



Arca Labs and Securitize Partner on Tokenized Financial Products, Beginning with Arca U.S. Treasury Fund

Arca's agreement with Securitize signals an increasing ability for investors to access digitized financial products built on blockchain within the existing regulatory framework.

NEW YORK – September 23, 2021 – Arca Labs, the innovation division of digital asset management firm Arca, and Securitize, which enables investors to access the private markets, including private businesses, real estate, and funds today announced a partnership to bring more regulated, tokenized financial products to investors, beginning with the Arca U.S. Treasury Fund.

The news is noteworthy because investors are increasingly seeking exposure to new blockchain based financial products, including digital asset securities, but institutions have struggled to meet investor demand because few tokenization companies have met the rigorous regulatory and operational thresholds required by investors. Arca and Securitize are seeking to channel the growth of fast-developing blockchain technologies within the existing financial services regulatory framework, which we believe to be key for increased investor trust and adoption.

Under the agreement, Securitize will provide the smart contract and issuance platform behind [the Arca U.S. Treasury Fund](#), the first registered '40 Act fund to issue its shares through the blockchain. As the Fund's transfer agent, Securitize will perform investor verification, KYC/AML and onboarding, issue shares of the Fund through the form of ArCoin digital asset security

tokens, and maintain off-chain records of token ownership and history. Additional, jointly-offered tokenized financial products are expected to follow.

“At Arca, we see a future where the vast majority of securities transactions are energized by blockchain technology,” said Rayne Steinberg, CEO of Arca. “To make this a reality, products and companies have to deliver at the highest levels of competency, transparency and trust. Securitize aligns with Arca on these core principles and our efforts will be vital in driving us toward a future where digital securities are the norm, not the exception.”

“This partnership is important because ‘40 Act funds are the backbone of the regulated financial markets, representing roughly half the value of all funds worldwide. Expanding our services to cover U.S. regulated funds with a strong partner like Arca is a continuation of our leadership in developing digital financial products offered under existing law,” said Securitize CEO Carlos Domingo. “Arca is a terrific asset manager and brand. This partnership demonstrates that the evolution of finance from a paper-based, centralized, less accessible past to a digital, decentralized, more democratized future can provide investors with new and better opportunities within the existing regulatory framework, perhaps with some modernization over time.”

“Ensuring a seamless transition for investors in the Arca U.S. Treasury Fund was our top-priority, and we quickly found a strong match in Securitize,” said Jerald David, president of Arca Labs. “Securitize is a registered transfer agent with over 200 clients and nearly a half-billion dollars in regulated securities issued in just three years, demonstrating a strong alignment between our companies in scale, operational excellence and uncompromised service to our investors.”

With Arca’s partnership with Securitize, investors in the Arca U.S. Treasury Fund can expect to benefit from:

- Token ownership and history recorded using the highly established Ethereum blockchain
- Investor verification, onboarding and transfer agency within one seamless experience
- A bespoke [investor dashboard](#) and API interfaces tailored to the Fund’s investors
- A [Securitize iD](#), allowing investors to participate in more Securitize offerings without additional verification

“Partnering with a turnkey solution such as Securitize is key for Arca Labs’ plans for continued growth. With each investor receiving a Securitize iD, they will have access to a broad range of investment opportunities from one platform and, importantly, existing Securitize iD holders will be able to invest in our offerings, as well,” added David. “Arca Labs is excited to continue our focus as an educator and product leader in offering regulated financial instruments on the blockchain.”

Current investors in the Arca U.S. Treasury Fund have received instructions on how their shares will be transferred to Securitize. Those interested in learning more about or investing in the Fund can do so at <https://arcoin.arcalabs.com/>.

About Arca

Arca is an asset management firm investing and innovating in digital assets. Our mission is to offer asset management products that meet the operational, compliance, legal, and regulatory standards needed for sophisticated investors to gain exposure to digital assets. Arca's product set includes actively-managed hedge funds, passive vehicles, and first-to-market blockchain transferred fund ("BTF"), developed by our innovation division, Arca Labs. The Arca U.S. Treasury Fund is the first registered fund to issue its shares via the blockchain, which integrates blockchain's peer-to-peer technology and instant settlement features with traditional investment vehicles. Arca's founders and senior team members have worked in traditional finance and FinTech across many asset classes and are working to bring the best of traditional finance practices to digital assets to deliver the right product to the right investor at the right time. Learn more about Arca: <https://ar.ca>

About Securitize

Securitize's mission is to provide investors with access to invest in and trade alternative investments, and for companies to raise capital and offer shareholder's liquidity. Securitize has pioneered a fully digital end-to-end platform for issuing, managing, and trading digital asset securities, with over 200 businesses and nearly 400,000 investors already connected, and approximately \$500 million in current-value digital asset securities issued on the Securitize platform. Securitize is comprised of Securitize, Inc. and its subsidiaries Securitize, LLC (a registered transfer agent), Securitize Capital, LLC, and Securitize Markets, LLC (a registered broker-dealer, member of [FINRA](#) and [SIPC](#), and operator of the company's alternative trading system, Securitize Markets). Learn more at <http://www.securitize.io>.

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Disclaimer

An investor should carefully consider the investment objectives, risks, charges, and expenses of the Arca U.S. Treasury Fund before investing.

This and other information is available in the Fund's prospectus, which should be reviewed carefully prior to investing. To obtain a prospectus, please call 1-800-445-3148.

The Funds Annual Operating Expense Ratio, as reflected in the current prospectus is 3.22%, however Management has agreed to an expense cap of .75% through an expense limitation agreement for the first year after effectiveness of the Fund's registration statement. For more details relating to the fund's expenses, please review the prospectus.

No assurance can be given that the Fund will achieve its investment objective, and investment results may vary substantially over time and from period to period.

An investment in the Fund involves risk including loss of principal. An investment in the Fund is suitable only for investors who can bear the risks associated with limited liquidity in the shares and the uncertainty of emerging technologies, and should be viewed as a long-term investment.

Other risks specifically associated with the Arca U.S. Treasury Fund are detailed in the prospectus and include no history of operations risk, conflict of interest risk, interval fund risk, no minimum amount of proceeds risk, fund closure risk, liquidity risk, tax related risks, credit and non-payment risk, interest rate risk, portfolio management risk, market risk, call risk, valuation risk and issuer risk.

The Arca U.S. Treasury Fund is one of the first registered funds to offer digital securities and there are additional risks associated with this feature of the fund, including regulatory risk, liquidity risk, emerging technology risk, operational and technology risk, and risks specifically associated with the Ethereum blockchain. There is the risk that management may be unable to successfully use blockchain technology to validate ownership and transfer ArCoin.

For details regarding all of the risks described above, please review the prospectus.

Arca Capital Management, LLC "Arca" serves as adviser to the Arca US Treasury Fund, distributed by UMB Distribution Services, Member FINRA/SIPC. Arca and UMB are not affiliated.