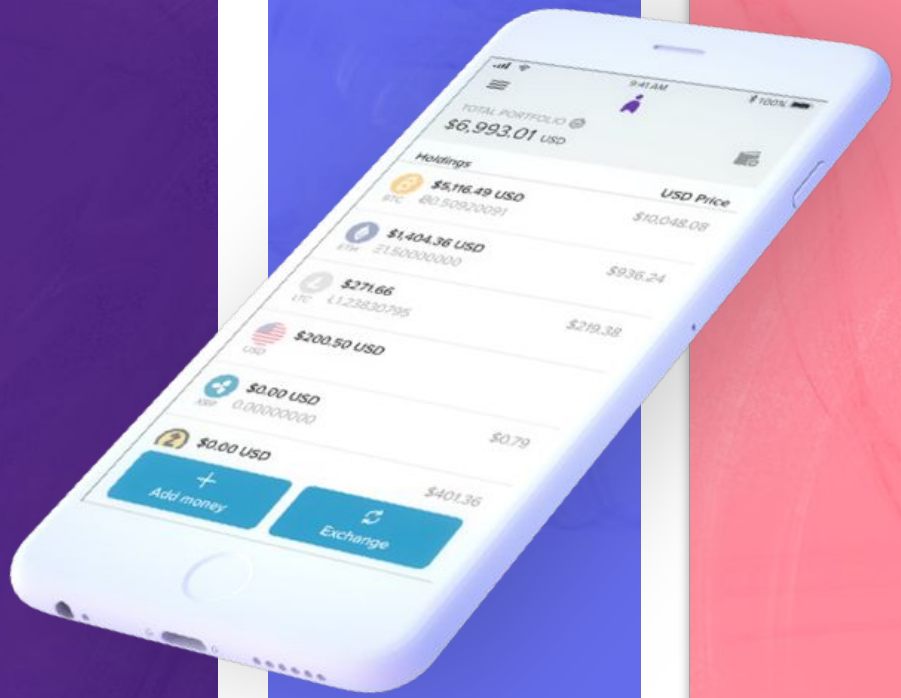
A guide to crypto index investing

The first easily accessible crypto index for everyone, everywhere



A guide by

ABRA

What is a crypto index?

This is the first of its kind, so it needs a little bit of an intro.

> ***A crypto index is based on the the tried-and-true method of index investing.***

In the traditional finance world, an index refers to curating several assets into a group and then tracking the performance of that group.

Some of the more famous indices are the **S&P 500** and the Dow Jones Industrial Average, which both track the performance of large companies in the United States.

While these are some of the most popular, there are countless kinds of indices tracking various industries and sectors.

Please note: This guide is intended for informational purposes only and is not financial or investing advice.

This chart shows the historical performance of the S&P 500.

Source

Why invest in an index?

In traditional investing, index funds are popular alternatives to managed funds, like mutual funds.

Over the last several decades, index investing has become a mainstay in many portfolios because an index provides a simple way for investors to diversify holdings in markets.

The diversification and broad market exposure that is enabled by index investing helps capture the potential upside of multiple assets while insulating from the downside of poor performing investments.

Another huge advantage, particularly for retail investors, is that index funds generally have fewer fees than professionally managed funds.

The advantages of an index for

Crypto Investors

A crypto index solves a few problems for investors interested in cryptocurrencies.

One of the biggest advantages of investing in a crypto index is that it is a simple way to gain exposure to a specific segment of the cryptocurrency market.

Another advantage is that a crypto index makes investing simple. Instead of having to buy and secure multiple assets, an index investor just needs to hold one asset.

A crypto index is rebalanced to optimize for upside, which means investors don’t have to worry about which moves to make and when.

It’s for these reasons and more that Abra is introducing the Bitwise 10 Crypto Index Product (BIT10), a simple and accessible cryptocurrency index product.

The BIT10: A game-changing investing tool

The BIT10 is the world's first easy-to-use crypto index product.

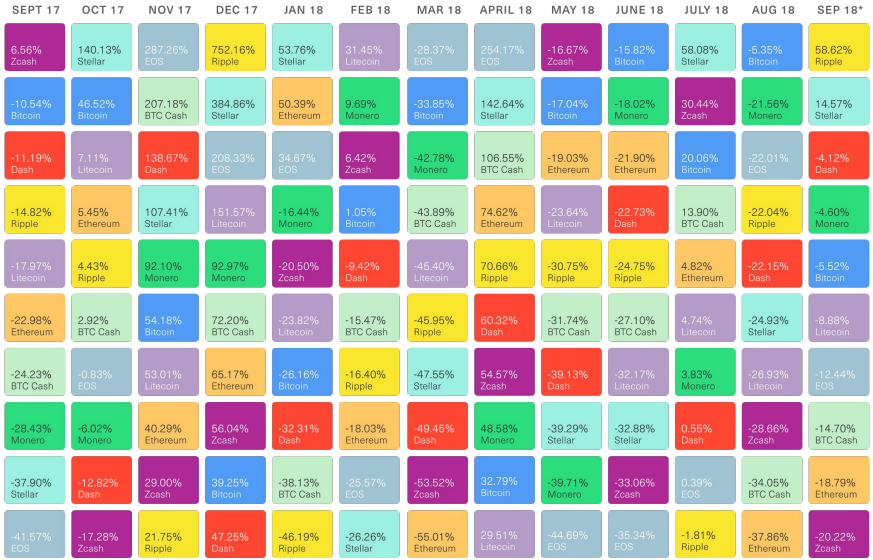
It allows everyone, everywhere to take advantage of the benefits of a crypto index tool.

The BIT10 is rebalanced every month to optimize for upside, which means that investors don't have to worry about trading individual assets for market movements.

The BIT10 allows investors to gain exposure to

80%

of the cryptocurrency market cap,
through one asset.



Volatility of the top ten cryptocurrencies over one year

Data as of September 25, 2018. Sources: Bitwise Asset Management, Coinmetrics.io, and Nomics.com. The table captures the top 10 cryptoassets as represented in the Bitwise 10 Large Cap Crypto Index as of the August 31, 2018 rebalance.* September 2018 data is as of September 25, 2018 and therefore does not represent a full month's returns.
Performance as of July 1, 2017 - August 31, 2018. Performance of individual cryptoassets do not include the fees and expenses that may be charged by a Fund investing in them. Actual returns may differ materially from historical returns.

The advantages of the BIT10

1. Investing in an index fund is simple
2. Index funds generally outperform other kinds of actively managed funds
3. The BIT10 index coin will track a large portion of the global crypto market (currently 85%), which gives investors wide exposure
4. The BIT10 coin is integrated into the Abra app, making trading across crypto assets a streamlined experience
5. The BIT10 coin is open to all investors, everywhere
6. The fund will be professionally re-balanced every month, according to the methods published by Bitwise
7. Investors are able to enter and exit BIT10 at any time, without restriction

How will the BIT10 work?

Step 1

The BIT10 is composed of 10 of the highest performing large cap cryptocurrencies.

Step 2

The index will track a price feed developed in accordance with the methodology created by Bitwise Asset Management, a company founded in 2017 and headquartered in San Francisco.

Step 3

The index is managed by professionals and regularly rebalanced. Abra users will be able to move assets in and out of the index at any time.

Bitwise has developed several index funds that track the global crypto markets.

Step 4

The BIT10 will be traded within the Abra app, which is already used worldwide.

Step 5

Abra users will be able to buy fractional amounts of BIT10. There are no fees and the minimum buy-in is $5.

Bitwise Asset Management is building crypto index funds

Bitwise Asset Management was founded in 2017 in order to meet the growing demand for cryptocurrency index funds. Headquartered in San Francisco, the company now has several index funds that track the global crypto markets.

Bitwise

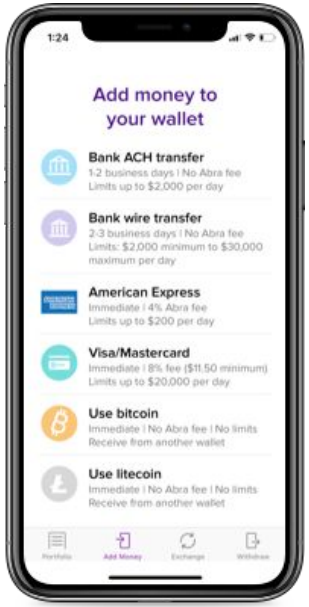
Since inception,

The Bitwise funds have outperformed bitcoin alone (in both bull and bear markets).

Powered by ABRA

On the backend, the BIT10 will use the same cryptocurrency-backed stablecoin/synthetic currency model that is already deployed and working on the Abra app.

Behind the scenes, Abra is executing multi-signature contracts on the bitcoin and litecoin blockchains. It's through these contracts that the BIT10 price, the investor's position, and the price feed established by Bitwise will all interact.



This model allows Abra users to quickly move between a wide variety of crypto assets currently available on the app.

Another feature of this model is that it is non-custodial, which means that all of the assets invested are secured on the blockchain, and they are not under the control of Abra, or any other third-party.

How to invest in the BIT10 index

01

Download the Abra app

From the **Google Play Store** or from the **Apple App Store**.

02

Create an account on Abra

Set-up and **fund the Abra app** (there are a number of ways to get funds into Abra).

ABRA

03

Start investing in coins

Find the **BIT10** listed in the app's home screen alongside the other available assets.

Thank you!

To learn more about Abra

Download the Abra app

Download the app from the **Google Play Store** or from the **Apple App Store**

Go to our blog or Youtube channel

ABRA BLOG

We also have information articles about cryptocurrencies and how they work on the Abra blog and on our YouTube channel.

For queries, get in touch with us

Please reach out to our support team by emailing **support@abra.com**.

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