

VanEck SolidX Bitcoin Trust 144A Shares – Frequently Asked Questions

What is the VanEck SolidX Bitcoin Trust 144A Shares?

The first open-end and DTC-eligible bitcoin security that can be held in a brokerage account.

Key attributes of the offering include:

- Continuous, open-end creation and redemption of 144A shares allows market prices to track Net Asset Value (NAV) prices closely over time; shares are tradeable through brokerage accounts
- Institutional level prices from institutional trading firms and is calculated by regulated index firm¹
- Safekeeping bitcoin using multi-factor, cold storage security, plus insurance against loss or theft²

The 144A Shares are being issued pursuant to Rule 144A promulgated under the Securities Act of 1933, as amended. The shares represent units of fractional undivided beneficial interest in and ownership of the Trust. Only Qualified Institutional Buyers (QIBs) may trade the shares.

What is a Qualified Institutional Buyer?

Qualified institutional buyers (QIBs), defined generally as an institution with a portfolio of securities valued at more than \$100 million either owned or under its management, a registered broker-dealer with at least \$10 million in securities owned or managed, and a bank or savings and loan that both (i) owns, or invests on a discretionary basis in, at least \$100 million in third party securities and (ii) has an audited net worth of at least \$25 million. Examples of QIBs may include business development companies, corporations, ETFs, hedge funds, insurance company, mutual funds and registered investment advisers. A natural person is not considered a QIB.

Brokers trading the 144A Shares are responsible for confirming the buyer's QIB status.

On what platform will the 144A Shares be quoted?

The 144A Shares will be quoted on OTC Expert Market, an SEC regulated alternative trading system using a fully attributable, network-based model for publishing quotes and negotiating trades. Broker-dealers gain access through the proprietary OTC Dealer® user interface or by using OTC FIX protocol. The 144A Shares can be purchased through and held in traditional brokerage and prime broker accounts.

¹ MV Index Solutions GmbH ("MVIS") is registered by the European Securities and Markets Authority ("ESMA") as a benchmark administrator governed by the European Benchmark Regulation (the "EUBMR") and supports the International Organization of Securities Commissions (IOSCO) "Principles for Financial Benchmarks" (the IOSCO Principles).

² Please see the Offering Memorandum for additional information regarding the Trust's bitcoin insurance coverage and exclusions to such coverage and "The Trust's bitcoin Security System" section of the Offering Memorandum for more information on the custody of the Trust's bitcoin.

Where can I see quotes of the 144A Shares?

Quotes of the 144A Shares will be available at approximately 50 market data distributors with whom OTC Markets Group has a formal relationship⁴. The most common names include Bloomberg, FactSet and ICE Data Services.

How are the 144A Shares settled and cleared?

The 144A Shares are settled based on existing terms broker-to-broker, and are cleared through normal channels (FINRA OFR, DTCC). The 144A Shares will be evidenced by one or more global certificates that the Trust will issue to DTC. The 144A Shares are issued only in book-entry form. Shareholders may hold their Shares through DTC, if they are participants in DTC, or indirectly through entities that are participants in DTC.

What are the Trust's ordinary expenses?

The Trust's ordinary recurring operating expenses are expected to be the sponsor fee, bitcoin insurance fee, expenses related to the Trust securing its bitcoin and any legal expenses not assumed by the sponsor.

The Trust will either sell (or at its option transfer) bitcoin solely to raise cash to pay the sponsor fee, the bitcoin insurance fee and any other expenses of the Trust that are not expenses assumed by the Sponsor. Please see the Trust Fees and Expenses section of the Offering Memorandum for more detailed information.

What differentiates the 144A Shares from other methods of bitcoin investment?**Direct bitcoin investment:**

- There is no central clearing mechanism when purchasing bitcoin directly. Purchases and sales inherently entail counterparty risk.
- There is no traditional custodian for bitcoin. Direct ownership requires either self-custody, which creates operational risk and is impractical for many investors or storage with a third party, creating ongoing counterparty risk (i.e., counterparty risk extending through the entire life of the investment, not just the purchase or sale).
- Cannot be bought or sold in traditional brokerage or prime broker accounts; requires establishing an account with a bitcoin exchange or OTC counterparty.
- May be inadequately insured to cover the total value of assets held whereas VanEck SolidX Bitcoin Trust seeks to maintain 1-to-1 coverage of bitcoin held.

Bitcoin futures:

- Futures need to be rolled; may not be a desirable long-term investment option.
- Many institutions (endowments, foundations, pension plans) are not equipped to trade futures.
- Futures are more of a hedging vehicle rather than an instrument for investment.
- Not tax efficient over the long term.
- Risk of contango, which is an event where the futures price of a commodity is higher than the spot price, and usually occurs when an asset price is expected to rise overtime.

⁴ Source: [OTC Markets](#)

Closed-end funds:

- No ability to create and redeem.
- Have historically experienced steep premiums, which means performance can deviate significantly from the price of bitcoin.
- Liquidity is inherently limited and cannot easily increase.
- No insurance.

Crypto hedge funds:

- Full reliance on the hedge fund to mitigate operational risk, counterparty risk and custody concerns.
- Performance relates to the ability of the manager.
- No on-demand redemption.
- Not an option for most hedge funds and other institutional investors.
- Complex fee structures which may include performance fees.

Bitcoin ETNs in Europe:

- Since ETNs are debt instruments, traditionally they are issued by large banks (although some carry the brands of non-bank issuers). ETN holders are subject to the credit risk of the issuing bank. Bitcoin ETNs are not issued by banks, and the issuers do not have meaningful balance sheets, creating significant credit risk that cannot be hedged.
- At least one bitcoin ETN issuer had a bankruptcy event in its past.
- No insurance.

What is covered by the Trust's bitcoin insurance?

The Trust will be insured against loss or theft of bitcoin held by the Trust. The insurance will cover loss of bitcoin by, among other things, theft, destruction, bitcoin in transit, computer fraud (i.e., hacking attack), and other loss of numerical codes, known as "private keys", which are necessary to access the bitcoin held by the Trust. Please refer to the Offering Memorandum for details regarding insurance coverage, including certain exclusions not covered.

What are the Trust's security practices?

The Trust uses best practice multi-signature cold storage to secure its bitcoin private keys:

- The private keys are stored on air-gapped devices that are locked in a physical vault with 24/7/365 surveillance and manned security throughout the building.
- The Trust has no need for and never uses a "hot wallet".
- The Trust's bitcoin holdings are subject to on-demand audits by the insurance underwriters.

How are 144A Shares created and redeemed?

The Trust issues shares only to Authorized Participants in blocks of 4,000 shares called "Baskets" in exchange for bitcoin. Shares may be redeemed by Authorized Participants in Baskets and redemption proceeds will be in bitcoin. Baskets may be created or redeemed on each trading day. The Trust follows the NYSE trading day calendar. Only "Authorized Participants" may request the creation or redemption of a Basket.

The Trust's shares may be offered only in transactions that are exempt from registration under the Securities Act pursuant to Rule 144A under the Securities Act ("Rule 144A"). Accordingly, the Trust offers Shares in the U.S. only to "qualified institutional buyers", as such term is defined in Rule 144A ("QIBs").

Who can be an Authorized Participant?

Each Authorized Participant must:

- (1) be registered with the SEC as a broker-dealer;
- (2) be a participant in DTC;
- (3) have entered into an agreement with the sponsor, acknowledged by the transfer agent; and
- (4) be a QIB.

Each Authorized Participant Agreement provides the procedures for the creation and redemption of Baskets.

What is the basket size for creations and redemptions?

Baskets will be in the range of approximately 4 bitcoin, the equivalent of 4,000 Shares.

How will the 144A Shares be priced?

The Trust administrator will calculate the Net Asset Value ("NAV") of the Trust (i.e., the total assets of the Trust less total liabilities) each trading day based on the price set by the MVIS® Bitcoin US OTC Spot Index ("MVBTCO") as of 4:00 p.m. E.T. The Administrator also determines the NAV per Share.

What is the MVBTCO?

MVBTCO is a real-time U.S. dollar-denominated composite reference rate for the price of bitcoin. MVBTCO calculates the intra-day price of bitcoin every 15 seconds, including a "closing price" as of 4:00 p.m. E.T. The intra-day price and closing price are based on a methodology that consists of collecting actual firm bid/ask spreads and calculating a mid price from several bitcoin over-the counter (OTC) platforms, all of which are U.S.-based entities, included within the index.

The logic utilized for the derivation of the daily closing index level for MVBTCO is intended to analyze actual firm bid/ask data, verify and refine the data set, and yield an objective, fair-market value of one bitcoin as of 4:00 p.m. E.T. each weekday, priced in U.S. dollars.

Will the Trust's bitcoin holdings be audited?

Yes. Market practice for Rule 144A offerings is to follow requirements of a public offering in terms of annual audit and ongoing financial reporting. The VanEck SolidX Bitcoin Trust will be audited and its annual audit will be publicly available on its website.

Under what regulatory framework are the 144A Shares issued and what are its constraints?

The 144A Shares are restricted securities. The Securities Act of 1933, as amended provides a safe harbor from registration requirements for certain resales of restricted securities to QIBs.

The JOBS Act in 2012 amended Rule 144A to allow brokers and dealers to offer Rule 144A securities through general solicitations. General solicitation may also increase liquidity for investors in Rule 144A securities if resale platforms develop for such products.

Who can invest in and trade the 144A Shares?

Only QIBs can invest in and trade the 144A Shares.

Can foreigners invest in and trade the 144A Shares?

Yes, as long as they are a QIB.

Is there a minimum investment size for the 144A Shares?

No, there is no minimum investment size aside from the price of one share.

Is there a minimum holding period for the 144A Shares?

No, there is no minimum holding period for the 144A shares.

Will the 144A Shares be “seasoned”?

No, there is currently no intention to season the 144A Shares.

VanEck SolidX Bitcoin Trust 144A Shares is the first open-end and DTC-eligible bitcoin security that can be held in a brokerage account.

Trust Details		Trust Structure	
Ticker	XBTCZ	Sponsor	SolidX Management LLC
Inception Date	09/04/2019	Trustee	Delaware Trust Company
Sponsor Fee**	2.00%	Administrator	Bank of New York Mellon
Insurance Fee**	0.9%	Transfer Agent	Bank of New York Mellon
Eligible Investors	QIBs	Marketing Agent	Van Eck Securities Corporation
ISIN	US92189G1040		
CUSIP	92189G 104		
Creation/Redemption Basket Size	4,000 Shares		

*Quoted on OTC Expert Market.

**See the Offering Memorandum for a detailed description of fees and expenses.

Call us at 212.293.2072

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Before investing you should carefully consider the VanEck SolidX Bitcoin Trust's ("Trust") investment objectives, risks, charges and expenses.

THE TRUST WILL HOLD BITCOIN AND THEREFORE MAY BE RISKIER THAN OTHER PRODUCTS THAT DO NOT HOLD BITCOIN OR FINANCIAL INSTRUMENTS RELATED TO BITCOIN. THE SHARES ARE SPECULATIVE SECURITIES AND THEIR PURCHASE INVOLVES A HIGH DEGREE OF RISK. YOU SHOULD CONSIDER ALL RISK FACTORS BEFORE INVESTING IN THE TRUST. PLEASE REFER TO "THE RISKS YOU FACE" IN THE OFFERING MEMORANDUM FOR MORE INFORMATION.

The OTC Expert Market is Not an Exchange and has Limited Liquidity.

There is no public market for the Shares. The Shares of the Trust will not be listed on any securities exchange for trading, but the Shares of the Trust are eligible for quotation by subscribing broker-dealers on OTC Markets' alternative trading system, "OTC Expert Market", under the symbol [XBTCZ]. The OTC Expert Market price quotation of the Shares may be different from the NAV per Share for a number of reasons, including price volatility, trading volume of bitcoin, closing of bitcoin trading platforms due to fraud, failure, security breaches or otherwise and illiquidity on OTC Expert Market.

In order to enable brokers to provide quotations for the Shares, the Trust will use commercially reasonable efforts to provide the information required under Rule 15c2-11 promulgated under the Securities Exchange Act of 1934, as amended.

The Shares have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any other jurisdiction. Unless they are registered under the Securities Act, the Shares may be offered only in transactions that are exempt

from registration under the Securities Act pursuant to Rule 144A promulgated under the Securities Act ("Rule 144A"). Accordingly, the Trust is offering the Shares in the United States only to "qualified institutional buyers", as such term is defined in Rule 144A ("QIBs").

An investment in the Trust may be subject to risks, including market risk and operational risk related to bitcoin and blockchain technology. These risks include but are not limited to, lack of an active trading market in bitcoin or possibly an illiquid secondary market, limited history and operational experience of Market Makers and Authorized Participants related to bitcoin, the existence of unregulated exchanges and trading venues for bitcoin and other digital assets, new or additional regulations applicable to bitcoin or bitcoin trading in jurisdictions where bitcoin is traded, unavailable insurance, the development of new technology and successful competing digital assets, loss or destruction of the Trust's private keys, failure to monitor and upgrade the applicable blockchain protocols, temporary or permanent blockchain forks, Internet disruptions, attacks on the bitcoin network or other activities by malicious actors, concentration of a large aggregate amount of mining power in relatively few miners, miners ceasing to act and/or acting in collusion adversely affecting the bitcoin network, increases in bitcoin transaction fees as verification fees decrease, delays in confirming bitcoin transactions, large concentration of bitcoins held by few holders and the use of bitcoin for illegal purposes, or the perception of such use, that may result in damage to the reputation of bitcoin, among others. Each of these risks could have an adverse effect on an investment in the Shares. There is no assurance that usage or adoption of bitcoin and blockchain technology will continue to grow. A contraction in use of bitcoin or blockchain technology may result in increased volatility or a reduction in the price of bitcoin, which could adversely impact the value of the Shares.

The Net Asset Value (NAV) of the Trust will change as fluctuations occur in the market price of the Trust's bitcoin holdings. Shareholders should be aware that the price quotation of a Basket may be different from the NAV of a Basket (i.e., Shares may be bought and sold at a premium over, or a discount to, the NAV of a Basket) and similarly the price quotation per Share may be different from the NAV for a number of reasons, including price volatility, trading volume of bitcoin, closing of bitcoin trading platforms due to fraud, failure, security breaches or otherwise and illiquidity on OTC Expert Market. Consequently, an Authorized Participant may be able to create or redeem a Basket at a discount or a premium to the OTC Expert Market price quotation per Share. This price difference may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for Shares are related, but not identical, to the supply and demand forces influencing the market price of bitcoin, including as reflected on the MVBTCO. Shareholders also should note that the size of the Trust in terms of total bitcoin held may change substantially over time and as Baskets are created and redeemed.

There can be no guarantee that the Trust will produce the intended results and achieve its investment objective. In making an investment decision, investors must rely on their own examination of the Trust and the terms of the offering contemplated by the applicable Offering Documents, including the risks involved.

Except when aggregated in blocks of Shares by certain registered broker-dealers, the 144A Shares are not redeemable securities.

Investing involves substantial risk and high volatility, including possible loss of principal. An investor should consider the investment objective, risks, charges and expenses of the Trust carefully before investing. To obtain an Offering Memorandum, which contain this and other information, call 800.826.2333 or visit vaneck.com. Please read the Offering Memorandum carefully before investing.

The sponsor of the Trust is SolidX Management LLC (the "Sponsor"). Van Eck Securities Corporation provides marketing services to the Trust.

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The Sponsor has entered into a licensing agreement with MV Index Solutions GmbH ("MVIS") to use the MVIS® Bitcoin US OTC Spot Index ("MVBTCO"). The Shares are not sponsored, endorsed, sold or promoted by MVIS. MVIS makes no representation or warranty, express or implied, to the shareholders of the Trust or any member of the public regarding the advisability of investing in securities generally or in the Trust in particular or the ability of the MVBTCO to track bitcoin market price performance. MVIS' only relationship to the Sponsor is the licensing of certain service marks and service names of MVIS and of the MVBTCO, which is determined, composed and calculated by MVIS without regard to the Sponsor or the Trust. MVIS has no obligation to take the needs of the Sponsor or the shareholders of the Trust into consideration in determining, composing or calculating the MVBTCO. MVIS is not responsible for and has not participated in the determination of the prices and amount of the Shares or the timing of the issuance or sale of the Shares or in the determination or calculation of the equation by which the Shares are redeemable. MVIS has no obligation or liability in connection with the administration, marketing or trading of the Shares.

MVIS makes no warranty, express or implied, as to the results to be obtained by any person or entity from the use of MVBTCO for any purpose. Index information and any other data calculated and/or disseminated, in whole or part, by MVIS is for informational purposes only, not intended for trading purposes, and provided on an "as is" basis. MVIS does not warrant that the index information will be uninterrupted or error-free, or that defects will be corrected. MVIS also does not recommend or make any representation as to possible benefits from any securities or investments, or third-party products or services. Investors should undertake their own due diligence regarding securities and investment practices.

MVIS® Bitcoin US OTC Spot Index is the exclusive property of MV Index Solutions GmbH (a wholly owned subsidiary of Van Eck Associates Corporation ("VEAC")). Van Eck Securities Corporation ("VESC") is an affiliated broker-dealer of VEAC, and will serve as marketing agent to the sponsor and will receive fees from the sponsor and/or the Trust.



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