

Nasdaq Crypto Index™ Quarterly Update:

The impact of the March 1, 2023, reconstitution and rebalance

The Nasdaq Crypto Index™ (NCI™) was created to provide investors a reliable and dynamic crypto asset benchmark. A key feature of the NCI's™ methodology^[1], designed to ensure the index is appropriate for professional investors, is a quarterly rebalance of the index constituents and its weightings.

These rebalances, effective the first business day of March, June, September, and December, ensure that the NCI™ remains an adaptable representation of the evolving crypto asset class. The latest NCI reconstitution went effective March 1 at 8pm UTC.

In this most recent rebalance, Filecoin (FIL) and The Sandbox (SAND) were removed from the index and no additional crypto assets were added. Bitcoin's representation in the index ticked up to 66.6%, while Ethereum's weighting rose modestly to 29.5%.

Filecoin is a blockchain-based decentralized digital storage network that aims to provide data storage and retrieval through various network incentives. Its token, FIL, represented 0.24% of the NCI™ as of February 28, 2023^[2]. The Sandbox is a metaverse where players can build, own, and monetize their gaming experiences on the Ethereum blockchain using the platform's crypto asset SAND, which represented 0.13% of the NCI™ as of February 28, 2023. FIL and SAND may become eligible to reenter the index as market conditions and interest in these assets evolves.

Crypto assets must meet strict eligibility criteria to be included in the NCI™, including thresholds for liquidity and market cap. Any eligible asset must have active tradable markets on at least two Core Exchanges and be supported by at least one Core Custodian, as defined in the NCI methodology.

Asset	Trading Symbol	Weight at Last Rebalance 03/01/2023
Bitcoin	XBT	66.06%
Ethereum	ETH	29.51%
Litecoin	LTC	1.23%
Chainlink	LINK	0.63%
Polkadot	DOT	0.54%
Uniswap	UNI	0.45%
Bitcoin Cash	BCH	0.34%
Stellar Lumens	XLM	0.28%
Ethereum Classic	ETC	0.26%
Axie Infinity	AXS	0.17%

[1] The NCI methodology can be viewed at https://indexes.nasdaqomx.com/docs/methodology_NCI.pdf

[2] Data source: <https://indexes.nasdaqomx.com/Index/Weighting/NCI> on 2/28/23 at end of day

Overview of asset selection process:



¹ Revised Core Exchange and Core Custodian requirements of two and one, respectively, became effective on June 1, 2022. Previous to this change, three Core Exchanges and two Core Custodians are required.

Rebalances play an essential role in ensuring that the NCI™ is an accurate representation of the current market environment for individual crypto assets. As blockchain technologies continue to transform the global economy over time, we believe the NCI's™ robust methodology will help investors access the most developed and promising crypto assets that are leading this transformation.

More information on the NCI™ methodology can be found [here](#).

An overview of the NCIE can be found [here](#).

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