

Hashdex Bitcoin Futures ETF (DEFI)



Investment objective

The Hashdex Bitcoin Futures ETF provides price exposure to the world's first decentralized blockchain-based digital currency. The fund does not invest directly in bitcoin, but tracks the performance of bitcoin futures contracts. It trades under the ticker "DEFI."

Price exposure to the world's largest cryptocurrency

We believe Bitcoin's unique combination of immutability, network security, and scarcity is disrupting modern-day finance and will increase access to financial services. The Hashdex Bitcoin Futures ETF invests in bitcoin futures contracts to provide investors price exposure to the cryptocurrency. The ETF does not invest directly in bitcoin. The prices of bitcoin futures contracts may vary from the spot price of bitcoin.

Why the Hashdex Bitcoin Futures ETF?

Tax efficiency. The Hashdex Bitcoin Futures ETF is registered under the Securities Act of 1933. As a result of the consistent tax treatment in a '33 Act ETF, investors can benefit from a more favorable effective tax rate than investors in other ETFs. Potential tax risks include increased complexity of tax returns and shareholders may recognize amounts of ordinary income and short-term capital gains.

No leverage. Most ETFs that wish to gain exposure to bitcoin through futures contracts must utilize leverage to obtain full investment exposure. The Hashdex Bitcoin Futures ETF does not need to take on additional leverage to remain fully invested.

Robust reporting standards. The Hashdex Bitcoin Futures ETF provides a high level of operational diligence and disclosure. Registration statements require disclosure for fees and expenses, investment objectives, strategies and risks, and other material factors.

A bridge to the crypto economy

Hashdex is an innovative leader in crypto asset management, trusted by over 260,000 investors¹. We co-created the Nasdaq Crypto Index (NCI)² to provide global investors a reliable benchmark for this dynamic asset class. In 2021, we introduced the world's first crypto index ETFs³, enabling many investors to allocate to crypto for the first time. We are committed to accelerating the development of the crypto ecosystem by empowering investors to participate in this potentially transformational opportunity.

About Bitcoin

1. **Predictable supply.** There will only ever be 21 million bitcoin.
2. **Growth potential.** We believe bitcoin offers tremendous value as adoption increases.
3. **Global reach.** Users can send and receive payments anywhere in the world.
4. **Unique attributes.** Bitcoin is a promising long-term investment opportunity.
5. **Positioned for the future.** It is well-positioned to benefit from accelerating digitalization trends.

¹ As of April 30, 2022.

² The Nasdaq Crypto Index (NCI) is designed to provide investors dynamic exposure to crypto assets that are supported by institutional-grade service providers.

³ The Hashdex Nasdaq Crypto Index ETF is traded on the Bermuda Stock Exchange for accredited non-US investors.

This material must be preceded or accompanied by a prospectus. Please read the prospectus carefully before investing.

Hashdex Bitcoin Futures ETF (the “Fund”) is a commodity pool that issues Shares that may be purchased and sold on NYSE Arca. The Fund’s investment objective is for changes in the Shares’ NAV to reflect the daily changes of the price of the Benchmark, less expenses from the Fund’s operations. Under normal market conditions, the Fund invests in Benchmark Component Futures Contracts and cash and cash equivalents. Because the Fund’s investment objective is to track the price of the Benchmark by investing in Benchmark Futures Contracts rather than bitcoin, changes in the price of the Shares will vary from changes in the spot price of bitcoin. The Fund will invest in BTC Contracts and MBT Contracts to the extent necessary to achieve maximum exposure to the bitcoin futures market. Because the Fund’s investment objective is to track the price of the Benchmark by investing in Benchmark Futures Contracts rather than bitcoin, changes in the price of the Shares will vary from changes in the spot price of bitcoin.

The Fund employs Foreside Fund Services, LLC as the Distributor for the Fund. The Distribution Services Agreement among the Distributor, the Sponsor, and the Trust calls for the Distributor to work with the Custodian in connection with the receipt and processing of orders for Creation Baskets and Redemption Baskets and the review and approval of all Fund sales literature and advertising material. The Distributor’s principal business address is Three Canal Plaza, Suite 100, Portland, Maine 04101. The Distributor is a broker-dealer registered with the U.S. Securities and Exchange Commission (“SEC”) and a member of FINRA.

Bitcoin Risks

Bitcoin and bitcoin futures are a relatively new asset class and the market for bitcoin is subject to rapid changes and uncertainty. Bitcoin and bitcoin futures are subject to unique and substantial risks, including significant price volatility and lack of liquidity. The value of an investment in the ETF could decline significantly and without warning, including to zero. You should be prepared to lose your entire investment. The ETF does not invest directly in or hold bitcoin. The price and performance of bitcoin futures should be expected to differ from the current “spot” price of bitcoin. These differences could be significant. Bitcoin futures are subject to margin requirements, collateral requirements and other limits that may prevent the ETF from achieving its objective. Margin requirements for futures and costs associated with rolling (buying and selling) futures may have a negative impact on the fund’s performance and its ability to achieve its investment objective. Bitcoin is largely unregulated and bitcoin investments may be more susceptible to fraud and manipulation than more regulated investments. Bitcoin and bitcoin futures are subject to rapid price swings, including as a result of actions and statements by influencers and the media.

Futures Risk

Commodities and futures investing is generally volatile and risky which may not be suitable for all investors. Futures may be affected by Backwardation: a market condition in which a futures price is lower in the distant delivery months than in the near delivery months. As a result, the fund may benefit because it would be selling more expensive contracts and buying less expensive ones on an ongoing basis; and Contango: A condition in which distant delivery prices for futures exceeds spot prices, often due to costs of storing and insuring the underlying commodity. Opposite of backwardation. As a result, the Fund's total return may be lower than might otherwise be the case because it would be selling less expensive contracts and buying more expensive one.

- Commodities and futures generally are volatile, and instruments whose underlying investments include commodities and futures are not suitable for all investors.
- **This material must be preceded or accompanied by a prospectus. Please read the prospectus carefully before investing.**
- The Fund is a commodity pool regulated by the Commodity Futures Trading Commission.
- The Fund, which is an ETP, is not a mutual fund or any other type of investment company within the meaning of the Investment Company Act of 1940, as amended, and is not subject to regulation thereunder.
- Because the Fund will invest primarily in BITCOIN futures contracts and other derivative instruments based on the price of BITCOIN, an investment in the Fund will subject the investor to the risks of the BITCOIN market, and this could result in substantial fluctuations in the price of the Fund's shares.
- Shares of the Fund are not insured by the Federal Deposit Insurance Corporation ("FDIC"), may lose value and have no bank guarantee.
- Unlike mutual funds, the Fund generally will not distribute dividends to its shareholders. Investors may choose to use the Fund as a means of investing indirectly in bitcoin, and there are risks involved in such investments.
- This material is not an offer or solicitation of any kind to buy or sell any securities outside of the United States of America.

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