

A vertical stack of seven smooth, dark grey stones, balanced on top of each other, centered in the background of the page.

Pet Rock **Bitcoin Fund**

petrockinvest.com

Fund objective

The Fund aims to offer exposure to Bitcoin (BTC) through a familiar investment vehicle and earn a yield over-and-above any asset appreciation.

Our objective is to offer Crypto exposure and mitigate the complexities of investing in digital assets by providing investors with an end-to-end service, including Crypto trading, operations, asset preservation and independent monitoring and reporting. The Fund is suitable for investors who are seeking exposure to a high-potential Digital Asset that could increase in value over the medium to long term.

Fund strategy

The Fund will invest directly in BTC and will be priced based on the exchange price quote from the Digital Asset exchange. BTC (or its equivalent such as wBTC) will be used in yield farming or on platforms that return yield by a combination of efforts from the fund management team. Earnings will be compounded at regular intervals.

Yield achieved will be optimised across platforms and currencies by the fund management team and automated technology that will take advantage of the cryptocurrency demands over time.

Why Bitcoin?

Bitcoin is a decentralised store of value which utilises cryptography to secure and validate transactions. Bitcoin has grown from a niche experiment into an important macroeconomic asset with little correlation to traditional asset classes. Pet Rock believes Bitcoin's unique properties make it a compelling hedge to the current macro uncertainty with the heightened levels of expansionary monetary policy and negative yielding debt today. Bitcoin is deflationary in nature and will become the gold of the digital future.

Risk profile

The Fund invests its maximum amount in Bitcoin. Due to the inherent nature of the "Crypto Asset" market (e.g. technology dependent, unregulated by the local authorities), any related investment is high-risk as default. In terms of the risk profile within this market, the Bitcoin Fund has a medium level risk approach by providing investors exposure to BTC, mainly due to the price volatility of BTC.

There are other risks associated with the Fund and details are published on the website in our risk disclosure.

Fees and benchmark

Investments in the Fund will incur a 2% management fee (excluding tax). The Fund is designed to incentivise both the investor and the management team and will pay a performance fee of 20% (excluding tax) based on the yield earned over and above the asset price of the Digital Asset.

Investment flow of funds

The Fund's functional and reporting currency is in local currency ("Fiat" currency). We only accept Fiat deposits and will effect withdrawals in Fiat. The valuation date is on the last working day of each calendar month at 17:00:00 SAST (UTC+02:00) time. Deposits and withdrawals are allowed monthly. Once received, Fiat is exchanged for BTC on the Ethereum main network (or a similar alternative). The BTC (or its equivalent such as wBTC) is used to earn yield to enhance the Fund's performance.

Bitcoin is the largest and most liquid digital asset.

Disclaimer

All reasonable steps have been taken to ensure the information in this document is accurate. The information provided in this document does not constitute investment, financial or other advice nor does it represent financial advice as contemplated in terms of the Financial Advisory and Intermediary Services Act, 2002. Independent professional financial advice should always be sought before making an investment decision. Past performance is not a guide to future returns. The Funds are exposed to counterparty risk which may, in the highly unlikely event of default by any counterparty, result in significant losses. By investing in any of the Funds, you acknowledge that you have read and agree to the terms and conditions of use, privacy policy, and risk disclosure as listed on our website from time to time.

Pet Rock Digital Asset Management (PTY) Ltd (PRDAM) (Registration number 2021 / 667301 / 07), registered at 42 Keerom Street, Cape Town, is the Fund Manager for the Digital Asset funds. PRDAM is an authorised Financial Services Provider (FSP 52536) registered with the Financial Sector Conduct Authority (FSCA). As an authorised FSP, the company and its employees have to act ethically and impartially with due diligence and care in the interests of the clients and the integrity of the financial services industry.

Pet Rock SPC (the 'Fund') is a segregated portfolio company incorporated in terms of the laws of the Cayman Islands with company registration number SE-391893. PetRock Investments Limited (the 'Manager') is authorised and regulated by the Financial Services Commission (BVI) with registration number IBR/AIM/22/0748.



Pet Rock

Glossary of terms

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A

Altcoin. Any cryptocurrency other than Bitcoin.

B

Bitcoin (BTC). The largest cryptocurrency, which is a decentralised store of value which utilises cryptography to secure and validate transactions.

Blockchain. A system in which a record of transactions made in Bitcoin or another cryptocurrency are maintained across several computers that are linked in a peer-to-peer network.

C

Coin. A colloquial term for a cryptocurrency

Cold wallet. A physical storage device such as a flash drive, hard drive or “solid state” drive used to store cryptocurrency offline.

Cryptocurrency. Digital or virtual currencies underpinned by cryptographic systems.

D

DAO. An acronym that stands for a decentralised autonomous organization. A DAO is a group of people who work together toward a shared goal and abide by rules written into the project’s self-executing computer code. Bitcoin (the project, not the currency) is the earliest example of a DAO.

Distributed ledger. In traditional finance, an organization such as a bank holds a ledger of all its customers’ transactions. Distributed ledges use nodes, or independent computers, to record, share, synchronize transactions on the electronic ledger. A blockchain is a type of distributed ledger.

Decentralised Exchange (DEX). A platform that facilitates trading and direct swapping of tokens without the need to use a centralised exchange.

Decentralised Finance (“DeFi”). A financial infrastructure where exchange, lending, borrowing and trading are conducted on a peer-to-peer basis using Blockchain technology and Smart Contracts and no reliance is placed on a centralised institution such as a bank.

Digital Asset. An asset that is issued and transferred using distributed ledger or blockchain technology, including, but not limited to, cryptocurrencies.

E

Ethereum (ETH). The second largest Cryptocurrency or Blockchain with its native Cryptocurrency - known as Ether - the Blockchain of which has the capability of running computer programs known as Smart Contracts.

Exchange. A registered and recognised Digital Asset exchange worldwide on which Investments may be listed.

F

Fiat currency. Traditional currencies are backed by the full faith and credit of a nation state. The U.S. dollar, the euro or the South African Rand are fiat currencies.

G

Gas. Transactions on the Ethereum network carry a fee. For every transaction, users must pay an amount of the native Ethereum currency, Ether (ETH). This fee is referred to as gas.

L

Ledger. A record of transactions maintained by both centralized financial institutions and decentralized finance applications.

Liquidity Pool. A pool of Cryptocurrencies or Tokens locked in a Smart Contract in order to facilitate trading on a DEX.

N

Node. A computer or device connected to other computers or devices that all hold a copy of a blockchain. Each node supports the broader network by sharing information and validating transactions.

NFT. An acronym that stands for a non-fungible token, a digital collectible that uses the same underlying technology as cryptocurrencies.

P

Pet Rock. Nickname for Bitcoin and the inspiration for Pet Rock Investments.

Private key. Also known as a secret key, this is essentially the encrypted password to someone’s crypto holdings.

Public key. The public-facing address of a crypto wallet.

Protocol. A base layer of code that determines the functioning of Cryptocurrency, amongst others. For example, Bitcoin and Ethereum Blockchains have different protocols.

Provisions of Liquidity. The provision, to a DEX, of Digital Assets to enhance liquidity and thereby facilitating trading on the DEX-platform in exchange for earning a passive income on the deposit.

S

Smart Contract. A programmable contract that allows two counterparties to set conditions of a transaction without reliance upon another third party for the execution.

Stablecoins. A cryptocurrency that is pegged to another stable asset such as the US Dollar.

Staking. The escrows of funds in a smart contract by users who are subject to a penalty if they deviate from expected behaviour.

T

Token. A unit of a Digital Asset and often refers to a Cryptocurrency that is issued on an existing Blockchain.

V

Valuation Date. The last working day of each calendar month at 17h00 South African Time (Greenwich Mean Time plus two hours).

W

Wallet or Crypto Wallet. An application that stores private keys, keeping crypto safe and accessible for a user to send, receive, and spend cryptocurrencies.

Y

Yield. A return on investment, expressed as a percentage.

Yield Farming. To provide contract funded rewards to users for staking capital or using a protocol.