

Theta Blockchain Ventures II (the 'Fund')

Purpose of this document

This document provides you with important information on 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

The name of this product is Theta Blockchain Ventures II. The provider is Theta Fund Management B.V. ('Theta'). More information about the Fund and Theta is available on the website www.thetacapital.com or can be requested by telephone on 020-5722732. The competent authority with regard to this key information document is the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten). The date of production of the key information document is October 1st, 2021.

WHAT IS THIS PRODUCT?

The Fund is a mutual fund. A mutual fund is not a legal entity. The Fund is established by an agreement between Theta, in its capacity as manager, and the legal owner holding the assets of the Fund. The Fund invests in 8-15 underlying funds that invest in blockchain technology. These funds can invest in shares as well as tokens and in some cases investments in shares that will later be converted into tokens. Participation in the Fund is possible from a minimum initial amount of the USD equivalent of EUR 100,000.

OBJECTIVES

The Fund aims to achieve long-term capital growth by investing in a diversified portfolio of investment funds, both venture capital funds and other alternative investment funds. Theta selects the managers and manages the portfolio. The Fund focuses on investment funds with proven expertise in blockchain technology. Blockchain technology is a relatively new investment category that Theta has been active in over the last few years and has built relationships with some of the leading investment funds in the space. Many of these funds have a minimum subscription of more than EUR 5 million and are therefore not easily accessible to non-professional investors. The Fund seeks the highest possible investment return, taking into account the risk profile and investment restrictions. The Fund's portfolio will contain holdings in between 8 and 15 underlying funds, with no single investment in any fund representing 30% or more of the book value of the Fund's assets at the time of purchase. Diversification will be sought through geographical distribution, different focus areas and size of underlying investments.

The Fund is closed-end with a total investment period of 10 years from the final closing which, at the Fund Manager's discretion, may be extended three times by one year. Theta may call the committed capital over a period of up to 10 years. The initial capital call will be at least the USD equivalent of EUR 100,000. The Fund does not offer investors the opportunity to exit early. Distributions of capital from the underlying funds will be made by the Fund to the shareholders.

The Fund's returns will depend on: (i) Theta's ability to select and access successful investment funds and to build a diversified investment portfolio from them; (ii) the ability of the selected investment funds to remain successful in their strategies; and (iii) the costs involved in managing the Fund.

TARGET INVESTORS

The Fund is suitable for investors who want to invest in the future of blockchain technology and who accept that the risk of investing in a new technology is very high. Target investors seek long-term capital growth and are willing to accept that the Fund does not provide interim liquidity. Target investors also accept that the volatility of this new asset class can be very high, significantly higher than that of equity markets.

Investors should:

- have experience in investing in alternative investments including alternative investment funds and venture capital;
- be prepared to accept the risk of a large loss in the value of the Fund and be able to bear such losses;
- not need or require income from the Fund;
- have at least a 10-year investment horizon;
- take into account that this Fund is intended to complement a well-diversified portfolio;
- be prepared to accept the higher volatility and risks associated with investing in a new asset class; and
- be aware that the Fund does not take adverse sustainability impacts into account.

WHAT ARE THE RISKS AND WHAT CAN I GET IN RETURN?

RISK INDICATOR

1	2	3	4	5	6	7
Lower Risk			Higher Risk			



The risk indicator assumes that you will hold your shareholding in the Fund ('Share') for a minimum term of 10 years. The actual risk may vary considerably in the event of an earlier exit and your return may be lower than your investment. It is not possible to easily sell and transfer the Shares. The performance of the Fund and therefore the income distributed by the Fund to each investor depends on the amount of cash received by the Fund from the proceeds of the investments of the underlying funds. These returns are unpredictable and subject to, among other things, (i) risks inherent in investing in blockchain technology, such as legislative changes and (ii) risks inherent in the investment strategy, such as sector risks, non-diversification risks, market, liquidity and timing risks, and the risk and return of the investment in the Fund will vary based on the performance of the underlying funds.

What does this indicator mean?

The risk indicator is a measure of the risk you run by investing in the Fund. We have classified this product as 7 out of 7, which is the highest possible risk class. This puts potential losses at a very high level. Because the Fund does not offer any protection against future market movements, you may lose some or all of your investment. If the Fund cannot pay you what you owe, you may lose your entire investment.

The following risks, other than market risk, are not included in the risk indicator, but are material. For a full description of the risks, please refer to the prospectus.

- External managers: the final investment decisions are made by the underlying external managers over whom we have limited control.
- Leverage: funds can invest more than 100% of fund capital with borrowed money, which can amplify both gains and losses.
- Liquidity risk: The liquidity of the underlying funds may be restricted or suspended by the underlying managers in certain circumstances.
- Sustainability risk: A change in regulation regarding sustainability may have negative effects on performance.

RETURN SCENARIOS

The performance scenarios below show how much money an investor might get back per Share over the life of the Fund, under different scenarios, assuming an investor commits USD 100,000. The scenarios illustrate how the investor's investment might perform. An investor may compare them with the scenarios of other products. The scenarios represent an estimate of future performance based on past results and how the value of this investment fluctuates, and is not an exact indicator. What an investor gets depends on how the market performs, when and at what share price an investor joins the Fund, and how long an investor holds the investment in the Fund. The figures shown include all costs of the Fund itself but may not include all costs a Shareholder pays to their Adviser or to their Distributor (if any).

INVESTMENT OF USD 100,000

SCENARIOS		10 Years
STRESS SCENARIO	What you can get back after costs	USD 4,213
	Average return per year	-15 %
ADVERSE SCENARIO	What you can get back after costs	USD 36,680
	Average return per year	-5%
MODERATE SCENARIO	What you can get back after costs	USD 333,695
	Average return per year	15%
FAVOURABLE SCENARIO	What you can get back after costs	USD 815,269
	Average return per year	25%

This table shows how much money you could get back over the next 10 years, in different scenarios, if you make a one-off deposit of USD 100,000. The scenarios shown illustrate the possible return on your investment. You can compare them to the scenarios of other products. The scenarios shown are an estimate of future performance on how the value of this investment will vary. They are not an exact indication. What you receive depends on how the market performs and how long you hold the product. You buy this product if you expect the price of the underlying asset to rise. You will lose at most your entire deposit.

The stress scenario shows what you could get back in extreme market conditions and does not take into account the situation where the Fund cannot pay you.

The figures shown include all costs of the product itself, but may not include all costs you pay to your adviser 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 THETA CANNOT PAY OUT?

The assets of the Fund are segregated from the assets of Theta and are protected by a Depositary. A payout of the Fund's assets is therefore not affected by Theta's financial position or possible default. Any losses will not be covered by any investor compensation or guarantee scheme.

Darwin Depositary Services B.V. has been appointed as Depositary of the Fund's assets.

WHAT ARE THE COSTS?

You must allow for costs when investing in the Fund. These charges are deducted as a fee for managing the Fund and include marketing and distribution costs. The charges reduce the potential growth in value of your investment in the Fund.

The entry and exit charge percentages shown are the highest possible. Please contact your advisor or distributor for more information on the exact entry and exit fees. Depending on the distribution channel, the distributor may charge additional fees. The 'ongoing charges' consist of the management and administration fee. This percentage also includes the ongoing charges of the underlying investment institutions. Performance fees are not included. More information on charges can be found in the prospectus, which is available at www.thetacapital.com.

Investment in Shares.

INVESTMENT OF USD 100,00	IF YOU SELL AFTER 10 YEARS
SCENARIOS	
TOTAL COST IN USD	USD 34,900
IMPACT ON RETURN PER YEAR	3.49%

Composition of costs

The table below shows:

- the effect that the different types of cost have each year on your potential investment return at the end of the recommended holding period; and
- The meaning of the different cost categories.

<i>This table shows the impact on the result per year</i>			
One-off charges levied before or after you invest	Entry fee	No	Participations shall be issued on the First Closing Date and any Subsequent Closing thereafter effectuated prior to [date TBD], at an initial fixed Subscription Price of USD 1,000. Participants making their initial investment, or existing Participants subscribing for an additional Commitment, after [date TBD], will acquire Participations at a Subsequent Closing at a price per Participation equal to: (i) the Net Asset Value of a Participation if such closing occurs on a Valuation Day; or (ii) if such closing does not occur on a Valuation Day, the Net Asset Value of a Participation on the last Valuation Day or USD 1,000, and (a) an additional sum at an annual rate equivalent to eight per cent (8%) over the Net Asset Value on the last Valuation Day, which sum will accrue from the last Valuation Day up to the date of the Subsequent Closing respectively (b) an additional sum at an annual rate equivalent to eight per cent (8%) over USD 1,000, which sum will accrue from [date TBD] until the date of the Subsequent Closing if such closing is effectuated prior to the first Valuation Day after the First Closing Date.
	Late entry fee	8%	
Charges taken from the Fund in the course of one year:	Exit fee	No	This figure is based on an estimate of the costs to be charged in the financial year 2021, as the Fund does not yet have a history. This figure also includes the ongoing charges of the underlying funds. This figure may fluctuate from year to year.
		3.49%	
Incidental costs	Performance fee	3.29%	The performance fee is calculated on the profits after the Fund has distributed 100% + the 15% cumulative hurdle to investors and is only granted on distributions. The performance fee will increase to 15% after the Fund has distributed 300% to shareholders.

HOW LONG SHOULD I HOLD AND CAN I REDEEM SOONER?

The investment has a term of ten years from the final closing, which term may be extended by three times a period of one year at the discretion of Theta. There is no possibility of early withdrawal, but Theta will make interim distributions of the underlying funds to its shareholders. The investment philosophy of the Fund is long-term.

HOW CAN I LODGE A COMPLAINT?

You can submit your complaint via info@thetacapital.com or via regular mail.

Postal address: Concertgebouwplein 19, 1071 LM, Amsterdam.

Website: www.thetacapital.com

E-mail: info@thetacapital.com

If you have submitted a complaint to us as a private individual and you do not agree with the outcome of your complaint, you may contact the Financial Services Complaints Institute (KIFID) and/or the court. Information about the KIFID procedure can be found at www.kifid.nl.

OTHER USEFUL INFORMATION

This document is also translated into Dutch. In case of inconsistencies or differences in understanding, the English version prevails. The prospectus (including the conditions of management and custody) in English and the annual report of the Fund are also published on the above website. These documents are available free of charge at the offices of Theta Fund Management B.V. The most recent net asset value is also published on the website. The annual report explains the remuneration policy in English. The product is subject to the tax laws of the Netherlands. Depending on your country of residence, this may have consequences for your investments. Please contact an advisor for more information. Theta Fund Management B.V. may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the Fund's prospectus. The historical series are based on comparative indices, but this means that performance may differ from expectations. The total expense figure is calculated based on the moderate performance scenario. The ongoing charge level is calculated based on a percentage of the capital growth of your investment over the recommended holding period.