

# Physical Staked Cosmos

Ticker COMS

ISIN GB00BNRRF980

WKN A3GY73

## Investment objective

Physical Staked Cosmos (Ticker: COMS) is a physically-backed Exchange Traded Product (ETP). COMS trades on a regulated exchange and can be bought and sold just like an equity. Designed to provide direct exposure to the price of ATOM's native asset, Cosmos, and to enable investors to participate in staking rewards associated with holding Cosmos in a transparent way.

## Key Information

<b>Underlying asset</b>	ATOM (Cosmos)
<b>Management Fee</b>	Reduced to 0.0% p.a. <sup>1</sup>
<b>Bloomberg Code</b>	COMS
<b>Securities Lending</b>	No
<b>Base Currency</b>	USD
<b>Staking rewards</b>	5.0% p.a. <sup>1</sup>
<b>Replication Method</b>	Physical
<b>UCITS Eligible</b>	Yes <sup>2</sup>
<b>UCITS Compliant</b>	No

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

<sup>1</sup>The Issuer has announced by RNS that, until further notice, the staking rewards for COMS 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.

<sup>2</sup>UCITS Eligibility varies by jurisdiction. Please contact CoinShares if you would like to discuss.

## ATOM Price Performance (USD)

PERIOD	RETURN
2019*	-31.71%
2020	36.92%
2021	447.02%
2022	-70.30%
2023	15.64%
2024 (YTD)	-56.99%

\*since June 2019.

Source: ATOM/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. Figures do not include any Staking Rewards.

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 -28.56%, while the performance of the Index stands at -31.98%.

## Pricing information

**Coin Entitlement (CE)** 0.50 Cosmos at launch

**Price** Coin Entitlement × Cosmos price

## Why COMS?

- Each COMS Security is 100% physically backed by the underlying asset (ATOM)
- Investors have the option to redeem their securities directly for ATOM
- Reduced management fee of 0.0% p.a.<sup>1</sup>
- Staking Rewards of 5.0% p.a.<sup>1</sup>
- Built for investors to enjoy the rewards from staking in a transparent way

## Key Risks

- Investors' capital is at risk and investors may lose part or all of their investment
- Investors' capital is at risk and investors may lose part or all of their investment
- COMS Securities are structured as debt securities, not equity
- The bid/offer prices of the COMS Securities on an exchange may differ from the trading price of the Cosmos
- Liquidity risk due to restriction on transferability of coins staked

# COMS trading lines

EXCHANGE	TRADING CURRENCY	BLOOMBERG CODE	SEDOL	LISTING DATE
Börse Xetra	EUR	COMS GY	BNRRF98	21/6/2022

## Staking rewards

Proof of stake blockchains like Cosmos 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 Cosmos, the Issuer will share staking rewards as follows:

PRODUCT	MANAGEMENT FEE	STAKING REWARD
Physical Staked Cosmos	Reduced to 0.0% p.a.	5.0% p.a. <sup>1</sup> (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](https://coinshares.com/etps/physical)

## Registered for sale

- AUSTRIA
- BELGIUM
- DENMARK
- ESTONIA
- FINLAND
- FRANCE
- GERMANY
- GREECE
- ITALY
- LUXEMBOURG
- NETHERLANDS
- NORWAY
- POLAND
- SPAIN
- SWEDEN
- SWITZERLAND



# Disclosures

This is a marketing communication. Crypto Exchange Traded Products are complex products, may be difficult to understand and have a high risk of capital loss. The base prospectus, the final terms and the key information document relating to this product can be obtained free of charge on our website <https://etp.coinshares.com/physical> or from CoinShares Digital Securities Limited (“CSDS”), Second Floor, 2 Hill Street, St Helier, Jersey, JE2 4UA, Channel Islands.

This document is for information purposes only and does not explicitly target any person who by domicile or nationality is prohibited to receive such information according to applicable law. This document does not constitute an offer to sell or a solicitation or invitation to subscribe or to make an offer to buy any securities, nor does it provide a basis for any contract or obligation of any kind.

Belgium: The information in this document is not intended for retail clients and may only be issued to professional investors and eligible counterparties.

Switzerland: This document does neither constitute a prospectus or similar communication pursuant to the Swiss Financial Services Act, as amended (“FinSA”) nor the final terms with respect to the product has not been reviewed or approved by or filed with a review body pursuant to article 52 FinSA. This document is of summary nature only and may be considered to be advertising for financial instruments pursuant to article 68 FINSA.

United Kingdom: The information in this document is solely intended for professional investors and eligible counterparties. This product cannot be sold, marketed or distributed to UK retail clients. United States: This document and the information contained in it must not be distributed and/or redistributed to, used or relied upon by, any person (whether individual or entity) who may be a US person under Regulation S under the US Securities Act of 1933. US persons include any US resident; any corporation, company, partnership or other entity organized under the law of the United States and other categories set out in Regulations.

Investments may go up or down in value and you may lose some or all of the amount invested. Investors are advised that past performance is not an indication of future performance. This document contains historical performance data. Fees and expenses have not been included. Third party data providers make no warranties or representation of any kind in relation to the use of any of their data in this document. CSDS does not accept any liability whatsoever for any direct, indirect or consequential loss arising from any use of this document or its contents.

Nothing within this document constitutes (or should be construed as being) investment, legal, tax or other advice. This document should not be used as the sole basis for any investment decision, and investors should read the information contained in the relevant prospectus. Any potential investor in digital assets, even if experienced and affluent, is strongly recommended to seek independent financial advice upon the merits of the same in the context of their own unique circumstances.

This document may contain forward-looking statements including statements regarding our expectations of the performance. Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. There can be no assurance that such statements will be accurate and actual results could differ materially from those anticipated in such statements. CSDS assumes no duty to, and does not undertake, to update forward-looking statements. Investors are advised not to place undue reliance on any forward-looking statements. CSDS is not a licensed financial advisor and does not give any financial advice or accept client funds. For questions regarding investing or trading please contact your advisor, brokerage or bank. If you have technical questions regarding our products, please contact us. For more information on this product and/or CoinShares, email [physical@coinshares.com](mailto:physical@coinshares.com) or you can find details on the website at <https://etp.coinshares.com/physical>

For EU professional investors: CoinShares Asset Management a French asset management company regulated by the Autorité des Marchés Financiers (number GP 19000015). Its office is located at 17 Rue de la Banque, 75002, Paris, France. For UK professional investors and Swiss qualified investors: CoinShares Capital Markets (UK) Limited is an appointed representative of Strata Global Limited which is authorised and regulated by the Financial Conduct Authority (FRN 563834). The address of CoinShares Capital Markets (UK) Limited is 3 Lombard St, London, EC3V 9AG.

Copyright © 2024 CoinShares. All rights reserved.