

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

Product Name:	21Shares Short Bitcoin ETP (SBTC)
ISIN:	CH0514065058
Manufacturer:	21Shares AG (the Issuer)
Competent authority:	There is no competent authority in connection with the key information document.
Website:	www.21shares.com
Phone Number:	+41 44 260 8660
This key information is accurate as at 20/12/20	

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 non-interest bearing bond under Swiss law that is fully secured by holdings of Inverse daily performance of Bitcoin (BTC) or other assets denominated therein. This product's primary listing is SIX Swiss Exchange but it may be listed on additional exchanges and MTFs.
Objectives:	<p>SBTC is designed to provide exposure to the daily inverse performance of Bitcoin (the underlying asset(s)). Price data (in USD) from CryptoCompare (https://www.cryptocompare.com/) is used to calculate the price of the reference asset. This product rebalances once per day in order to track the daily return.</p> <p>Holding this product for more than one day is likely to result in a return which is different to -1 times the return of the Benchmark over that holding period. This difference, called the "Compounding Effect", is caused by the product's daily rebalancing, and is magnified by longer holding periods. Compounding may have a positive or negative impact on the product's return, but tends to have a negative impact the higher the volatility of the Benchmark.</p> <p>The securities are only issued directly to authorised participants (who are generally regulated financial institutions) in return for delivery of USD. All assets relating to the securities are secured by way of a pledge to a collateral agent acting on behalf of investors. Retail investors are expected to purchase and sell securities in the secondary markets on normal stock exchanges. You may also request a redemption of the product from the issuer for cash on the anniversary of the issuance program.</p>
Intended retail investor:	This product is a complex product and is only intended for informed retail investors who (i) can bear loss of capital, are not seeking to preserve capital and who are not looking for a capital guarantee; (ii) have specific knowledge of and experience investing in similar products and in financial markets; (iii) seek a product offering exposure to the underlying asset(s) and have an investment horizon in line with the recommended holding period stated below; and (iv) are aware that the value of the product can change significantly due to the volatile underlying asset and, as a result, have sufficient time to actively monitor and manage the investment.

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

Risk Indicator



The risk indicator assumes you keep the product for 1 day. The actual risk can vary significantly if you cash in at an early stage and you may get back less.

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.

We have classified this product as 7 out of 7, which is the highest risk class. This rates the potential losses from future performance at a very high level, and poor market conditions are very likely to impact our ability to pay you.

You may not be able to readily sell your product, or you may have to sell it at a price that is significantly less than the amount you will get back.

Be aware of currency risk. If you buy and trade this product in a currency other than USD, the final return you get depends on the exchange rate between that currency and USD at that time. This risk is not considered in the indicator shown above.

Material risks not included in the summary risk indicator are: lack of consensus on the legal status and regulation of crypto assets and risks associated with nascent technology and crypto protocols.

If we are not able to pay you what is owed, and the amounts payable to you after realization of the collateral are insufficient, you could lose your entire investment.

This product does not include any protection from future market performance so you could lose some or all of your investment.

This product is a complex product and is only intended for investors who understand the risks involved and have experience of investing in similar products.

Performance scenarios

Investment USD 10,000		1 day
Stress scenario	What you might get back after costs	0 USD
	Average return each day	-100 %
Unfavourable scenario	What you might get back after costs	901.28 USD
	Average return each day	-90.99%
Moderate scenario	What you might get back after costs	2900.67 USD
	Average return each day	-70.99%
Favourable scenario	What you might get back after costs	8366.34 USD
	Average return each day	-16.34%

This table shows the money you could get back over 1 day, under different scenarios, assuming that you invest USD 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 on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment. 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 and any on exchange bid/offer spreads. Rebalancing of the underlyings is an additional source of tracking error. Your maximum loss would be that you will lose all of your investment. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What happens if 21Shares AG is unable to payout?

The manufacturer is a special purpose vehicle. In the case of default by the manufacturer the assets it holds as collateral may be realized in order to meet its obligations to investor and the cash proceeds of this will be paid out in the order of priority of payments applicable to the products. These proceeds may not be sufficient to meet all obligations and make all payments due in respect of the securities. In these circumstances you may not be able to realise the full value of your securities and suffer a loss on your investment. There is no compensation or guarantee scheme in place which may offset, all or any of, this loss.

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 the recommended holding period. They include potential early exit penalties. The figures assume you invest USD 10,000. The figures are estimates and may change in the future.

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

Table 1: Costs Over Time

Warning: The product is traded in multiple different currencies but the numbers below are only calculated in USD. The investor should be aware of the currency risk associated with the product.

Investment Scenarios USD 10,000	If you cash in after 1 day
Total costs	424.06
Impact on return (RIY)	4.24%

Table 2: 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.

One-off costs	Entry costs	1.93%	The impact of the costs you pay when entering your investment. The impact of costs are already included in price. This include the cost of distribution of your product.
	Exit costs	1.93%	The impact of the costs of exiting your investment when it matures.
Recurring costs	Portfolio transaction costs	0.00%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	2.50%	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance fees	0.00%	The product is designed to directly track the underlying asset(s) w not outperformance. As such there are no performance fees.
	Carried interests	0.00%	This product does not have any carried interests.

Retail investors who purchase the product on the secondary market conclude trades directly with a participating broker or via an exchange and therefore additional costs may apply. The trading costs are publicly available on the stock exchanges on which the product is listed or can be requested from online brokers. One-off costs above are estimates of these trading costs. You can find out the actual costs from your broker, financial advisor, or sales company.

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

Recommended holding period: 1 day

Retail investors are able to sell the product on exchange other than in cases of unusual market activity or in case of technical disruptions. You may also request a redemption of the product from the issuer for cash on the anniversary of the issuance program.

How can I complain?

In case of any unexpected problems in the understanding, trading or handling of the product, please feel free to directly contact 21Shares.

Postal address: 21Shares AG, Dammstrasse 19, 6300 Zug, Switzerland

Website: www.21Shares.com

E-mail: info@21shares.com

21Shares will handle your request and provide you with a feedback as soon as possible.

Other relevant information

We are required to provide you with further documentation, such as the product's latest prospectus, annual and semi-annual reports. Updated and additional documents on the product, in particular the prospectus, the final terms, supplements and financial statements are published on the company website (<https://21shares.com/ir>) in accordance with the relevant legal provisions. It is recommended that you read these documents for more information, particularly on the structure of the product and the risks associated with investing in the product.