



**NOT FOR IMMEDIATE RELEASE**

**Arca Labs Enters Into Custody Partnerships With Anchorage, Gemini, Komainu, Ledger, and TokenSoft**

*Arca Labs and Leading Custodians Lay the Groundwork for the Digital Securities Industry; Establish a First for Digital Securities as ArCoin Paves the Way for Efficiency and Security*

Los Angeles, CA – December 7, 2020 – [Arca Labs](#), the innovation division of [Arca](#), a digital asset investment firm that blends traditional finance with cutting edge blockchain technology, today announced a set of partnerships with leading digital assets custody providers Anchorage, Gemini, Komainu, Ledger, and TokenSoft. These providers of digital asset storage platforms which currently holds billions of dollars in combined digital assets will support ArCoin, the digital shares issued on the blockchain by investing in the Arca US Treasury Fund (“the Fund”), which is registered under the Investment Company Act of 1940 . This announcement marks the first time a registered digital security can be widely stored (managed, self-managed, third party managed, and self custody) by multiple digital custody providers.

This collaborative effort is a landmark, innovative initiative to custody registered digital securities. Arca and the aforementioned custody providers are focused on adhering to the highest possible security and safeguards, while providing a seamless customer experience when conducting peer to peer transfers of ArCoin.

“Since being granted effectiveness a few months ago, Arca Labs’ priority is to methodically and diligently build an interconnected digital securities ecosystem,” said Jerald David, president of Arca Labs.

“Collaborating with prominent custody partners in the industry has elevated the options and choices that token holders have while ensuring a seamless and secure experience, much like they would find within the traditional finance sector.”

In its selection of these partners, Arca Labs continues its focus on building the foundational blocks for a sustainable digital infrastructure.

“We fully support Arca Labs’ efforts to deliver innovation, security and robust transparency to investors and to building inroads to enhance access,” said Demetrios Skalkotos, Head of Americas, Ledger Vault.

“They share our vision to bring stability and the necessary market structure to the industry and to working closely with partners and clients to further digital asset maturity. We are pleased to welcome ArCoin as a digital security accepted into our custody solution.”

These custody solutions will enable subscribers to the [Fund](#) flexibility when taking possession, and storage of their ArCoin. The six custodians were selected for their commitment to security, strong operational excellence, global presence, and industry reputation including numerous awards and certifications.

“We’re very cognizant of the fears that traditional investors have when entering the digital assets space. After spending two years working to launch the Fund and ArCoin, this move is a major milestone in Arca’s ability to lead the industry with institutions and investors in mind,” added David.

Arca’s mission continues to focus on bringing maturity to the digital securities marketplace through innovative and secure investment products.

### **About ArCoin**

Arca Labs, the innovation division of Arca, launched the [Arca U.S. Treasury Fund](#) in July 2020 which is the first fund that offers digital shares. The Fund issues the digital security ArCoin and by leveraging blockchain technology, allows for the facilitation of peer-to-peer transfer of ArCoin. ArCoin is backed by the Arca Fund, a portfolio of interest-bearing instruments and U.S. Treasuries. The Fund’s investment objective is to seek maximum total return and preservation of capital by investing 80% of the Fund’s assets in U.S. Treasuries and 20% in investment grade fixed income securities.

### **About Arca**

Arca is an innovative digital asset investment company that blends traditional finance with cutting-edge blockchain technology. Arca’s products offer investors the ability to thoughtfully invest in digital assets utilizing blockchain technology. Arca is forging a path for investors in the traditional finance sector to join the digital future, while upholding the regulatory, legal and operational standards that are used and applied in the traditional finance sector. Arca is composed of two core business divisions—**Arca Funds**, whose flagship hedge fund strategy, the Arca Digital Assets Fund, invests in securities via tokens, equities, bonds and other instruments issued by companies in the digital asset ecosystem; and **Arca Labs**, the innovation division of Arca, pioneers innovative products in a digital structure that aim to revolutionize how people think about investments. **Learn more about Arca:** <https://ar.ca>

*There is no assurance that any investment strategy will achieve its investment objective. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Arca U.S. Treasury Fund. This and other information about the fund is contained in the prospectus and should be read carefully before investing. The prospectus can be obtained on our website, [arcoin.arcacapitalmanagement.com](http://arcoin.arcacapitalmanagement.com) or by calling toll free 1-800-445-3148. The Arca U.S. Treasury Fund is distributed by Ceros Financial Services, Inc., member FINRA/SIPC.*

*The Fund is a closed-end fund operating as an interval fund. Among other things, interval funds differ from open-end management investment companies (commonly referred to as mutual funds) in that they do not generally redeem their shares at the option of the shareholder. And unlike open-end funds, closed-end funds and interval funds generally stay fully invested in securities consistent with the fund’s investment objectives and policies.*

*An investment in the Fund’s shares is subject to investment risk, including the loss of the principal amount invested. An investment in the Fund’s shares represents an indirect investment in the securities owned by the Fund. The value of such securities, like other market investments, may move up or down, sometimes rapidly and unpredictably, due to factors affecting particular companies or the securities markets generally, such as interest rates or inflation.*

*When interest rates decline, the value of portfolio securities already held by the Fund can be expected to rise. Conversely, when interest rates rise, the value of existing portfolio securities held by the Fund can be expected to decline. A fund with a longer average portfolio duration will be more sensitive to changes in*

*interest rates than a fund with a shorter portfolio duration. Additionally, to the extent the Fund invests in Fixed-Income Securities with longer maturities, the Fund is subject to greater interest rate risk than funds investing solely in shorter-term Fixed- Income Securities.*

*The Fund is the first registered fund to offer digital securities. Accordingly, the Fund's management has limited experience using blockchain technology to validate transactions in the shares of a registered fund that issues digital securities.*

*The potential application of U.S. federal securities laws regarding traditional investment securities to ArCoins is unclear. While the Fund believes that ArCoins should be treated as any other conventional, uncertificated book-entry security, various regulators may disagree with this assertion and conclude that ArCoins should not be treated as a traditional investment security.*

*The Fund's shares will be issued as digital securities, meaning that they will be uncertificated securities that may be transferred using blockchain technology in direct peer-to-peer transactions. The shares will not be listed for trading on any national securities exchange nor made available for trading through a NMS. The shares are also not available for secondary trading in any venue, such as a public decentralized or centralized electronic exchange platform.*

*Although the shares may be transferred in peer-to-peer transactions, the availability of counterparties to such transactions is limited to other shareholders or other eligible purchasers. There may be relatively few investors to whom ArCoins can be transferred in a peer-to-peer transaction, and thus there may be limited to no liquidity in ArCoins. In addition, if you sell your ArCoins through a peer-to-peer transaction, that transaction may not occur at NAV, as such transactions are individually negotiated by the Fund's shareholders in the peer-to-peer market.*

*The use of such technology is subject to all the usual risks associated with the fact that the technology is relatively new in the securities markets as well as risks specifically related to the use of blockchain technology including the possibility of undiscovered technical flaws or the possibility of breakdowns and transaction halts as a result of undiscovered technology flaws that could prevent transactions for a period of time.*

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