2 days after issue date
Maturity	Open end
Issue price	103%
Denomination	USD 100.00
Min investment size	USD 1,000.00
Issue size	Up to USD 50,000,000.00
Price calculation	Daily
Subscriptions (Liquidity)	Subscriptions are possible on a weekly basis and have to be preannounced 3 days in advance.
Redemptions (Liquidity)	Redemptions are possible on a monthly basis and have to be preannounced 3 days in advance.
Subscription/ Redemption Fee*	3%
Management Fee**	3% p.a.
Offering	Private Placement (not for Public Distribution) only for qualified investors
Issuers termination	The Issuer has the unconditional right to call the certificates with immediate effect with 5 days period of notice.
Paying agent	ISP Securities AG, Zürich
Broker/Custodian	TokenSuisse AG, Baar
Calculation agent	TSE Issuer Limited, Guernsey
Clearing / Settlement	SIX SIS AG / Clearstream Banking AG
Governing Law / Jurisdiction	Swiss Law under exclusion of the Swiss Private International Law Act and of the CISG / City of Zurich

* additional entry & exit fee may apply, ** quarterly basis

Privacy Coin Portfolio

Simple Access to Crypto Assets

Privacy Coin Portfolio Methodology

The Privacy Coin Portfolio is a **balanced Crypto Asset Portfolio** which reflects general Crypto Asset trends and provides diversified exposure to the blockchain category focusing on privacy features and censorship resistance.

The Privacy Coin Portfolio relies on **diversification rules taking into account the underlying blockchain technology, the market capitalization, fundamentals, and the team**. The Privacy Coin Portfolio is **rebalanced quarterly**.

The applied certificate strategy implies participation of the Privacy Coin Portfolio over the lifetime of the Privacy Coin Certificate. Due to various factors such as costs, the certificate may evolve **differently** to the value of the portfolio and the individual Crypto Assets in the basket.

Investor Benefits

The Privacy Coin Certificate enables investors simple and safe exposure to emerging blockchain technologies. Crypto Assets, such as Bitcoin and Altcoins, **have shown considerable outperformance and offer low correlation with traditional asset classes thus providing investors a diversification benefit**. The Privacy Coin Portfolio profits from the price increase of **Crypto Assets and offers weekly subscription liquidity to investors**.

The Privacy Coin Portfolio aims to meet the needs of investors who seek a **diversified exposure to established privacy Crypto Assets through known privacy coins**. The included assets depict promising technological solutions, share an existing user base and are based on solid business cases with multiple commercial objectives within the Crypto World.

Risk Profile

Coins and tokens that are part of the Privacy Coin Portfolio are **stored via a multi-level cold and hot wallet storage system**. Hot wallet storage is only used when necessary for routine business activities. All wallet solutions are established from **trusted third-parties** that meet the highest industry-standards.

All investors considering an investment in the Privacy Coin Certificate should carefully consult representative information material. **Risks** include but are not limited to:
(see page 5ff.)

Constituents (equally weighted)

Blockchain category	Ticker	Asset	Source
Privacy	XMR	Monero	https://getmonero.org
Privacy	DASH	Dash	https://dash.org
Privacy	ZEC	Zcash	https://z.cash
Privacy	TPAY	TokenPay	https://tokenpay.com

The Privacy Coin Portfolio aims to replicate an equally weighted allocation in the constituents listed above. The Index Sponsor determines and is responsible for the composition of the portfolio and may allocate between 0-100% of the investment in Cash.

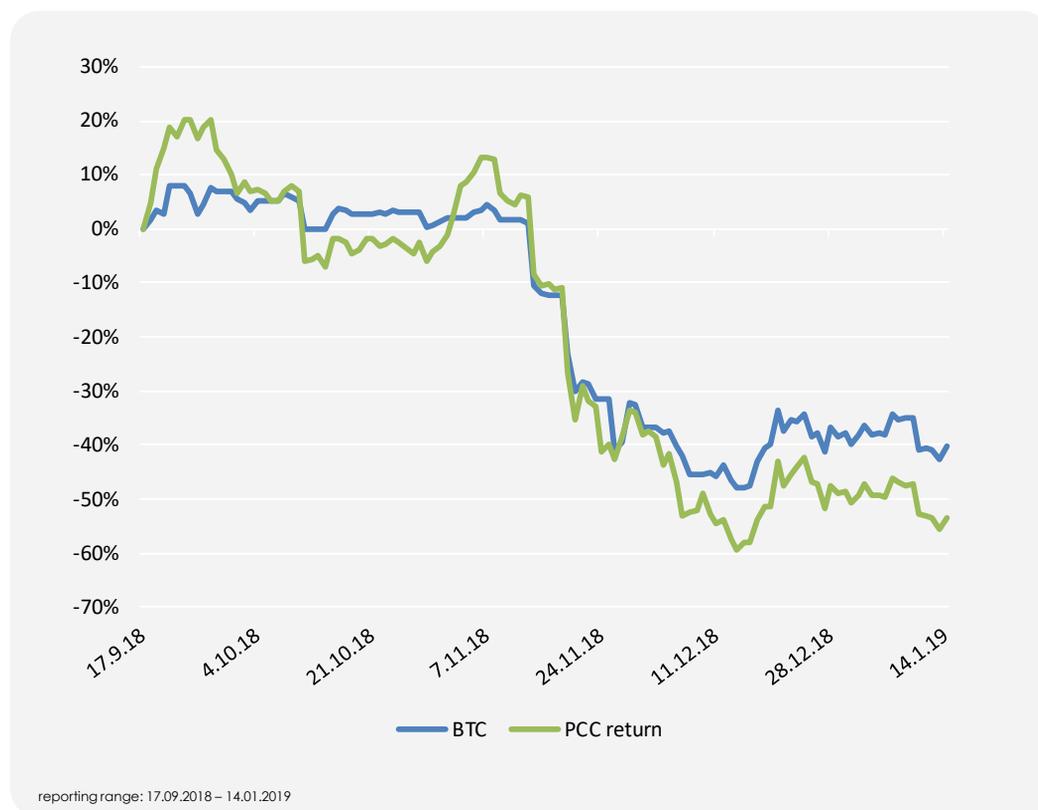
Privacy Coin Portfolio

Simple Access to Crypto Assets

Coin description

- **Monero** was launched in 2014 and since then it has grown to become one of the most stable and secure privacy coins released to date.
- **Dash's** network has grown to 4'100 masternodes since launch in 2014, meaning Dash's peer-to-peer network is one of the largest in the world.
- **Zcash** is the first open, permissionless cryptocurrency that can fully protect the privacy of transactions using zero-knowledge cryptography.
- **TokenPay** is an open-sourced, decentralized, and self-verifying payment platform project with a passionate community following.

Performance Check



Risk Profile

Investors of Crypto Currencies (Virtual Currencies) (and therefore investors in products with Crypto Currencies as an underlying, indirectly) are exposed to elevated risk of fraud, theft and cyber attacks. Several markets for Crypto Currencies already had to cease their activities or have been closed for other reasons - in some cases because of hacker attacks.

In the case of fraud, theft and cyber attacks on the stored positions of the Custodian the Issuer, may exercise its Termination Right and early redeem the Certificate. Moreover, a termination of a hedge position in the Underlying (including, but not limited to, any loss realized by the Issuer resulting from fraud, theft and cyberattacks relating to Custodian and/or Reference Source(s) of the Issuer) could lead to a considerably decreased Redemption Amount including a possible total loss.

Crypto Currencies can be stolen from the Custodian. After purchase, Crypto Currencies are regularly stored in a "virtual wallet" on a computer, laptop or smartphone. These virtual wallets are usually protected by a private key or password. Virtual wallets also usually have a public key and a private key or a password for the access however, virtual wallets are not fully protected from hackers. Just as in real wallets, money can be stolen from a virtual wallet as well. Thefts and hacker attacks can have a negative impact on the reputation of the currency or the market place concerned and thus affect negatively the market price of Crypto Currencies. Through the product, investors would indirectly participate to such a negative performance, the total loss would be possible. Crypto Currencies can be used anonymously and Crypto Currencies do not have to be traded through government institutions or banks. Crypto Currencies can be purchased directly from an owner or a trading venue. These platforms are generally not regulated. Investors thus face increased risk of the issuer identifying occurrence of a hedging disruption, involving the loss risks outlined below. The market value of a Crypto Currency is not based on any kind of claim, nor any physical asset. Instead, the market value depends entirely on the expectation of being usable in future transactions. This strong correlation between an expectation and market value is the basis for the current and probably high future volatility of the market value of Crypto Currencies. If over 50% of all computers used worldwide for verifying Crypto Currencies transactions are subject to control by a single instance, there is a risk that the controlling instance could take over 100% of all transactions. Such "51% attacks", as they are known, can cause overall confidence in Crypto Currencies to evaporate, bringing all trading to a halt, thereby causing losses for investors up to and including a possible total loss.

Risk of data loss

Since the power of disposal of a credit balance in a cryptocurrency exists exclusively through the secret private keys, credit balances can be irretrievably lost through data loss.

Risk of exchange rate fluctuations and price manipulation

Relatively few of the crypto assets operated worldwide are tradeable in regular currencies. They are often, at most, tradeable into other crypto assets. Those that are convertible can be risky as a result of their high volatility and constitute a potential target for attacks. In particular, due to small volumes, crypto assets constitute an object of speculation, unlike stable exchange rate systems in conventional currencies. The exchange rates occur completely outside this system. The exchange rate information vis-à-vis other (in particular, conventional) currencies is information from traders or stock exchanges and may be subject to manipulation. In particular, it does not constitute any guarantee that the cryptocurrency is actually exchanged at this rate.

Counterparty Risk

With involvement of exchanges and other possible third-parties (e.g. storage providers) the investor is exposed to counterparty risk which may lead to a considerably decreased Redemption Amount including a possible total loss.

Regulatory risk

In some countries, regulatory authorities have declared themselves against the use of crypto assets, and have also, in part, already taken specific regulatory measures to prevent their use. Regulatory risks may arise at anytime in any jurisdiction and may affect the value of the crypto assets adversely.

Risk of weaknesses or exploitable breakthroughs in the field of cryptography

Advances in cryptography or technical advances such as the development of quantum computers could present risks to cryptocurrencies, which could result in the theft or loss of crypto assets.

Internet transmission risks

There are risks associated with investing in crypto assets including but not limited to the failure of hardware, software, or internet connections. There are communication failures, disruptions, errors, distortions, or delays that an investor may experience while investing in crypto assets.

Risk of low or no liquidity

Even though there are currently online services available that enable the exchange of cryptographic assets, and some of them enable the exchange of cryptographic assets for fiat money, there are no warranties and/or guarantees given that investments will be listed or made available for exchange for other cryptographic assets and/or fiat money, and no guarantees are given whatsoever concerning the capacity (volume) of such exchanges.

Risk of uninsured losses

Unlike bank accounts or accounts at some other financial institutions, funds held using the PCP Certificate are entirely uninsured.

Unanticipated risks

Cryptocurrencies and blockchains are new and untested technology. In addition to the risks set forth here, there are risks that the PCP Certificate cannot foresee, and it is unreasonable to believe that such risks could have been foreseeable. Unanticipated risks may arise at any time.

Disclaimer

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