

MSCI Global Digital Assets Select Top 20 Capped Index Methodology

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1 Introduction

The MSCI Global Digital Assets Top 20 Capped Index (“the Index”) aims to represent the performance of a digital assets investment strategy that represent the top 20 digital assets¹, measured by their full market capitalization. The Index excludes digital assets classified in the Meme Coins subsector (Subsector ID 102010) as per the datonomyTM².

The Index aims to mitigate concentration by capping the weights of the individual constituents to a maximum of 30%.

¹ As provided by Compass Financial Technologies. Please refer to **2.1 Applicable Universe** for further details.

² For more details refer to <https://www.msci.com/documents/1296102/33887102/Datonomy+Methodology.pdf>

2 Constructing the MSCI Global Digital Assets Select Top 20 Capped Index

2.1 Applicable Universe

All³ individual digital assets benchmarks (herein, “Crypto Reference Indexes”) published by Compass Financial Technologies⁴ (herein, “Component Index Administrator”).

2.2 Eligible Universe

Crypto Reference Indexes from the Applicable Universe satisfying following criteria are not eligible for selection in the Index⁵,

- Indexes representing digital assets identified as Stable coins/Pegged coins/Privacy coins
- Indexes representing digital assets placed in the bottom 5% of the Applicable Universe when ranked in the descending order of volume⁶ in US Dollar at the time of rebalance
- Indexes classified in the Meme Coins subsector as per the datonomyTM

2.3 Final Universe

At each Quarterly Index Review, digital assets corresponding to Crypto Reference Indexes in the Eligible Universe are ranked in the descending order of their full market capitalization⁷ and the top 20 digital assets are identified. Crypto Reference Indexes representing these 20 digital assets are included in the Final Universe. If the Eligible

³ Crypto Reference Indexes published by Compass Financial Technologies at least 60 days prior to the Index Review date. Refer to “Compass Crypto Reference Indices - Codes - Rounding” section for a detailed list of available Indexes.

Indexes do not incorporate the value of staking rewards in the calculation. Refer to “Indices Calculation” section for further details, at https://www.compassft.com/wp-content/uploads/CCBI_Methodology.pdf

⁴ Refer to Compass Crypto Reference Indexes methodology for details on the index construction, at https://www.compassft.com/wp-content/uploads/CCRI_Methodology.pdf

⁵ Data provided by CryptoCompare (<https://data.cryptocompare.com/>)

⁶ Amount in US Dollar of a digital asset traded over the course of a day for a set of exchanges as defined by CryptoCompare (<https://data.cryptocompare.com/>)

⁷ Calculated as the product of the price of the digital asset, represented by the corresponding Crypto Reference Index level, and Circulating Supply. Prices as of the previous day and Circulating Supply as of end of previous month prior to the rebalancing date are used for the calculation.

Universe consists of fewer than 20 Crypto Reference Indexes, all constituents of the Eligible Universe are included in the Final Universe.

2.4 Index Weighting Scheme

The Crypto Reference Indexes included in the Final Universe (herein, “Component Indexes”) are assigned weights in proportion of the full market capitalization of their corresponding digital assets. The maximum weight to a Component Index will be capped at 30% at each Index Review.

2.5 Index Calculation

The Index daily price returns are calculated as weighted-average daily price returns in US Dollar (USD) of the Component Indexes. The latest available daily index returns of the Component Indexes will be used for calculation of the returns of the Index. The Index is available in price variant calculated as per the MSCI Index Calculation Methodology⁸.

⁸ MSCI Index Calculation Methodology available at <https://www.msci.com/index-methodology>

3 Maintaining the MSCI Global Digital Assets Select Top 20 Capped Index

3.1 Quarterly Index Reviews

The Index follows a quarterly rebalance schedule, effective as of the first business day of March, June, September, and December.

The weights of Component Indexes constituting the Index will be announced five business days prior to the effective date of each Quarterly Index Review (QIR). In between the quarterly reviews, the weights of the Component Indexes in the Index will evolve based on the relative daily return performance in USD of the Component Indexes.

3.2 Ongoing Event-Related Maintenance

There will be no addition to the Component Indexes between two successive Index Reviews. If any Component Index is terminated⁹ by the Component Index Administrator, it will be deleted from the Index on the day of termination with an advance notification of two days.

⁹ Please refer to Compass Crypto Reference Indexes methodology (specifically, "Index Calculation" and "Methodology Changes - Maintenance" sections) for details on component index termination, at https://www.compassft.com/wp-content/uploads/CCRI_Methodology.pdf

Appendix 1 – Digital Assets Terminology

- **Circulating Supply:** Quantity of a digital asset that is publicly available for trading and circulating on the market.
- **Full Market Capitalization:** Calculated as the product of the price of the digital asset, represented by the product of the corresponding Crypto Reference Index level and Circulating Supply.
- **Pegged Coins:** Digital assets that are linked to the specific value of an asset or commodity, not necessarily a stable reserve one, as is the case for Stable Coins (see definition below).
- **Privacy Coins:** Digital assets that preserve anonymity by obscuring the flow of money across their networks.
- **Stable Coins:** Digital asset pegged to a stable reserve asset like the U.S. dollar. Are designed to reduce volatility relative to unpegged digital assets.

Methodology Book Tracked Changes

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