



TERM SHEET IM

Monochrome Digital Currencies Series Strategic Yielding Notes

Dated 14 January 2025

FOR WHOLESALE INVESTORS ONLY

This Term Sheet IM dated 14 January 2024 is issued by Anadara Specialist Investments Pty Ltd ("**the Issuer**"). This Term Sheet IM is the IM for the Offer of the Monochrome Digital Currencies Series - Strategic Yielding Notes ("**the Units**") as described below.

This IM is for the offer of an agreement to purchase Units specified in Section 2 "Term Sheet" of this Term Sheet Information Memorandum ("**Term Sheet IM**") on certain terms as outlined in this Term Sheet IM. This Term Sheet IM is dated 14 January 2024 and is issued by Anadara Specialist Investments Pty Ltd (ACN 668 232 488) ("**the Issuer**") and arranged by Viriathus Capital Pty Ltd (ACN 113 959 596 AFSL 297950.) ("**the Arranger**") pursuant to Section 911A(2)(b) of the Corporations Act. Pursuant to Section 911A(2)(b), the Issuer will issue the Units in accordance with the offer made by the Arranger.

This Term Sheet IM has not been lodged and is not required to be lodged with the Australian Securities and Investments Commission ("**ASIC**"). ASIC and its officers take no responsibility for the contents of this IM.

All fees in this IM are stated inclusive of any GST (unless stated otherwise).

All monetary amounts referred to in this IM are given in Australian dollars (unless stated otherwise). All references to legislation in this IM are to Australian legislation.

Investments in the Units

This IM is an important document which should be read before deciding to acquire the Units. The information in this IM is general information only and does not consider an individual's investment objectives, financial situation or particular needs or circumstances.

Nothing in this IM is a recommendation by the Issuer or its related bodies corporate or by any other person concerning investment in the Units or the Reference Asset or any specific taxation consequences arising from an investment in the Units. Potential investors should also obtain independent financial and taxation advice as to the suitability of this investment to them having regard to their investment objectives, financial situation, and particular needs. No cooling off rights apply to investments in the Units.

Potential Investors should note that the Issuer retains discretion to amend the closing date for the offer for a Series and move the Commencement Date (and all other consequential dates) for a Series, or not to continue with the issue of a Series of Units on the Commencement Date and terminate any Units in that Series already issued, including where there is a significant change in the Issuer's cost of hedging between the date of this Term Sheet IM and the Commencement Date. In particular, the Issuer will not continue with the issue of a Series of Units if it considers that it and its affiliates have not completed sufficient arrangements for management of their respective obligations in respect of that Series of Units. If a decision is made not to issue a Series of Units or to terminate Units in a Series that have already been issued, the Issuer will return the Prepaid Interest, and any applicable Fees, that have been paid upfront to applicants without interest within 10 Business Days of the scheduled Commencement Date.

Eligible investors and electronic IM

This IM and the Offer are available only to Australian resident wholesale investors (as defined by the Corporations Act) receiving this IM (including electronically) in Australia. Applications from outside Australia will not be accepted.

The Units have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in the United States or to, or for the benefit of U.S. persons unless the Units are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

Updated information

Information set out in this Term Sheet IM is subject to change from time to time. Information not materially adverse to Investors in the Units may be amended without issuing an updated or supplementary Term Sheet IM.

Making an investment

Units can only be issued if potential investors use an Application Form (including relevant attachments) attached to either a paper or electronic copy of this IM.

Returns not Guaranteed

Returns on the Units are not guaranteed. The Issuer and the Arranger nor any of their associates or subsidiaries guarantee the return on an investment in the Units or any gain. Investors may not recoup the total amount of any amounts outlaid as there is no guarantee that returns on the Units will be in excess of these amounts paid by Investors

Definitions

Capitalised terms used in this IM have the meaning given in Section 8 "Definitions" of the Master IM, and as defined in this Term Sheet IM.

1. Overview

Bitcoin, the first decentralized cryptocurrency, has revolutionized the financial world since its inception in 2009. It has sparked a wave of innovation in digital currencies and blockchain technology, fundamentally altering the way people think about money, transactions, and the global financial system.

At the core of Bitcoin's innovation is blockchain technology. A blockchain is a distributed ledger that records all transactions across a network of computers. Each block contains a list of transactions, and once a block is completed, it is added to the chain in a linear, chronological order. This structure ensures the integrity and security of the data, as altering any information on the blockchain would require the consensus of the entire network.

Bitcoin's supply is capped at 21 million coins, a feature designed to mimic the scarcity of precious metals like gold. This limited supply has contributed to the perception of Bitcoin as a "digital gold," an asset that can act as a store of value and a hedge against inflation.



Source: Trading View

Bitcoin's performance has been characterized by significant growth, volatility, and increasing mainstream recognition. Its value is influenced by a complex interplay of market dynamics, regulatory developments, technological advancements, institutional adoption, macroeconomic trends, and public perception.

As Bitcoin continues to evolve and mature, it is likely to play an increasingly important role in the financial landscape, offering a unique combination of store of value, investment opportunities, and potential for financial inclusion. While challenges remain, Bitcoin's resilience and ongoing development underscore its potential to shape the future of finance.

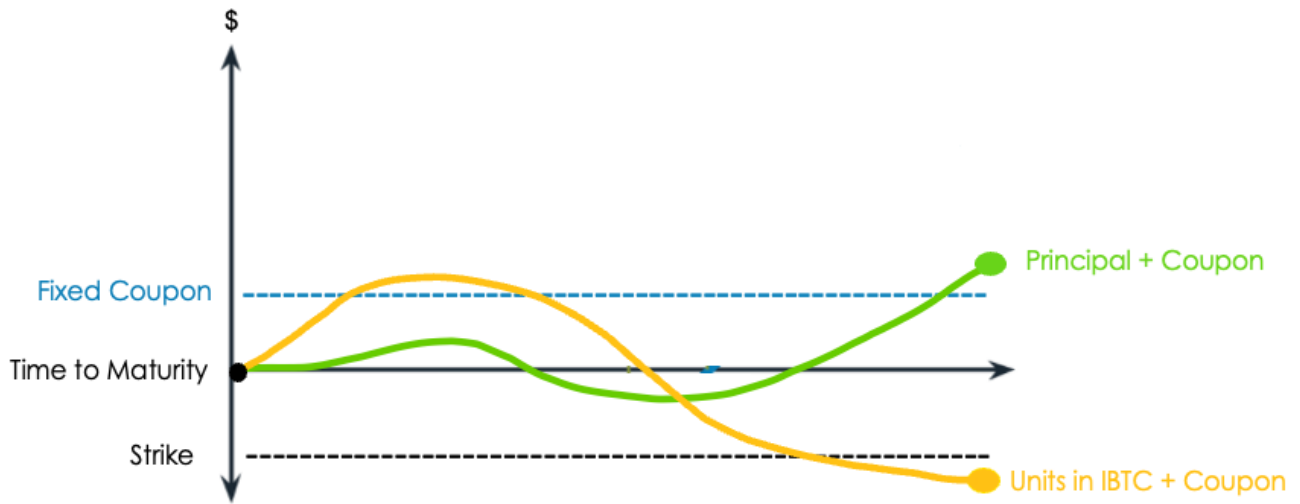
Anadara has partnered with Monochrome to offer a range of digital currency structured investments. Monochrome is the holder of Australia's only licensed, regulated fund that holds Bitcoin directly – other Bitcoin funds in Australia are feeder funds, that invest in foreign investment vehicles that hold Bitcoin.

Strategic Yielding Notes

For investors that prefer to be invested in Bitcoin need to decide if they invest now and risk a near term pullback or wait on the sidelines and risk missing out on further gains.

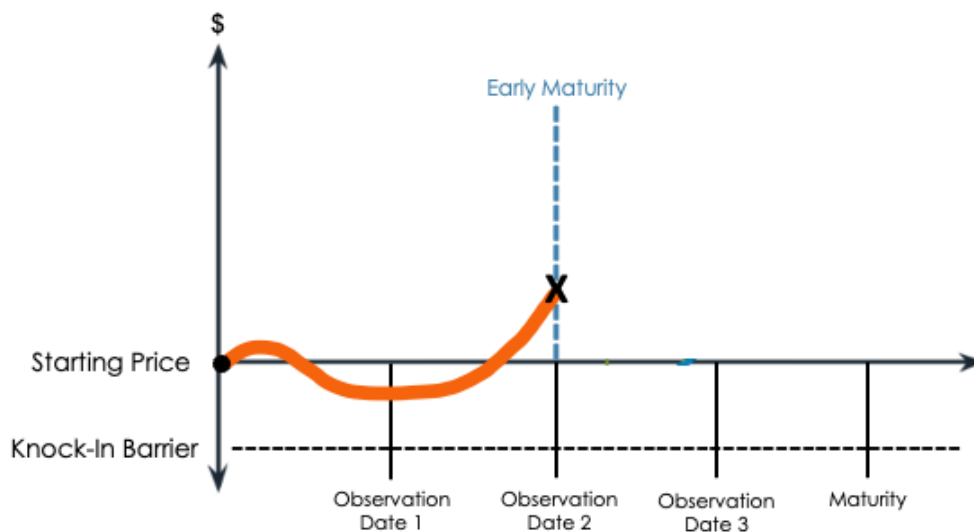
Strategic Yielding Notes offer the best of both worlds, a high yielding note that pays regular income and only converts to equity if the Reference Asset falls below the Strike Price at the end of the Investment Term. If the Reference Asset is trading above the Strike Price at Maturity, investors receive their principal investment back.

We're pleased to present investors with a series of Strategic Yielding Notes that are linked to the performance of Bitcoin. Investors will receive a fixed coupon*, which is paid monthly during the Investment Term. At Maturity, investors either receive their Principal Investment back as cash*, or their Principal Investment will be used to buy units in the Monochrome Bitcoin ETF (IBTC) at the Strike if Bitcoin is trading below the Strike at Maturity.



- Indicative Coupon:** 12% per annum (*paid monthly and adjusted for FX changes*)
- Underlying Asset:** BTCUSD
- Strike Price:** 90%
- Investment Term:** 12 months
- Settlement Currency:** US Dollars (USD)

There is also the possibility of early maturity memory feature - if Bitcoin is trading higher than its Initial Price on any of the Observation Dates, the investment will Mature early – investors will keep all Coupon payments they received between the Commencement Date and the early Maturity Date, plus they will receive their Principal Investment back as cash*.



This investment may suit investors that would prefer to be invested in the market, particularly in one of the Underlying Stocks, but fear the market will fall during the investment term. This investment provides regular, monthly income* until Maturity, regardless of how volatile the Underlying Stocks are performing.

****All coupons and returns associated with this offer are exposed to currency risk – any changes between the AUD and USD will have an impact on returns. Please consult your Adviser before deciding to invest in this product.***

If you would like to invest in USD and eliminate any currency risk, please contact Monochrome or Anadara.

A summary of the key features are as follows:

Features	Monochrome Strategic Yielding Notes
Reference Asset	Bitcoin (BTCUSD) (<i>Underlying Stocks</i>)
Indicative Fixed Coupon [^]	12% per annum.
Strike	90%
Memory Feature	Yes – If Bitcoin is trading higher than its Starting Price on one of the Observation Dates, the investment will Mature early.
Minimum Investment Term	6 months
Maximum Investment Term	12 months
Offer Close Date*	20 th of each month.
Commencement Date*	5 th of each month
Observation Dates*	Bi-annual (6 month) intervals from the Commencement Date until Maturity
Maturity Date*	12 months from the Commencement Date
Settlement Date	10 Business Days after the Maturity Date, or such other date as determined by the Issuer in its discretion as is reasonably necessary for the Issuer to fulfil its obligations under the Terms.
Settlement Currency	US Dollars (USD)
Minimum Investment Amount	50,000 Units at the Issue Price of AU\$1.00 per Unit.

**All dates are subject to change. Final Dates will be communicated to investors on the Commencement Date.
If you would like to invest in USD and eliminate any currency risk, please contact Monochrome or Anadara.*

2. Term Sheet – Monochrome Digital Currencies Series - Strategic Yielding Notes

The following Term Sheet is a summary of the key dates and terms of the Units. However, this section is not intended to be a complete summary of this Term Sheet IM, and you should read the entire Term Sheet IM before deciding whether to invest. The information in this section is qualified in its entirety by the more detailed explanations set out elsewhere in this Term Sheet IM.

Reference Asset	Bitcoin (BTCUSD)
Indicative Fixed Coupon[^]	12% per annum (<i>paid monthly and adjusted for any FX changes</i>)
Strike	90%
Memory Feature	Yes – If a Reference Asset is trading higher than its Starting Price on one of the Observation Dates, a Lock In event has occurred.
Offer Closing Date	20 th February 2025
Commencement Date	5 th March 2025 The Commencement Date may be deferred as determined by the Issuer if any of the Terms of the offer cannot be achieved by the Issuer. Other relevant dates may be adjusted accordingly if required.
Observation Dates	Bi-annual (6 month) intervals from the Commencement Date until Maturity
Maturity Date	12 months from the Commencement Date
Settlement Date	10 Business Days after the Maturity Date, or such other date as determined by the Issuer in its discretion as is reasonably necessary for the Issuer to fulfil its obligations under the Terms.
Settlement Currency	US Dollars (USD)
Minimum Investment Amount	50,000 Units at the Issue Price of AU\$1.00 per Unit.
Application Fee	An Application Fee of 1.1% (inclusive of GST) is payable in respect of each application for Units. For example, if you applied for the Minimum Investment Amount of 10,000 Units, you would pay an Application Fee of \$110.00
Reference Asset Starting Level	The Reference Asset Closing Price on the Commencement Date as published on Bloomberg.
Reference Asset Ending Level	The Reference Asset Closing Price on the Maturity Date as published on Bloomberg
Reference Asset Observation Price	The Reference Asset Closing Price on an Observation Date as published on Bloomberg.
Reference Asset Closing Price	The closing price of the Reference Asset as published by Bloomberg on any scheduled Business Day.
Listing	The Units will not be listed or displayed on any securities exchange.

Withdrawal of the Units	If the Issuer is unable to achieve the economic exposure described in this Term Sheet IM on the Commencement Date due to any condition set out in this Term Sheet IM not being satisfied (e.g. the Issuer being unable to hedge its obligations), or otherwise determines not to proceed with the issue for any reason, then the Issuer will terminate any Units already issued, and return the investment amount.
Knockout Event	A Knockout Event shall be deemed to have occurred if as of any Observation Date, a Lock-in Event has ever occurred with respect to ALL Shares in the Share Basket on or before such Observation Date, as determined by the Issuer.
Lock In Event	A Lock-in Event shall be deemed to have occurred in respect of any Share in the Share Basket if on any Observation Date, the official closing price of such Share is at or above its Knockout Price.
Auto Call Provisions	If a Knockout Event has occurred on any Observation Date, the Issuer shall redeem each Security at the Knockout Redemption Amount within 10 business days on which a Knockout Event has first occurred.
Knockout Redemption Amount	In respect of each Security and an Observation Date on which a Knockout Event has first occurred, an amount in the Settlement Currency calculated by the Issuer in accordance with the following formula: <i>USD x 100%</i>
FX_{Initial}	The AUD/USD exchange rate on the Commencement Date as determined by the Issuer.
FX_{Observation}	The AUD/USD exchange rate on the Observation Date as determined by the Issuer.
FX_{Final}	The AUD/USD exchange rate on the Maturity Date as determined by the Issuer.
Fractional Share Amount	Any fractional interest in such Units of IBTC forming part of the Ratio that is less than an integral number of such Shares of the Final Worst Performing Share.
Fractional Cash Amount	An amount in the Settlement Currency (rounded to 4 decimal places) calculated by the Issuer in accordance with the following formula: <i>Reference Asset Ending Level × Fractional Share Amount</i>
Worst Performing Share	In respect of a Maturity Date, each Share in the Share Basket (if applicable) that has the lowest value on such Maturity Date as calculated based on the following formula: <i>Closing price of the Share on such Observation Date / Initial Price of such Share</i>
Distributor	Monochrome Investment Services Pty Ltd
Issuer	Anadara Specialist Investments Pty Ltd (ACN 668 232 488)
Arranger	Viriathus Capital Pty Ltd (ACN 113 959 596 AFSL 297950)
Registrar	Registry Direct Pty Limited (ACN 160 181 840)
Counterparty Risk	Tier One Investment Bank

Key Risks

INVESTORS ARE ADVISED TO CAREFULLY CONSIDER ADDITIONAL INVESTMENT RISKS ASSOCIATED WITH THIS INVESTMENT, INCLUDING BUT NOT LIMITED TO THE FOLLOWING. INVESTORS ARE URGED TO CONSULT WITH THEIR LEGAL, REGULATORY, INVESTMENT, ACCOUNTING, TAX AND OTHER ADVISORS WITH REGARD TO ANY PROPOSED OR ACTUAL INVESTMENT IN THESE NOTES.

- Investors may receive an amount substantially less than the capital invested or, in extreme circumstances, zero. Investors should not purchase the Securities unless they accept the risk of losing all their initial investment.

Investors should note that if the WO_{Final} is below the WO_{Strike} , then Physical Settlement (i.e. the Issuer will redeem the Securities by physical delivery of the Share Amount of the Final Worst Performing Share and payment of the Fractional Cash Amount) will apply at maturity of the Securities. If investors decide to sell the Share Amount of the Final Worst Performing Share at the current market price, investors may suffer losses.

- Investor returns will be affected by currency movements. This investment settles in USD, so all Coupon payments and the final redemption amount will be adjusted for movements of the $FX_{Initial}$, $FX_{Observation}$, and FX_{Final} . If the AUD strengthens against the USD during the Investment Term, investors will receive returns less than the quoted returns.
- The Issuer may make such adjustment to the Securities as it may, in its sole and absolute discretion, determine to be appropriate, under a variety of conditions and/or circumstances set forth in the Asset Terms and Conditions for Equity-linked Securities and these Final Terms, such as, upon the occurrence of: (i) Potential Adjustment Event (e.g. share subdivision, bonus issue, right issue or an event having a diluting or concentrating effect on the theoretical value of a Share); or (ii) a Merger Event, a Tender Offer, a Nationalisation, a Delisting, an Insolvency, an Additional Disruption Event, a Jurisdictional Event or a subsequent correction of a published Share Price in respect of a Share or a Share Issuer. The Issuer has the sole and absolute discretion to make adjustment and determination as it considers appropriate, and any such discretion exercised by the Issuer shall be binding on the investors. The Issuer will not consider individual circumstances in exercising discretion.
- The Issuer may early redeem the Securities prior to the Maturity Date upon notice to investors under a variety of conditions and/or circumstances set forth in the Asset Terms and Conditions for Equity-linked Securities and these Final Terms, such as (i) illegality in respect of its performance of its obligations under the Securities or any relevant hedging arrangements or upon the occurrence of a Tax Event or a Regulatory Event or (ii) upon the occurrence of a Merger Event, a Tender Offer, a Nationalisation, a Delisting, an Insolvency or an Additional Disruption Event (e.g. a Change in Law or an Insolvency Filing). If the Issuer elects to early redeem the Securities, each Security will be redeemed at the Early Payment Amount.

In addition, investors may, by notice in writing given to the Fiscal Agent at its specified office, declare the Securities immediately due and payable in case of an Event of Default under conditions and/or circumstances set forth in the Base Programme Document. Please refer to General Condition 8 of the Base Programme Document for more details.

	<p>Furthermore, the Securities will be early redeemed upon the occurrence of a Knockout Event on any Knockout Observation Date, resulting in the payment of a Knockout Redemption Amount per Security on the Knockout Redemption Date corresponding to the relevant Knockout Observation Date on which a Knockout Event has first occurred.</p> <ul style="list-style-type: none"> • The performance of Shares is unpredictable. It is dependent upon macroeconomic factors, such as interest and price levels on the capital markets, currency developments, political factors as well as company-specific factors such as creditworthiness of the Share Issuer, earnings position, market position, risk situation, shareholder structure and distribution policy, which may in turn adversely affect the value of the Securities. • Investors are subject to counterparty credit risk with respect to the Issuer and the Hedge Counterparty.
Taxation	Investors are advised to obtain their own taxation advice.

**All dates are subject to change. Final Dates will be communicated to investors on the Commencement Date.*

Applications and issue of Units

Applications may be accepted or rejected at the discretion of the Issuer. Units will be issued within one month upon receipt of application monies from an Investor. The Unit's economic exposure to the Reference Assets will begin on the Commencement Date. If a Unit is issued prior to the Commencement Date, it will have no economic exposure until the Commencement Date.

The Units will only be issued at the discretion of the Issuer, and applications may be accepted or rejected at the discretion of the Issuer. Without limiting its discretion, the Issuer may choose not to proceed with the issue of the Units for a Series and terminate the product for those Units already issued for any reason whatsoever, including (without limitation) if there is a significant change in the Issuer's cost of hedging between the date of this IM and the Commencement Date. Where the Issuer has not received the Investment Amount and Fees (if any) in respect of a Unit(s) from the Investor by the Application Payment Date, the Issuer will cancel the Units relating to the unpaid amounts and will arrange for the Investors name to be removed from the register of Unitholders.

If a decision is made for any reason not to issue, or not to proceed with the issue of the Units, the Issuer will return the Principal Investment, Fees (if any) to applicants (without interest) within 10 Business Days of the scheduled Commencement Date and any Units already issued will be terminated.

The Units may mature early in the case of an Early Maturity Event or Issuer Buy-Back, and the Maturity Date may be extended in the case of a Market Disruption Event.

All Application Forms and Correspondence to:

Anadara Specialist Investments Pty Ltd

Tower 1 – International Towers Level 35
100 Barangaroo Avenue, Barangaroo NSW 2000

Email: invest@anadara.com.au

For more information:

1300 509 924

<https://www.anadara.com.au>