

KEY INFORMATION DOCUMENT

CoinShares Physical Staked Tezos

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

You are about to purchase a product that is not simple and may be difficult to understand.

Product

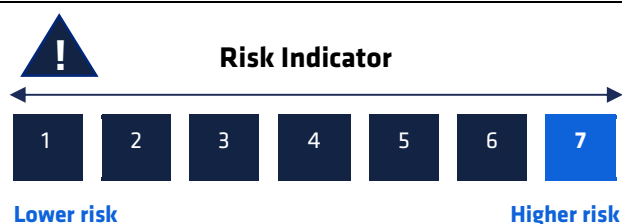
Fund Name	CoinShares Physical Staked Tezos
ISIN	CB00BMWB4803
Product Manufacturer	CoinShares Digital Securities Limited Website: www.coinshares.com/etps/physical Telephone number: +44 1534 513 100
Issuer	CoinShares Digital Securities Limited, Jersey
Competent authority	In connection with this key information document, the Swedish Financial Supervisory Authority (SFSA) is the competent authority.
KID production date	This document was produced on 17 January 2022 and is based on key information as at 31 October 2021.

What is this product?

Type	This product, collectively referred to as Digital Securities, is a non-interest bearing, secured, undated, limited recourse debt security that is fully secured by the underlying Tezos. Digital Securities are listed on the following stock exchanges: Frankfurt Stock Exchange (XETRA); but it may be listed on additional exchanges and Multilateral Trading Facilities.
Objectives	This product is designed to offer investors a means of investing in Tezos without having to acquire Tezos themselves and to enable investors to buy and sell exposure to Tezos and to participate in - at the discretion of and to the extent deemed possible by the Issuer - staking rewards associated with holding Tezos, by the trading of a security on a regulated European stock exchange. The Digital Security is backed and secured by Tezos.
Intended Retail Investor	The product is intended for investors who intend to form and / or optimize assets in general and have an investment horizon in line with the recommended holding period stated below. The product is designed for investors with informed knowledge and / or experience with financial products who are able to bear a total loss of their investment and do not attach any importance to capital protection.
Maturity	Digital Securities do not have a fixed maturity. A Digital Security holder can sell the product on the regulated market on which it is listed, or in accordance with (and subject to) the terms of the Prospectus, may redeem the securities directly with the Issuer in return for an amount of Tezos equal to the aggregate Coin Entitlement of the Digital Securities (less relevant fees and costs) or, in certain limited circumstances, for an amount in US dollars equal to the net proceeds of sale of the aggregate Coin Entitlement (less relevant fees and costs). The Issuer may, at any time, determine that all Digital Securities are to be redeemed compulsorily in accordance with (and subject to) the terms of the Prospectus.

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What are the risks and what could I get in return?



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 7 out of 7, which is "the highest" risk class. This rates the potential losses from future performance at a very high level, and poor market conditions are very likely to impact the ability for you to receive a positive return on your investment.

Be aware of currency risk, since the unit of account for the repayment can be either in Tezos or in the relevant trading currency. You might not receive payments in your local currency or the currency in which you wish to be repaid, meaning that your final return may depend on the exchange rate between the two currencies or units of account. This risk is not considered in the indicator shown above.

The product invests in the digital asset Tezos, which is traded on various digital exchanges and is generally characterized as presenting high risk, but which also allows for the opportunity of high returns. Given the fact that the product invests in one volatile digital asset, the product has a higher risk than other products using the diversification method of investing in a basket of digital assets.

The indicator mainly reflects the up and downturns in the value of the product. The product can be expected to have large fluctuations due to the nature of the underlying asset class.

Performance scenarios

Based on USD 10,000 Principle		1 year	3 years	5 years (recommended holding period)
Stress Scenario	Average Returns What you might get back after costs	-100.00% 0.10	-74.01% 175.58	-67.91% 34.04
Unfavourable scenario	Average Returns What you might get back after costs	-85.05% 1,495.47	-73.14% 193.71	-67.84% 34.41
Moderate Scenario	Average Returns What you might get back after costs	-36.72% 6,328.24	-39.29% 2,237.25	-39.80% 790.94
Favourable Scenario	Average Returns What you might get back after costs	118.22% 21,822.23	28.17% 21,056.44	8.18% 14,813.33

The table shows the money you could get back as a percentage assuming that you invest USD 10,000. The scenarios shown illustrate how your investment could perform. The average returns shown in the table are not annualised, which means that they must be comparable to the average returns shown in other key information documents. The scenarios presented are an estimate of future performance based on evidence from past on how the value of this investment varies and are not an exact indicator. What you will get will vary depending on how the market performs and how long you keep the investment. The stress scenario shows what you can get back under extreme market conditions and not taking into account a situation where we can not pay you.

The displayed figures include all costs for the product itself but may not include all the costs that you have to pay to your adviser or distributor. The figures do not take into account your personal tax situation, which can also affect how much you get back.

What happens if CoinShares Digital Securities Limited is unable to pay out?

Although the product is secured with tezos, investors bear the risk that the Issuer may not be able to fulfil its obligations in relation to the product. For example, in the event of the Issuer's insolvency. The Issuer has no other business activities except to issue Digital Securities that provide exposure to a single type of underlying digital asset. In the case of default by the Issuer the assets it holds as collateral may be realized to meet its obligations and the cash proceeds will be paid in accordance with a priority order applicable to the product. The cash proceeds may not be sufficient to meet all obligations and make all payments due in respect of the securities. In these circumstances you may not be able to realise the full value of your securities and you will suffer a loss on your investment. A total loss of invested capital is possible. The product is not covered by an investor protection or guarantee scheme.

What are the costs?

Costs over time

The Reduction in Yield (RIY) shows how the total costs you pay affect the return you might get from the investment. Total costs include non-recurring costs, current costs and overheads. The amounts shown here are the cumulative costs for the product itself for the recommended holding period. These include potential penalty charges in the early term. The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time. The figures are based on the assumption that you invest USD 10,000. The figures are estimates and may change in the future.

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Investment USD 10 000	If you cash in after 1 year	If you cash in after 3 year	If you cash in at the recommended period of 5 years
Total costs	0.00	0.00	0.00
Impact on return (RIY) per year	0.00%	0.00%	0.00%

Composition of costs

The table below shows:

- Impact each year for the different types of costs on the return you might receive from the investment at the end of the recommended holding period.
- What the different cost categories mean.

This table shows the impact on return per year			
One-off costs	Entry costs	0.00%	The impact of the costs you pay when entering your investment
	Exit costs	0.00%	The impact of the costs of exiting your investment when it matures
Ongoing costs	Portfolio transaction costs	0.00%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	0.00%*	The impact of the costs that we take each year for managing your investments. This ongoing costs figure is the result of a 'Reduction in Yield' calculation applied to the product's annual management fee per PRIIPS Regulations. 1.50% per annum (which may be reduced, as the discretion of the Issuer, to 0.00%, with any such reduction announced by the Issuer via RNS).
Incidental costs	Performance fees	0.00%	The investment is designed to directly track Tezos with no outperformance; as such there are no performance fees
	Carried interests	0.00%	Not Applicable

**CoinShares Digital Securities Limited has announced in accordance with the Conditions of the CoinShares Digital Securities that staking rewards will be applied by a reduction in the applicable Management Fees to zero. Such reduction shall apply from the date of this announcement until a date to be specified in a further announcement in accordance with the Conditions.*

How long should I hold it and can I take my money out early?

The recommended holding period for this product is 5 years. However, as Tezos is highly volatile, investors should monitor the value of the product constantly as sudden changes in value will be frequent and abrupt.

A Digital Security holder can sell the product on the regulated market on which it is listed, or in accordance with (and subject to) the terms of the Prospectus, may redeem the securities directly with the Issuer in return for an amount of Tezos equal to the aggregate Coin Entitlement of the Digital Securities (less relevant fees and costs).

How can I complain?

Any complaint about the sale of the product should be made to your intermediary or distributor. A complaint about any other aspect of this product sold be made to the Issuer via email: physical@coinshares.com Making a complaint will not prejudice your right to take legal action.

Other relevant information

This document may be updated from time to time. The latest Key Information Document (KID) is available free of charge at www.coinshares.com/etps/physical. The prospectus (a base prospectus as may be supplemented from time to time and completed by final terms) contains important and legal information particularly regarding the structure of the product and the risks associated with investing in the product. It is available free of charge at www.coinshares.com/etps/physical. The information contained in this KID does not constitute a recommendation to buy or sell the product and is no substitute for individual consultation with the investor's bank or advisor. The KID is a pre-contractual document which gives you the main information about the product (characteristics, risks, costs, etc.).