

Key Information Document

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Fidelity Physical Bitcoin ETP

The manufacturer of this product is Fidelity Exchange Traded Products GmbH (the "Issuer").

ISIN: XS2434891219

Visit <https://www.fidelityinternational.com/fidelity-physical-bitcoin-etp-legal-documentation> or call +49 800 414177 for more information.

Regulator: Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)

Last update: 10:35, 10 February 2022

You are about to purchase a product that is not simple and may be difficult to understand.

What is this product?

Type

This product is a debt security fully collateralised by Bitcoins held in a depositary wallet for safekeeping. The bond is issued in bearer form, bears no interest and does not have a fixed maturity date. The product is governed by German law.

Objectives

- The Fidelity Physical Bitcoin ETP is an exchange traded product aiming to give investors exposure to the cryptocurrency Bitcoin and whose performance is directly linked to the price of Bitcoin.
- The product is 100% backed by Bitcoin holdings in storage and any Bitcoins received by the Issuer for the subscription by an Authorised Participant ("AP") are transferred as collateral to a depositary wallet ("Depositary Wallet"), which is operated by Fidelity Digital Asset Services, LLC. The Law Debenture Trust Corporation p.l.c. has been appointed as security trustee to hold security interest in the Bitcoin deposited as collateral for the benefit of investors.
- Each unit corresponds to an entitlement ("Cryptocurrency Entitlement") of 0.0001 Bitcoin. Such Cryptocurrency Entitlement decreases by 0.75% annually, calculated on a daily basis from the entitlement over the entire holding period.
- Investors can purchase this product via APs or directly on the secondary market. Secondary market purchases are generally made in fiat currency. Purchases through an AP can be made in fiat currency or any other kind of consideration accepted by the respective AP.
- In case of certain events, the Issuer may terminate and redeem the product prematurely in Bitcoins or, if an investor is prevented from receiving or accepting Bitcoins for legal or regulatory reasons, in EUR. These events are explained in more detail in the product terms and conditions. Investors need to be aware that any return the investor receives in the event of such early redemption may differ from a redemption that is processed at the discretion of the investor (as described below) and may be considerably less than the amount that the investor invested upon purchase, including the possibility of a total loss. Furthermore, investors bear the risk that termination by the Issuer may occur at a time that is unfavourable to them and that they may only be able to reinvest the terminated amount on worse conditions.
- In addition to the sale of the product in the secondary market, the product can also be terminated and redeemed in whole or in part, with the Issuer or an AP at any time and subject to specific terms and conditions. The investor's claim (payout amount) corresponds to the Cryptocurrency Entitlement on the date of exercising the right to redeem the product less exercise costs as specified further below. The Issuer will transfer this claim to a digital wallet specified by the investor in an exercise form provided by the Issuer. If, for legal or regulatory reasons, an investor is prevented from receiving or accepting Bitcoins, the investor may request redemption in EUR as an alternative to redemption in Bitcoins. The investor will receive an amount of money in EUR equal to the amount obtained from the sale of the underlying Bitcoin.

Underlying	Bitcoin (XBT)	Product Currency	EUR
Issue Date	10th February 2022	Trading Venue	Deutsche Börse Xetra (Frankfurt Stock Exchange) and from time to time additional stock exchanges
Cryptocurrency Entitlement per unit	Initially 0.0001 Bitcoin, reduced over time by an annual fee of 0.75%.	Rights of the Issuer	The Issuer can initiate the termination and redemption if certain events occur, as stated in the product terms and conditions.
Rights of investors	Investors may terminate and redeem the product for Bitcoins at any time or, if a payout in Bitcoins is not possible for legal or regulatory reasons, the equivalent value in EUR (the valuation process is outlined in the product terms and conditions).		

Intended retail investor

This product is intended for investors who:

- want to make investments into a volatile asset-class with the expectation of a sufficient appreciation in value over time to cover recurring costs;
- are aware of the high price volatility and the potential negative impact on the product's short-term performance;
- have limited access to or do not want to deal with the technical requirements involved in investing directly into Bitcoin and, therefore, prefer to invest indirectly via a collateralised debt instrument;
- have sufficient knowledge of and/or experience with this type of product or similar products and, in particular, asset-backed securities; and
- are able to bear losses up to a total loss of their investment.

What are the risks and what could I get in return?

Risk Indicator



The risk indicator assumes you keep the product for 5 years.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

This product is classified as a 6 out of 7, which is the second highest risk class. This rates the potential losses from future performance at a high level. In unfavourable market conditions, it is very likely that the Issuer's ability will impact our capacity to pay you. Be aware of currency risk, since the unit of account for the repayment can be either in Bitcoin or in EUR. You might not receive payments in your local currency or the currency in which you wish to be repaid, meaning that your final return may depend on the exchange rate between the two currencies or units of account. This risk is not considered in the indicator shown above. Owing to its structure, this product is subject to other risks, such as fluctuations in value and exchange rates between the date of execution and the date on which the Bitcoins are received, plus loss of the Bitcoins held or delivered. This risk is not considered in the indicator shown above. This product does not include any protection from future market performance. This means that you could lose some or all of the amount you invested. If the Issuer is unable to pay you the amount owed, you may lose your total amount invested.

For detailed information about all risks please refer to the risk sections of the legal documentation as specified in the section 'Other relevant information' below.

Performance scenarios

Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.

Investment: €10,000		1 year	3 years	5 years (Recommended holding period)
Scenarios				
Stress scenario	What you might get back after costs	€1,233.47	€122.00	€19.09
	Average return each year	-87.66%	-76.97%	-71.41%
Unfavourable scenario	What you might get back after costs	€6,562.97	€9,664.75	€17,756.46
	Average return each year	-34.37%	-1.13%	12.16%
Moderate scenario	What you might get back after costs	€17,338.58	€51,922.12	€155,486.03
	Average return each year	73.38%	73.16%	73.11%
Favourable scenario	What you might get back after costs	€45,515.06	€277,167.55	€1,352,865.30
	Average return each year	355.15%	202.63%	166.83%

This table shows the money you could get back over the next 1-5 years, under different scenarios, assuming that you invest €10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.

The scenarios presented are an estimate of future performance based on evidence from the past and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment/product. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you. The figures shown include all the costs of the product itself but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What happens if Fidelity Exchange Traded Products GmbH is unable to pay out?

Although Fidelity Physical Bitcoin ETP is a product that is secured with Bitcoins, the investor bears the risk that the Issuer may not be able to fulfil its obligations in relation to the product, for example in the event of the Issuer's insolvency.

The Issuer is a special purpose vehicle with no business activities of its own. As a result, the exclusive purpose of the Issuer is to issue this product (and other cryptocurrency-backed products, from time to time). Accordingly, for example, the Issuer may only have access to the Bitcoins deposited as collateral as a means of meeting all issue or payment claims relating to the product. This product grants investors the right to the deposited Bitcoins or to the security rights held by the security trustee through the Depositary Wallet and through the Issuer's securities account. The occurrence of different scenarios with regard to these Bitcoins and the claims to the security rights may affect the ability of the Issuer to meet its obligations under the product conditions. Although the Issuer undertakes to deposit a sufficient amount of Bitcoins in the Depositary Wallet to cover all claims under the product, there is a risk that the Bitcoins deposited by the Issuer will not be sufficient to meet your redemption request or payment claims. A total loss of the invested capital is possible. There is no obligation to make further contributions.

The product is not a deposit and is not subject to deposit guarantee schemes or any other protection schemes.

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest €10,000. The figures are estimates and may change in the future.

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 such costs and show you the impact that all costs will have on your investment over time.

Investment €10,000	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 5 years
Total costs	€75.00	€149.44	€223.32
Impact on return (RIY) per year	0.75%	0.75%	0.75%

Composition of costs

The table below shows:

- the impact each year of the different types of costs on the investment return you might get 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	N/A	Not applicable. The impact of the costs you pay when entering your investment.
	Exit costs	None *	The impact of the costs of exiting your investment.
Ongoing costs	Portfolio transaction costs	N/A	Not applicable. The impact of the costs of us buying and selling underlying investments for the product.
	Insurance costs	N/A	Not applicable. The impact of the amount you are paying to buy insurance protection.
	Other ongoing costs	0.75%	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance fees	N/A	Not applicable.
	Carried interests	N/A	Not applicable.

* If a bondholder demands redemption directly from the issuer per terms of the Prospectus, the issuer may charge a fee of up to 5.00% of the Cryptocurrency Entitlement for each bond.

Advisors, distributors or any other person advising on, or selling, this product will provide information detailing any cost of distribution that is not already included in the costs specified above. The percentages shown here are an estimate of the costs. The Issuer's annual report for each financial year will include details of the exact charges made.

How long should I hold it and can I take money out early?

Recommended holding period: 5 years. However, due to the inherent volatility of Bitcoin, investors should constantly monitor the value of the product.

Investors can sell the product directly on the regulated market on which it is listed. You can also sell the product over the counter by submitting a redemption application to an AP and delivering the product back to them free of charge subject to the terms of the Prospectus. Following redemption, you will receive 0.0001 Bitcoins per unit, less the accrued administration fees of 0.75 % p.a. as described above.

How can I complain?

If you wish to make a complaint about this product or the issuer please write to Fidelity Exchange Traded Products GmbH, Hohe Bleichen 18, 20354 Hamburg, Germany. For any complaint about the sale and distribution of the product please contact your intermediary directly for their complaints process.

Other relevant information

Updated and additional documents relating to the product, particularly the prospectus and any supplements and the final terms can be obtained on the <https://www.fidelityinternational.com/fidelity-physical-bitcoin-etp-legal-documentation> in accordance with legal requirements. The depositary is Fidelity Digital Assets Services LLC.