

ZHAW – Blockchain und Recht in der Praxis

Bewilligung als Kryptofond in der Schweiz

Jan Brzezek
CEO & Co-Founder Crypto Finance AG

Introduction Jan Brzezek

- Various positions at UBS Asset Management, Wealth Management & Investment Bank
- Global Innovation Expert at UBS
- Worked on the impact of new technologies on the UBS business model
- Several years in derivatives and fixed income sales and trading for UBS in Zurich, Singapore, and Hong Kong
- Derivatives expert at the SIX Swiss Exchange



CRYPTO FINANCE GROUP



Board Of Directors

Jan Brzezek
Marc P. Bernegger

Raymond J. Bär
Dr. Tobias Reichmuth

Pascal Forster
Dr. Philipp Cottier



CRYPTO FINANCE



CRYPTO FUND

An asset manager which will establish the first Swiss fund for crypto assets in Switzerland available for qualified investors



CRYPTO BROKER

Allows institutional investors to buy & sell crypto assets directly with exchanges and brokers through experienced traders



CRYPTO STORAGE

Stores crypto assets in an impenetrable, convenient and 100% Swiss technology solution



CRYPTO FUND

Crypto Market Index Fund

The Crypto Market Index Fund (the "Fund") will become a **passive** investment vehicle available for **qualified investors** that **tracks the Crypto Market Index 10** (the "Index") calculated and maintained by SIX Swiss Exchange AG. While the largest exposure of the Fund will remain in Bitcoin, it profits from the rise of smaller crypto assets – altcoins. The Crypto Market Index Fund will add value to a financial portfolio due to the fact that crypto assets are largely decoupled from traditional asset classes such as equities, fixed income, currencies and gold, exhibiting **low correlations**.

In line with the Fund, the Index is **rebalanced quarterly** and contains up to the **10 largest crypto assets**. The assets are weighted according to their market capitalization. The Index does not comprise crypto assets aimed solely at providing anonymous payment services and crypto assets classified as securities – for ethical and compliance reasons, respectively. Further, crypto assets with no safe storage solution (i.e. no native multi-signature solution) will not be added.



Swiss Fund

Investor protection will be offered through a Swiss investment vehicle



Valor / ISIN Number

Subscriptions & Redemptions can be initiated at your personal bank



Diversification

Optimized risk/return profile thanks to the diversification across a range of crypto assets, also allowing profit taking from the fast rise of new crypto assets



Self-regulated Manager

Crypto Fund AG is a member of the VQF – a self regulating organization in Switzerland



Highest Security

By storing the crypto assets at a custodian bank, we ensure the highest standards of cryptographic, IT and physical security



Liquidity & Transparency

Weekly liquidity and high degree of transparency due to a rule-based investing strategy centered around the Crypto Market Index 10

Most Recent Top 10 Crypto Assets By Market Capitalization

Name	Market Cap. (\$)	Trade Volume (24h)	Weights (%)
Bitcoin	134,870,000,000	5,970,000,000	55.0%
Ethereum	45,130,000,000	1,710,000,000	18.4%
Ripple	22,670,000,000	376,490,000	9.3%
Bitcoin Cash	15,330,000,000	374,390,000	6.3%
Litecoin	7,840,000,000	476,910,000	3.2%
EOS	4,230,000,000	685,320,000	1.7%
Cardano	4,040,000,000	114,330,000	1.6%
Stellar	4,020,000,000	37,320,000	1.6%
NEO	3,600,000,000	144,610,000	1.5%
IOTA	3,270,000,000	32,190,000	1.3%

The Fund's constituents may or may not be a subsample from this list.



CHALLENGES OF CRYPTO ASSETS



ACCESS

Banks ▶ not offering



REGULATIONS

Established **vs.** Wild Wild West



EXCHANGES

unregulated, not reliable

Euronext ≠ Mt. Gox



CUSTODIANS

Large **vs.** unknown



MARKET PARTICIPANTS

Professionals **vs.** Retail



What is needed for a swiss fund?

Asset manager

- FINMA licence
- Operational setup
- Financial capability

Fund administrator

- FINMA regulated
- Crypto know how
- Willing to offer services for such a business

Broker

- FINMA or at least SRO regulated
- Professional setup -> Best execution
- Crypto know how

Custodian

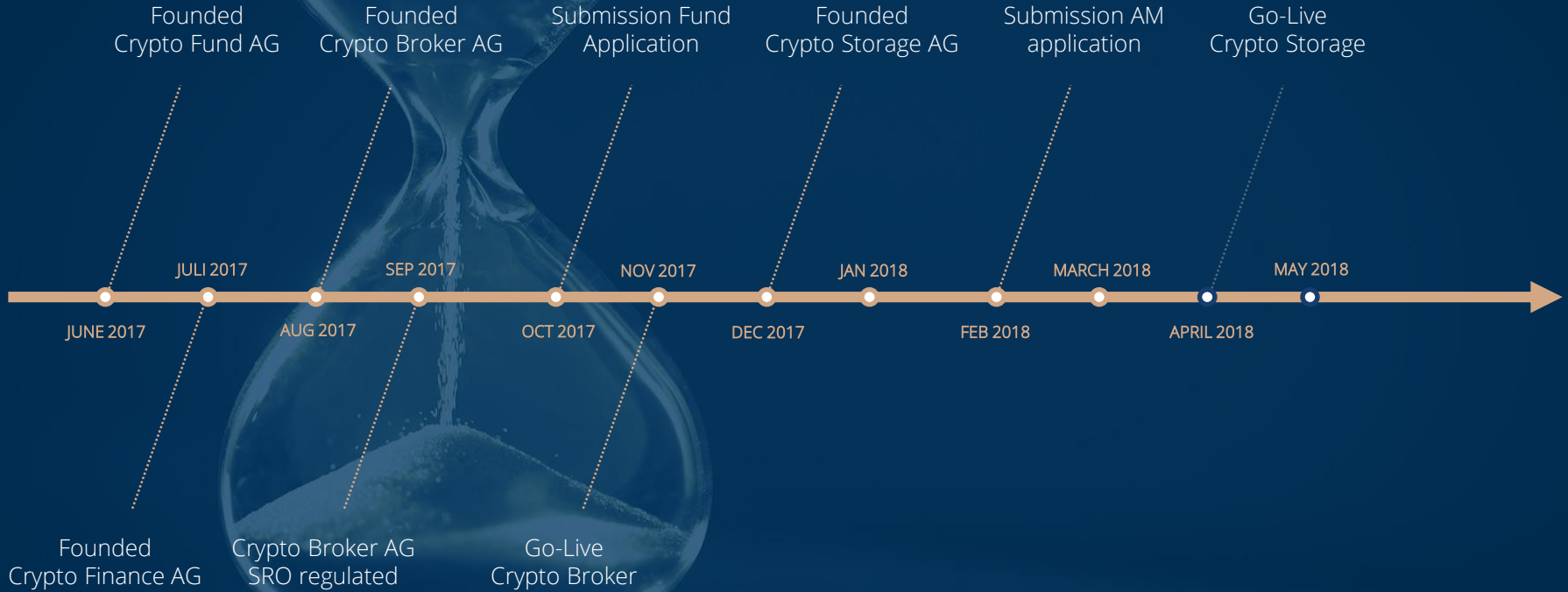
- Swiss Bank
- Custody licence and setup
- Able to store crypto assets

Calculation agent

- Independent calculation agent for the index
- Business interest
- Setting up the IT infrastructure



TIMELINE



YOUR **GATEWAY** TO
THE **CRYPTO WORLD**.

DO YOU HAVE QUESTIONS?

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Intrigued or would like to gain a deeper understanding regarding this emerging asset class, please feel free to reach us directly at the emails displayed below. You can also sign up for our newsletter on our webpage and follow us on social media for the latest news.

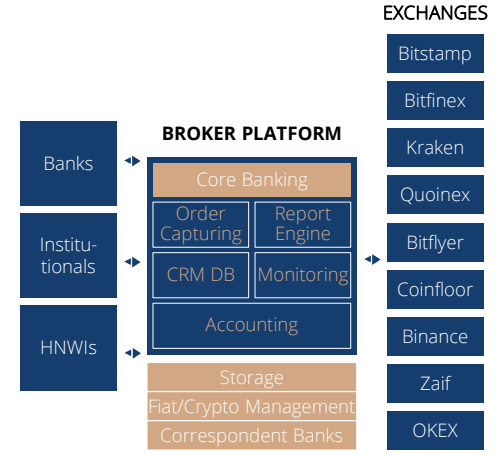
Addendum



CRYPTO BROKER

The Crypto Broker is a financial intermediary available to **qualified investors** that executes orders through **trading algorithms**. By doing so, the Broker is able to draw on the liquidity of the world's top exchanges and to offer **optimized time-to-market** order execution. The crypto assets bought can be either securely stored at the Broker or sent directly to the client's personal wallet.

Orders are taken via telephone, E-Mail and Bloomberg. Automatic generation of **tailor-made reports** is provided, depending on the clients needs.



Daily Liquidity

The Crypto Broker is highly liquid and provides rapid order execution



Transparency

Every fee, including exchange and brokerage fees, is disclosed, providing a maximum degree of transparency



Convenience

Using an aggregator simplifies investments into crypto assets. No onboarding for investors on several exchanges is needed, also allowing profit taking from the fast rise of new crypto assets



Security

The Crypto Broker is only cooperating with well-known exchanges and is a member of VQF, a self-regulating organisation, to ensure KYC & AML compliance



Professionalism and Trust

The team has several years of banking experience and is therefore familiar with the expectations and requirements of a professional investor



Reliability

The Crypto Broker offers best execution according to MiFID II standards



CRYPTO STORAGE

Our crypto solution will allow for **highly configurable** access to your crypto assets with institutional-grade access control rules. The private keys never leave the hardware security module (HSM) and the HSM's right to sign a transaction is determined through approval from a configurable quorum within your institution and executed on **tamper-proof approval clients**.

The solution is highly adjustable to your internal processes and roles, while maintaining high security behind **several layers of hardware protection**.



Multitude of Crypto Assets

The storage solution supports a wide range of crypto assets, from Bitcoin, Ether, and ERC 20 token to IOTA, NEM and NEO



Swiss Engineering

The HSM, the tamper-proof signing devices, and the tailored software solution are all developed by leading Swiss providers with vast experience in finance and IT-security



Access Management

Rules for access to your assets are coordinated on a high-level and checked in hardware down to the innermost security-layer independent of the underlying blockchain



Flexible Rule-Engine

M of N multiple signers, a quorum of signers from several different groups, time delays that allow for a veto-period, are all supported natively



Secure Approval Clients

The devices themselves already adhere to a much higher security standard than the signing devices customary for crypto assets



Reliability

We could not spend your funds, even if we wanted to

