

Key investor information document

Goal

This document provides you with key investment information about Cyber Capital Fund A. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read this document in its entirety, so you can make an informed investment decision.

Product

Product name:	Cyber Capital Fund A
Product manager:	Cyber Capital B.V.
Financial regulatory authority:	Autoriteit Financiële Markten (AFM)
Contact details manager	contact@cyber.capital / +31-20-778 1293
Date last update:	April 24 th , 2020

You are about to invest in a complex product that may be difficult to understand.

Product Characteristics

Type:

Participation in an open-ended fund for joint account.

Goal:

The goal of Cyber Capital Fund A is generating income from buying and selling selected cryptocurrencies based on a long term “buy-and-hold” strategy. In doing so, the fund does not use leverage. Yields originate from value increases of cryptocurrencies that the fund invests in.

Investor profile

The fund is aimed at investors (i) with a minimum contribution of €100,000-, (ii) who have prior experience with fund participations, (iii) who want to enter the market of cryptocurrencies, (iv) who can afford to make a high risk investment, (v) who intend to adopt an investment horizon of 3 to 5 years, corresponding with the long term “buy-and-hold” strategy of the fund.

Maturity:

The fund does not have a maturity date. The product manager is entitled to shut down the fund.

What are the risks and potential returns?



The summary risk indicator (SRI) is a measure of this product’s risk relative to other products. The indicator provides information on the potential for losses due to market and liquidity risks. The product manager classified this product at the highest possible risk profile, category 7 out of 7. This means that the chance that the fund will not be able to pay you due to unfavourable markets is “very high”. The maximum loss is equal to the entire investment. However, in such situation no supplementary payments will be required.

Other risks of material significance that are not included in the SRI are in particular (i) counterparty risk of cryptocurrency exchanges and (ii) risk of loss of assets. As this product has no protection for market performance and other risks, you can potentially lose all or a part of your investment. This risk profile applies to both the short and the long run. The fund invests in assets that are generally sufficiently liquid, but which may under certain circumstances become less liquid. This could impact the tradability of the product.

Investment EUR 10,000			
Scenarios		1 year	5 years (recommended holding period)
Stress scenario	What you would receive after costs	€ 4,755	€ 1,658
	Average annual yield	-52%	-45%
Unfavourable scenario	What you would receive after costs	€ 12,079	€ 48,445
	Average annual yield	21%	69%
Moderate scenario	What you would receive after costs	€ 26,338	€ 193,937
	Average annual yield	164%	169%
Favourable scenario	What you would receive after costs	€ 60,033	€ 805,892
	Average annual yield	500%	332%

As the history of the fund is relatively short, these scenarios are simulated based on historical prices of a proxy to the fund performance. The selected proxy is the CRIX-Crypto Index (crix.hu-berlin.de). The product manager believes that the numbers above, which are computed according to EU standards, may be skewed favourably because the cryptocurrency market is relatively immature, particularly for the stress and unfavourable scenarios. It should also be noted that past performance is no guarantee of future performance.

What would happen if Cyber Capital Fund A is unable to process my withdrawal?

In the event that Cyber Capital Fund A is unable to pay you, there is no guarantee system that would support reimbursement of participants. All involved risks are ultimately taken by the participants. There are no guarantee or compensation arrangements for participants.

What are the costs?

The reduction in yield (RIY) shows the effect that the costs have on the potential yields, matching the described scenarios. The total costs include one-off, ongoing, and incidental costs. The monetary values presented are the cumulative costs of the investment product for three different holding periods. The amounts are based on an investment of 10,000 EUR. The numbers represent estimations and may change in the future. For completeness, the product manager wants to emphasise that Cyber Capital Fund A requires a minimum investment amount of 100,000 EUR. Therefore, the figure below is intended only as a comparative calculation example. The impact of the total costs is based on an annual yield of 100 percent, similar to the annual yield of Bitcoin from January 1, 2015 to January 1, 2020.

Costs over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs and show you the impact that all costs will have on your investment over time.

Investment	EUR 10,000		
Scenarios	If you cash after 1 year	If you cash after 1.5 years	If you cash after 3 years
Total cost	€2,660	€4,461	€13,679
Reduction in yield (RIY) per year	28%	28%	25%

Composition of costs

The table below shows:

- the yearly impact the different types of costs have on your investment return at the end of the recommended holding period;
- the meaning of the different cost categories.

This table shows the impact on return per year			
One-off costs	Entry costs	None	The impact of the costs when entering with your investment.
	Exit costs	2%	The impact of the costs when exiting with your investment.
Ongoing costs	Portfolio transaction costs	1%	The impact of the costs for the fund buying and selling underlying investment assets.
	Other ongoing costs	2%	The impact of the costs that the product manager takes each year for managing your investments.
Incidental costs	Performance fees	20%	The impact of the performance fee. This is charged over the yield above the last high-water mark. ¹
	Carried Interests	None	The impact of carried interests.

The other ongoing costs are accrued on a weekly basis and charged monthly. The performance fee will be charged on the last day of the year or upon redemption. Upon exiting the fund, above mentioned exiting costs will also be incurred. These costs are not granted to the product manager, but instead go to the fund i.e. its participants. The transaction costs are incorporated in the buy and sales price of the underlying assets.

The product manager may deviate from the presented costs. An increase in the costs will not be incurred sooner than 3 months after announcement to the fund participants. During this period participants may choose to partially or completely exit the fund according to the applicable procedure.

How long should I stay invested and can I withdraw money earlier?

A holding period of 3-5 years is recommended, in accordance with the long term “buy-and-hold” strategy of the fund. The fund does not employ a minimal lock-up period. An entry or exit can be executed once a week on a defined moment. Participants can solely transfer their units to the fund itself (upon redemption) and/or to their relatives by blood or marriage in direct line. Participants cannot transfer their units to third parties. In case of a partial redemption, the remaining value should amount to at least 100,000 EUR. Furthermore, a supplementary deposit or a partial redemption should be at least 5,000 EUR.

How can I file a complaint?

The product manager can be reached for questions and complaints at contact@cyber.capital. Within 5 days, the product manager will confirm acknowledgement of the communication and provide information on how the issue will be treated.

Other useful information

For this product, fund documentation is available. For complete information about this product and all involved risks the product manager refers to the fund documentation. The fund documentation includes the prospectus and the terms and conditions of Cyber Capital Fund A. The investor’s decision to participate should be based on this documentation and when desired be based on the advice of an independent advisor.

¹The high-water mark (HWM) is the highest previously recorded NAV within a series, over which fees were charged. See also: www.investopedia.com/terms/h/highwatermark.asp.