

## BNC LIQUID INDEX SERIES JANUARY 2019 QUARTERLY REVIEW

Brave New Coin Index Governance Committee announces the following items discussed during the BNC Quarterly Index Review. This change will affect the **Bitcoin Liquid Index (BLX)** and **Ethereum Liquid Index (ELX)**.

While the weightings are adjusted algorithmically, there are a series of qualitative factors that are applied on top of the quantitative method. These are reviewed every three months. The performance of each constituent through the previous period is analysed and ranked. The table below are the changes for this quarter.

Index	Exchange	Market	Trust Factors
Bitcoin Liquid Index (BLX)	Coinbase Pro Bitfinex Bitstamp Gemini itBit	BTC/USD BTC/USD BTC/USD BTC/USD BTC/USD	Considering the smooth migration of Bitfinex's infrastructure to its own bare-metal servers, the LXGP has removed the previously attributed demerits points. Coinbase, itBit and Gemini also increased their trust factors based on their order book depth and average trades. Bitstamp is the only one decreasing its trust factor based on a deterioration in frequency of trades.
Ethereum Liquid Index (ELX)	Coinbase Pro Coinbase Pro Bitfinex Bitfinex Bitstamp Bitstamp Gemini Gemini	ETH/USD ETH/BTC ETH/USD ETH/BTC ETH/USD ETH/BTC ETH/USD ETH/BTC	Considering the smooth migration of Bitfinex's infrastructure to its own bare-metal servers, the LXGP has removed the previously attributed demerits points. Coinbase, itBit and Gemini also increased their trust factors based on their order book depth and average trades. Bitstamp is the only one decreasing its trust factor based on a deterioration in frequency of trades.

These changes will take effect on **14, February 2019 at 02:00:00 UTC**

## UPDATE TO THE CONSTITUENTS OF BNC LIQUID INDEX SERIES

BNC has set its minimum number of constituent exchanges for index compilation at six. This ensures effective data redundancy and uncompromised index quality. The Index Committee has decided to keep the same constituents throughout all LX index series this quarter.

Index	Source	Market	Reason
Bitcoin Liquid Index (BLX)	ALL	ALL	The Index Committee has decided to keep the same constituents this quarter.
Ethereum Liquid Index (ELX)	ALL	ALL	The Index Committee has decided to keep the same constituents this quarter.

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## INVESTIGATION OF IMPLEMENTING A PRICE DIVERGENCE FACTOR

To reduce the impact of any diverging constituent in the LX calculation the LXGP decided during the review, to implement a fourth weighting factor in the calculation methodology (on top of Volume, Liquidity and Trust factors). This factor will evaluate the price deviation between a specific constituent and the median of the constituents, and reduce the contribution of constituents that are above a threshold.

### **About the Brave New Coin Liquid Indices program**

Brave New Coin's (BNC) goal is to be the preferred provider of Market Data and Analysis to the global Cryptographic Asset market. BNC's focus is on transparent, timely and compliant market data and index solutions, something we have been providing since 2014. The Liquid Indices Program™ provides benchmark and reference pricing to the most liquid end of the respective markets. The Liquid Indices Program has been independently audited and aligned with IOSCO benchmark principles (SOC and EU BMR reviews pending).

For further information on BNC Indexes or BNC data, please visit our web site at [www.bravenewcoin.com](http://www.bravenewcoin.com), or contact:

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