

# Methodology

## Sygnum Platform Winners Index

Index Methodology

### Introduction

The Sygnum Platform Winners Index ("MOON") is a financial benchmark, tracking the financial performance of the native tokens of layer-1 blockchain protocols. The index reflects the trend towards blockchain protocols forming the basis of economic activity in the future while eliminating the risk of any individual protocol failing or being superseded by better technology. The index will always track the most successful platforms.

The weighting methodology provides a forward-looking insight into protocol success by looking at factors beyond backward-looking measures of success such as market capitalization and liquidity and also looks at public interest in the protocol and the developer community's interest and commitment to the platform.

The index is developed to provide a rule-based and transparent way to track the value of a portfolio of assets, measuring the value of an investment strategy. This methodology clearly determines what constitutes an active market for the purposes of each index, and establishes the priority given to different types of input data. The methodology takes into account factors like the size and liquidity of the market, the transparency of trading, the positions of market participants, market concentration, and the adequacy of any sample to represent the market or economic reality that the benchmark is intended to measure.

**Sygnum Bank AG** was rooted from the start in the financial hubs of Switzerland and Singapore. From this heritage, Sygnum grew to be the first digital asset specialist with both a Swiss banking license and a Singapore asset management license. Sygnum uses the power of Distributed Ledger Technology to systematically and holistically embed digital assets into regulated banking.

**Invierno AB** ("Vinter") is a pioneering index provider specialized in crypto assets, playing a key role in the emerging crypto ETF industry. The firm collects digital asset data from hundreds of sources, transforming proprietary strategies into investable products. Learn more at [vinter.co](https://vinter.co).

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## Indexes

### MOON

*Construction*

- **Asset universe:** Eligible constituents are native tokens of layer-1 blockchain protocols, including only the largest from a family of forks, and excluding those without economic incentives for the maintenance of the protocol. The asset universe is further limited by criteria imposed by the SIX exchange,

acceptance by the eligible market makers for the ETP on the SIX exchange, and lack of a custody solution at the authorized custodians.

- **Asset selection:** Top ten layer-1 assets, based on ranking the assets by the Rebalancing Weights, unless the restricted asset universe includes less than ten tokens.
- **Rebalancing Weights:** Capital invested, financial market interest, real-world adoption, and developer commitment. For details read the section Rebalancing Weights.
- **Rebalanced:** Quarterly, on the last business day of January, April, July, October.

#### *Details*

- **Currency:** USD
- **Type:** Price return
- **Base date:** 2019-11-01
- **Base value:** 100.00
- **Calculation:** Daily.
- **Dissemination:** Daily 17:00 Central European Time.

#### *Identifiers*

- **Full name:** Sygnum Platforms Winners Index
- **Ticker:** MOON
- **ISIN:** DE000SLA9Q63
- **SEDOL:** BJVQ1P1
- **Bloomberg:** MOON
- **Refinitiv:** .MOON
- **Vinter API:** vnsn-moon-10-d

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## Index Construction

### Eligible Constituents

Eligible constituents are native tokens of layer-1 blockchain protocols, including only the largest from a family of forks.

The index excludes crypto assets:

- without economic incentives for the long term maintenance of the platform;
- that are not accepted by the Swiss Stock Exchange (SIX) as an underlying as defined in the Sygnum Platform Winners Index ETP prospectus;
- are not accepted by the eligible market makers supporting the ETP; or
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do not have a reliable custody solution of an acceptable standard.

## Asset Universe

The asset universe consists of all eligible constituents.

## Asset Selection

The eligible universe is ranked based on factors that assess the market acceptance and growth of the ecosystem built on the protocol. The metrics used to measure these factors are as follows:

1. **Market capitalization:** The market capitalization is given by price times circulating supply. Using circulating supply is similar to using public float for an equity index.
2. **Trading volume:** quarterly average of the 24-hour traded volume on selected exchanges.
3. **Public interest in the crypto asset:** influence score calculated by Vinter based on social media interest.
4. **Developer resources:** Code Repository Score calculated by Vinter based on Github activity, and developer headcount dedicated to the project.

The four metrics are normalized (with the baseline being the asset whose score is the largest on that particular metric) The normalized metrics are combined with an equal weighting assigned to each metric.

Firstly, calculate the relative scores of each crypto asset with reference to the baseline for each of the 4 metrics as:

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where the developer resources metric combines the Code Repository Score and the developer headcount in a similar manner with a 75% and 25% weight, respectively.

Secondly, calculate the summed score for each crypto asset by adding the four values:

Thirdly, the top ten ranked crypto assets are included in the index. The total number of eligible qualifying crypto assets may be less than ten at a given time.

In the asset selection, data up to five business days prior to the rebalancing date is used (except for January 2022 which is using four business days).

## Rebalancing Weights

The Rebalancing Weight is the same score that is used for asset selection. The score assesses the market acceptance and growth of the ecosystem built on the protocol.

The weight per asset after rebalancing is proportional to thus given by

where is the number of selected assets.

In the calculation of Rebalancing Weights, data up to five business days prior to the rebalancing date is used.

The Rebalancing Weight per asset is unchanged between rebalances.

## Rebalancing

The index is rebalanced quarterly, in January, April, July, October with the rebalancing date set to the last business day of the month. Rebalancing involves the calculation of their Rebalancing Weights and the selection of constituents. Calculations are done using the closing prices on the rebalancing date. The new quantities per asset are used on the opening of the business day after rebalancing. After the rebalance, the portfolio's weights per asset are updated so that they equal the Rebalancing Weights per asset.

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## Calculation

The index value is given by the weighted sum over all constituents of quantity times price divided by a divisor.

The quantity per asset is unchanged between rebalances and is set such that the Rebalancing Weight per asset is reached after rebalancing.

The divisor enforces index continuity on rebalancing. It is defined so that the index starts at a certain start value, which ensures each index tracks the value of a certain amount of capital invested on the start date.

A business day is a day when the SIX stock exchange is open for trading.

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## Constituent Pricing

Assets are priced using [Vinter's single asset indexes](#), which are price return indexes. The Benchmark Statement of this methodology defines the eligibility criteria for input data used to determine the benchmark.

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## Administration

The Benchmark Administrator is the central recipient of input data with the ability to evaluate the integrity and accuracy of input data on a consistent basis. The Benchmark Administrator is responsible for the development of the indexes and controls all aspects of the provision of benchmarks. The Benchmark Administrator has established a permanent and effective oversight function, governance processes subject to periodic reviews and audits, policies regarding complaints, ethics, conflicts of interest and contingency, and has established a clear internal organizational structure with consistent roles and responsibilities to identify, prevent, disclose, mitigate, and manage conflicts of interest.

The Calculation Agent is an individual or entity that is responsible for determining the value of an index and/or a financial instrument. The Calculation Agent calculates the index values in accordance with the index methodology. Upon the request of the Benchmark Administrator, the Calculation Agent shall provide all information available on the composition and details of the calculation of the requested index.

The Publication Agent is an entity responsible for the publication of index values to dissemination platforms.

Vinter is the benchmark administrator, calculation agent and publication agent of this index family.

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## Review of Index Methodology

Due to the dynamic nature of the crypto-asset market, the index methodology, parameters, and thresholds will be reviewed at least once a year. Market participants' feedback is being considered in the process of whether or not to make amendments to the methodology and the data sourcing process.

Any material changes will be communicated with a 60-day lead time to enable customers to adjust their processes. All material changes follow the process detailed in the [Benchmark Statement](#).

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## Document Versions

In versions 1.1 to 1.4 (updated August 2021) MVIS was the Benchmark Administrator and CryptoCompare was the Calculation Agent.

In Version 2.0 and onward, Vinter is the Benchmark Administrator and Calculation Agent. The main changes from 1.4 to 2.0 can be summarized as follows: What was previously known as the "Index Guide" is now two documents: index methodology, and benchmark statement. The objective of the update is to more clearly follow the systematics of the EU Benchmarks Regulation. The documents have been restructured including edits in the asset selection. This includes using maximum as a baseline instead of bitcoin. The formula for scoring on the four dimensions is unchanged. The eligibility criteria have been concretized but not materially changed. The descriptive text on the purpose of the index has been elaborated.

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