



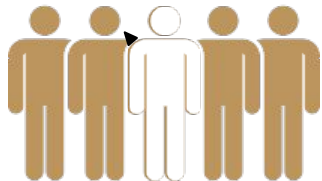
VAULT

DIGITAL FUNDS



Presentation to Financial Advisory NZ
Featuring Fidelity Digital Assets
Wednesday 9 February 2022 10am

Are your clients interested in Digital Assets like Bitcoin?



New Zealand Financial Services Council (2021):

- 9.5% of Kiwis are invested in crypto.
- 19.5% of Kiwis stated they are “exploring new investment options such as crypto.”

Note; Easy Crypto 156,000 customers, Rev circa \$1b.
October 2021 \$17m cap raise.



Fidelity Digital Assets surveyed 1,100 global institutions (Sep 2021);

- 52% of institutions are currently invested.
- 71% of institutions plan to invest.
- 90% expect to have allocations by 2026.
- 84% of HNW in Europe are invested.



Digital assets investment are increasingly viewed as a viable investment asset class;

- FDA Bitcoin as part of a diversified portfolio
- Institutional investors cite high potential upside and low correlation to other assets.
- US\$835m market cap.
- World's 8th largest asset.



What are the benefits of Investing in Bitcoin with Vault?

At Vault Digital Funds we believe that digital assets have great future potential. Our aim is to provide Kiwi investors with easy access to this dynamic new asset class in a simple, smart and trusted way.



Simple.

Vault makes it a simple process to invest via our trusted retail partners in New Zealand, without the challenges of buying, storing, and safekeeping digital assets directly.



Smart.

Within Vaults PIE fund, investors are taxed using the Fair Dividend Rate method ie **\$0 capital gains tax**. In contrast with Bitcoin directly, all realised capital gains may be taxable up to 39%.



Trusted.

The Fund is a managed investment scheme regulated under the Financial Markets Conduct Act 2013. Bitcoin is an unregulated product.



What are the costs of Investing in the VIBF?



2.5% per annum (inc. GST)



Includes all underlying Bitcoin Fund & ETF charges



Includes all in fund costs



Buy / Sell spread of 0.25%



Key takeaways

- Whilst not yet for everyone, as the world's 8th largest asset at US\$835m, Bitcoin may be becoming “too big to ignore” in 2022.
- Fidelity provides rationale for adding Bitcoin as a diversifier.
- Self custody or storage on an exchange is not for everyone.
- VIBF provides Bitcoin exposure within a locally regulated NZ PIE fund, capital gains tax free, and is able to be offered within financial advisory networks.
- VIBF is now available on most NZ wealth advisor platforms (Adminis, Aegis, MMC, NZX). (FNZ / Consilium to be re confirmed shortly).
- Resources available.



Appendix



Direct Investment in Bitcoin vs Vault International Bitcoin Fund



Bitcoin Outlook - a maturing asset class



Future Funds



Resources



Direct Investment in Bitcoin vs Vault International Bitcoin Fund

Direct Investment in Bitcoin

Investment via Vault International Bitcoin Fund

Simplicity

- Unfamiliar technology and platforms.
- Unfamiliar terminology.
- Unfamiliar storage options.

- Familiar investment vehicle (NZ PIE fund).
- Purchased via mainstream retail share platforms, or via trusted FANZ financial advisor, or via trusted fund manager.
- Financial advice on appropriate % and time frame to hold.
- VIBF is offered on Wealth Advisory Platforms; Adminis, Aegis, and MMC. NZX and Consilium tbc shortly.

Security

- Investors are responsible for their own security (12 - 24 word passphrase) on a Digital or Hardware wallet (e.g. Tresor \$120 - \$270 x 2).
- Or store on an exchange (eg Cryptopia, Mt Gox).
- Risk of scams, error, and loss of assets, especially for the less tech savvy investor.
- Storage is an issue for NZ Trust and Co structures.

- Vault Digital Funds does not hold investor assets.
- Investors cash and VIBF Units are held by regulated NZ Custodian, Adminis.
- Underlying Bitcoin assets are stored offline, in a regulated custodian in cold storage (eg Fidelity).
- Vault uses a multi ETF / multi custody approach.

Tax

- Liable for Capital Gains Tax up to 39%.
- Individual investor is responsible for records, tax calculation and filing.

- Taxed under FDR regime, ie 0% Capital Gains Tax.
- FDR tax on 5% "deemed" dividend x 28% max PIR, effectively a maximum 1.4% tax rate pa.
- VIBF PIE fund manages tax calc and payment for you.

Fees

- 1 - 2.5%+ fees on purchase and sale.
- Plus forex fees, bank fees, network fees, exchange fees, wallet fees, wallet exit fees, etc.

- 2.5% Per annum (incl cost of underlying ETFs)
- Distributors may charge broker / AUM
- No performance fee



Bitcoin Outlook - a maturing asset class



Regulators

US - 29 x BTC ETF applications before SEC.
Canada - ETFs approved
NZ - RBNZ, FMA.



Institutions / Pension Funds

Fidelity DA survey;
71% invested or seeking to invest
e.g. Mass Mutual \$100m (2021).



Banks

DBS, GS, JPM, Stan
Chart, BNY.



Corporates

Microstrategy \$6b, Tesla
\$1.5b, Square \$50m,
Paypal, Twitter,
Mastercard, Visa



Retail ETFs and Funds

Fidelity, Gal, Purpose (CAN).
Fidelity, Van Eck (US, before SEC).
Bitcoin Futures ETFs (US) are live
(note - premium issues).



HNW / Family Office

Fidelity DA survey;
84% of HNW in Europe
are invested.



Vault Digital Funds - Future Funds



Ethereum Fund
(20% of TMC)



Broader Digital Asset Funds
(65% of TMC)



Defi Fund
(6% of TMC)



More Funds and NZ
relevant products coming
soon..



Resources



[VIBF Legal documentation \(on the Vault website\)](#)
[VIBF Product Disclosure Statement \(“PDS”\)](#)
[VIBF Other Material Information \(“OMI”\)](#)
[VIBF Statement of Investment Policy and Objectives \(“SIPO”\)](#)



[Vault Resources](#)
[An Introductory Guide to Bitcoin](#)
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[Fidelity Digital Assets Resources \(link shared on the Vault website\)](#)
[Fidelity Bitcoin as part of a diversified portfolio](#)
[Fidelity Bitcoin 101 presentation](#)
[Fidelity Bitcoin First](#)
[Fidelity Digital Asset Survey September 2021](#)

