

Next generation index investing for crypto assets

# Tracker Certificate on the SEBAX<sup>®</sup> Crypto Asset Select Index

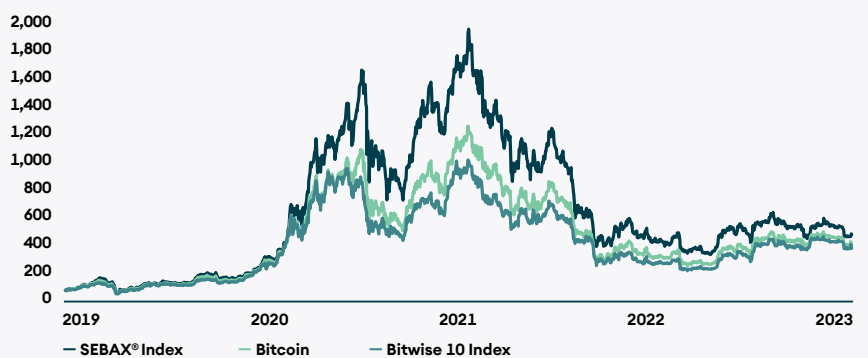
## Product Description

The product is a tracker certificate on SEBA Bank's proprietary cryptocurrency index – the SEBAX<sup>®</sup> Index. The SEBAX<sup>®</sup> Index offers investors a diversified cryptocurrency market exposure while optimizing overall risk by applying advanced quantitative methods. The product is intended for investors who have a long-term positive view on the overall crypto market. The product's exposure is physically backed by the underlying coins of the index.

## SEBAX<sup>®</sup> Index ETP Key Facts

ISIN	CH0568452707
Ticker Symbol	SEBAX
Issuer	SA1 Issuer Limited, Guernsey
SVSP Category	Tracker Certificate (1300)
Custodian	SEBA Bank AG, Zug, Switzerland
Broker	SEBA Bank AG, Zug, Switzerland
Issue Currency	USD
Maturity	Open-end
Index Administrator	MV Index Solutions Frankfurt am Main, Germany
Fees	1.5% p.a. all-in fee
Available Currency	USD / SIX Swiss Exchange USD / Euronext Amsterdam EUR / Euronext Paris EUR, USD / Deutsche Börse Xetra

Performance since certificate launch in USD



Source: MVIS, SEBA Bank as of 31.08.2023. Historical data are not a reliable indicator for future performance.

## August - The Dog Days are Over!

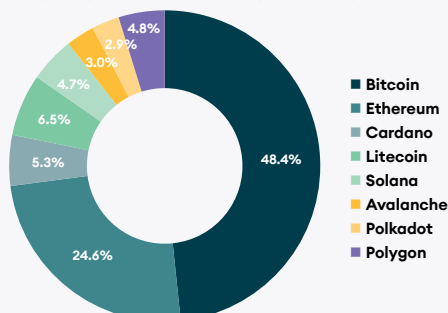
The month of August represented not only a caesura in terms of the weather going from heat wave to autumn-like conditions (at least in Switzerland) but also marked a shift in sentiment across global markets. While for the bulk of 2023 risk markets have wrong-footed many investors with a remarkable rally, August was the worst performing month since February 2023 for the S&P 500 (-1.8%) as well as for the Eurostoxx-50 (-3.4%). While markets expected the US Fed to be all but over with its rate hiking campaign and the ECB to hike max one more time, stronger-than-expected economic data have put a dent in this story line. Fuelled by the Fed's hawkish comments, the market is now expecting rates to stay higher for longer – across the yield curve. Naturally, this has led to a repricing of major risk assets with rate-sensitive sectors such as tech stocks being hit the hardest. Consistently weak economic data out of China and the lack of a convincing policy stimulus program has further depressed sentiment. An extraordinarily weak job report out of the US at the end of the month has provided some relief for the markets with yields decreasing and equities rallying. It remains to be seen whether this data report marks a one-off or is part of a broader weakening of the US economy.

The Summer lull induced complacency has also abruptly ended in cryptocurrency markets. After trading range-bound since mid-June, Bitcoin experienced a heavy drop mid-month from around USD 29k to 26k around which it has traded until end of August under subdued trading volumes. With investors and particularly traditional investors waiting for reasons to jump back on the bandwagon, a US court has provided some impetus by ruling in favour of Grayscale to convert their closed-end Bitcoin Trust to an open-ended ETF structure. Bitcoin and other cryptocurrencies surged on the news but did not manage to eradicate all its losses for the month. The SEC's Bitcoin spot ETF approval decision has been dangling like the sword of Damocles above the crypto market for quite some time now. While the agency has dealt a delay to 21Shares for its application, the SEC is now expecting to respond to filings from Bitwise, Blackrock, VanEck, WisdomTree and Invesco. If positive, the decision could fuel a new rally across the cryptocurrency space.

Other crypto related news over the month of August include:

- Social media platform friend.tech has gained over 100K users within weeks post launch on Base mainnet. It is a social media app which provides NFT-gated access to interactions with influencers.
- Polygon introduced Polygon 2.0's POL token. The POL token will replace MATIC 1:1 and will be used for governance, fees and staking across all Polygon chains.

## SEBAX<sup>®</sup> Index weightings after rebalancing on 31 August 2023



Last available NAV (31.08.2023): USD 16.15

## SEBAX® Index Methodology

This Factsheet contains a summary description of the main terms of the Tracker Certificate on SEBA Crypto Asset Select Index. Once the product is issued, the final terms and conditions, which are the only legally binding terms and conditions, will be set out in the final Termsheet. This Factsheet must be read in conjunction with the Termsheet, which shall be the sole determining and binding documentation. In case of any inconsistency between this Factsheet and the Termsheet, the Termsheet shall prevail.

SEBA Crypto Asset Select Index (SEBAX®) is a proprietary index of SEBA Bank AG, a licensed and supervised financial service provider specialised in digital assets.

The index methodology is based on three key elements:

- Selection**  
 Qualitative and quantitative filters to define the eligible universe with emphasis on safety, technical reliability and tradability. The eligible universe consists of at least five constituents and is monitored on an ongoing basis.
- Weighting**  
 Quantitative rules to allocate the optimal weight to each constituent based on a modified risk-parity approach. The approach limits concentration into single digital assets and ensures optimal diversification.
- Rebalancing**  
 Monthly rebalancing to reset the weights of the constituents to their dynamic target allocations. The rebalancing is executed according to defined price fixing rules.



## Contact details

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- Uniswap V3 was launched on Avalanche earlier this month. This would offer better capital efficiency and higher fees for LPs.
- Chainlink has launched its Cross-Chain Interoperability Protocol (CCIP) on various blockchains, including Avalanche, Ethereum, Optimism, and Polygon. CCIP allows developers to build cross-chain applications and services, enabling seamless token transfers and interactions across different blockchains.
- The Aave DAO deployed GHO, the Aave protocol's decentralized, over-collateralized stablecoin, on the Ethereum Mainnet. GHO allows users to mint stablecoins against their supplied collateral and is governed by the Aave community through DAO proposals and voting.

The SEBAX® has returned -11.2% over the month – underperforming Bitcoin by 0.9%. Bitcoin was the clear winner over the month with the court ruling against the SEC paving the way for additional billions of USD in inflows from retail markets. Since product inception on 17.12.2019 the SEBAX index has returned 386.2% - thereby outperforming BTC by 96.8%.

## Performance & Risk metrics of the SEBAX® Index

### Cumulative performance

	MTD	YTD	1 Year	Since certificate launch Dec 2019
SEBAX® Index (USD)	-11.2%	37.5%	1.6%	386.2%
Bitwise 10 Index (USD)	-11.8%	46.3%	14.8%	310.1%
Bitcoin (USD)	-10.3%	58.3%	29.9%	289.4%

### Key risk metrics (since certificate launch)

	Volatility	Sharpe Ratio	Maximum Drawdown	Value at Risk (99%, 30 days)
SEBAX® Index (USD)	75.1%	0.7	-81.8%	-31.2%
Bitwise 10 Index (USD)	70.3%	0.7	-78.3%	-30.8%
Bitcoin (USD)	66.7%	0.7	-76.4%	-28.4%

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This Factsheet summarizes the key characteristics of this product. Potential investors are advised to read the full Prospectus and Final Terms and in particular the risk warnings contained therein in full before making an investment decision. The Prospectus and Final Terms can be obtained and downloaded free of charge at <https://www.seba.swiss/digital-investment-solutions/structured-products/list>. Only the Prospectus and Final Terms shall form the entire and legally binding documentation for this product. The Prospectus was approved by the Liechtenstein Financial Markets Authority (FMA). The FMA only approves a security prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EC) 2017/1129. Such approval should not be considered as an endorsement of the issuer or a confirmation of the quality of the securities offered under this Prospectus. The full Product Documentation can be obtained directly at SEBA.

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