Construction and Methodology

Crypto30® Index
V1.2

Crypto30® Introduction and Attributes

Crypto30® Index is an open, published, rules-based index of the top 30 crypto currencies by market capitalization (crypto currencies are referred to interchangeably as "CCs").

Transparent. Crypto30® is constructed using an open, published, rules-based methodology which is comprehensible to any financial professional. The index adheres to those rules in an effort to be as transparent as possible.

Representative of the market. Crypto30® is constructed to be objective and comprehensive with coverage of the 30 largest crypto currencies by market capitalization.

Innovative methodology. Launched January 1, 2017, Crypto30® is one of the first professional crypto currency indices and is designed to adapt as the market evolves. It follows industry-standard rules of index construction similar to that of the Russell FTSE indices, as modified to address the unique characteristics of the crypto currency space.

Accurate and practical. Monthly re-weighting is designed to ensure that the Crypto30® Index represents its constituent underlying crypto currencies as accurately as possible and providing a practical analytical tool to crypto currency market participants.

Current. The methodology applied to calculate the Crypto30® is re-weighted and balanced on a monthly basis.

Three goals: Crypto30® strives at all times to be objective, replicable and transparent.

Investment Limitations. There is no mechanism to invest in the Crypto30® Index directly. However, financial instruments may be designed which mirror the performance of the Index. No warranty is given as to the ability of such instruments to successfully mirror the movements of the Crypto30® Index.

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Methodology

Crypto30® is objectively constructed based on transparent rules.

Monthly Reconstitution

Monthly reconstitution ("Monthly Reconstitution") is the process by which all Crypto30® is constituted each month. Monthly Reconstitution is critical in the creation of a benchmark that can represent, as accurately as possible, the overall CC space. The market capitalization of crypto currencies can change rapidly, and CC's may even split into two or more CCs (known as a "fork", see below), dynamics that are factored into the Crypto30® Index.

At midnight UTC, on the last calendar day of each month (the "Ranking Day"), all eligible CCs are ranked by their total market capitalization, resulting in a revised line-up of Index constituents with updated weightings reflecting the largest 30 CCs as displayed for the following month, until the next Monthly Reconstitution (unless potentially adjusted intra-month by the Index Provider as described below).

Initial Coin (Asset) Offerings

Initial coin (asset) offerings ("ICOs") are added to Crypto30® at least monthly in accordance with the Monthly Reconstitution process above, once they reach a size placing them within the largest 30 CCs in terms of market capitalization.

Forks

If an existing CC included in the Index splits into more than one CC ("forks"), and the resulting CCs are both eligible for including in the Crypto30® because of their respective individual market capitalizations, the CC which split off from the prior CC (based on naming) will continue to be included in the Crypto30®, and if also eligible for inclusion, the second, "forked" CC will also be included in the Crypto30® Index by no later than the next following Monthly Reconstitution.

Removal

If a CC ceases to exist for any reason between Monthly Reconstitution dates, a multiplier may be incorporated into the Index by the Index Provider to allow for continuity of calculation until the next Monthly Reconstitution date. CCs that leave the Index by falling out of the top 30 CCs by market capitalization, or for any other reason, are not necessarily replaced immediately, and the total number of CCs that may appear within the Crypto30® Index within a given year will fluctuate for this reason.

Eligibility Criteria

Determining Eligible Crypto Currencies

Any crypto asset which characterizes itself as a crypto currency, is traded on at least three (3) "major" exchanges (see below) and is included in generally accepted calculations of aggregate market capitalization for CCs will be deemed to be a crypto currency eligible for inclusion in the Index. No geographic factors are taken into consideration in determining CCs.

Major Exchanges

All CCs eligible for inclusion in the Crypto30® index must trade on at least three (3) of the 10 largest crypto currency exchanges. OTC trading is not included for this purpose.

No Minimum Market Capitalization

There is no minimum total market capitalization. Any CC which is included in the largest 30 by market capitalization will be included in the Crypto30® Index.

No Minimum Float Requirement

There is no minimum float requirement for inclusion in the Crypto30® Index. However, if there is little or no trading in a CC included in the Crypto30® Index for an extended period (at least one month), that CC may be excluded by the Index Provider from the Crypto30® Index on a temporary or permanent basis.

Agnostic as to Crypto Currency Structure

The mechanics and structure of a given crypto currency, such as whether it is mined, what type of proofs are applied, which blockchain it utilizes, etc., are not factors taken into consideration for inclusion within the Crypto30® Index.

Limitations on Calculating Market Capitalization

To the extent possible, all identifiable extant CC units (coins, tokens, etc.) will be used when calculating the market capitalization of each CC. If such information is not readily available and is deemed material, that CC may be excluded from the Crypto30® until adequate information is obtained.

Ranking Day Eligibility

CCs must be traded on a major exchange as of each Ranking Day, in a manner verifiable by the Index Provider, to be included in the Crypto30® Index.

Index Provider

Digital Capital Management, LLC, a Delaware limited liability company, and its staff, provide logistical support for, conduct the calculations required of, and make determinations as necessary (as described herein) to carry out the goals and intent of all aspects of the Crypto30® Index. The Index Provider exercises no discretion in the calculation and composition of the Crypto30® Index, other than determinations as described in "Methodology" and "Eligibility Criteria" above.

Inquiries

Inquiries or comments regarding the Crypto30® Index may be submitted by contacting the Index Provider by email at index@Crypto30.com.

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