

Registered Letter

Confidential

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Amun AG | Application for the Approval of the second Supplement to the Base Prospectus dated 13 November 2018 | Application for the Approval of New Eligible Underlyings or Underlying Components

Dear Sir or Madam,

We refer to the Issuance Programme for Exchange Traded Products (**ETPs**) on the SIX Swiss Exchange Ltd dated 13 November 2018 (the **Programme**) in the matter of Amun AG (the **Issuer**). In the name and on behalf of the Issuer, we hereby submit the following requests:

I. Request

- Approval of the second supplement to the Base Prospectus dated 13 November 2018.*
- IOTA (MIOTA), Ontology (ONT), and NEM (XEM) be admitted as eligible Underlyings or Underlying Components, as applicable, for the ETPs under the condition that the cryptocurrency must be among the 15 largest cryptocurrencies at the time of the application for the product according to Digit 5 in Circular No. 3.*

II. Formal Aspects

The undersigned is duly authorized to represent the Company in connection with this application (see the copy of the power of attorney in [Annex 1](#)). The undersigned is recognized representatives in accordance with article 43 of the listing rules of the SIX (the **Listing Rules**).

According to article 13 DPETP, changes and additions to information contained in the registered issuance programme about parties involved in the structure of the ETPs (incl. changes to the securities

provided for under the registered issuance programme) which are made during the 12-month validity period must be submitted to the Regulatory Board in the form of a supplementary document to the registered issuance programme (supplement/addendum) for review and approval, together with an application.

As already mentioned in connection with the application for the first supplement dated 15 April 2019, the Issuer envisages to issue further products under the Programme, including a Product with tracks another index of the "top 10" crypto currencies. For this purpose, the existing Base Prospectus dated 13 November 2018, as supplemented on 15 April 2019, will be further supplemented by way of the supplement attached hereto (see [Annex 2](#)) by:

- including additional risks factors related to these additional crypto currencies and by clarifying, where necessary, that there are further indexes possible as an Underlying, which can also influence the specific redemption structure to the APs, or the fee structure; and
- seeking the approval as eligibility of certain of these additional crypto assets as Underlyings or Underlying Components be requested (for Monero (XMR), Dash (DASH), ZCash (ZEC), Binance Coin (BNB), only the risk factors are included and eligibility be requested at a later point in time in connection with a specific product, where relevant) – see in Section III.

Moreover, on 2 May 2019, the Issuer has changed one of its nominee directors, which shall also be updated in the Base Prospectus.

III. Reasoning and Additional Documentation regarding Eligible Underlyings | Additional Underlyings

A. Eligible Underlyings

In the preliminary decision dated 24 July 2018 and in the decision dated 13 November 2018, SER has confirmed Bitcoin (BTC), Ethereum Ether (ETH), Bitcoin Cash (BCH), Ripple (XRP) and Litecoin (LTC), Stellar Lumens (XLM) and EOS (EOS) as eligible underlyings in accordance with article 8 ARETP. By email of 16 April 2019, SIX Exchange Regulation confirmed NEO (NEO), Ethereum Classic (ETC), TRON (TRX), Cardano (ADA) and Tezos (XTZ) as eligible underlyings or underlying components for ETPs under the condition, that the cryptocurrency must be among the 15 largest cryptocurrencies at the time of the application for the product according to Digit 5 in Circular No. 3.

B. Additional Underlyings

As has been stated, the Issuer's Programme is intended to also provide for the issuance of ETPs that track another index of the "top 10" crypto currencies.

On 10 September 2018, SER published its Revised Circular No. 3 on the eligibility of certain crypto assets (crypto currencies) as underlyings of derivatives listed at the SIX. The SER defined certain criteria that such crypto assets have to meet as well as the process to be adhered to prior to the provisional admission to trading of products with new crypto assets as underlyings.

If a specific crypto currency is used (or intended to be used as underlying) for the first time, the applicant must clearly show to SER how the aforementioned requirements are met. According to Circular No. 3, this explanation can be submitted by e-mail to listing@six-group.com before submitting the application for admission to trading or listing, respectively.

In the present application for approval of the second supplement to the Base Prospectus dated 13 November 2018, as supplemented on 15 April 2019, which, amongst others, includes new risk factors for additional crypto currencies, the Issuer also submits the arguments why each of IOTA (MIOTA), Ontology (ONT), and NEM (XEM) meet the eligibility criteria.

According to that Circular No. 3, crypto currencies are permitted as underlying assets for derivatives, provided that the following criteria are met. Before each application for provisional admission of a product, the respective issuer must check whether the following criteria are still fulfilled.

- **The permissible crypto asset underlyings are crypto currencies in the form of coins (tokens, i.e., shares in a project, which are frequently issued as part of an initial coin offering (ICO), are not permissible as underlying instruments).**

IOTA (MIOTA): IOTA is a cryptocurrency which uses an alternative distributed ledger called "the Tangle" – a Directed Acyclic Graph (DAG) – instead of a blockchain to store its history of transactions. The cryptocurrency's main purpose is to help enable a decentralized nano-payment layer for Internet of Things (IoT) devices. IOTA launched on exchanges on 13 June 2017.

Ontology (ONT): Ontology is a cryptocurrency designed to enable several distributed protocols for identity, data, and information exchange. The cryptocurrency was launched on its mainnet on 30 June 2018.

NEM (XEM): XEM is the cryptocurrency for the New Economy Movement (NEM) blockchain which facilitates NEM's Smart Asset system. The XEM token is used to pay for transaction on the NEM public blockchain. The platform launched on 29 March 2015.

- **Further, such coins must be based on open source software that functions on the principles of blockchain technology.**

IOTA (MIOTA): IOTA relies on a form of Distributed Ledger Technology (DLT) which shares similarities with conventional blockchain technology. IOTA's distributed ledger, however, does not consist of transactions grouped into blocks and stored in a chain but a stream of individual transactions connected to each other. Users participate in the network by performing a small amount of computational work that verifies two previous transactions. IOTA's reference implementation is licensed under the GPLv3 license.

Ontology (ONT): Ontology uses a blockchain network along with distributed protocols for identity, data, and information exchange. Moreover, the network aims to act as a connector between different blockchains. The Ontology library is licensed under the GNU Lesser General Public License v3.0.

NEM (XEM): XEM is a dual-layer blockchain that is written in Java and launched in 2015. XEM is the native currency of the NEM public blockchain, is harvested; using its POI (Proof-of-Importance) algorithm. It is used to pay for transactions on this public blockchain in order to incentivize its network of public nodes that process and record transactions for businesses and users there. The NEM core library is licensed under the MIT license.

- **A consensus protocol must be used and transactions must be verified by the network participants using a clearly defined process.**

IOTA (MIOTA): Within IOTA's distributed ledger ("the Tangle"), each user within the network must perform a small proof of work that allows them to verify two previous transactions. This approach removes the distinction between miners and users as seen on other blockchain networks as all users must complete proofs of work. The technical process of exactly how IOTA nodes reach consensus and how transactions are verified on the network is defined in the IOTA white paper, found at <https://iota.readme.io/docs/whitepaper>.

Ontology (ONT): Ontology uses a consensus algorithm called VBFT which utilizes a cryptographic technique called Verifiable Random Functions (VRF). In addition, VBFT combines the approaches of Proof of Stake, VRF, and Byzantine Fault Tolerance with the aim of increase transaction throughput and reducing consensus confirmation times. The technical process of exactly how IOTA nodes reach consensus and how transactions are verified on the network is defined in the IOTA white paper, found at <https://ont.io/wp/Ontology-Introductory-White-Paper-EN.pdf>.

NEM (XEM): The NEM blockchain uses Proof of Importance (POI) and Delegated Harvesting algorithms to determine who is delegated to produce the next block on the ledger. POI is an algorithm that uses network theory to assign a rating of each account's importance in the network. Harvesting in NEM is the process of generating new blocks and earning transaction fees in that block as a reward for contributed work. Whilst Delegated Harvesting allows users to delegate their voting power used within POI to another account without compromising their account's security. The technical process of exactly how NEM nodes reach consensus and how transactions are verified on the network is defined in the NEM white paper, found at https://nem.io/NEM_techRef.pdf.

- **The issuance of further crypto currency agreements must be clearly regulated and must not systematically favor individuals.**

IOTA (MIOTA): 2.78 billion MIOTA tokens were distributed to those who contributed to the crowdsale in 2015. 142 million MIOTA was allocated to the IOTA Foundation and 22 million was allocated to the IOTA ecosystem fund.

Ontology (ONT): The token mechanism that powers the Ontology network is similar to NEO's, with ONT as the base token and ONG (Ontology Gas) which is similar to NEO's GAS that will be generated over approximately 22 years and distributed to ONT holders. The ONT tokens were distributed to those who were subscribed to the Ontology newsletter and to the following interested parties with different lock periods for different parties:

- 12% to the Ontology Community for events;
- 28% to Institutional Partners (11% still locked);
- 10% to NEO Council;
- 25% to Ontology Ecosystem Development (13% locked);
- 10% to Ontology Technical Community Rewards;
- 15% Ontology Core Team (11.25% locked).

NEM (XEM): XEM distribution varies depending on the number of supernodes able to harvest new tokens. NEM's technical white paper sets the supply limit at 8,999,999,999 XEM. New tokens are created through "delegated harvesting", a mining mechanism available to anyone with 10,000 or more XEM temporarily staked in the network via "vesting". Following the NEM crowdsale around 4.75 billion XEM was allocated to contributor in the crowdsale, around 1.9 billion XEM was allocated to the development fund, and 2.14 billion XEM was allocated to the ecosystem fund. Moreover, NEM Node Rewards are funded with XEM set aside during the Nemesis block, as well as through other fees collected via the NEM network for transactions. These awards are then given to harvesters running high performance nodes for helping to secure the network.

- **At the time of application for provisional admission to trading, the relevant crypto currency must be one of the 15 largest crypto currencies in terms of market capitalization in USD. The information provided on the website: <https://coinmarketcap.com/coins/> serves as a reference for this purpose.**

IOTA (MIOTA): IOTA is the sixteenth largest crypto currency with a market capitalization of USD 861,207,294 as of 23 April 2019 on coinmarketcap.com.

Ontology (ONT): Ontology is the twentieth largest crypto currency with a market capitalization of USD 617,275,568 as of 23 April 2019 on coinmarketcap.com.

NEM (XEM): NEM is the twenty-first largest crypto currency with a market capitalization of USD 576,708,684 as of 23 April 2019 on coinmarketcap.com

For all of these, admission is requested as eligible underlyings or underlying components for ETPs under the condition, that the cryptocurrency must be among the 15 largest cryptocurrencies at the time of the application for the product according to Digit 5 in Circular No. 3.

- **In order for the respective crypto currency to be eligible as an underlying, it has to be ensured that the prices for the crypto currency used are regularly quoted and are readily publicly accessible via the internet. In addition, it must be ensured that the crypto currency can be traded directly against a common fiat currency such as USD or EUR and that a price feed is available via a common information system such as SIX Financial Information, Bloomberg, or Reuters.**

IOTA (MIOTA): As of 23 April 2019, IOTA is available on several licensed exchanges and prices are available based on pairs with all major crypto currencies, USD and EUR. The below table summarizes the top 20 pairs / exchanges on coinmarketcap.com ranked by 24-hour volume in descending order as of 23 April 2019.

	Exchanges	Pair	Volume (USD, 24h)
1.	Binance	IOTA/BTC	\$2.31 M
2.	Exrates	MIOTA/BTC	\$1.72 M
3.	HitBTC	IOTA/BTC	\$1.63 M
4.	Bitfinex	MIOTA/USD	\$1.39 M
5.	Binance	IOTA/USDT	\$1.16 M
6.	HitBTC	IOTA/ETH	\$1.09 M
7.	Huobi Global	IOTA/USDT	\$824.33 K
8.	HitBTC	IOTA/USDT	\$774.78 K
9.	DragonEX	IOTA/USDT	\$758.88 K
10.	FCoin	IOTA/USDT	\$546.96 K
11.	Bitfinex	MIOTA/BTC	\$518.38 K
12.	Exrates	MIOTA/USD	\$480.70 K
13.	Coinone	IOTA/KRW	\$348.77 K
14.	Huobi Global	IOTA/BTC	\$320.92 K
15.	Upbit	IOTA/KRW	\$291.57 K
16.	Binance	IOTA/ETH	\$205.20 K
17.	Huobi Global	IOTA/ETH	\$168.31 K
18.	Binance	IOTA/BNB	\$123.08 K
19.	OKEx	IOTA/USDT	\$63.92 K
20.	Bitfinex	MIOTA/JPY	\$25.77 K

Additionally, pricing for IOTA is available through a number of free and paid service providers including Coinmarketcap and Cryptocompare.

Ontology (ONT): As of 23 April 2019, Ontology is available on several licensed exchanges and prices are available based on pairs with all major crypto currencies & USD. The below table summarizes the top 20 pairs / exchanges on coinmarketcap.com ranked by 24-hour volume in descending order as of 23 April 2019.

	Exchanges	Pair	Volume (USD, 24h)
1.	Coinone	ONT/KRW	\$26.88 M
2.	Bit-Z	ONT/USDT	\$10.27 M
3.	HitBTC	ONT/USDT	\$7.71 M
4.	Bibox	ONT/USDT	\$7.69 M
5.	HitBTC	ONT/BTC	\$7.68 M

6.	CoinEgg	ONT/USDT	\$5.64 M
7.	OKEx	ONT/USDT	\$5.58 M
8.	Huobi Global	ONT/USDT	\$5.19 M
9.	Binance	ONT/USDT	\$5.05 M
10.	DigiFinex	ONT/USDT	\$4.94 M
11.	55 Global Markets	ONT/USDT	\$4.59 M
12.	Binance	ONT/BTC	\$2.93 M
13.	Bibox	ONT/BTC	\$2.57 M
14.	Gate.io	ONT/USDT	\$2.35 M
15.	Bibox	ONT/ETH	\$2.23 M
16.	HitBTC	ONT/ETH	\$1.29 M
17.	DigiFinex	ONT/BTC	\$1.27 M
18.	OKEx	ONT/BTC	\$908.09 K
19.	BitMart	ONT/BTC	\$584.26 K
20.	BitMart	ONT/ETH	\$516.43 K

Additionally, pricing for Ontology is available through a number of free and paid service providers including: Coinmarketcap, Cryptocompare, and Kraken, among others.

NEM (XEM): As of 23 April 2019, NEM is available on several licensed exchanges and prices are available based on pairs with all major crypto currencies & USD. The below table summarizes the top 20 pairs / exchanges on coinmarketcap.com ranked by 24-hour volume in descending order as of 23 April 2019.

	Exchanges	Pair	Volume (USD, 24h)
1.	ZB.COM	XEM/USDT	\$9.84 M
2.	Exrates	XEM/BTC	\$2.62 M
3.	B2BX	XEM/BTC	\$2.51 M
4.	HitBTC	XEM/BTC	\$1.61 M
5.	OKEx	XEM/USDT	\$1.18 M
6.	Zaif	XEM/JPY	\$1.02 M
7.	Exrates	XEM/USD	\$594.14 K
8.	Binance	XEM/BTC	\$590.27 K
9.	DragonEX	XEM/BTC	\$535.65 K
10.	Bitrue	XEM/XRP	\$468.46 K
11.	DigiFinex	XEM/BTC	\$449.69 K
12.	Kryptono	XEM/ETH	\$404.01 K
13.	HitBTC	XEM/USDT	\$344.46 K
14.	Kryptono	XEM/BTC	\$335.68 K
15.	HitBTC	XEM/ETH	\$321.25 K
16.	Bitrue	XEM/USDT	\$218.62 K
17.	Bittrex	XEM/BTC	\$162.46 K

18.	Coinsuper	XEM/BTC	\$150.77 K
19.	Coinsuper	XEM/ETH	\$146.38 K
20.	CoinTiger	XEM/BITCNY	\$135.20 K

Additionally, pricing for NEM is available through a number of free and paid service providers including: Coinmarketcap and Cryptocompare.

- **There must be at least one trading venue for the relevant crypto currency that meets the following criteria: (1) It offers trading against a common fiat currency; (2) it creates transparency through the publication of prices; (3) the trading venue provides an API interface; and (4) the website of the trading venue must at least be written in English.**

See below the list of exchanges meeting these criteria, by currency. This list is not exhaustive but gives a sense of range of options available.

IOTA (MIOTA): Bitfinex, Exrates, CoinFalcon.

Ontology (ONT): Coinsuper, Liquid.

NEM (XEM): Exrates, RightBTC, Livecoin, Exmo, LiteBit.eu, Cryptomate, COSS, Bitlish.

Furthermore, in the case of crypto currencies, information on the following points must be provided in the listing prospectus: (i) the most important differences and the resulting risks between conventional (fiat) currencies and the crypto currency must be explained. These are in particular nonexistent intrinsic value, trading of the crypto currency on unregulated online exchanges, lower trading volume, and greater volatility; and (ii) the specific risks in connection with products in crypto currencies, in particular fraud risks and risks arising from possible hacker attacks, must be explained.

In the attached draft second supplement to the Base Prospectus for the Programme of the Issuer dated 13 November 2019, as supplemented, in particular in the new risk factors, the Issuer has included a specific risk factor dealing with each of *IOTA (MIOTA)*, *Ontology (ONT)*, and *NEM (XEM)* (see [Annex 2](#)) and other Crypto Assets, the eligibility of which will be requested at a later point in time. These risks include commercial risks, age risks, technology risks, and/or usage risks, as applicable.

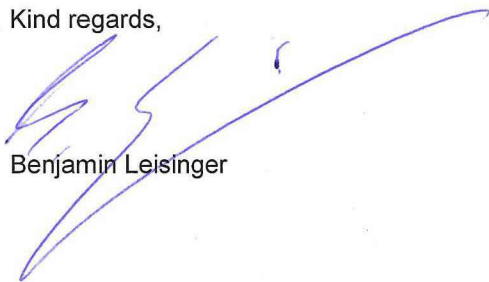
On the intended underlyings in general, there already is a whole risk factor section dealing with the specific risks associated with crypto currencies (see *Risk Factors Relating to the Underlyings or Underlying Components Generally*) in the Base Prospectus for the Programme.

We note that the SER has reserved the right to require the inclusion of further information in the listing prospectus if the crypto currency or the product structure so require. The Issuer would certainly be willing to provide any such additional information requested by the SER.

* * *

If you have any queries regarding the above, please do not hesitate to contact us.

Kind regards,



Benjamin Leisinger

List of Annexes

- Power of attorney (Annex 1);
- Second Supplement, subject to approval (Annex 2);