

Indxx Bitcoin Miners Index

Index Methodology Summary

Index Overview

The Indxx Bitcoin Miners Index is designed to measure the performance of global Bitcoin Mining companies that generate revenue from Bitcoin Mining activities and services. The index also includes companies that provide Bitcoin Mining infrastructure such as data center hosting services, hardware, and software.

For eligibility and consideration into the Index, a security must be defined as belonging to the Bitcoin Miners theme. This is defined as:

Companies involved in the mining of Bitcoin & verification of the Bitcoin network, Bitcoin Mining pool services, and the adding of Bitcoin transactions onto blockchain ledgers are considered. The Bitcoin Mining theme also includes, but is not limited to, companies that provide Bitcoin Mining infrastructure such as data center hosting services (colocation services, dedicated hosting), ASICs machines, GPUs, mining rigs, and related infrastructure for Bitcoin Mining.

Eligibility & Selection Criteria

- **Identification of Relevant Industries:** Indxx begins by mapping the Bitcoin Miners theme to the most relevant FactSet Industries. Industries are selected based on their alignment with the theme, focusing on companies involved in Bitcoin Mining.
- **Investability Screening:** After identifying relevant industries, companies are evaluated against certain Investability criteria:
 - The country of listing is classified as either Developed or Emerging.
 - A minimum total market capitalization of \$50 million.
 - A 6-month average daily turnover greater than or equal to \$0.5 million.
 - The security must have traded on 90% of the eligible trading days in the last 6 months. In the case of Initial Public Offerings, such a security must have started trading at least 3 months prior to the relevant Rebalance date and should have traded on 0% of the eligible trading days in the past 3 months.
- **Business Involvement Assessment:** Indxx assesses the business involvement of each company to ensure alignment with the Bitcoin Mining theme. This includes verifying that the company operates in one or more of the areas defined in the Bitcoin Mining theme.
- **Revenue-Based Categorization:** Companies are then categorized into three groups based on their revenue exposure to the Bitcoin Mining theme:
 - Pure Play: Companies from the Master List that derive greater than or equal to 50% revenue from the above sub-themes are considered as 'pure-play' companies
 - Quasi: Companies with diversified revenue streams that generate at least 20% (but less than 50%) of their revenue from Bitcoin Mining are considered as 'quasi-play' companies.
 - Marginal: Companies with diversified revenue streams that generate less than 20% of their revenue from Bitcoin Mining or that are relevant to Bitcoin Mining are considered as 'marginal' companies.

Revenue assessment is based on information obtained from annual reports, financial statements, and other publicly available financial documents.

Companies that pass all Eligibility and Selection Criteria form the Selection List.

Index Composition

The Indxx Bitcoin Miners Index is comprised of companies from the Selection List, and the final constituents will be as follows:

- The top 25 pure play companies by market capitalization.
- If fewer than 25 pure play companies qualify for inclusion in the index, then the top Quasi companies by largest total market capitalization are included until the portfolio size reaches 25.
- If fewer than 25 pure and Quasi play companies qualify for inclusion in the index, then the top marginal play companies by largest total market capitalization are included until the portfolio size reaches 25.
- If there are fewer than 25 companies in the selection list, all the companies are considered.

Weighting

Securities are weighted based on their free float market capitalization. Where the Index is comprised completely of Pure Play companies, a single security cap of 15% is applied and the excess weight is redistributed proportionally among the uncapped securities within the basket. An aggregate cap is then applied such that the total weights of securities with weights greater than 5% is capped at 45%. Following this aggregate cap, securities with weights in excess of 5% are capped to 4.25% and excess weight is redistributed among the remaining uncapped securities.

If fewer than 25 Pure-Play companies qualify for inclusion in the Index and Quasi and Marginal companies become eligible, the same process is followed subject to a maximum weight of 15% for the aggregate of all Quasi and Marginal companies. A single security cap of 3% is applied to any given Quasi or Marginal security and the excess weight is redistributed proportionally among the uncapped Quasi or Marginal securities such that the total weight allocated to such companies is capped at 15%. Pure-Play security weighting follows the same capping methodology described above, with a single security cap of 15%, an aggregate cap of 45% for the total allocation of securities greater than 5%, and a final single security cap of 4.25% thereafter.

Rebalancing

The Index is rebalanced at the close of the last trading day in March, June, September, and December each year.

Important Disclosures

For more information about the Index please call 866.775.0313.

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