

Key Information Document

Purpose

This document provides you with key information about this investment product. It is not marketing material. This 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.

Product

Product name: Coinstone Capital Decentralised One
Product manager: Coinstone Capital B.V.
Website: www.coinstonecapital.com
Contact details manager: office@coinstonecapital.com / +31 628 596730

You are about to invest in a complex product that may be difficult to understand.

The competent financial regulator in relation to the KID is the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, AFM). The KID is accurate as per May 1st, 2019.

What is this product?

Type: Participation in an open-ended fund for joint account (*fonds voor gemene rekening*). The fund is an alternative investment fund within the meaning of the Alternative Investment Fund Managers Directive (EU/2011/61). The product manager benefits from an exception to the license requirement and full application of the AIFMD (the AIFMD light regime) and is registered as light manager with the AFM.

Objectives: The goal of Decentralised One is to generate returns by investing in assets fundamental to the development of blockchain-based decentralisation. These assets include cryptoassets (cryptocurrencies and tokens), their derivatives as well as shares in related companies. Asset selection is based on a blockchain use case approach. The fund does not use leverage. Returns are generated by the value increase of assets that the fund invests in.

Intended retail investor: The fund is aimed at investors that can commit to investing a minimum amount of €100.000 and can bear an investment loss. They have knowledge and experience in participation in funds. They also have a preference for exposure to cryptoassets for the five-year investment horizon of the fund.

Maturity: The fund has no maturity date. The product manager is entitled to terminate the fund on a unilateral basis.

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

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← Lower risk Higher risk →



The risk indicator assumes you keep the product for the five-year investment horizon of the fund. The actual risk can vary significantly if you cash in at an early stage and you may get back less. You may not be able to cash in early. You may have to pay significant extra costs to cash in early. You may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back.

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 investors will lose money because of movements in the markets or because of inability to pay. We have classified this product as a 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 like to impact Coinstone Capital's ability to pay investors. Other significant risks related to cryptoassets that are not included in the SRI are counterparty risk of cryptoasset exchanges and risk of loss of assets. This product does not include any protection from future market performance, so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment.



Performance scenarios

Investment EUR 10.000				
Scenarios		1 year	3 years	5 years (Recommended holding period)
Stress scenario	What would you receive after costs	€ 501	€ 118	€ 42
	Average annual yield	-95,0%	-77,2%	-66,5%
Unfavourable scenario	What would you receive after costs	€ 5.266	€ 4.203	€ 4.027
	Average annual yield	-47,3%	-25,1%	-16,6%
Moderate Scenario	What would you receive after costs	€ 11.595	€ 15.414	€ 20.433
	Average annual yield	15,9%	15,5%	15,4%
Favourable Scenario	What would you receive after costs	€ 23.006	€ 52.150	€ 99.986
	Average annual yield	130,1%	73,4%	58,5%

The table shows the money you could get back over the next five years, under different scenarios, assuming that you invest EUR 10.000. This is a calculation example. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The minimum subscription amount in the fund is EUR 100.000. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you. The figures shown include all the costs of the product itself but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What happens if Coinstone Capital Decentralised One is unable to pay out?

In the event that Coinstone Decentralised One is unable to pay out, you may lose part or all of your investment. There are no guarantee or compensation schemes for investors.

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest EUR 10.000. The figures are estimates and may change in the future.

For completeness, the product manager wants to emphasise that Coinstone Decentralised One requires a minimum investment amount of 100.000 EUR. Therefore, the figure below is intended only as a comparative calculation example.

Costs over time

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.

Scenarios	If you cash after 1 year	If you cash after 3 years	If you cash after 5 years
Total cost	€ 1.070	€ 1.127	€ 1.140
Reduction in yield (RIY) per year	9,5%	6,9%	6,7%



Composition of costs

The table below shows (i) the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period; (ii) and the meaning of the different cost categories.

This table shows the impact on return per year			
One-off costs	Entry costs	0,2%	The impact of the costs when entering your investment.
	Exit costs (redemption fee)	3% after 12 month 2% after 24 month	The impact of the costs when exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	1%	The impact of the costs of the fund buying and selling underlying investments for the product.
	Other ongoing costs	2%	The impact of the costs that the product manager takes each year for managing your investments.
Incidental costs	Performance fees	20% of any amount exceeding 5% p.a. (hurdle rate) of the fund's net profits	The impact of the performance fee. This is charged over the yield above the last high-water mark ¹ .

The product manager may deviate from the presented costs. An increase in the costs will not be incurred sooner than 3 months after announcement to the fund participants. During this period participants may choose to partially or completely exit the fund according to the applicable procedure.

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

A holding period of 5 years is recommended. This recommendation is based on the time needed for the fund's use case approach for asset selection to come into effect.

The fund does employ a 12-month lock-up period. An entry can be executed every last Thursday of each month with a 14-day notice period. An exit can be executed on every last Thursday of each quarter with a forty five (45) days' notice period. Exiting before 24 months results in higher costs (see one-off costs). Participants can solely transfer their units to the fund itself (upon redemption). In case of a partial redemption, the remaining value should amount to at least 100.000 EUR. Furthermore, a supplementary deposit or a partial redemption should be at least 10.000 EUR.

How can I file a complaint?

The product manager can be reached for questions and complaints at office@coinstonecapital.com and at +31 628 596730. Within 5 business days, the product manager will confirm acknowledgement of the communication and provide information on how the issue will be treated.

Other useful information

For Coinstone Capital Decentralised One the product manager refers investors to the information memorandum as well as terms and conditions. These documents are available at the website of the product manager (www.coinstonecapital.com) and at the request of the investor. These documents are the sole source of information on Coinstone Capital Decentralized One on which investment decisions should be based on but does not preclude investment advice from a trusted financial advisor.

¹ The high-water mark (HWM) is the highest previously recorded NAV within a series, over which fees were charged. See also: www.investopedia.com/terms/h/highwatermark.asp.