

# Actively Managed Certificate (“AMC”)

on Ephelia VC Nursing

End of subscription 31 January 2023

Maturity 17 February 2025 | Listed

Private Placement | ISIN CH1161138131

Protected Cell CH1161138131, a Cell of CV Crypto Issuer PCC Ltd  
Registration No. 69491  
(as “Issuer”)

## BRIEF DESCRIPTION

Actively Managed Certificates do not constitute collective investment schemes within the meaning of the Swiss Federal Act on Collective Investment Schemes (“CISA”) and are therefore neither governed by the CISA nor subject to the supervision by the Swiss Financial Market Supervisory Authority (“FINMA”). Accordingly, holders of this product (the “Product”) do not have the benefit of the specific investor protection provided under the CISA. Holders of the Product bear the issuer’s credit risk. Furthermore, investors should be aware that AMCs have a dynamic, discretionary structure, which may result in changes to the Product terms and/or the Strategy-Components.

The Issuer was incorporated on 22 July 2021 as a Protected Cell company limited by shares under the laws of Guernsey under registration number 69491. The registered office of the Issuer is at Suite 6, Provident House, Havilland Street, St. Peter Port, Guernsey GY1 2QE.

14 November 2022

## PARTIES

### Issuer/Calculation Agent

CV Crypto Issuer PCC Ltd (a Protected Cell company incorporated with limited liability under the laws of Guernsey) CV Crypto Issuer PCC Ltd is not licensed or registered in Guernsey by the Guernsey Financial Services Commission (“GFSC”) or registered or authorized by GFSC as a collective investment scheme and GFSC has not and will not approve the content or dissemination of this AMC or of any other document relating to or in connection with this AMC.

CH1161138131 Cell is a protected cell of CV Crypto Issuer PCC Ltd, was created for the specific purpose of issuing the AMC, and is operated and controlled by the Directors of CV Crypto Issuer PCC Ltd. As a matter of Guernsey law, each cell of the Issuer is a protected cell of assets and liabilities, wholly separate and distinct from any assets or liabilities of any other protected cell(s) of the Issuer or any assets or liabilities of the Issuer which are not attributable to any protected cell of the Issuer.

### Paying Agent

ISP Securities AG, Switzerland

## Strategy-Manager

Ephelia Capital Sagl (the "Strategy-Manager"). The Strategy Manager is a portfolio manager licensed by FINMA and monitored by a supervisory organisation.

## PRODUCT INFORMATION

### Description

This Product (hereinafter, also "Certificate", "Note" or "AMC") is an Actively Managed Certificate. The Product allows for participation in the performance of the Underlying (the "Strategy"). The Strategy reflects a notional actively managed portfolio of assets and cash, maintained by the manager (the "Strategy-Manager"). The performance of the Strategy is tracked via the calculation of the Strategy Level.

The holders of the Product (hereinafter, "Holders of the Product", "Holders of the Certificate" or "Note Holders") have exposure to the same performance a real portfolio would have, if it was actually managed according to the Strategy. However, the Holders of the Product will not be entitled to real assets in a real portfolio and have only a claim against the Issuer on the payment of the Redemption Amount based on the Strategy-Level at the Final Valuation Date.

### Underlying

The Underlying is a basket representing a notional, actively managed portfolio (the "Reference Portfolio") of assets including cash in the Currency of the Product (the "Strategy-Components"). The basket is selected and managed by the Strategy Manager in accordance with this termsheet ("Termsheet"), the "Investment Strategy" referred to here below as well as the investment universe (the "Investment Universe"), the guidelines (the "Strategy-Guidelines") and the investment restrictions (the "Investment Restrictions"), as per Annex 1.

### Investment Strategy

The investment objective of the strategy is to produce long-term capital growth by investing in early-stage Western-based fintech companies with a robust business model that is synergic with existing investments in an already well-established ecosystem.

Investments will always be based on a "follow-on" logic where the anchor investor is the strategy manager of this AMC.

This strategy allows investing only after it is certain that the risk has already been mitigated and the portfolio manager has full control over the target company's business model.

### Reinvestment of Returns

Any amounts reflecting net dividends and/or interest rates in a real portfolio consisting of the Strategy-Components will be added to the cash component of the Underlying. Any withholding taxes or similar taxes that might be charged on any of the Strategy-Components by tax authorities will not be reclaimed and will not be added to the cash component of the Underlying.

Initial Weighting of the Strategy-Components	The Strategy-Manager starts to implement the Strategy at the first possible trading day after Payment Date according to this Termsheet, the Investment Strategy, the Investment Universe, the Strategy-Guidelines and the Investment Restrictions. The Initial Strategy Components will depend on the market conditions at the time the Strategy-Manager starts to implement the Strategy.
Strategy-Level (t)	Sum of the value of each of the Strategy-Components on any trading day t, converted to the Currency of the Product at the prevailing exchange rate(s), less all costs linked to the management of the Strategy including (but not limited to) fees, expenses, hedging and transaction costs, fees and taxes (if any), and divided by the sum of outstanding Certificates on such trading day t, as calculated by the Calculation Agent.
Early Redemption Event	The Issuer has the right to partially or fully early redeem the Note by a cash amount (“the Partial/Full Early Redemption Amount”) on any Early Payment Date. Note holders would be notified on the corresponding Early Valuation Date.
Early Payment Dates	Any day, from and including the Issue Date to and including the Maturity Date, adjusted as per the Business Day Convention.
Early Valuation Dates	Ten business days before the Early Payment Date.
Redemption Amount	<p>On Redemption Date, the Certificates will redeem a cash amount in the Currency of the Product equal to the Strategy-Level on the Final Valuation Date, as calculated by the Calculation Agent.</p> <p>The Strategy Manager, as appointed by the Issuer, is responsible for the Strategy. No party, including the Paying Agent, is therefore liable to any party for any loss in connection with the investment, nor for the performance of the Strategy. A Noteholder’s entitlement is limited at all times to the Redemption Amount at Final Valuation Date. In a worst-case scenario, the Redemption Amount may be zero. Noteholders should be aware that positive performance of the Strategy cannot be guaranteed.</p>
Prices of the Strategy-Components	The prices of the Strategy-Components used as a basis for the calculation of the Strategy-Level are calculated at the sole discretion of the Calculation Agent, based on the values provided by third party source that the Calculation Agent may deem appropriate to determine the fair value of the component. See Annex 3 for more details.
Price of the Certificate	The price of one unit of this Product on a specific trading day t is equal to Strategy-Level(t).

### Selection / Adjustments / Rebalancing of the Strategy- Components

Adjustments of the Strategy-Components are actively made by the Strategy-Manager.

### Termination Event

The Issuer and the Strategy Manager have the right to terminate the Product at any time (“the Termination Date”) without a specific reason, by notifying the Holders of the Certificate on the earliest possible date.

### Consequences of a Termination Event

Following a Termination Event, the Certificates will redeem a cash amount in the Currency of the Product equal to the Strategy-Level on the Termination Date (“the Termination Amount”) as calculated by the Calculation Agent.

Investors should be aware that the Termination Amount may be, due to unfavorable market conditions, considerably lower than the Issue Price or the last valuation of the Product before the Termination Event.

The Issuer has the right to reduce the Termination Amount considerably (including to zero) in certain situations. This may include, but is not limited to illiquidity or insolvency of an underlying asset(s) distressed situations related to or impacting an underlying asset.

## GENERAL TERMS

### Structured Product Type per Swiss Derivative Map

Dynamic Tracker-Certificate (Code 1300)

### Total Amount

USD 10'000'000

### Issue Size

10'000 Certificates (with reopening clause)

### Issue Price

USD 1'000

### Currency

USD

### Denomination

- 1 Unit

### Fees

The following fees will be deducted daily from the Strategy-Level:

- Management fee: 1.50% p.a.
- Set up fees: a fixed cost of USD 10'000 will be amortised daily over a twelve-month period starting from and including the Payment Date.

Performance Fee (Carried Interest)	<ul style="list-style-type: none"> <li>20.00% Performance Fee on positive performance above the Issue Price</li> </ul> <p>See Annex 2 for more details on Performance Fee Entitlement, Performance Fee Calculation and Performance Fee Observation Dates.</p>
Payment Date / Issue Date	9 February 2023, being the date on which the Products are issued, and the Issue Price is paid.
Final Valuation Date	10 February 2025, the Issuer has the right to extend the Final Valuation Date with a period of two years by notifying the Noteholders.
Redemption Date	The Redemption Amount shall be due to Noteholders on the tenth business day after the Final Valuation Date.
Settlement	Cash settlement.
Exchange Rate	Applicable Exchange Rates (if any) for conversion of any amount into the relevant settlement currency for the purposes of determining the Strategy-Level or the Redemption Amount, may be sourced from the (if applicable), or from public sources like Bloomberg (BFIX), Reuters, Telekurs, etc. Relevant is the rate at the time or near the time of the determination of the Strategy-Level or the Redemption Amount.
Minimum Trade Size	10 Certificate(s) and multiples of 1 Certificate(s) thereafter
Valoren	116113813
ISIN	CH1161138131
Listing	Will be applied for MTF (Dritter Markt) at Vienna Stock Exchange
Business Day Convention	Following
Secondary Market	<p>Noteholders cannot expect any secondary market trading during the life time of the product.</p> <p>The Strategy-Manager may accept orders on a best effort basis, with a bid offer spread of 1%. Acceptance of an order cannot be guaranteed and is subject to, amongst other things, sufficient liquidity. Orders must be placed with the Paying Agent before 16:30 for same day trading. Orders after 16:30 will be executed on the next trading day.</p> <p>On Secondary Market transactions, additional transaction fees may apply and are charged to the Strategy-Level.</p>
Clearance Institution / Clearing Code	SIX SIS AG / ISP 116441

## MISCELLENEOUS

### Selling Restrictions

Russian Federation, Belarus, Canada, United Kingdom, Guernsey, United States of America, US Persons.

Under no circumstances may the product be distributed to any sanctioned person, entity or country identified by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury of the United Kingdom, Bailiwick of Guernsey sanctions regime, Swiss sanctions framework implemented by SECO or other relevant sanctions authority.

In and from Switzerland the Product can only be offered or sold to institutional and professional clients pursuant to the Swiss Financial Services Act.

The Product shall be distributed only by way of private placement; public distribution is not permitted. The Product may not be issued to more than 50 investors. For jurisdiction-specific tax and any regulatory considerations, investors should consult their independent advisors.

### Product Representation

Products to be represented by Intermediated Securities (Bucheffekten)

### United States IRC Section 871(m)

Out of scope

### Applicable Law / Place of Jurisdiction

Swiss Law under exclusion of the Swiss Private International Law Act and of the CISG / City of Zurich

## Risks

Regarding investments in the Product, there are several kinds of risks, inter alia:

- the market, credit and liquidity risk with respect to the Strategy-Components
- the counterparty risk with respect to the Issuer
- the currency risk with respect to the Strategy-Components which are not denominated in the Currency of the Product (if any)
- the risk of sub-optimal adjustments of the Strategy-Components by the Strategy-Manager.

The Holders of the Product need to be aware of an inherent conflict of interest coming from the Strategy-Manager also being the issuer and potentially counterparty of the Strategy-Components.

The liquidity of the Product as well as the liquidity of the underlying is very limited and may not exist during the lifetime of the Product.

In a worst-case scenario, Holders of the Product may lose their total investment.

## Limitation of Transferability

The Certificate can only be sold back to the Issuer.

## Tax Treatment in Switzerland

For individuals holding the Product for private investment purposes with tax domicile in Switzerland the portion of income realised on the underlying Strategy-Level attributable to their respective portion in the underlying Strategy-Level will be subject to Swiss income taxes on an annual basis (by financial year end) or upon redemption. Gains and losses realised on the Strategy-Level as well as gains and losses derived from the sale of the Product should be considered as income tax-free private capital gains and non-tax-deductible private capital losses respectively.

The Product is not subject to the Swiss withholding tax. The Product may be subject to Swiss stamp duty of up to 0.15% on the primary as well as the secondary market. There is no Swiss stamp duty upon redemption of the Product. For Swiss paying agents, payments under the Product are not subject to the EU savings tax.

Investors and other interested parties are advised to consult their tax advisors to determine the special tax consequences of the purchase, ownership or disposition of the Product before any commitment/investment is made.

## Common Depository

SIX SIS AG

## ANNEX 1

It is the sole responsibility of the Strategy-Manager to ensure that the Strategy and the Strategy Components as well as the investments correspond to the Investment Universe, the Strategy-Guidelines, and the Investment Restrictions. Neither the Issuer, nor the Paying Agent, nor the Calculation Agent, nor any other involved party apart from the Strategy-Manager carries out any supervision in that regard. The Strategy Manager, acting on behalf of the Issuer, is not obliged to invest according to the Strategy, e.g. it can invest in assets other than the Strategy-Components. However, the investor is still entitled to receive the Redemption Amount as outlined in this Termsheet independent of the returns of the investments of the Issuer.

### Investment Universe

The Investment Universe consists of the following asset / asset classes and represents the basis for the selection, adjustment and rebalancing of the Strategy-Components by the Strategy-Manager. The Investment Universe may be amended by the Strategy-Manager at any time and in its sole discretion.

Asset class	Range allocation (% of total portfolio value)	Permitted instruments
Private equity	Min 0% - Max 100%	Shares of a private company
Private debt	Min 0% - Max 100%	Private loans
Cash	Min 0% - Max 49%	Cash in the Product currency.

### Strategy Guidelines

The Strategy-Components are selected, adjusted and rebalanced by the Strategy-Manager in accordance with the following guidelines (the "Strategy-Guidelines"):

1. The Strategy-Manager will invest in start-up companies in all stages which fulfill one or more of the criteria:
  - a. fintech sector;
  - b. companies in the western world;
  - c. structured, proven and scalable business model;
  - d. the innovation is not necessary a new technological generation but rather an opportunity identified in a gap in a known market;
  - e. proprietary and vertical exposure.
2. The Strategy Manager assembles a thematic, diversified and synergetic portfolio of the most promising projects at a discounted price. The investment aims to capitalize on current opportunities with high upside potential.
3. Capital lock-up period not exceeding 5 years, compared to the usual 10-12 years.
4. Access to liquidity services - Facilitated exits through the secondary and blockchain market on best effort basis.
5. Supporting growth focused on facilitating exit through VCs that invest exclusively in the late-stage period.



## Investment Restrictions

The following Investment Restrictions are applicable for the Strategy-Manager:

- no restrictions

## ANNEX 2

### Performance Fee (Carried Interest)

#### Performance Fee Entitlement

A Performance Fee is paid to the Strategy Manager on Redemption Date if the Strategy-Level on the Final Valuation Date exceeds the Issue Price on the Issue Date, i.e.:

$$\left( \frac{\text{Strategy-Level}(T)}{\text{Initial Strategy-Level}} - 1 \right) > 0$$

where:

- *Strategy-Level(t)* is the value of the Strategy-Level on the Final Valuation Date, before deduction of the Performance Fee
- *Initial Strategy-Level* is the Issue Price less the Distribution Fee (if any)

#### Performance Fee Calculation

Performance Fee Amount is equal to:

$$\text{Initial Strategy-Level} \times \left( \left( \frac{\text{Strategy-Level}(T)}{\text{Initial Strategy-Level}} - 1 \right) \right) \\ \times \text{Performance Fee}$$

The Performance Fee Amount cannot be a negative number.

#### Performance Fee Observation Dates

The Final Valuation Date.

## ANNEX 3

### Valuation of Strategy Components

Private Equity shares that are not public traded will be valued according to the following technics:

- Discounted Cash Flow valuation provided by the Strategy Manager

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