STOXX

STOXX® DIGITAL ASSET BLUE CHIP INDEX

Index description

The STOXX Digital Asset Blue Chip Index tracks a diversified basket of digital assets, utilizing crypto native metrics to select those which serve as a reflection of the crypto universe today. The index tracks the performance of those assets which are deemed to be "blue-chip" in terms of quality, activity, robustness and financial strength.

Assets are selected based on a multi-step procedure which seeks to identify the strongest and most representative assets in each eligible sector of the Bitcoin Suisse Global Crypto Taxonomy (GCT). At each review, a set of crypto-specific review metrics are calculated and used to rank the assets within their respective sectors, with this, in turn, determining the final index composition.

Key characteristics

Quality: Screened assets are scored, tracked and ranked against competing assets on a sector level.

Representative: Representing four of five crypto sectors at launch, each sector representing 98% of the crypto markets USD 2T market capitalization.

Diversification: Diversified portfolio with a weight capping scheme optimizes portfolio exposure in the index.

Transparent: The asset selection incorporates a quantitative fundamental analysis of on-chain data, free of sentiment and discretion.

Sector consideration: Taxonomy based sector segmentation, enabling like-for-like asset comparison against common on-chain metrics.

Executable asset pricing: Robust pricing methodology based on executed trades from vetted exchanges with the highest score.

Digital assets made accessible

The Bitcoin Suisse Global Crypto Taxonomy makes the vast digital asset industry accessible by providing systematic structuring of assets into 6 sectors (see below) and 28 subsectors.

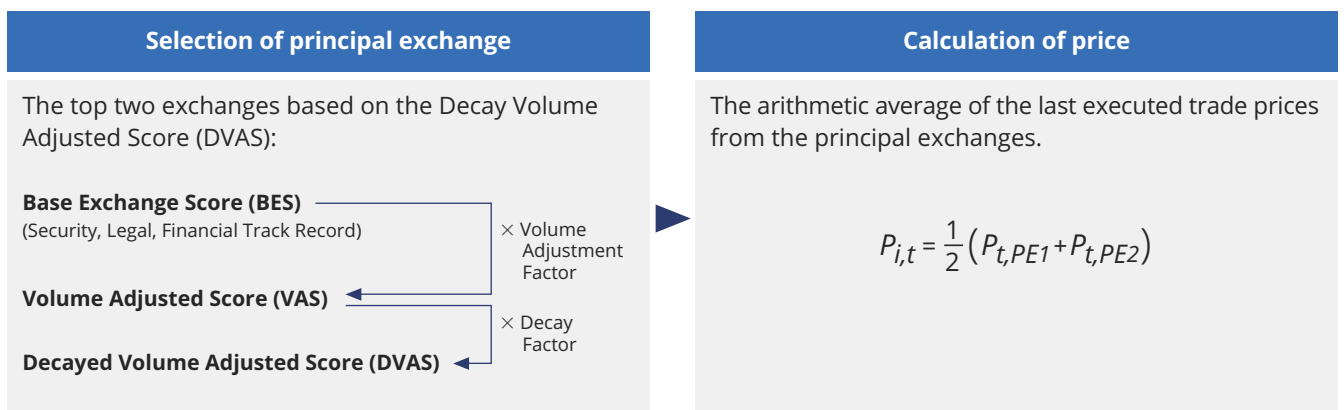| Cryptocurrency	General Purpose Smart Contract Platform	Decentralised Finance	Utility	Culture	Tokenized Asset

Blue chip approach

Selection methodology incorporates crypto native metrics to measure the inherent quality of assets.

Age	Total Value Secured	Active Addresses	Economic Activity	Developer Community
The age of a crypto asset helps gauge the commitment to the project and adoption by the market.	The more value a protocol secures on its blockchain, the greater the trust, adoption and inherent applications the protocol has in securing transactions validity and immutability.	Number of active addresses is used to measure adoption. This metric is measured by counting the number of unique sending blockchain addresses.	Strong fee revenue denotes usage and adoption, in addition to gauging the ongoing concern of the protocol and resilience in a competitive market landscape.	The developer community is a measure of innovative activity, growth and ossification at the same time.

Index methodology

Universe

The list of eligible tokens is derived from all assets classified under the Bitcoin Suisse Index Reference Classification List (xRCL), which covers over 300 assets.

Selection

Assets are selected based on a multi-step procedure which seeks to identify the most representative assets per sector:

1. **Acceptance criteria**
   Top 75; two eligible exchanges; BTC & ETH at least one FIAT trading pair, excluding wrapped, liquid staked, liquidity pool tokens, other TradFi instrument, stablecoins and privacy coins.

2. **Determined criterion ranking per sector**
   Criterion: Age, Total Value Scored, Developer Community, Active Addresses and Economic Activity.

3. **Create composite score per asset**
   Tokens which rank in the top 1/2 of the sector in 4 out of 5 criteria are selected to be in the index portfolio.

Weighting

Market capitalization with capping at 30%.

Review

Quarterly (March, June, September and December), based on the eligible universe determined bi-annually.
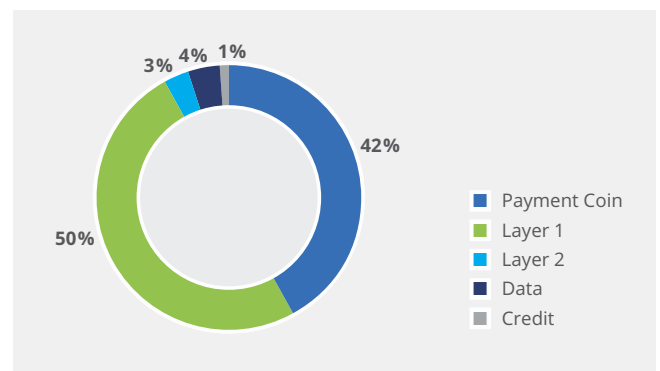
Pricing methodology

Selection of principal exchange

The top two exchanges based on the Decay Volume Adjusted Score (DVAS):

Base Exchange Score (BES)
(Security, Legal, Financial Track Record)

$\times$ Volume Adjustment Factor

Volume Adjusted Score (VAS)

$\times$ Decay Factor

Decayed Volume Adjusted Score (DVAS)

Calculation of price

The arithmetic average of the last executed trade prices from the principal exchanges.

$$P_{i,t} = \frac{1}{2}\left(P_{t,PE1} + P_{t,PE2}\right)$$

Performance time series

■ STOXX Digital Asset Blue Chip Index

Sector weighting

- ■ Cryptocurrency
- ■ Smart Contract Platform
- ■ Utility
- ■ DeFi
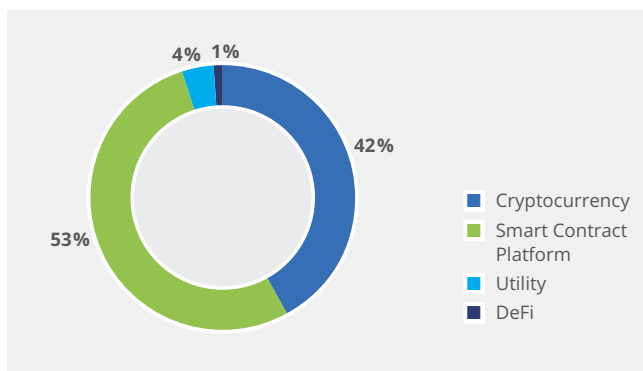
Source: STOXX, March 15, 2024.

Subsector weighting

- ■ Payment Coin
- ■ Layer 1
- ■ Layer 2
- ■ Data
- ■ Credit

Source: STOXX, March 15, 2024.

Top 5 components

Token		Name	Sector	Subsector	Weight
BTC		Bitcoin	Cryptocurrency	Payment Coin	30.00%
ETH		Ethereum	Smart Contract Platform	Layer 1	30.00%
XRP		Ripple	Cryptocurrency	Payment Coin	11.71%
ADA		Cardano	Smart Contract Platform	Layer 1	8.44%
TRX		TRON	Smart Contract Platform	Layer 1	5.63%

Source: STOXX, March 15, 2024.

To learn more about STOXX, please contact us, or visit stoxx.com

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