

## Galaxy Digital Announces Launch of Decentralized Finance (DeFi) Index Fund

*The Fund seeks to track the newly launched Bloomberg Galaxy DeFi Index*

NEW YORK, August 19, 2021 /CNW/ - [Galaxy Digital Holdings Ltd. \(TSX: GLXY\)](#) ("Galaxy Digital" or the "Company"), the pre-eminent global provider of blockchain and cryptocurrency financial services for institutions, today announced the launch of the Galaxy DeFi Index Fund, a passively managed fund that seeks to track the performance of the newly-launched Bloomberg Galaxy DeFi Index (ticker: DEFI).

As one of the fastest growing sectors in crypto, DeFi brings financial services on-chain, enabling participants to borrow, lend, and exchange assets on blockchains governed by smart contracts instead of through centralized intermediaries. DeFi is distinct because it expands the use of blockchain from simple value transfer to more complex financial use cases. At the time of writing, users have deposited over [\\$80.7 billion worth of crypto into DeFi smart contracts](#) up from [\\$4.7 billion](#) one year ago today.

The Galaxy DeFi Index Fund seeks to provide institutional investors access to returns based on the performance of DeFi through a simple, secure vehicle with exposure to the largest, most liquid portion of the decentralized finance crypto market, one of the fastest-growing segments of the crypto ecosystem. The fund is seeded by NZ Funds, a wealth management firm that manages over \$2bn of New Zealanders' savings.

"Galaxy continues to pioneer inroads for institutions seeking exposure to the innovation happening within the crypto ecosystem," said Steve Kurz, Partner and Head of Asset Management at Galaxy Digital. "The blockchain-based infrastructure behind DeFi is maturing at an accelerating rate and clear examples of how this new technology can disrupt financial services are emerging in real-time. Our unique DeFi Index Fund provides investors with institutional-grade exposure to the future of financial services."

The Bloomberg Galaxy DeFi Index is designed to measure the performance of the largest decentralized finance (DeFi) protocols by market capitalization. The benchmark is owned and administered by Bloomberg Index Services Limited and is co-branded with [Galaxy Fund Management](#).

The constituents represented in DEFI are selected based on institutional trading and custody readiness in the United States, as well as quality of pricing. Each constituent will represent a hold of no more than 40% of the Index and no less than 1% of the benchmark's overall value. DeFi protocols will be considered for addition to, or removal from, the Index on a monthly basis.

As of August 1, 2021, the Index consisted of the following assets and weightings:

1. UNI *Uniswap* 40.0%
2. AAVE *AAVE* 18.0%
3. MKR *Maker* 12.7%
4. COMP *Compound* 10.0%
5. YFI *Yearn.Finance* 5.4%
6. SNX *Synthetic* 5.0%
7. SUSHI *SushiSwap* 4.3%
8. ZXR *Ox* 2.8%
9. UMA *UMA* 1.8%

## **About Galaxy Digital**

Galaxy Digital (TSX: GLXY) is a diversified financial services and investment management company dedicated to the digital asset and blockchain technology sectors. Galaxy Digital's team has extensive experience spanning investing, portfolio management, capital markets, venture capital, asset management, and blockchain technology. Galaxy Digital operates in five synergistic business lines: Trading, Asset Management, Principal Investments, Investment Banking, and Mining. Galaxy Fund Management is the digital asset funds brand of the Asset Management business. Galaxy Digital's CEO and Founder is Mike Novogratz. The Company is headquartered in New York City, with offices in Chicago, San Francisco, London, Amsterdam, Tokyo, Hong Kong, the Cayman Islands (registered office), and New Jersey.

## **Disclaimers**

The TSX has neither approved nor disapproved the contents of this press release.

SOURCE Galaxy Digital Holdings Ltd.

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The private placement shares of the Galaxy DeFi Index Fund (the "Fund") has not been registered under the Securities Act of 1933, as amended (the "Securities Act") or any state securities laws, and the shares are being offered pursuant to an exemption from registration provided by Rule 506(c) of Regulation D under the Securities Act and in reliance on similar exemptions under applicable state laws. An investment in the shares of the Fund is suitable only for sophisticated, well-informed investors, and investors will be required to represent that they are accredited investors as such term is defined in Rule 501(a) of Regulation D under the Securities Act.

If any offer and sale of securities is made, it will be pursuant to the confidential offering memorandum of the fund (the "Offering Memorandum"). Any decision to make an investment in the Fund should be made after reviewing such Offering Memorandum, conducting such investigations as the investor deems necessary and consulting the investor's own investment, legal, accounting and tax advisors in order to make an independent determination of the suitability and consequences of an investment.

Investing in the Fund and digital assets involves a substantial degree of risk. There can be no assurance that the investment objectives of the Fund will be achieved. Any investment in the Fund may result in a loss of the entire amount invested. Investment losses may occur, and investors could lose some or all of their investment. Neither historical returns nor economic, market or other performance is an indication of future results.

Decentralized Finance (or DeFi) refers to a variety of blockchain-based applications or protocols that provide for peer-to-peer financial services using smart contracts and other technology rather than such services being offered by central intermediaries. Common DeFi applications include borrowing/lending Digital Assets and providing liquidity or market making in Digital Assets. Because DeFi applications rely on smart contracts, any errors, bugs, or vulnerabilities in smart contracts used in connection with DeFi activities may adversely affect such activities. DeFi lending is subject to counterparty risk and credit risk,

but because lending is automated through the DeFi protocol, rather than individual decisions made by a portfolio manager on behalf of a Fund, such risks may be exacerbated, particularly if there are flaws in DeFi protocol's code or operation. DeFi applications may involve regulated financial products or regulated activities, however because of their decentralized nature, there is generally no entity subject to regulatory supervision. Accordingly, DeFi applications may be subject to more risks than engaging in similar activities through regulated financial intermediaries. In addition, in certain decentralized protocols, it may be difficult or impossible to verify the identity of a transaction counterparty necessary to comply with any applicable anti-money laundering, countering the financing of terrorism, or sanctions regulations or controls. All of these risks could cause the value of DeFi tokens held by a fund to decline, including to zero.

Securities transactions are effected through Galaxy Digital Partners LLC, a member of FINRA and SIPC

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