

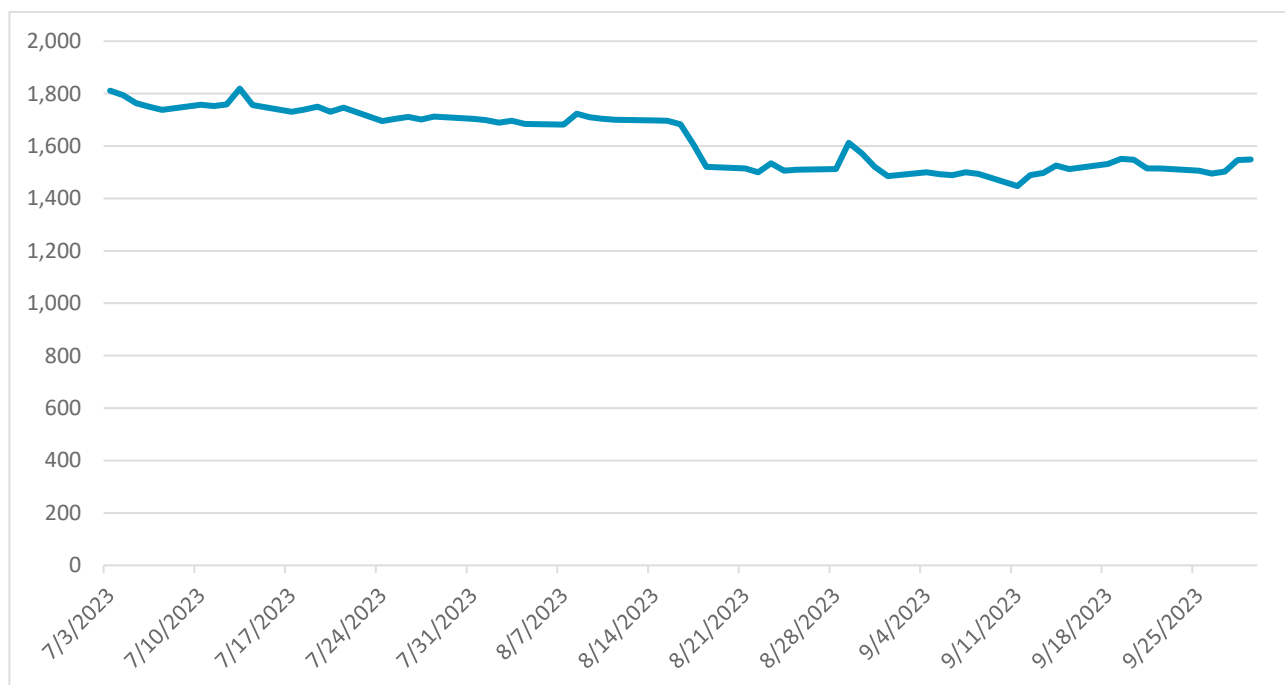
Crypto Quarterly Market Update: Q3 2023

Nasdaq Crypto™ Index (NCI™) Review: July 1, 2023 – September 30, 2023

Investment Performance

Over the third quarter of 2023, the Nasdaq Crypto Index Settlement Price™ (NCIS™) has returned -14.5%¹. The NCIS returned 33.2% from the end of Q3 2022 to the end of Q3 2023², and returned 224.4% over the course of its history through the end of September 2023³. In the third quarter of 2023 the total market capitalization in the digital asset space decreased from ~1.19 trillion to ~1.07 trillion, representing a -10% rate of return⁴. The total digital asset market capitalization began the year at just under ~800 billion, representing a 35% rate of return over the first three quarters⁵.

Nasdaq Crypto Index Settlement Price™ (NCIS™) Q3 2023 Performance: 7/3/23 – 9/29/23



Source: <https://indexes.nasdaqomx.com/Index/History/NCIS>, from 7/3/23– 9/29/23

¹ Data source: <https://indexes.nasdaqomx.com/Index/History/NCIS>, from 7/3/23 – 9/29/23

² Data source: <https://indexes.nasdaqomx.com/Index/History/NCIS>, from 9/29/22 – 9/29/23

³ Data source: <https://indexes.nasdaqomx.com/Index/History/NCIS>, from 6/1/20 – 9/29/23 and includes backtested performance for NCIS prior to 2/2/2021

⁴ Data source: <https://coinmarketcap.com/charts/-> “Total Cryptocurrency Market Cap” Chart, from 7/1/23 – 9/30/23

⁵ Data source: <https://coinmarketcap.com/charts/-> “Total Cryptocurrency Market Cap” Chart, from 1/1/23 – 9/30/23

Nasdaq Crypto Index Settlement Price™ (NCIS™) All Time Performance: 6/1/20 – 9/29/23



Source: <https://indexes.nasdaqomx.com/Index/History/NCIS>, from 6/1/2020 – 9/29/23 and includes backtested performance for NCIS prior to 2/2/2021

The NCI’s risk and return profiles are heavily influenced by Bitcoin (BTC) and Ethereum (ETH) as these major digital assets represent the NCI’s largest allocations since launch. Over the third quarter, the NCIS index value has ranged from a high of 1819.20 on July 13th 2023, to a low of 1447.22 on September 11th 2023.

Historically, the NCIS index value has ranged from a high of 4,140.19 on November 9, 2021, to a low of 448.92 on June 27, 2020. The NCI experienced significant volatility along with the broader crypto market during the final quarter of 2021 and over the course of 2022.

Portfolio Update

NCIS is weighted by Free Float Market Capitalization and rebalanced quarterly on the first business day of March, June, September, and December. The Free Float Market Capitalization of a digital asset is determined by its Circulating Supply, which is an important data element to maintain in order to preserve an investable and accurate representation of the asset class.

At the end of the second quarter on 6/30/23, the NCI held nine constituents, composed of 65.80% XBT and 31.06% ETH, with ~3.14% distributed across the remaining seven constituents⁶. At the September 1, 2023, reconstitution and rebalance, BCH was removed from the NCI, reducing the total number of index constituents to eight.

Nasdaq Crypto Index (NCI™) Constituent Weights as of 9/29/23

⁶ Data source: <https://indexes.nasdaqomx.com/Index/Weighting/NCI>, 6/30/23 using end of day data.

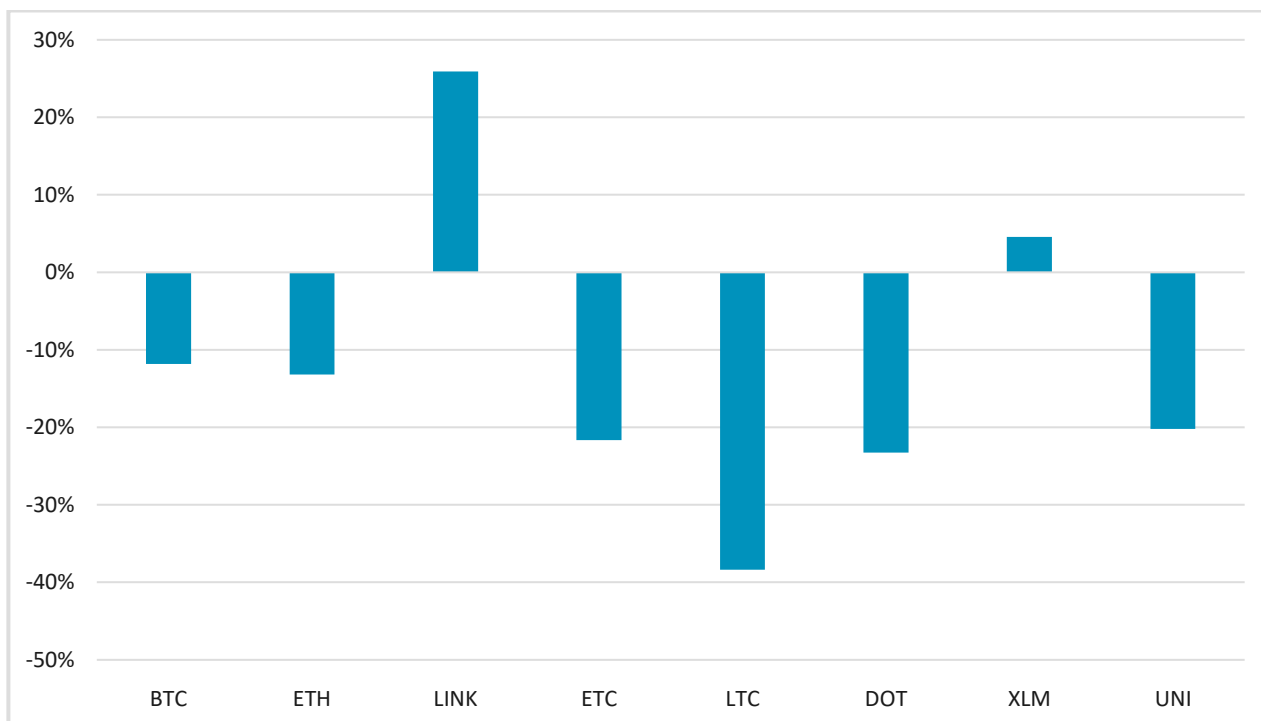
Component	Weight %
Bitcoin (BTC)	66.71
Ethereum (ETH)	30.86
Litecoin (LTC)	0.74
Chainlink (LINK)	0.57
Polkadot (DOT)	0.35
Stellar Lumens (XLM)	0.34
Uniswap (UNI)	0.26
Ethereum Classic (ETC)	0.17

Source: <https://indexes.nasdaqomx.com/Index/Weighting/NCI> on 9/29/23, end of day

NCI Rate of Return

Returns from July through September varied by digital asset. Chainlink (LINK) experienced the highest rate of return of all assets, at 25.9%. Stellar Lumens (XLM) followed with a return of 4.6%. Bitcoin (BTC), Ethereum (ETH), Ethereum Classic (ETC), Litecoin (LTC), Polkadot (DOT) and Uniswap (UNI) all produced negative returns, with Litecoin (LTC) experiencing the lowest rate of return at -38.4% followed by Polkadot (DOT) at -23.3% and Ethereum Classic (ETC) at -21.6%. The average return across all assets was -12.3%, and the standard deviation 19.6%⁷.

Nasdaq Crypto Index (NCI™) Q3 Rate of Return: 7/1/23 – 9/30/23

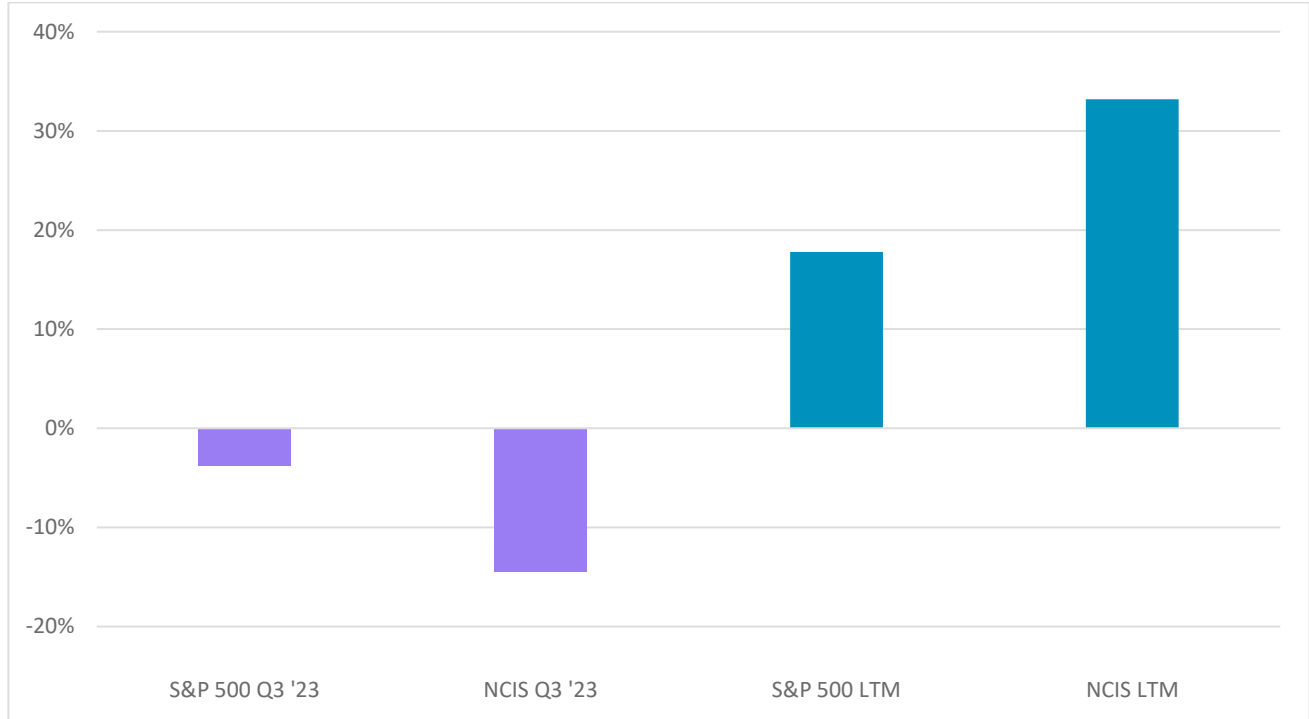


Source: Price data from Coinmarketcap.com, close of day data on 7/1/23 and 9/30/23 for each asset. Please note that BCH was an NCI constituent from 7/1/23 through 8/31/23. It is not included in this chart because it was removed from the index at the reconstitution on 9/1/23

⁷ Data source: coinmarketcap.com historical data “close price” for each asset, from 7/1/23 – 9/30/23

The NCIS returned -14.5% over Q3 2023, and 33.2% over the past 12 months⁸. This is compared below with the S&P 500 which returned -3.8% over Q3 2023, and 17.8% over the past 12 months⁹.

NCIS vs. S&P 500 Rate of Return: Q3 2023 vs. LTM



Sources: <https://www.nasdaq.com/market-activity/index/spx/historical> and <https://indexes.nasdaqomx.com/Index/History/NCIS>. LTM data from 9/29/22 – 9/29/23. Q3 data from 7/3/23 – 9/29/23.

⁸ Data source: <https://indexes.nasdaqomx.com/Index/History/NCIS>, from 7/3/23 – 9/29/23, and 9/29/22 – 9/29/23, respectively.

⁹ Data source: <https://www.nasdaq.com/market-activity/index/spx/historical> from 7/3/23 – 9/29/23, and 9/29/22 – 9/29/23, respectively.

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