

## **Arca’s Blockchain-Enabled Treasury Fund Reaches a Significant Milestone as the First Tokenized ‘40 Act Fund Available For Secondary Trading**

Securitize Markets LLC selected as the trading venue for The Arca U.S. Treasury Fund’s digital shares, expanding liquidity options and setting the stage for tokenized funds within the U.S. regulatory framework.

July 17, 2024

Arca Labs, the innovation division of one of the leading digital assets investment managers, Arca, and Securitize, a leader in tokenizing real-world assets (RWA), have unlocked liquidity for investors and achieved a significant milestone for registered, tokenized funds. Arca received SEC exemptive relief for the Arca U.S. Treasury Fund (‘Fund’) to list shares of the Fund, called ArCoin, on secondary markets, marking the first time in history a closed-end fund can be traded on a SEC-registered Alternative Trading System (ATS), transferred peer-to-peer, and purchased and redeemed through the Fund. The Fund offers three types of liquidity for shareholders not commonly seen in traditional closed-end funds, which typically can only be traded on the secondary market or purchased directly from a broker-dealer.

As pioneers in the digital asset industry, Securitize and Arca have been at the forefront of integrating blockchain technology across all levels of the financial system, from infrastructure to investment products. Both companies believe that the tokenization of RWAs has the potential to revolutionize the financial landscape by creating a more efficient, cost-effective, and transparent financial system.

“We are thrilled to continue our work with Arca Labs after first launching The Arca U.S. Treasury Fund as part of our primary investment opportunities and now enabling liquidity options on the secondary market,” said Carlos Domingo, Co-Founder and CEO, Securitize. “Securitize Markets provides investors access to invest in and trade a broad range of alternative assets and this announcement emphasizes our commitment to increasing overall liquidity of the private markets.”

“Arca has worked with regulators since the inception of the Arca U.S. Treasury Fund six years ago. While the process has been gradual, we believe that creating compliant products and solutions that fit into today’s regulatory framework is important for both the financial system and for investors,” says Jerald David, President of Arca Labs. “By providing a third liquidity option for a registered security, we are redefining the role that securities can potentially play in traditional finance.”

Arca’s first tokenized RWA, The Arca U.S. Treasury Fund, is the first registered fund under the Investment Company Act of 1940 to issue its shares as digital asset securities.. Issuing and transferring ArCoin on the blockchain enables peer-to-peer transactions, near-instantaneous settlements, and 24/7 trading, among other benefits. Backed primarily by a portfolio of U.S. Treasuries, ArCoin can potentially replace U.S. Treasuries in enterprise workflows and increase transparency. Enterprise workflows include collateral management, treasury management, settlement, and other use cases.

### **About Arca Labs**

Arca Labs is the innovation division of Arca, a leading digital assets investment firm. It is focused on using the transformative power of blockchain and digital assets to create a more efficient and democratized financial system. Arca Labs is leading the effort to build financial infrastructures, networks, and products for the digital age through research and development, partnerships, advisory, and community building. Arca Labs, through its subsidiary, Arca Capital Management LLC, is an asset management firm that invests and innovates in digital assets. Arca pioneered the BTF (Blockchain Transferred Fund) by launching the Arca U.S. Treasury Fund, the first registered ‘40 Act fund to issue shares as digital asset securities. Learn more at <http://www.arcalabs.com>

### **About Arca U.S. Treasury Fund/ArCoin**

Launched in July 2020, the Arca U.S. Treasury Fund is the first registered ‘40 Act fund to issue its shares as digital asset securities, known as ArCoin. ArCoin are minted and transferable via peer-to-peer transactions on the Ethereum Blockchain, and each ArCoin represents one share of the Fund. The Fund is comprised of a mix of U.S. Treasuries and U.S. dollars portfolio, with a current 30-day SEC yield of 5.51%.

## About Securitize

Securitize, the leader in tokenizing real-world assets, is driving the compliant digitization of financial assets through next-generation blockchain technology. Securitize, or through its subsidiaries, is a registered broker-dealer (member FINRA/SIPC) and operates a primary marketplace, an alternative trading system, as well as a top 10 transfer agent and has an exempt reporting adviser. Learn more at <http://www.securitize.io>.

## Arca Disclosures

### Important Information

Arca Capital Management, LLC, a wholly owned subsidiary of Arca Labs LLC, serves as adviser to the Arca U.S. Treasury Fund, distributed by UMB Distribution Services, Member FINRA/SIPC. Arca and UMB are not affiliated.

This commentary is provided as general information and is in no way intended as investment advice, investment research, a research report, or a recommendation. This communication is in no way a solicitation or an offer to sell securities or investment advisory services.

**An investor should carefully consider the investment objectives, risks, charges, and expenses of the Arca U.S. Treasury Fund before investing. This and other information is available in the Fund's prospectus, which should be reviewed carefully prior to investing. To obtain a prospectus, please call 1-888-526-1997.**

Investors may not be able to sell their shares at the time or in the quantity of choosing regardless of how the Fund performs. The Funds Annual Operating Expense Ratio, as reflected in the current prospectus is 3.22%, however, Management has agreed to an expense cap of .75% through an expense limitation agreement valid until April 30, 2024. 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, call risk, valuation risk and issuer risk.

The Arca U.S. Treasury Fund is one of the first registered funds to offer digital asset 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 the 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.

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### **Securitize Disclosures**

Securities are offered through Securitize Markets, LLC, (“Securitize Markets”) a registered broker-dealer and member [FINRA/SIPC](#). Securitize Markets, LLC, and Securitize Capital, an Exempt Reporting Adviser, are not involved in Real-World Asset (RWA) tokenization, a service provided by Securitize.

Assets such as digital assets or tokens using blockchain, are speculative, involve a high degree of risk, are generally illiquid, may have no value, have limited regulatory certainty, are subject to potential market manipulation risks and may expose investors to loss of principal.

Securitize, Inc. (Securitize) is a Delaware corporation. Securitize is a technology provider which, together with its affiliates, maintains an end-to-end web-based platform used by issuers for issuing securities, specifically including digital asset securities. Securitize is not a registered broker-dealer.

Securitize, LLC is a transfer agent registered with the U.S. Securities and Exchange Commission. Securitize Markets also operates Securitize Markets ATS, an alternative trading system. Securitize Capital, LLC is an exempt reporting adviser filed with the State of Florida.