CoinShares

Physical Staked Ethereum

Ticker ETHE **ISIN** GB00BLD4ZM24 **WKN** A3GVC0

Investment objective

CoinShares Physical Staked Ethereum (Ticker: ETHE) is a physically backed Exchange Traded Product (ETP).

ETHE trades on a regulated exchange, can be bought and sold just like an equity, and provides direct exposure to the price of Ethereum.

Key Information

Underlying asset	Ethereum
Management Fee	Reduced to 0.0% p.a.[1]
Bloomberg Code	ETHE
Securities Lending	No
Base Currency	USD
Staking rewards	1.25% p.a.[1]
Replication Method	Physical
UCITS Eligible	Yes[2]
UCITS Compliants	No

Legal Structure	Debt Security (ETP)
Registrar	Computershare Investor Services (Jersey) Limited
Administrator	IQ-EQ Fund Services (Jersey) Limited
Trustee	The Law Debenture Trust Corp p.l.c.
Auditor	Baker Tilly Channel Islands Limited
Issuer	CoinShares Digital Securities Limited
Custodian	Komainu (Jersey) Limited

[1]The Issuer has announced by RNS that, until further notice, the staking rewards for ETHE will be applied by both a reduction in the Management Fee to 0.0% p.a. and a daily increase to the relevant Coin Entitlement. See the Staking Rewards section on Page 2 for details.

[2]UCITS Eligibility varies by jurisdiction. Please contact CoinShares if you would like to discuss.

Ethereum Price Performance (USD)

PERIOD	RETURN
2018	-80.80%
2019	-6.24%
2020	465.50%
2021	415.81%
2022	-68.24%
2023	89.35%
2024 (YTD)	6.27%

Source: ETH/USD, Compass Financial Technologies. The figures shown relate to past performance. Past performance is not a reliable indicator of future results and should not be a sole factor of consideration when selecting a product. Transaction costs, fees and expenses not included.

The product utilizes the Compass Crypto Reference Indices (CCRI) as a benchmark to determine the daily indicative monetary value for the Coin Entitlement

The Year-on-Year performance of the Product is 47.95%, while the performance of the Index stands at 46.89%.

Pricing information

Coin Entitlement (CE) 0.03 Ethereum at launch

Price Coin Entitlement × Ethereum price

Why ETHE?

→ Each ETHE Security is 100% physically backed by Ethereum

→ Unlike other providers, we never lend out the Ethereum backing your securities

→ Investors have the option to redeem their securities directly for Ethereum

→ Competitive management fee

→ Built by CoinShares: experts in Ethereum and other digital assets

Key Risks

→ Investors' capital is at risk and investors may lose part or all of their investment

→ ETHE Securities are structured as debt securities, not equity

→ The bid/offer prices of the ETHE Securities on an exchange may differ from the trading price of the Ethereum

ETHE trading lines

EXCHANGE	TRADING CURRENCY	BLOOMBERG CODE	SEDOL	LISTING DATE
SIX	USD	ETHE SW Equity	BLD4ZM2	23/2/2021
SIX	CHF	ETHECHF SW Equity	BKPKL89	23/2/2021
SIX	EUR	ETHEEUR SW Equity	BKPKL67	23/2/2021
Euronext	EUR	CETH FP Equity	BMYX796	7/9/2021
Börse Xetra	EUR	CETH GY Equity	BKPKL67	7/6/2021
Euronext	EUR	CETH NA Equity	BMYX785	7/7/2021

Staking rewards

Proof of stake blockchains like Ethereum work differently to proof of work blockchains like Bitcoin. In simple terms, adding new blocks to the blockchain requires existing holders to 'stake' their cryptocurrency. In return for staking, they are rewarded with cryptocurrency from that same blockchain.

CoinShares' Staked ETPs are built to allow the Issuer to share staking rewards with investors in two ways:

The Issuer can reduce the management fee.

The Issuer can also increase the Coin Entitlement of the ETP each day, as staking awards accrue.

For CoinShares Physical Staked Ethereum, the Issuer will share staking rewards as follows:

PRODUCT	MANAGEMENT FEE	STAKING REWARD
CoinShares Physical Staked Ethereum	Reduced to 0.0% p.a.	1.25% p.a. (accrued daily)

Note that staked coins do not move from the secure custodian where they are stored, and the ETP remains 100% physically backed at all times.

The CoinShares Group earns fees for services performed for the Issuer as well as any extra return earned from staking above the Staking Rewards for investors.

For more information, please see our Staking FAQ at: coinshares.com/etps/physical

Registered for sale

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