

## UPDATE TO THE METHODOLOGY OF THE BNC BLUE-CHIP DEFI INDEX

**Auckland, January 28, 2021** - Following the Quarterly Index Review and approval from the Brave New Coin (BNC) Oversight Committee, the BNC Index Committee will update the methodology of the BNC Blue-Chip DeFi Index (BBDX), formerly known as the BNC DeFi Index. The changes to the methodology are summarized below and will be reflected in the respective index methodology.

Updates to the methodology were made to ensure the Index can best measure the underlying interest (Large Cap Ethereum Crypto Assets with Decentralized Finance Applications).

### Summary of the methodology updates:

Methodology	Section	Current Methodology	Updated Methodology
Maximum Basket Size	1.0	The index tracks a 10 asset basket, weighted by free float market capitalization, capped at 25%.	The index has a maximum basket size of 8 assets and is rebalanced quarterly based on a free float market capitalization weighting with a cap of 25%.
DeFi Asset Criteria	2.1	<b>1. Decentralised Financial Use Case:</b> The protocol must have a financial application or use case	<b>1. Decentralised Financial Application:</b> The protocol must be explicitly geared towards decentralised financial applications such as decentralized marketplaces & exchanges, asset issuance, insurance, checking accounts, investment services, borrowing and lending, asset management and prediction markets.  <b>10. Token Standard:</b> Token must be compliant to the Ethereum ERC-20 standard.

These changes do not affect the day-to-day calculation of the index, only those assets that are eligible for selection and the number of assets selected at the quarterly rebalance. As such, this change will be in effect at the next rebalance, **Wednesday, February 10, 2021 at 08:00 am (UTC)**.

### About the Brave New Coin

Brave New Coin (BNC) has been a leading provider of market data and index solutions to the cryptographic asset industry since 2014. Our focus is on transparency, timeliness and compliance. The BNC Sector Indices track the real-time market performance of a basket of large cap cryptocurrencies operating within a particular sector of the larger crypto asset universe. Launched in 2020, these institutional grade index products are amongst the first in the world to track multiple crypto assets at sub second frequency. For further information on the BNC Sector Indices please visit [www.bravenewcoin.com](http://www.bravenewcoin.com).