

# Nasdaq Crypto Index (NCI)

The Nasdaq Crypto Index (NCI) is designed to measure the performance of a significant portion of the digital asset market and to provide a benchmark for institutional investment in this new and emerging asset class. The Index is specifically designed to be dynamic in nature, broadly representative of the market, and readily trackable by investors.

More information about the Index can be found at [Nasdaq.com/crypto-index](https://Nasdaq.com/crypto-index).

## Index Overview

- + Tracks the performance of a diverse basket of USD-traded digital assets
- + Applies rigorous liquidity, exchange and custody standards to asset eligibility
- + Rebalanced and reconstituted on a quarterly basis
- + Free float market cap weighted

## Index Constituents

Weights at Last Reconstitution (12/1/2020)

COMPONENT	WEIGHT
Bitcoin (BTC)	78.61%
Ethereum (ETH)	16.86%
Litecoin (LTC)	1.58%
Bitcoin Cash (BCH)	1.03%
Chainlink (LINK)	1.27%
Stellar Lumens (XLM)	0.65%

## Historical Performance†

Nasdaq Crypto Index (NCI) Backtested Return



## Index Design Principles

The Index is designed to provide an industry benchmark that simplifies access to this asset class by adhering to the following principles:

- + **Adaptable:** Designed to adjust the Index composition over time to ensure that it remains a flexible representation of the asset class as it evolves.
- + **Representative:** Captures diverse market share by selecting a basket of constituent assets on the basis of relative market significance.
- + **Investible:** Utilizes straightforward, automated rules and exhaustive selection criteria such as exchange and custody standards that allow the Index to be easily replicated.

## Selection and Weighting of Constituents

### I. Asset Eligibility Determined

Eligible assets are filtered on the basis of USD trading availability on approved sources known as “**Core Exchanges**” and with consideration of custody solutions provided by “**Core Custodians**” which are selected annually by the Nasdaq Crypto Index Oversight Committee.<sup>1</sup>

Specifically, eligible assets must:

- + Meet minimum liquidity standards outlined in the methodology with a USD trade pair
- + Be traded on at least **three core exchanges**
- + Be supported by at least **two core custodians** and
- + Have free-floating price

These filters allow the Index to remain neutral and passive while ensuring constituents possess the liquidity and custody options required for Index replication.

### II. Constituents Selected

Once eligible assets are determined, Index constituents are selected for inclusion in the Index on the basis of relative market capitalization. To be selected into the Index, an asset must meet a minimum representative threshold of 0.5% of full market capitalization as a total of all eligible assets.<sup>2</sup>

### III. Index Weights Applied

The constituent assets selected for entry into the Index will be weighted according to their relative free float market capitalizations of eligible assets.<sup>3</sup> This is calculated by dividing the free float market capitalization of a digital asset by the total free float market capitalization of all constituent digital assets included in the Index at the time of rebalancing.

<sup>1</sup> Core Exchanges and Custodians are selected from criteria outlined in the NCI Methodology. Core Exchanges as of Dec 1, 2020: BitStamp, Coinbase, Gemini, itBit and Kraken. Core Custodians as of Dec 1, 2020: BitGo, Coinbase, Fidelity and Gemini.

<sup>2</sup> After adding all assets that meet the 0.5% threshold, a market representation floor is applied to the Index to ensure that it meets a minimum market representation of 75% market capitalization of all eligible assets.

<sup>3</sup> Free-float market capitalization is calculated using the total supply of all units of a digital asset issued that can be “spent” or moved and are likely to be available for trading as defined by CF Benchmarks Ltd and described by the methods in the CF Cryptocurrency Index Family Multi Asset Ground Rules (section 4.2.1 to 4.3.1.2.1).

## Governance

The Index is governed by the Nasdaq Crypto Index Oversight Committee, which is responsible for implementation, administration and oversight of the Index, including the selection of Core Exchanges and Core Custodians and conducting periodic methodology reviews.

## Index Reference Info

<b>Ticker Symbol</b>	NCI (Real-Time) and NCIS (Daily Price Fix)
<b>Calculation Agent</b>	The Index is calculated by CF Benchmarks Limited
<b>Reconstitution and Rebalancing Frequency</b>	Reconstitution and rebalancing is done quarterly (First business day March, June, September and December)
<b>Index Calculation Start Date</b>	December 1, 2020
<b>Daily Index Publication (NCIS)</b>	The level of the Settlement Index is calculated once a day on Business Days at 3:00:00 PM ET and is published on the Nasdaq Global Index Data Service (GIDS) System
<b>Real-Time Index Level (NCI)</b>	Real-time calculation of the Index is available on the CF Benchmarks website at <a href="https://www.cfbenchmarks.com/">https://www.cfbenchmarks.com/</a>
<b>Currency</b>	USD

All information as of December 1, 2020. Sources: Nasdaq.

## NASDAQ INDEX SERVICES TEAM

Toll Free Number | Calling in the U.S. +1 844 717 0708

International Callers | Non-US Callers +1 301 978 3311

[IndexServices@nasdaq.com](mailto:IndexServices@nasdaq.com)

† Nasdaq provides either actual historical index values or back-tested histories for certain indexes. All back-tested index values for periods prior to the launch date of an index are merely indicative, and they are provided "AS IS" for informational and educational purposes only. Nasdaq makes no guarantee as to the accuracy, timeliness, completeness, or fitness for any particular purpose of or for any index values, either historical or back-tested. Nothing contained herein should be construed as investment advice, either on behalf of a particular security or an overall investment strategy. Past performance is not indicative of future results.

### Disclaimer:

Nasdaq® is a registered trademark of Nasdaq, Inc. The information contained above is provided for informational and educational purposes only, and nothing contained herein should be construed as investment advice, either on behalf of a particular security or an overall investment strategy. Neither Nasdaq, Inc. nor any of its affiliates make any recommendation to buy or sell any security or any representation about the financial condition of any company. Statements regarding Nasdaq-listed companies or Nasdaq proprietary indexes are not guarantees of future performance. Actual results may differ materially from those expressed or implied. Past performance is not indicative of future results. Investors should undertake their own due diligence and carefully evaluate companies before investing. **ADVICE FROM A SECURITIES PROFESSIONAL IS STRONGLY ADVISED.**

© 2021. Nasdaq, Inc. All Rights Reserved. 0290-Q21