



CoinShares Compass Basket Indices

Benchmark Statement



March 8th, 2023

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1 General Information

Index Family Name : CoinShares Compass Basket Indices

Initial Date of Publication : March 8th, 2023

Index Administrator : Compass Financial Technologies (France)

Index Calculation Agent : Compass Financial Technologies (France)

2 Index Description Objective

The CoinShares Compass Basket Indices are a family of diversified digital asset indices designed with the objective to offer exposure to the cryptoassets space and to its sectors.

The Indices are composed of the most representative and liquid cryptocurrencies or tokens satisfying eligible requirements defined at each Index level. Weightings are based on multiple metrics including liquidity and market capitalization.

The components have to be selected within the Compass Crypto References Indices (CCRI) registered as benchmarks under the EU benchmark regulations.

Each CoinShares Compass Basket Index has been designed with the objective to offer a diversified and representative exposure to a specific sector of the digital asset industry or to the whole crypto asset class.

As of March 8th 2023, the following CoinShares Compass Basket Indices are computed and published:

CoinShares Compass Indices			
Index	Compass API Code	Bloomberg Code	Refinitiv Code
CoinShares-Compass Top 10 Crypto Market Index	COINTEN	COINTEN	.COINTEN
CoinShares-Compass Smart Contract Platform Index	COINSMRT	COINSMRT	.COINSMRT

Table 1: CoinShares Compass Basket Indices - Publication Codes

Indices may be accessed online on the Compass Financial Technologies website (www.compass-ft.com) or on Bloomberg or Refinitiv.

3 Regulatory Information

The CoinShares Compass Basket Indices are non-significant benchmarks according to EU Regulation 2016/1011 given:

1. they are not used directly or indirectly within a combination of benchmarks as a reference for financial instruments or financial contracts or for measuring the performance of investments funds having a total average value of at least EUR 50 billion on the basis of all the range of maturities or tenors of the benchmark, where applicable, over a period of six months; and
2. they have market-led substitutes and, in the event that the benchmarks cease to be provided or are provided on the basis of input data no longer fully representative of the underlying market or economic reality or unreliable input data, the benchmark administrator do not anticipate a significant and adverse impact on market integrity, financial stability, consumers, the real economy or the financing of households or businesses in the EU.

4 Index Methodology

4.1 Underlying Component

CoinShares Compass Basket Indices invest in single digital asset crypto indices, called Underlying Components.

The prices used to compute the Indices are the Underlying Component Closing Prices. They are based on the Compass Crypto Reference Indices prices.

4.2 Underlying Component Eligibility requirements

To be considered as an Eligible Underlying Component, a cryptoasset linked to a *CCRI* Index needs to satisfy the following criteria:

- Must trade in USD
- Must not be linked to the value of a fiat currency or fiat stablecoin
- Must have a liquid trading market on a reputable digital asset exchange
- Has at least a 3 month history of trading on an eligible exchange
- Must not be a digital asset focused on privacy (e.g., Monero; ZCash; etc.)
- Has no known security vulnerabilities
- Must be eligible for a listing on XETRA (unless otherwise decided by the Index Committee).
- Is traded on at least one of the Eligible Exchanges (or equivalent)
- Must not be considered as a "Prohibited Coins"

"Prohibited Coins" means any cryptoasset(s) which, in the reasonable opinion of the Index Committee, falls within any of the following categories, in each case as determined by the Index Committee on the Index review date:

- any stable coin (including asset-references tokens and electronic money tokens) where the relevant protocols and rules governing such stable coin do not provide for prudent collateralisation requirements
- any cryptoasset which rules and protocols hide or obscure transactions on its blockchain by way of anonymising the origin and destination of transacted coins or tokens, the amount transacted and/or balances of wallet address; and/or

- any cryptoasset which is regarded as a "meme coin" and which has all of the following characteristics:
 - i is considered by the broad investment community to be a "meme coin"
 - ii is associated with comical or animated memes; and
 - iii has no intrinsic utility or functionality

Outside of exceptional circumstances, Eligible Underlying Components are reviewed every month based on eligibility requirements described above.

4.3 Index Mechanism

Indices are rebalanced every quarter on the third Friday of January, April, July and October (the Rebalancing Date) on new weights computed two business days before the Rebalancing Date.

Weights are based on market capitalization. For each index, a maximum exposure per component is defined to maximize index diversification.

4.4 Market Disruption Adjustments

A Market Disruption event occurs when the trading activity of an Index constituent is disrupted or the fair determination of its price is obstructed. Such scenarios take place when:

- An Index constituent is not open for trading on the specific day on all eligible exchanges
- All eligible exchanges suspend their trading for an Index constituent at a time prior to the Index published closing time with no prior notice on

The occurrence of a Market Disruption Event is determined by the Steering Committee.

If a Market Disruption Event occurs during a rebalancing date, the constituents involved are not rebalanced and their respective weights are equal to those they had on the first business day preceding the Market Disruption Event. The rebalancing period for the involved constituents will be postponed until the next available business day upon which no Market Disruption Event occurs them.

4.5 Exceptional Circumstances

In exceptional circumstances, the Committee governing the Indices may trigger an exceptional rebalancing to adjust the composition of any of them if it considers that some of the Selected Underlying Components do break one or more of the requirements defined in Section 4.2

The calculations of the CoinShares Compass Basket Indices are obstructed when there are no price available for one of the Underlying Component *CCRI* at the official time of publication. If no closing price is available for the calculation date t , the CoinShares Compass Basket Indices will use the last available closing price for their Underlying Components.

The *CCRI* methodology outlines management of extraordinary circumstances where data used in the *CCRI* computation is delayed or missing. In the event of failure to retrieve the official closing prices for the Underlying Components, the Steering Committee will do its best effort to determine relevant Underlying Component prices from alternative providers that are readily available.

5 Amendment to the Index methodology

The Index methodology may be supplemented, amended in whole or in part, revised or withdrawn at any time. Supplements, amendments, revisions and withdrawals may also lead to changes in the way the Index is compiled or calculated or affect the Index in another way. In the absence of exceptional circumstances affecting the Index calculation or methodology, the Index is reviewed annually. Changes in Index methodology decided during the annual review will be published on the Compass website (www.compass-ft.com).

The Index Administrator shall inform Index licensees of any amendment to the Index methodology with reasonable prior notice. The notification document shall provide Index licensees with the amendments, the reasons for making such amendment and the effective date of the changes.

6 Cessation of the Index

The Index Administrator has established procedures to be followed for termination of one or many CoinShares Compass Basket Indices. Any termination of a CoinShares Compass Basket Index must be approved in advance by the Index Committee. A notice to licensees will be published in advance of the termination. Before disactivating the index, the Index Administrator always determines whether there are any listed financial products issued on that index as the underlying. The Index Administrator terminates indices only provided that:

- All existing commercial customers have been consulted, and commercial relationships have been terminated or transitioned accordingly.
- Consultations with stakeholders have not led to the decision to continue the index.

The Index Administrator is not responsible for determining or offering an alternative index to its subscribers or other stakeholders when the Index is terminated. However, the Index Administrator may recommend an alternative index if it considers, based on various criteria, that this alternative index could be a credible substitute index.

7 Disclaimer

Nothing contained herein shall constitute or shall be deemed to constitute a financial, legal, tax or other advice of any kind, or a solicitation to purchase, sell or invest in any financial products or to engage in any financial strategy. Compass Financial Technologies SA or any of its affiliates (“Compass”) (i) does not guarantee the adequacy, the accuracy, the timeliness, the completeness, the evolution and/or the movements of its indices or any data included therein (the “Indices” or the ”Index”), (ii) shall not have any liability for any errors, omissions, delays or interruptions therein and (iii) makes no warranty, express or implied, as to results to be obtained by owners of any securities, or by any other person or entity from the use of the Indices. Compass does not make any express or implied warranties, and expressly disclaims, all warranties of merchantability or fitness for a particular purpose or use with respect to the Indices. Without limiting any of the foregoing, in no event shall Compass have any liability for any lost profits or indirect, punitive, special or consequential damages or losses, even if notified of the possibility thereof.



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