

# Wise Origin<sup>®</sup> Bitcoin Index Fund I, LP

TERM SHEET AS OF SEPTEMBER 2021

PRINCIPAL TERMS	
Manager	FD Funds Management, LLC
Eligible Investors	Accredited Investors
Lock-up Term	None
Minimum Initial Investment	\$50,000
Minimum Subsequent Investments	\$25,000
Redemptions/Subscriptions	5 Business Day Notice (no in-kind)
Certain Benefit Plan Investors (as further defined in the offering documents)	Accepted, including IRAs (participant-directed individual account plans not permitted)

FUND CHARACTERISTICS	
NAV Pricing	Daily, 4:00 p.m. ET (business days)

BENCHMARK	
Fidelity Bitcoin Index PR (FIDBTCP)	Fidelity Bitcoin Index PR (the "Benchmark Index") is designed to reflect the performance of bitcoin in U.S. dollars. The Benchmark Index is constructed using bitcoin price feeds from eligible exchanges and using the volume-weighted median price ("VWMP") method, every 15 seconds, based on VWMP exchange data over rolling five-minute increments, to develop a bitcoin price composite.

FEES	
Operating Fee	<\$5M=100 bps; \$5M and above=75 bps
Terms	<ul style="list-style-type: none"><li>• Fee is all-inclusive except for trading commissions and extraordinary expenses borne by the Fund</li><li>• No fee on redemptions</li><li>• General Partner has the discretion to waive or reduce fee</li></ul>

CUSTODIAN OF DIGITAL ASSETS	
Fidelity Digital Assets Services, LLC	Fidelity Digital Assets Services, LLC ("Fidelity Digital Assets"), offers U.S.-based customers a full-service enterprise-grade platform for securing, trading and supporting digital assets, such as bitcoin. Fidelity Digital Assets combines the operational and technical capabilities of the broader Fidelity organization with dedicated blockchain expertise to deliver a completely new offering for institutional investors.

The Wise Origin<sup>®</sup> Bitcoin Index Fund I, LP (the "Fund") provides investors with exposure to the performance of bitcoin through a traditional limited partnership, private placement structure. The Fund intends to track the performance of the Benchmark Index through passive, direct ownership of bitcoin.

The Fund offers investors the ability to gain exposure to bitcoin as part of their investment strategy, without having to directly purchase the asset.

**Investment-Related Risks.** Investing in bitcoin is speculative and involves a high degree of risk. Digital assets can become illiquid at any time. Investing in digital assets is only for those investors willing to risk losing some or all of their investment and who have the experience and ability to evaluate the risks and merits of an investment in the Fund. The price of bitcoin is volatile, and market movements of bitcoin are difficult to predict. Supply and demand changes rapidly and is affected by a variety of factors, including regulation and general economic trends. All investments made by the Fund will risk the loss of capital. Therefore, an investment in the Fund involves a high degree of risk, including the risk that the entire amount invested may be lost. No guarantee or representation is made that the Fund's investment program will be successful, that the Fund will achieve its investment objective, or that there will be any return of capital invested to investors in the Fund, and investment results may vary. Such investments will generally not be freely redeemable, transferable, or listed on any exchange, and it is not anticipated that they will be tradeable.

See the Confidential Private Placement Memorandum of the Fund, dated September 2021. The offering documents for the Fund should be read carefully before making any investment. Fidelity has prepared this term sheet for, and only intends to provide it to, certain Accredited Investors. Do not distribute or reproduce this report.

The information contained herein is confidential. By accepting this information, the recipient agrees that it will use, and it will cause its directors, partners, officers, employees and representatives to use, the information only to evaluate its potential interest in the securities described herein and for no other purpose and will not divulge any such information to any other party. Any reproduction of this information, in whole or in part, is prohibited.

**The information contained herein has been prepared solely for informational purposes and is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or instrument or to participate in any trading strategy.**

If any offer of securities is made, it will be made pursuant to a Confidential Private Placement Memorandum, Limited Partnership Agreement, Subscription Agreement and other documents (collectively, the "Offering Documents") prepared by or on behalf of the Fund, that contain material information not contained herein and that shall, to the extent applicable, supersede, amend, and supplement the information contained herein in its entirety. Any decision to invest in the securities described herein should be made after reviewing the Offering Documents, conducting such investigations as the investor deems necessary or appropriate and consulting the investor's own legal, accounting, tax, financial and other advisors in order to make an independent determination of the suitability and consequences of an investment in the securities.

The securities described herein will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), and the Fund will not be registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"). The securities described herein will not be approved or disapproved by any federal, state or foreign securities commission or any other regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the information contained herein. Any representation to the contrary is a criminal offense.

The information contained herein involves significant elements of subjective judgment and analysis. None of the Fund, FD Funds Management LLC (the "Manager"), FD Funds GP LLC (the "General Partner"), Fidelity Brokerage Services LLC ("FBS"), Fidelity Distributors Company LLC ("FDC") and their respective affiliates expects, or shall have any duty, to update the information contained herein.

#### RISK FACTORS

Investors should review the Offering Documents, including the description of risk factors contained in the Fund's Confidential Private Placement Memorandum (the "Memorandum"), prior to making a decision to invest in the securities described herein. An investment in the Fund involves a high degree of risk and is suitable only for those investors willing to risk losing some or all of their principal investment and who have the experience and ability to evaluate the risks and merits of an investment in the Fund. The Memorandum will include more complete descriptions of the risks described below as well as additional risks relating to, among other things, foreign exposure, conflicts of interest and regulatory and tax matters. Any decision to invest in the securities described herein should be made after reviewing such Memorandum, conducting such investigations as the investor deems necessary and consulting the investor's own legal, accounting, financial and tax advisors in order to make an independent determination of the suitability and consequences of an investment in the Fund.

**Accredited Investor Status.** Each Limited Partner must represent in writing, among other things, that such Limited Partner is a "Accredited Investor" as this is defined in Reg D of the Securities Act.

Digital assets are speculative and highly volatile, can become illiquid at any time, and are for investors with a high risk tolerance. Investors in digital assets could lose the entire value of their investment.

**Index Tracking Risk.** Although the Fund will attempt to structure its portfolio so that investments track the Benchmark Index, the Fund may not achieve the desired degree of correlation between its performance and that of the index and thus may not achieve its investment objective. The difference in performance may be due to factors such as transaction costs, redemptions of, and subscriptions for, units of the Fund, pricing differences, differences in the timing of the rebalancing of the index and the Fund's portfolio or the cost to the Fund of complying with various new or existing regulatory requirements.

**Different from Directly Owning Bitcoin.** The performance of the Fund will not reflect the specific return an investor would realize if the investor actually purchased bitcoin. Investors in the Fund will not have any rights that bitcoin holders have and will not have the right to receive any redemption proceeds in bitcoin.

**Investment-Related Risks.** Investing in bitcoin is speculative. The price of bitcoin is volatile, and market movements of bitcoin are difficult to predict. Supply and demand changes rapidly and is affected by a variety of factors, including regulation and general economic trends. All investments made by the Fund will risk the loss of capital. Therefore, an investment in the Fund involves a high degree of risk, including

the risk that the entire amount invested may be lost. No guarantee or representation is made that the Fund's investment strategy will be successful, that the Fund will achieve its investment objective or that there will be any return of capital invested to investors in the Fund, and investment results may vary. Bitcoin exchanges may suffer from operational issues, such as delayed execution, that could have an adverse effect on the Fund. Digital asset exchanges have been closed due to fraud, failure or security breaches. Any of the Fund's assets that reside on an exchange that shuts down or suffers a breach may be lost. Several factors may affect the price of bitcoin, including, but not limited to: supply and demand, investors' expectations with respect to the rate of inflation, interest rates, currency exchange rates or future regulatory measures (if any) that restrict the trading of bitcoin or the use of bitcoin as a form of payment. There is no assurance that bitcoin will maintain its long-term value in terms of purchasing power in the future, or that acceptance of bitcoin payments by mainstream retail merchants and commercial businesses will continue to grow. Bitcoin is created, issued, transmitted, and stored according to protocols run by computers in the Bitcoin network. It is possible the Bitcoin protocol has undiscovered flaws which could result in the loss of some or all assets held by the Fund. There may also be network-scale attacks against the Bitcoin protocol, which result in the loss of some or all of assets held by the Fund.

**No Operating History.** The Fund, the General Partner and the Manager have no meaningful operating history upon which investors can evaluate their past performance. Despite the General Partner and the Manager's affiliation with Fidelity Investments, the Fund is managed by an affiliate of Fidelity Investments that predominantly invests in bitcoin. There can be no assurance that the Fund will achieve its investment objectives. An investor must rely upon the ability of the Manager and its investment professionals in identifying and implementing investments consistent with the Fund's investment objectives and policies.

**Liquidity Risk.** The Fund's ability to sell its bitcoin may be adversely affected by limited trading volume, lack of a market maker, or legal restrictions. It is also possible that an exchange or governmental authority may suspend or restrict trading on an exchange or in bitcoin altogether. Therefore, it may not always be possible to execute a buy or sell order at the desired price or to liquidate an open position due to market conditions on exchanges, regulatory issues affecting bitcoin, or other issues affecting the Fund's counterparties.

**Custodial Risk.** The Fund's assets will be held in one or more accounts maintained for the Fund by Fidelity Digital Assets (as "Custodian") or at other local custodian banks which may be located in other jurisdictions. The insolvency of the Custodian or of any local broker, custodian bank or clearing corporation, may result in the loss of all or a substantial portion of the Fund's assets. Additionally, custody of digital assets presents inherent and unique risks relating to access loss, theft and means of recourse in such scenarios. Recourse of the Fund and the investors to the Custodian is limited.

**Absence of Regulation.** The Fund has not registered under, does not intend to register under, and is not subject to the Investment Company Act. The offering of the Units is not registered under the Securities Act. Consequently, the Fund is subject to significantly less federal or state regulation and supervision than registered investment companies. Neither the General Partner nor the Manager is an "investment adviser" (as defined in the Investment Advisers Act of 1940 (the "Investment Advisers Act")), and neither will be acting in such capacity in providing services to the Fund. As such, neither the Fund nor an investor in the Fund will have the protections afforded by the Investment Advisers Act nor the Securities Act.

#### IMPORTANT INFORMATION

"Wise Origin® Bitcoin Index Fund I" is a Delaware limited partnership formed on June 25, 2020.

"Fidelity Investments" and/or "Fidelity" refers collectively to FMR LLC, a U.S. company, and its subsidiaries.

Fidelity Digital Assets, Wise Origin and Wise Origin Funds are service marks of FMR LLC.

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**Not FDIC Insured • No Bank Guarantee • May Lose Value**

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