

## Factsheet – Electronic Security

Product name: **Finest Next-Gen Defence Innovators Index Certificate (Insti-Token)**

Electronic bearer note issued under § 4 (3) of the German Electronic Securities Act (eWpG)

### a) Authorization and Registration

- **Registration authority:** Chartered Investment Germany GmbH acting through E-SEC GmbH, approved securities registrar under § 16 eWpG.
- **Custody and registration:** Tokens recorded in an electronic securities register maintained in Germany in compliance with BaFin's supervisory framework.
- **Approval:** Issuance and custody authorised under the electronic securities regime; no physical certificate is issued.

### b) Asset Definition

- **Asset type:** Electronic debt security (certificate) representing participation in a rules-based equity index.
- **Underlying asset:** Finest Next-Gen Defence Innovators Index, calculated by LIXX GmbH, tracking global defence-innovation companies.
- **Valuation methodology:** Index value determined daily by LIXX GmbH using transparent, publicly available market data; index constituents and weights reviewed semi-annually.
- **Token representation:** Each token corresponds to USD 1 000 nominal exposure to the index.
- **Custody and storage:** Digital records stored on permissioned blockchain infrastructure managed by E-SEC GmbH; cryptographic keys protected under ISO 27001-compliant systems.
- **Asset segregation:** Compartment 920 within Opus – Chartered Issuances S.A. ring-fences the assets; investors have limited-recourse rights only to that compartment.
- **Regulatory status:** Security compliant with eWpG §§ 4 and 16 and WpHG §§ 63 ff.; issuer supervised by CSSF (Luxembourg) and manufacturer by BaFin (Germany).
- **Liquidity and redemption:** Annual redemption window each 5 September (investor put) and issuer call right on the same date; open-ended maturity.

### c) Security Design

- **Token type and standard:** The security is represented by a digital token (Insti-Token) compliant with the ERC-20 standard on the Avalanche (C-Chain) blockchain.
- **Rights attached:** No voting or dividend rights; right to receive redemption amount in cash equivalent of index value.
- **Issuance and redemption:** Tokens issued in denominations of USD 1 000 (with Cardano (ADA), which can be received, sent and converted from and into fiat by the custodian); redemption at investor request on annual exercise date, settled T + 5 business days.
- **Transferability and trading:** Tokens are transferable, subject to applicable legal and AML/KYC restrictions. Trading is not facilitated on a regulated exchange; liquidity may be limited to potential over-the-counter (OTC) secondary markets..
- **Smart-contract terms:** Automated settlement, record integrity, and compliance checks (whitelisting, limits).
- **Governance and control mechanisms:** All governance and control decisions regarding the product and its underlying assets are made by the Issuer and Manufacturer. Token holders do not have governance rights. Oversight by Chartered Investment Germany GmbH; technical administration by E-SEC GmbH.

- **Investor protection measures:** Comprehensive AML/KYC onboarding, restricted wallet lists, and data-privacy safeguards.
- **Data storage and reporting:** Register data maintained in Germany via the crypto securities register; audit logs immutably stored on blockchain.
- **Security and compliance:** Measures aligned with § 25a KWG (cyber-security and operational risk management) and designed to comply with the requirements of the eWpG and BaFin guidelines.
- **Token supply and allocation:** Total issue capped below EUR 8 million per Prospectus Regulation Art. 3(2).
- **Auditing and transparency:** The smart contracts are subject to security audits. The assets of Compartment 920 are subject to internal controls and applicable auditing standards and best practices.

#### d) Investor Information (WpHG Compliance)

- **Mandatory disclosures:** All information provided in accordance with §§ 63 – 64 WpHG – clear, fair, not misleading.
- **Product information and Risk disclosures** • As required by WpHG, investors must be aware of the following key risks (a full list is in the WIB):
  - Risk of Total Loss: You can lose your entire investment.
  - Issuer and Limited Recourse Risk: Your claim is limited strictly to the assets in Compartment 920. A default within these assets could lead to a total loss, even if the Issuer remains solvent.
  - Market Risk: The product's value is volatile and depends on the underlying index.
  - Liquidity Risk: The product is not listed on an exchange; selling may be difficult.
  - Crypto Security Risk: Risks associated with blockchain technology, private key management, and smart contracts apply.
  - Currency Risk: The product is denominated in USD.
- **Additional information:** KID and WIB available at [www.charteredinvestment.com](http://www.charteredinvestment.com)

#### e) Legal and Regulatory Compliance

- **Jurisdiction and governing law:** German law (eWpG, WpHG) governs the electronic security; Luxembourg law governs the issuer compartment.
- **AML/KYC:** Conducted in line with GwG (German AML Act) and EU Directive (EU) 2015/849.
- **Prospectus exemption:** Offering made under Art. 3(2) of the Prospectus Regulation (UE 2017/1129); total issuance ≤ EUR 8 million (12-month period).
- **Reporting:** Issuer provides periodic reports to BaFin where applicable.

#### f) Investor Rights and Protections

- **Creditor rights:** Limited-recourse claim solely against Compartment 920 assets.
- **Insolvency treatment:** No recourse to Opus – Chartered Issuances S.A. beyond the compartment.
- **Risks:** Market, liquidity, operational, regulatory, and technology risks disclosed in the KID – see section d).
- **Liquidity and exit:** Annual redemption and potential secondary trading via approved DLT venues.

## g) Technical and Operational Security

- **Blockchain Platform and Security:** The product uses the Avalanche (C-Chain) blockchain, a public, decentralized ledger. Cybersecurity measures in line with industry best practices and relevant regulations (e.g., § 25a KWG principles) are applied by the Manufacturer and Registrar.
- **Data Integrity and Backup:** The use of blockchain technology ensures high cryptographic data integrity for the securities register. The Registrar maintains appropriate data backup and disaster recovery plans.

## h) Distribution and Offering

- **Target Investor Profile:** As defined in the WIB, the product is intended for retail investors with a long-term horizon and advanced knowledge of financial products, who can bear a total loss.
- **Selling Restrictions:** Selling restrictions apply in certain jurisdictions, notably the United States and for non-eligible investors within the EEA.
- **Distribution Period and Offering Terms:** The product is open-ended.

## i) Reporting and Regulatory Oversight

- **Reporting to BaFin and Supervisory Authorities:** The Manufacturer and Issuer adhere to all required reporting obligations to BaFin (German Federal Financial Supervisory Authority), the Deutsche Bundesbank and the Luxembourg financial regulator CSSF, as applicable.
- **Supervisory Information:** The Manufacturer, Chartered Investment Germany GmbH, is a financial services institution supervised by BaFin. The product document (WIB) is prepared in accordance with German law (VermAnlG) but is not individually reviewed or pre-approved by a supervisory authority, as per the exemption rules.

## j) Clarity and Transparency

All product information is presented in accordance with relevant provisions from WpHG (incl. §§ 31, 63 ff):° fair, clear, and not misleading.

This Factsheet should be read together with the WIB and KID for comprehensive understanding.

Issuer: Opus – Chartered Issuances S.A. (Compartment 920), 28 Boulevard F.W. Raiffeisen, L-2411 Luxembourg

Manufacturer: Chartered Investment Germany GmbH, Fürstenwall 172A, 40217 Düsseldorf, Germany

Registrar/Custodian: E-SEC GmbH, Germany

Index Administrator: LIXX GmbH, Fürstenwall 172A, 40217 Düsseldorf, Federal Republic of Germany

Initiator: FI finest Investments GmbH, Luegallee, 12, Düsseldorf, 40545, Federal Republic of Germany

Contact: info@charteredinvestment.com

| www.charteredinvestment.com