



Liquidity

24/7 tradable on Trakx.io
Third party liquidity providers



Safety

Institutional grade
Secure storage



Diversification

Low correlation to
other asset classes



100% Asset-backed

Fully auditable
Collateralised assets

For professional investors only

Trakx ESG

as of 01 Oct 2024

About Trakx

Trakx is a global fintech company creating new standards for digital asset investments. Through our trading platform, we offer thematic Crypto Tradable Indices (CTIs) and customised solutions, providing sophisticated investors a high degree of compliance, custody and liquidity. Trakx is registered with the French regulator (AMF).

About the CTI

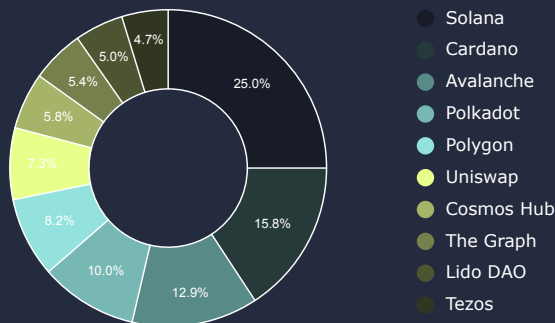
This instrument is designed to replicate the price of best rated crypto-assets in terms of Environment, Social & Governance.

Trakx scores the largest assets in all three areas with transparent rules similar to ESG rating in traditional finance.

The Index selects the top 10 rated crypto-assets that have a high rating in each dimension. The constituents are weighted according to their market capitalisation with a cap of 25% to enhance diversification.

Trakx has built the index to meet the increased demand from ESG-focused investors.

New Asset Allocation as of 01 Oct 2024



Benefits

Gives exposure to the best in class protocols, focusing on strong environmental, social and governance practices in crypto.

ESG compliant blockchains are better equipped to thrive in the long term and to attract a broader base of backers and investors. More and more individuals as well as institutional investors want their assets to have a positive impact on our planet, society and people. ESG compliant crypto are more likely to gain growing support, usage and funding from future oriented investors.

Crypto ESG rules for scoring:

- E: The environmental score quantifies the crypto-asset's ecological impact including the actual energy consumption caused by the mining, the electronic-waste and associated management to reduce emissions.
- S: The social score measures the extent to which the blockchain may empower people economically or socially and how evenly assets are distributed. Entry and usage barriers as well as social issues play an important role.
- G: The governance criteria measures how transparent, reliable and secure the underlying technology is, and whether there are conflicts of interest, security problems or other issues.

Historical Performances

Index returns and statistics are for illustration only. Index returns do not reflect any transaction costs or Expenses. Past performance does not guarantee future results.

Source: Coingecko



	1 month	Since 1 Aug 2022
Index Returns (USD)	12%	-16%
Annualized Volatility	59%	73%
Index Sharpe Ratio	2.40	-0.10
Bitcoin Sharpe Ratio	2.27	1.68
Max. drawdown	-19%	-71%
Correlation to S&P 500	0.31	-0.04
Correlation to a 60/40 pfi*	0.14	-0.05
Constituents Market Cap	\$112,116 million	

*simulated portfolio of 60% Equities (S&P500) and 40% of bonds (Long Term US Treasury bonds ETF)

Key Facts

CTI (investment instrument)	
Sponsor	Trakx SAS
Product Ticker	LIESG
Investment Objective	Capture the evolution of a basket of ESG top rated crypto-assets
Eligible Investors	Professional investors in EEA and Switzerland Not to be offered to US clients or in the US
Currency	USDc
Management Fee	2%
Performance Fee	0%
Inception Date	1 August 2022
Expiry Date	Open-Ended

Underlying Index	
Name	Trakx ESG Index
Nb of constituents	up to 10
Leverage	1
Rebalancing	Monthly
Weighting	Market Capitalisation with a cap of 15%
Bloomberg ticker - FIGI	TRXESG - BBG019M5DMG3
Data source	Kaiko, Coingecko
Custodians	Coinbase Custody, Fireblocks



Risk Factors of the Product

Prospective investors should ensure they fully understand the nature of this product and the extent of their exposure to certain risks. They should consider the suitability of this product as an investment based on their own personal circumstances and financial situation, investment experience, and investment objectives. This product could involve a high degree of risk. Potential investors should be prepared, in certain circumstances, to sustain a total loss of their invested capital. Prospective investors should also consider the following important risk factors below and discuss this investment with their trusted advisors to help verify this product is suitable for their portfolio. Note, the terms and conditions of this product are subject to change during the lifetime of the product.

Market Risks

The general market performance of this instrument is dependent on various endogenous and exogenous factors. Market disruptions such as trading or exchange interruptions, the discontinuation of trading, or other unforeseeable occurrences concerning the respective instrument and/or its underlying assets, the exchanges, market participants, and other factors may take place during the life of this product. Such occurrences can influence the timing of redemption and/or on the market value of this product. Past performance is not a reliable indicator of future performance.

No Dividend Payment

Investors should have no expectation of influence over Trakx's shareholders' general meetings as well as no rights to Trakx's earnings nor other interests in the company, such as dividends.

Termination Risk

Trakx may terminate the product if it doesn't meet the requirements of our clients. In any case, Trakx will announce the delisting thirty (30) days prior to the end date. On the last day, all relevant customer positions on "to-be" delisted CTI will be sold at their NAVs and converted to USDc onto the customers' wallets.

Liquidity Risk

At rebalancing, Trakx only includes constituents that meet minimum liquidity requirements. Trakx is not responsible for the liquidity shortage on the platform, if there is insufficient liquidity on certain constituents, customers may choose to redeem their CTI at a lower price than the NAV. Digital assets may have limited liquidity which may make it difficult or impossible for you to sell or exit a position when you wish to do so. This may occur at any time, including at times of rapid price movements.

Tax Implication

There may be a tax implication on investing in this product. Trakx does not provide any tax opinion. Any Investors should consult with their own tax advisor prior to investing in the product. In addition, investors should be aware that taxation, with respect to the underlying(s) and therefore this product, may (adversely) change over the lifetime of this product.

Foreign Exchange Risk

The investor in the product is exposed to foreign exchange rate risk if the currency of the underlying and settlement currency are not identical.

Volatility of Crypto-Assets

The value of crypto-assets may change significantly, even on an intraday basis. As the volatility of crypto-assets may currently be higher than traditional assets, changes and advances in technology, increases/decreases in fraud, theft, cyberattacks, regulatory changes, and other factors, further stress the potential of exaggerated investment gains or losses in this product. In addition, crypto-assets lack the historical track record of other traditional financial assets, thus increasing performance uncertainty.

Disclaimers

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Investment in digital currency carries a high degree of risk and volatility and is not suitable for every investor; therefore, you should not risk the capital you cannot afford to lose.

Risks include loss of all capital, liquidity, absence of regulations, execution, counterparty and many more as these are still very experimental technologies. Please consult an independent professional financial or legal advisor to ensure the product meets your objectives before you decide to invest.

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