

Metzler issues first DLT-based fund shares under cryptoFAV with Cashlink and fundsonchain

- Metzler Asset Management issues first crypto fund units in Germany
- Cashlink takes on the role of registrar
- fundsonchain takes over the complete processing of the share certificate business

Frankfurt, 05.09.2023

Metzler Asset Management (MAM) has issued the first crypto fund units in accordance with the German Capital Investment Code (KAGB), the Electronic Securities Act (eWpG) and the Regulation on Crypto Fund Units (KryptoFAV). MAM is supported in this by the fintechs Cashlink and fundsonchain.

Cashlink provides the leading infrastructure for asset tokenization, enabling fully digital issuance of securities. In November 2021, Cashlink became one of the first companies to receive a provisional permission to register crypto securities from the German Federal Financial Supervisory Authority (BaFin).

fundsonchain offers end-to-end settlement of eWpG- and KryptoFAV-compliant fund shares based on distributed ledger technology (DLT). In addition, the focus is on the tokenization of fund shares, the management of centralized and decentralized share registers and the digitalization of investment fund-specific processes (e.g. tax figures, commissions, reporting).

Together, Cashlink and fundsonchain thus provide Metzler Asset Management as a fully regulated one-stop-shop with the technological end-to-end processing of tokenized funds via fundsonchain, including Cashlink's crypto securities register management.



The fund shares are issued as part of a three-month pilot project and are not publicly investable. MAM acts as the capital management company (KVG) for the successful implementation of the pilot project. B. Metzler seel. Sohn & Co. AG (Bankhaus Metzler) takes over the depositary function and acts as investor at the start. With this project, MAM and Bankhaus Metzler gain important insights and practical experience for the further use of this future technology.

"We are very pleased about the extremely successful cooperation and the successful issuance of the crypto fund units. At the Digital Assets Office (DAO), we see ourselves as developers of innovative solutions to drive the digital transformation of the financial industry in Germany - always consistently focusing on the needs of our customers. We want to make the most of technological opportunities and offer real added value. The implementation of this project brings us a step closer to a fully digital financial market in Germany," says Shahrok Shedari from the DAO of Bankhaus Metzler.

Michael Duttlinger, co-founder and CEO of Cashlink, is also convinced: "This issuance represents a key milestone in the transformation of asset management and is just the beginning." He goes on to say, "Transactions like Metzler Asset Management's are boosting confidence in technology and regulation. Coupled with the surge in industry interest, more and more financial institutions will now follow suit."

Volker Braunberger, founder and CEO of fundsonchain, adds: "We started fundsonchain to make the product "fund" sustainable and more attractive for retail and institutional customers. The transaction that has now taken place is a milestone for us and the investment fund industry. We are proving that the full digitalization of fund processing and distribution is possible and that the product "fund" can be produced much faster, cheaper and more digitally for the investor. fundsonchain: The Future of Funds!"



About Metzler

The core of the Metzler Group is Bankhaus Metzler, Germany's oldest private bank with almost 350 years of uninterrupted family ownership. Bankhaus Metzler focuses on individual capital market services for institutions and discerning private clients.

In asset management, one of the four core business areas of the Metzler Group, MAM as a subsidiary offers investment services for institutional clients. These include individually thought-out concepts in portfolio management - which consistently incorporate sustainability components - as well as efficient and secure solutions for administration. The aim is always to offer customers a balance of standardized processes and individual service - and thus to create sustainable value.

The Digital Assets Office (DAO) is a cross-divisional unit of the Metzler Group that deals with electronic securities and blockchain technology. With the DAO, the Metzler Group is positioning itself as a pioneer in the industry and leveraging the opportunities of digital transformation to offer its customers innovative solutions and competitive advantages.

For more information, visit www.metzler.com

About Cashlink

The financial technology company Cashlink offers a Europe-wide leading infrastructure for the tokenization of assets. By using blockchain technology, Cashlink enables the fully digital issuance of securities such as bonds, certificates or profit participation rights. In November 2021, the company received preliminary permission from BaFin to operate a crypto securities registry, covering the entire value chain of tokenization of securities.



This allows financial institutions and FinTechs to benefit from the new possibilities of tokenization while saving costs and resources.

Cashlink also advocates for the increased use of blockchain-based applications in the financial industry. As a founding member of the Federal Association of Crypto Securities Registrars of the European forum "International Association for Trusted Blockchain Applications" (INATBA) as well as the regional group Hessen of the Blockchain Federal Association, Cashlink is actively shaping the future of the securities business. The startup is also the winner of the FinTech Germany Awards 2020 and 2021 in the categories Blockchain and Early Stage.

About fundsonchain

fundsonchain offers a holistic solution for the issuance and settlement of tokenized funds in accordance with German legislation (eWpG / eWpRV / KryptoFAV) and the DLT Pilot Regime. In addition to the issuance, the range of services also includes transaction processing, the digitalization of life cycle events, and DLT-based management of the share certificate register, as well as, in the next step, the connection to digital secondary markets under the DLT Pilot Regime.

fundsonchain is also very intensively committed to the digital transformation of the national and international investment fund industry. In particular, the innovative design of fund processing and fund distribution are key drivers of fundsonchain to keep the product "investment fund" attractive for investors. In the course of these efforts, fundsonchain is being funded as an innovation project by the German Federal Ministry of Education and Research within the framework of Section 6 of the German Research Grants Act (FZuG).



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