



트레이드 렌즈
TRADE LENS

Bringing investing into focus.

CRYPTO INSIGHT / No.04

Research on digital-asset rewards, costs and claims

Ethereum Staking ETFs

Fee Competition and Net Reward Economics

TETH · ETHB · Grayscale ETH Mini · ETHE

TWO BASES

Fee on fund assets

Annual NAV-based charge

≠

Share of rewards

Deduction from gross rewards

Zero sponsor fee is not zero cost.

Net rewards and liquidity determine the economics.

Normalize the asset base, time period and deductions before comparing funds. Cash distributions and total return are different measures.

01 / RESEARCH VIEW

Net rewards matter more than the headline fee

TradeLens view | Compare the fee base, reward participation and redemption capacity together.

Core conclusion

A zero asset-based sponsor fee can coexist with a deduction from staking rewards. The relevant combination is net reward contribution across the fund's assets and the liquidity required to support redemptions—not one advertised fee.

What is changing?

Fee waivers and reward sharing now interact in fund competition. TETH extended its waiver into October 2027. [1]

Why does it matter?

An annual charge on assets and a share of rewards use different denominators. A lower asset fee need not produce a better net outcome.

Who receives the value?

Rewards remaining after validation, custody and facilitation charges accrue to the trust. Shareholders receive exposure through NAV and cash distributions.

What should be tested?

Time-averaged reward participation, aggregate contractual deductions, waiver limits and redemption operations—not one quarter-end staking snapshot.

The unit of comparison

TETH, ETHB, Grayscale ETH Mini and ETHE are U.S.-listed case studies. This is not a ranking of the entire market. It is a framework for putting different fee structures on a common denominator, separating contract terms from illustrative calculations.

The analytical sequence

Headline fee → net reward contribution → liquidity → total return including price. All four steps are needed to interpret fee competition.

Notation: ETH or ether denotes the underlying asset. The Grayscale fund with ticker ETH is labeled “ETH Mini” to avoid confusion. NAV means net asset value.

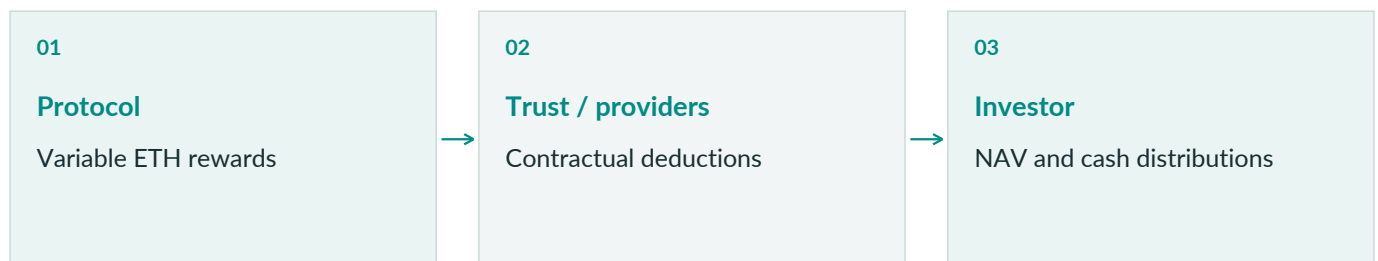
02 / POLICY CATALYSTS

Competition now spans both assets and reward sharing

October fee policy and prior-quarter operating results are different observations.

Date / source	Disclosed change	Analytical meaning
6 Oct 2026 · TETH [1]	Full sponsor-fee waiver extended through 8 Oct 2027	Extends the asset-fee holiday, not a waiver of every cost.
15 Apr 2026 · ETHB [3]	Aggregate reward deduction for sponsor and execution arrangements: 10%	Use the combined term; do not add the same service costs again.
6 Aug 2026 · ETHE [7]	Trust amendment requires conversion and net distributions at least quarterly	Separate the monthly intention, contractual minimum frequency and actual amount.

These events change different layers: the duration of an asset fee, the division of the reward pool, and the way net proceeds reach shareholders. A common “staking ETF” label does not eliminate those distinctions.



TradeLens interpretation

More fee competition does not establish an equal improvement in net outcomes. The benefit of one fee reduction must be measured after other costs, earning participation and liquidity reserves.

Data scope: terms follow the cited disclosures. Q2 2026 results cover the quarter ended 30 June; they are not October yields or current investor returns.



03 / FEE ARCHITECTURE

Align denominators before adding the two fee layers

Disclosed terms | A small asset fee and a large reward share are not percentages of the same base.

Fund	Standard annual fee	Applicable waiver / charge	Gross reward deduction
TETH [1] [2]	0.21%	0% during waiver Through 8 Oct 2027	25%
ETHB [3] [4]	0.25%	0.12% on first US\$2.5bn 0.25% above; 12 months ¹	10%
ETH Mini [5]	0.15%	0.15%	6%
ETHE [6]	2.50%	2.50%	23%

¹ ETHB's 12-month period starts on 12 March 2026. The discount applies to the first asset tier; only incremental assets above the limit pay the standard rate. Asset fees use contractual NAV/asset values; reward deductions use gross staking rewards.

Why 25% cannot simply be added to 0.15%

A reward deduction applies to the rewards earned, not the entire principal. Multiply it by the gross reward rate and earning participation to express it as a cost on fund assets. An asset-based fee can still apply when rewards are small or absent.

Avoid double counting

For ETHB and Grayscale, the table uses the disclosed combined reward deduction. Do not subtract a validator charge already included in that aggregate. TETH's 25% is its disclosed Staking Fee. [\[2\]](#) [\[3\]](#) [\[5\]](#) [\[6\]](#)

Boundary of the comparison

This is not a table of realized returns. Participation, holding period, trading costs, taxes and asset-price movements can change the final outcome.



04 / DENOMINATOR LAB

Net rewards are a function of participation and costs

Illustrative model | One year, constant ETH price and fixed asset base.

Net reward contribution k

$$k = q \times r \times (1 - s) - f - c$$

Translate rewards to the full fund base, then subtract costs. This is not the ETF's total return including price changes.

Term	Base and meaning	Key distinction
q	Time-averaged share actually earning rewards	May differ from period-end "staked" assets in entry/exit queues
r	Annual gross reward rate on the earning share	An assumption—not a fixed interest rate or guaranteed yield
s	Aggregate share deducted from gross rewards	Do not count provider and sponsor shares twice
f / c	Annual asset fee / other costs on the full base	Reflect waiver tiers, periods and additional costs

Normalize the calculation on US\$10,000

Illustrative item	Calculation	Amount
Earning assets	$10,000 \times 80\%$	\$8,000
Gross rewards	$8,000 \times 3\%$	\$240
Reward fee	$240 \times 25\%$	-\$60
Asset fee / other costs	Assumed zero	\$0
Full-base net contribution	$180 \div 10,000 = 1.80\%$	\$180

Assumptions: fixed price, assets and participation; year-end arithmetic; no compounding, taxes, slashing or execution costs. Real funds accrue on changing daily bases and convert rewards at different times.

Interpretation

A 3% rate on staked assets is not 3% on the entire fund. Fee comparisons first require matching which assets earned rewards, and for how long.



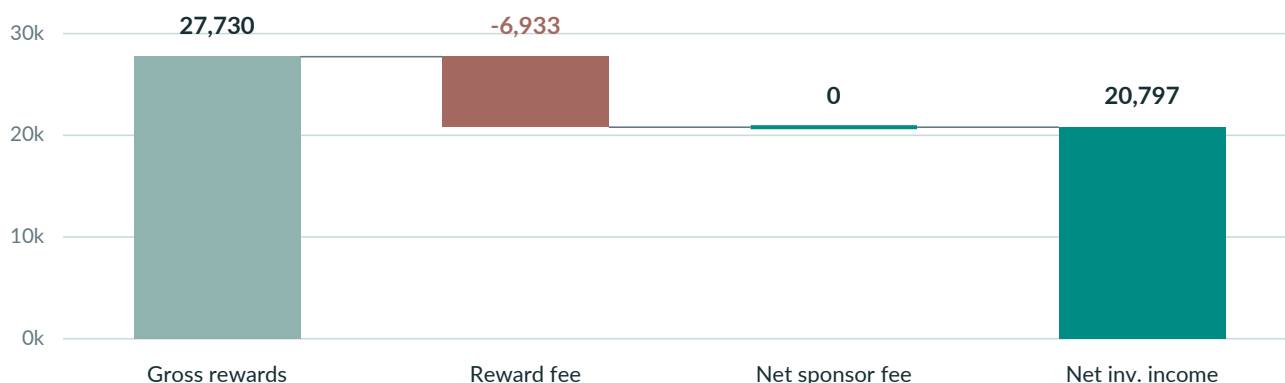
05 / TETH: REPORTED RESULTS

A real quarter: sponsor waiver and reward fees

Reported case | TETH's Q2 2026 income and staking participation use different time bases. [2]

TETH · Q2 2026 investment income

USD · reported



US\$27,730 - US\$6,933 = US\$20,797. This is an investment-income reconciliation, excluding ETH valuation gains/losses and redemption flows. The US\$9,657 sponsor fee was fully waived. [2]

Measure	Reported value	Meaning
Quarterly average staked share	31.64%	Daily average during the quarter
Share staked on 30 June	86.42%	Point-in-time observation
Cash distributions in the quarter	\$15,524	Cash paid, distinct from income recognition

A closing snapshot does not reconstruct past rewards

The two percentages measure different periods and need not agree. Subscriptions, redemptions and deployment timing can change participation. Quarterly income reflects rewards accrued over the period, not a closing percentage applied retroactively.

Separate income, cash and price

The gap between net investment income and cash paid is not automatically retained cash. Recognition, sale and payment dates differ, as can ETH prices. A distribution is not free additional income on top of income already recognized.



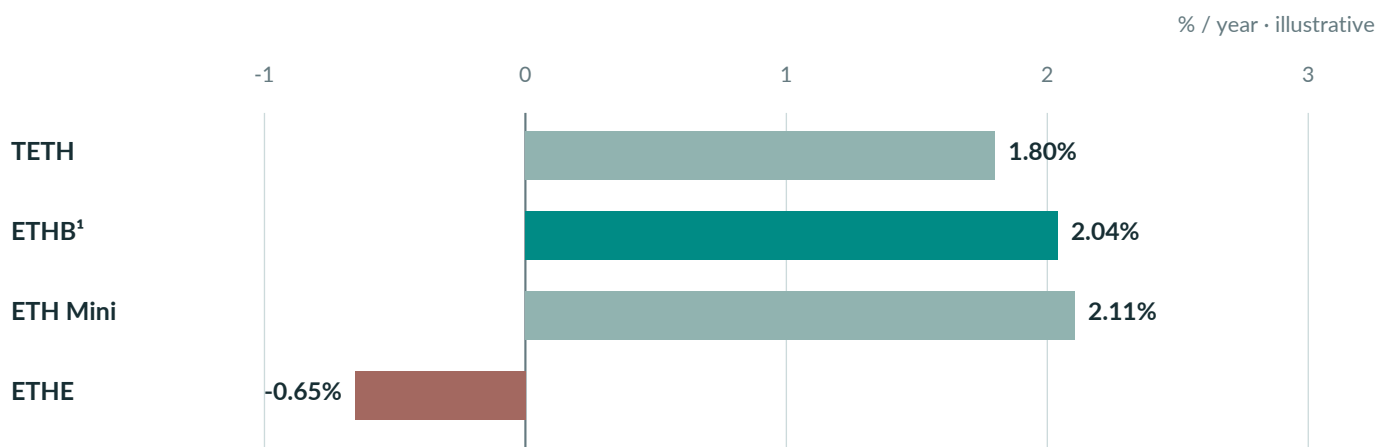
06 / MATCHED-ASSUMPTION COMPARISON

Zero asset fee does not maximize net rewards by itself

Illustrative comparison | US\$10,000; 80% earning share; 3% annual gross rewards; fixed price.

Fund terms	Gross reward	Reward fee	Asset fee	Net amount
TETH	\$240	\$60.00	\$0.00	\$180.00
ETHB ¹	\$240	\$24.00	\$12.00	\$204.00
ETH Mini	\$240	\$14.40	\$15.00	\$210.60
ETHE	\$240	\$55.20	\$250.00	-\$65.20

Net reward contribution on matched assumptions



¹ ETHB uses the 0.12% discounted first tier. Fee terms: [1] [2] [3] [4] [5] [6]; all other inputs are matched assumptions. Exact contributions are 1.800%, 2.040%, 2.106% and -0.652%, rounded only for display.

What the calculation shows

Once denominators match, the difference in reward deductions can exceed the effect of a lower asset fee. ETHE's negative result means costs exceed rewards under these assumptions—not a forecast of its actual total return or price.

What it does not show

This is neither realized-performance ranking nor product advice. Actual participation, waiver tier, execution costs and taxes differ. Asset-price gains and losses are excluded.

07 / WAIVER MECHANICS

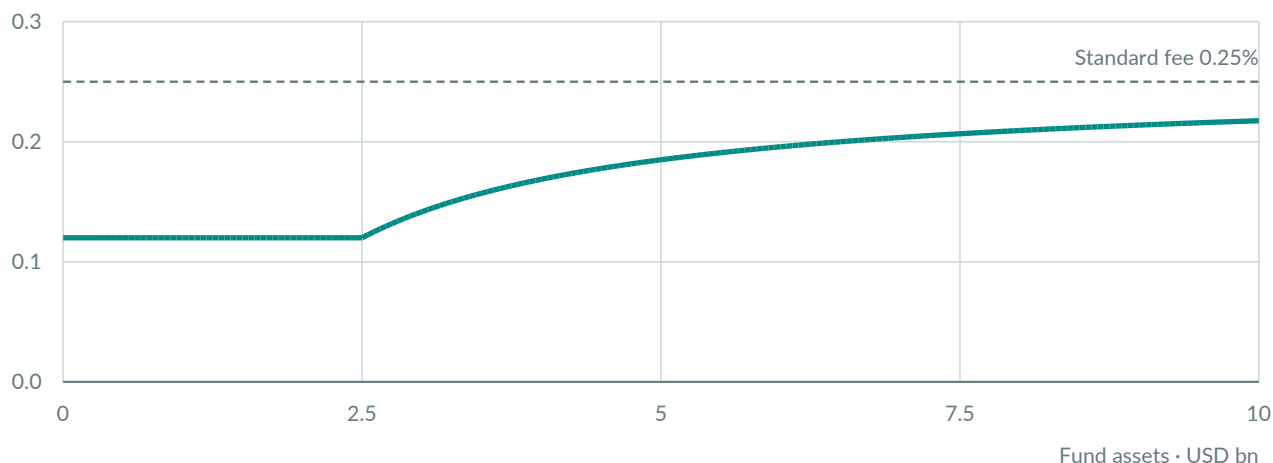
Fee waivers have both a clock and an asset tier

ETHB mechanics | Crossing the cap does not reprice every dollar at the full fee. [4]

For 12 months from 12 March 2026, ETHB applies 0.12% to its first US\$2.5bn and 0.25% to incremental assets above that tier. The fund pays a blended rate; investors are not assigned separate first-come fee schedules. [4]

ETHB weighted sponsor fee during the waiver

Annual % · terms-based calculation



Illustrative assets	Annual blended fee	Calculation
US\$2.5bn	0.120%	Entire base within the discounted tier
US\$5bn	0.185%	$(2.5 \times 0.12\% + 2.5 \times 0.25\%) \div 5$
US\$10bn	0.2175%	$(2.5 \times 0.12\% + 7.5 \times 0.25\%) \div 10$

Time is another cost dimension

Distinguish the subsequent 0.25% standard charge from TETH's full waiver through 8 October 2027. A holding period crossing an expiry needs separate asset and fee calculations for each period. [1] [4]

The curve is arithmetic from published terms, not an estimate of current AUM. The dashed line is the standard fee; neither future assets nor further waiver extensions are assumed.



08 / PARTICIPATION SENSITIVITY

Participation sets the reward base

Illustrative sensitivity | 10% reward deduction, 0.12% asset fee, zero other costs.

Earning share q	Gross $r = 2\%$	$r = 3\%$	$r = 4\%$
60%	0.96%	1.50%	2.04%
80%	1.32%	2.04%	2.76%
90%	1.50%	2.31%	3.12%

Cells show annual net reward contribution on total assets: $q \times r \times 90\% - 0.12\%$. They are not forecasts of any fund's performance.

Participation can outweigh an asset-fee reduction

At a constant 3% gross rate, a decline in earning participation from 80% to 60% lowers contribution from 2.04% to 1.50%, a 0.54-percentage-point change. That is larger than eliminating the entire assumed 0.12-point asset fee.

A break-even comparison under matched assumptions

For TETH-like terms (0% asset fee, 25% reward deduction) versus ETHB's first tier (0.12%, 10%), the latter's advantage is $q \times r \times 15\% - 0.12\%$. It turns positive when $q \times r$ exceeds 0.80%. This requires equal participation, price and other costs.

Maximizing participation is not always optimal. Assets in entry or exit processes may not earn full rewards, while an unstaked reserve reduces rewards but supplies redemption liquidity. An operational liquidity reserve is not simply wasted capital. [8] [9]

Evaluation priority

A time-averaged earning share, supported by credible redemption operations, is more informative than a high closing staking snapshot.



09 / LIQUIDITY & REDEMPTION

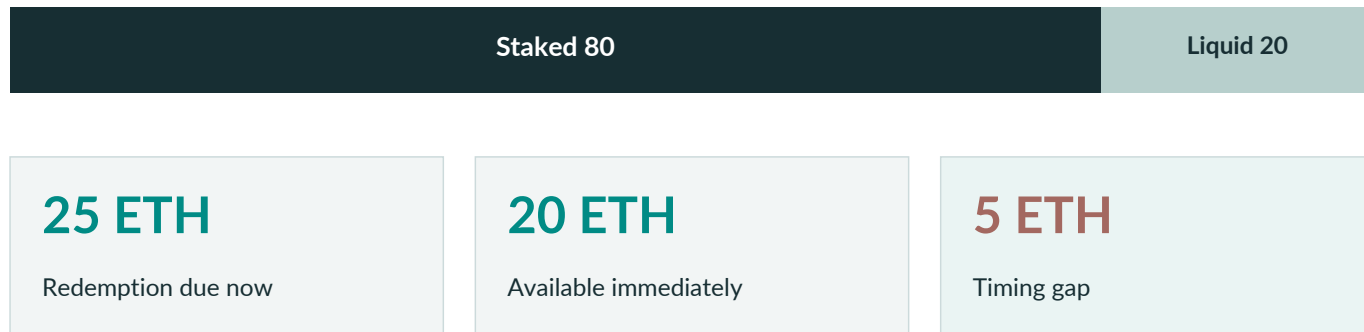
Three distinct layers of liquidity

Separate secondary-market trading, trust redemptions and protocol exits.

Liquidity layer	Parties / process	Relevant measure
Listed shares	Investor ↔ market participants	Bid-ask spread and NAV deviation
Trust creations / redemptions	Authorized participant (AP) ↔ trust	Cash/in-kind process, assets and settlement
On-chain exits / withdrawals	Validator ↔ protocol	Exit timing and assets available to sell

Trust/AP structure: [12]; protocol withdrawals: [9]. A retail share sale does not immediately unstake all underlying ETH.

Illustration • fund holds 100 ETH



The illustrated 5 ETH gap is a timing mismatch, not an absence of assets. Liquidity reserves, protocol exits and AP coordination matter. The gap alone does not establish insolvency or imply automatic borrowing.

An ETHB operating-policy example

ETHB targets a **5–30% liquidity sleeve**, which may move outside that range under stress. Expected flows and exit timing inform operations; immediate settlement of every redemption is not guaranteed. This is a fund policy, not an industry-wide rule. [8]

Assessment

Reward participation and redemption capacity must be designed together. Maximizing rewards alone may shift costs to investors through trading friction and NAV deviations.

10 / DISTRIBUTIONS & TOTAL RETURN

A payout transfers value; it does not create it again

Rewards, cash distributions and total return are different measures.

ETHE's August trust amendment requires reward conversion and net cash distributions at least quarterly, with a current monthly intention. Amounts depend on rewards received. A schedule guarantees neither an amount nor a dollar yield. [7]

NAV and cash transfer • illustrative index

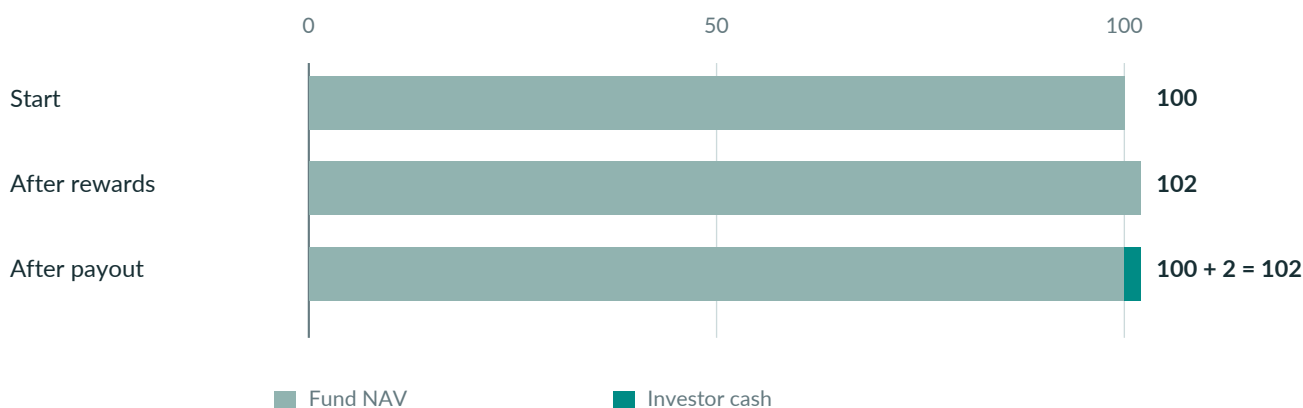


Illustration: an initial 100 plus 2 in net rewards becomes 102. Paying out 2 leaves NAV of 100 plus investor cash of 2 = 102. Price moves, taxes, costs and reinvestment are excluded.

More ETH units can coexist with a dollar loss

Separate illustrative assumption	Calculation	USD total return
Net ETH units +2%; price -20%	$1.02 \times 0.80 - 1$	-18.4%
Net ETH units +2%; unchanged price	$1.02 \times 1.00 - 1$	+2.0%
Net ETH units +2%; price +20%	$1.02 \times 1.20 - 1$	+22.4%

The quantity example separately assumes rewards are held to year-end. It does not reconstruct the prices and reinvestment path of actual monthly cash distributions.

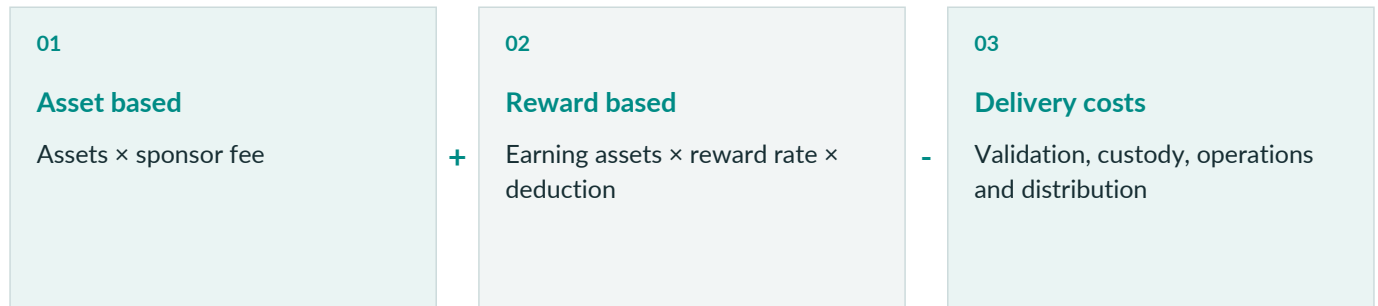
Economic meaning

Staking rewards are not interest that eliminates ETH price risk. Include both NAV changes and payouts in performance, without counting an already-accrued reward twice.

11 / PROVIDER ECONOMICS

Zero sponsor fee can still leave a service-fee pool

Business-model analysis | Fee pools, sponsor revenue and operating profit are not interchangeable.



A waiver forgoes an asset-based charge, not necessarily all reward-related compensation. Nor is the entire combined reward deduction sponsor revenue or profit. External providers' contractual shares and operating costs must be separated. [\[2\]](#) [\[3\]](#) [\[5\]](#) [\[6\]](#)

Variable	Supportive condition	Countervailing condition
Retained assets	Balances remain after discounts end	Temporary inflows reverse or prices fall
Reward compensation	Stable earning participation and terms	Participation or protocol reward rates decline
Service costs	Scale efficiencies in custody and reporting	Exception handling and systems costs rise
Investor outcome	Low net costs and orderly trading	Execution friction offsets fee savings

AUM growth is not necessarily a subscription

A higher ETH price alone can increase dollar AUM and the fee base. Separate price effects from net creations/redemptions when assessing customer acquisition. Extending a waiver is evidence of a competitive decision, not proof of retention or profitability.

TradeLens assessment

Durable differentiation combines contractual net rewards, low operating friction and dependable liquidity while earning compensation above the cost of delivery—not simply the lowest advertised fee.

12 / STRUCTURE & RISK

ETH exposure differs by ownership structure

Scope | Compare ownership and operating structures, not personal suitability.

Structure	Investor's exposure	Separate costs / checks
Direct ETH holding	ETH in a wallet or custody account	Keys, custody and trading; no rewards without staking
Direct staking	ETH committed to protocol validation	Operations, penalties and exit/withdrawal timing
Staking ETP	Shares in a trust holding and operating ETH	Fees, APs, spreads, custody and payout policy

U.S. spot ether ETPs should not be treated as ordinary funds registered under the Investment Company Act of 1940. Different registration and protections do not mean “unregulated”; SEC filings and an exchange listing guarantee neither principal nor operating results. [11]

Price and tracking risk

Underlying ETH volatility and share-price deviations from NAV can act together. Net reward contribution alone is not the total investment outcome. [11]

Operating and contract risk

Validation, slashing, custody and withdrawal risks remain. Any loss protection depends on individual contracts; full reimbursement is not assumed. [8] [9] [10]

Five labels every yield number needs

Specify gross or net, earning assets or total assets, measurement and annualization period, included deductions, and treatment of cash payouts and price moves. Without these labels, identical percentages may describe different things.

Boundary

Staking rewards are neither fixed dollar interest nor a deposit-protected yield. A common analytical model does not determine an individual's trades, after-tax outcome or suitability.

13 / OUTLOOK & MONITORING

Net-reward disclosure and redemption execution

Directional view | Headline fees begin the comparison; economic attribution completes it.

Monitor	Evidence that strengthens the view	Evidence that weakens it
Fee / reward contracts	Clear combined deductions and waiver tiers	Changed definitions or additional charges
Participation / results	Average participation and net contribution improve	High closing stake but weak period results
Redemptions / trading	Queue management, AP activity, narrow NAV gaps	Settlement delays and wider spreads
Value after costs	Per-share total value preserved on matched terms	Marketing counts payouts twice

TradeLens final view

Competition should increasingly favor transparent net-reward reporting on a matched asset/time basis and operational capacity to maintain redemption liquidity. Waivers remain a valid competitive tool, but they do not establish an advantage on their own.

01 • What changed?

Reward sharing and cash distributions now shape products alongside the asset fee.

02 • Why important?

Zero sponsor fee is not zero total cost; participation changes the economics.

03 • Who receives value?

Value after contractual provider shares reaches shareholders through NAV and cash.

04 • How to verify?

Match period-average contribution, cost details, creations/redemptions and NAV gaps.

Analysis date: 10 October 2026. Fee terms are separate from historical results. The table is a monitoring framework, not an assertion that a named fund is experiencing a failure.



14 / SOURCE REGISTER

Original sources for fees, rewards and liquidity

Select a teal citation, source title or “Open source” to open the underlying publication.

01. 21Shares TETH — Form 8-K: Sponsor Fee Waiver Extension 2026.10.06 · Filing · full sponsor-fee waiver extended through 8 Oct 2027	Open source
02. 21Shares TETH — Form 10-Q, Quarter Ended 30 June 2026 2026.06.30 · Quarterly filing · fees, Q2 income, distributions and average staking	Open source
03. iShares ETHB — Prospectus Supplement No. 1 2026.04.15 · Prospectus supplement · aggregate 10% staking-reward deduction	Open source
04. iShares ETHB — Product Terms and Fee Waiver 2026.10.10 · Product terms as of analysis date · 12-month, first-US\$2.5bn fee tier	Open source
05. Grayscale ETH Mini — Form 10-Q, Quarter Ended 30 June 2026 2026.06.30 · Quarterly filing · 0.15% sponsor fee and 6% aggregate reward deduction	Open source
06. Grayscale ETHE — Form 10-Q, Quarter Ended 30 June 2026 2026.06.30 · Quarterly filing · 2.50% sponsor fee and 23% aggregate reward deduction	Open source
07. Grayscale ETHE — Form 8-K: Amended Trust Agreement 2026.08.06 · Trust amendment · conversion, distribution frequency and net proceeds	Open source
08. iShares Ethereum Staking Liquidity Risk Policy 2026.01 · Operating policy, pp.1–3 · 5–30% liquidity sleeve and stress response	Open source
09. Ethereum.org Staking Withdrawals 2026.10.10 · Protocol documentation as of analysis date · exits and withdrawals	Open source
10. Ethereum.org Proof-of-Stake Rewards and Penalties 2026.10.10 · Protocol documentation as of analysis date · variable rewards and penalties	Open source
11. SEC · Investor.gov Investor Bulletin: Spot Bitcoin and Ether ETPs 2024.09.09 · Investor bulletin · legal structure, price and custody risk only	Open source
12. iShares ETHB — Form 10-Q, Quarter Ended 30 June 2026 2026.06.30 · Quarterly filing · trust, authorized participants and creation/redemption	Open source

Source scope: fund terms reflect the cited disclosures. Q2 results are distinct from October fee policies. Illustrations do not estimate current yields, assets or investor performance.

15 / METHODOLOGY & USE

Methodology, disclaimer and use

Separate contractual terms, historical results and TradeLens illustrations.

Item	Basis
Date / scope	10 Oct 2026. U.S.-listed TETH, ETHB, ETH Mini and ETHE cases—not a complete market ranking or trading view.
Terms / results	Includes 6 October waiver extension and cited terms. Reported income case: TETH Q2 2026. Different dates are not combined as current performance.
Common cost model	Pages 5, 7 and 9: fixed price/assets; earning share q , gross rate r , combined reward deduction s , asset fee f and other cost c . Page 7: US\$10,000, 80%, 3%, $c=0$.
Tier / liquidity models	Page 8 applies ETHB fee tiers. Page 10 uses hypothetical 100/80/20/25/5 ETH—not actual fund balances or borrowing.
Distribution / price	Page 11 NAV 100+2 and net units +2% are separate illustrations, not actual distribution/reinvestment paths. Personal taxes are excluded.

Calculations use underlying values and round only for display. One basis point is 0.01 percentage point; USD bn means billion dollars. Match fee bases and never deduct a component already included in an aggregate.

Disclaimer

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