



ARCA OFFERS THE FIRST REGISTERED FUND ISSUING DIGITAL SECURITIES

- **Each ArCoin is a share of the Arca U.S. Treasury Fund, a registered fund with a portfolio of primarily U.S. Treasury securities**
- **Shareholders can directly transfer ArCoin using blockchain technology, broadening the use cases for a registered investment product**

Los Angeles, CA – July 6, 2020 — Arca, an innovative, digital asset investment firm that blends traditional finance with cutting edge blockchain technology, today announced that the Arca U.S. Treasury Fund (the “Fund”), a registered closed-end fund, is available for investment. The Fund is the first product registered under the Investment Company Act of 1940 (“’40 Act”) to offer its shares as digital securities, called “ArCoin.” Shareholders can directly transfer ArCoin using blockchain technology, broadening the use cases within the digital ecosystem.

The Arca U.S. Treasury Fund invests 80% of its portfolio assets in interest-bearing, short-duration, U.S. Treasury securities and seeks to combine the standards applicable to a registered closed-end fund with the efficiencies of blockchain technology. Each ArCoin is one share in the Arca U.S. Treasury Fund. Accrued interest is paid directly to ArCoin holders each quarter.

ArCoin was created by Arca Labs—Arca’s innovative, digital product development division—as the first product in an upcoming portfolio of complementary ’40 Act financial products being developed for the digital marketplace. Arca Labs creates tomorrow’s digital investment products in registered structures of today.

“Our announcement today is a ground-breaking and transformative step toward the unification of traditional finance with digital asset investing as this new category of digital investment products is made available to investors,” said Rayne Steinberg, chief executive officer of Arca. “It is truly exciting to be pioneering new digital investment products through our



Arca Labs division that marry the practices used in traditional finance with the many potential benefits of digital and blockchain technology—this is the next stage of development for the digital ecosystem.”

“We have seen a dramatic shift in our world from physical to digital during the last several years and an accelerated move toward digital in the last four months amid the COVID-19 pandemic,” said Jerald David, president of Arca Capital Management LLC, which oversees Arca Labs. “The digital assets ecosystem is a rapidly growing and evolving industry. We are establishing Arca Labs at the forefront of this industry to innovate digital investment products that provide transparency, along with daily valuation, that investors look for in their traditional core investment holdings. Furthermore, ArCoin offers enterprises the opportunity to manage their business operations, treasury management and payments with efficient, cost-effective and fast settlement times and direct tracking of all transactions.”

Built on the Ethereum blockchain, ArCoin is an ERC-1404 token that provides customers digital access to sophisticated protections and transparency. The Fund is registered under the '40 Act, providing daily net-asset-value (“NAV”) reporting, periodic audited financial statements, and assets held in a statutory trust overseen by an independent board of trustees.

ArCoin offers digital enterprises and investors multiple use cases and widespread integration. Individuals could use ArCoin as an alternative to volatility in other digital assets, while financial institutions and digital asset enterprises could use ArCoin for clearing and settlement, lending, treasury management, and payments.

Investments in the Arca U.S. Treasury Fund can be made directly via the ArCoin.ArcaLabs.com website beginning today with a minimum purchase of \$1,000. Shareholders are required to establish an account with the Fund’s transfer agent and must complete required know-your-



customer and anti-money-laundering (“KYC/AML”) documentation, as is recognized as best practice in the digital investing industry, prior to any investment.

Arca Labs has assembled the following service providers to support the operations and oversight of the Arca U.S. Treasury Fund:

- Administrator: Ultimus Fund Solutions
- Adviser: Arca Capital Management, LLC
- Auditor: RSM US LLP
- Custodian: UMB, N.A.
- Distributor: Ceros Financial Services, Inc., Member FINRA/SIPC
- Technology Services Provider: Tokensoft
- Transfer Agent: DTAC, LLC
- Legal Counsel: Morrison & Foerster LLP

ABOUT ARCA

Arca is an innovative digital asset investment company that blends traditional finance with cutting-edge blockchain technology. Arca’s products offer investors the ability to thoughtfully invest in digital assets utilizing blockchain technology. Arca is forging a path for investors to join the digital future, while upholding legal and operational standards that are used and applied in the traditional finance sector. Arca is composed of two core business divisions— **Arca Funds**, whose flagship hedge fund strategy, the Arca Digital Assets Fund, invests in securities via tokens, equities, bonds and other instruments issued by companies in the digital asset ecosystem; and **Arca Labs**, overseen by Arca Capital Management, LLC, which pioneers innovative products in a digital structure that aim to revolutionize how people think about investments. Arca Labs’ initial Investment Company Act of 1940 product is the Arca U.S. Treasury Fund.

Learn more about Arca: <https://ar.ca>

Learn more about and purchase ArCoin by investing in the Arca U.S. Treasury Fund:
<https://arcoin.arcalabs.com>

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*An investor should carefully consider the investment objectives, risks, charges, and expenses of the Arca US Treasury Fund before investing. **This and other important information is available in the Fund's prospectus, which should be reviewed carefully prior to investing. To obtain a prospectus, please visit <https://arcoin.arcalabs.com> or call 1-800-445-3148.***

The Fund's Annual Operating Expense Ratio, as reflected in the current prospectus is 3.22%, however, Management has entered into an expense limitation agreement pursuant to which the Fund's expenses will not exceed 0.75% for the first year after the effective date of the Fund's prospectus. For more details relating to the fund's expenses, please review the prospectus.

No assurance can be given that the Fund will achieve its investment objective, and investment results may vary substantially over time and from period to period.

An investment in the Fund involves risk, including loss of principal. An investment in the Fund is suitable only for investors who can bear the risks associated with limited liquidity in the shares and the uncertainty of emerging technologies and should be viewed as a long-term investment.

Other risks specifically associated with the Arca U.S. Treasury Fund are detailed in the prospectus and include no history of operations risk, conflict of interest risk, interval fund risk, no minimum amount of proceeds risk, fund closure risk, liquidity risk, tax related risks, credit and non-payment risk, interest rate risk, portfolio management risk, market risk, repurchase agreement risk, portfolio turnover risk, call risk, valuation risk and issuer risk.

The Arca U.S. Treasury Fund is the first registered funds to offer digital securities and there are additional risks associated with this feature of the Fund, including regulatory risk, liquidity risk, emerging technology risk, operational and technology risk, and risks specifically associated with Ethereum blockchain. There is the risk that management may be unable to successfully use blockchain technology to validate ownership and transfer ArCoin.

For details regarding all of the risks described above, please review the [prospectus](#).

Arca Capital Management, LLC ("Arca Capital") serves as adviser to the Arca U.S. Treasury Fund, and the Fund is distributed by Ceros Financial Services, Inc., Member FINRA/SIPC ("Ceros"). Arca Capital and Ceros are not affiliated.

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