

# Physical Staked Polkadot

Ticker CDOT

ISIN GB00BNRRFW10

WKN A3GVC0

## Investment objective

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

## Key Information

<b>Underlying asset</b>	Polkadot (DOT)
<b>Management Fee</b>	Reduced to 0.0% p.a. <sup>1</sup>
<b>Bloomberg Code</b>	CDOT
<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 CDOT 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.

## Bitcoin Price Performance (USD)

PERIOD	RETURN
2020*	88.74%
2021	240.70%
2022	-84.28%
2023	94.55%
2024 (YTD)	-46.24%

\*since October 2020.

Source: DOT/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 17.38%, while the performance of the Index stands at 11.77%.

## Pricing information

**Coin Entitlement (CE)** 1.0 DOT at launch

**Price** Coin Entitlement × DOT price

## Why CDOT?

- Each CDOT Security is 100% physically backed by the underlying asset (DOT)
- Investors have the option to redeem their securities directly for DOT
- 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
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- CDOT Securities are structured as debt securities, not equity
- The bid/offer prices of the CDOT Securities on an exchange may differ from the trading price of the Polkadot
- Liquidity risk due to restriction on transferability of coins staked

## CDOT trading lines

EXCHANGE	TRADING CURRENCY	BLOOMBERG CODE	SEDOL	LISTING DATE
Börse Xetra	USD	CDOU GY	BNRRFW1	26/01/2022
Börse Xetra	EUR	CDOT GY	BNRRFW1	26/01/2022
SIX	CHF	CDOT SE	BNRRFW1	24/02/2022
SIX	USD	CDOTUSD SE	BNRRFW1	24/02/2022

## Staking rewards

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

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

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