

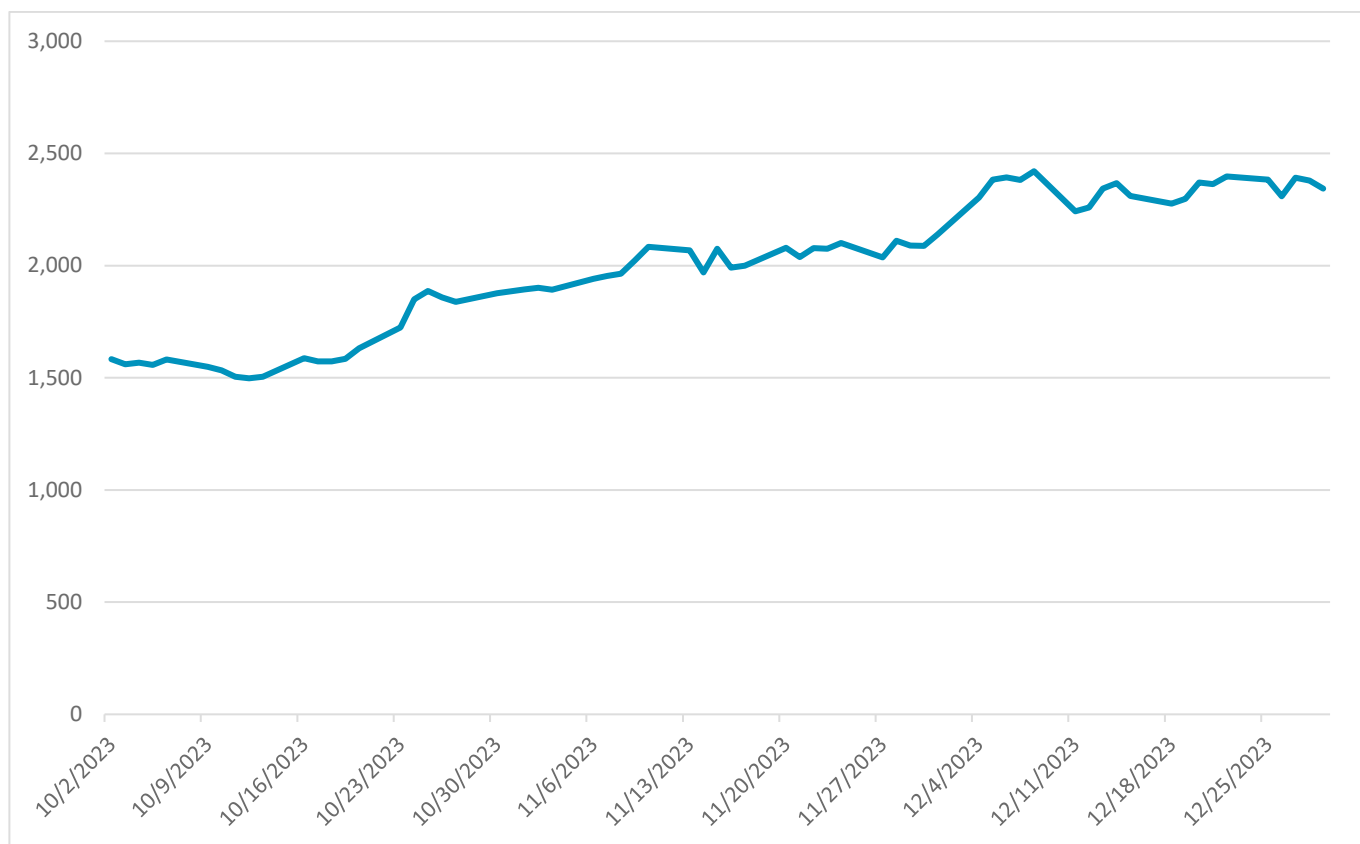
Crypto Quarterly Market Update: Q4 2023

Nasdaq Crypto™ Index (NCI™) Review: October 1, 2023 – December 31, 2023

Investment Performance

Over the fourth quarter of 2023, the Nasdaq Crypto Index Settlement Price™ (NCIS™) has returned 48.1%¹. The NCIS returned 131.6% from the end of Q4 2022 to the end of Q4 2023², and returned 390.7% over the course of its history through the end of December 2023³. In the fourth quarter of 2023 the total market capitalization in the digital asset space increased from ~1.11 trillion to ~1.64 trillion, representing a 48% rate of return⁴. The total digital asset market capitalization began the year at just under ~800 billion, representing a 107% rate of return over the course of 2023⁵.

Nasdaq Crypto Index Settlement Price™ (NCIS™) Q4 2023 Performance: 10/2/23 – 12/29/23



Source: <https://indexes.nasdaqomx.com/Index/History/NCIS>, from 10/2/23– 12/29/23

¹ Data source: <https://indexes.nasdaqomx.com/Index/History/NCIS>, from 10/2/23 – 12/29/23

² Data source: <https://indexes.nasdaqomx.com/Index/History/NCIS>, from 12/29/22 – 12/29/23

³ Data source: <https://indexes.nasdaqomx.com/Index/History/NCIS>, from 6/1/20 – 12/29/23 and includes backtested performance for NCIS prior to 2/2/2021

⁴ Data source: <https://coinmarketcap.com/charts/> - "Total Cryptocurrency Market Cap" Chart, from 10/1/23 – 12/31/23

⁵ Data source: <https://coinmarketcap.com/charts/> - "Total Cryptocurrency Market Cap" Chart, from 1/1/23 – 12/31/23

Nasdaq Crypto Index Settlement Price™ (NCIS™) All Time Performance: 6/1/20 – 12/29/23



Source: <https://indexes.nasdaqomx.com/Index/History/NCIS>, from 6/1/2020 – 12/29/23 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 fourth quarter, the NCIS index value has ranged from a high of 2420.58 on December 8th 2023, to a low of 1497.70 on October 12th 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. Both the NCIS and the digital asset industry's market capitalization have increased over the course of 2023, with the NCIS returning 128.6%⁶ in 2023 and the digital asset market capitalization returning 107%⁷.

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 third quarter on 9/29/23, the NCI held eight constituents, composed of 66.71% XBT and 30.86% ETH, with ~2.43% distributed across the remaining six constituents⁸. At the December 1, 2023, reconstitution and rebalance, Ethereum Classic (ETC) was removed from the NCI and Arbitrum (ARB) was added, maintaining the total number of index constituents at eight.

Nasdaq Crypto Index (NCI™) Constituent Weights as of 12/29/23

⁶ Data source: <https://indexes.nasdaqomx.com/Index/History/NCIS>, from 1/2/23 – 12/29/23

⁷ Data source: <https://coinmarketcap.com/charts/-/Total-Cryptocurrency-Market-Cap> Chart, from 1/1/23 – 12/31/23

⁸ Data source: <https://indexes.nasdaqomx.com/Index/Weighting/NCI>, 9/29/23 using end of day data.

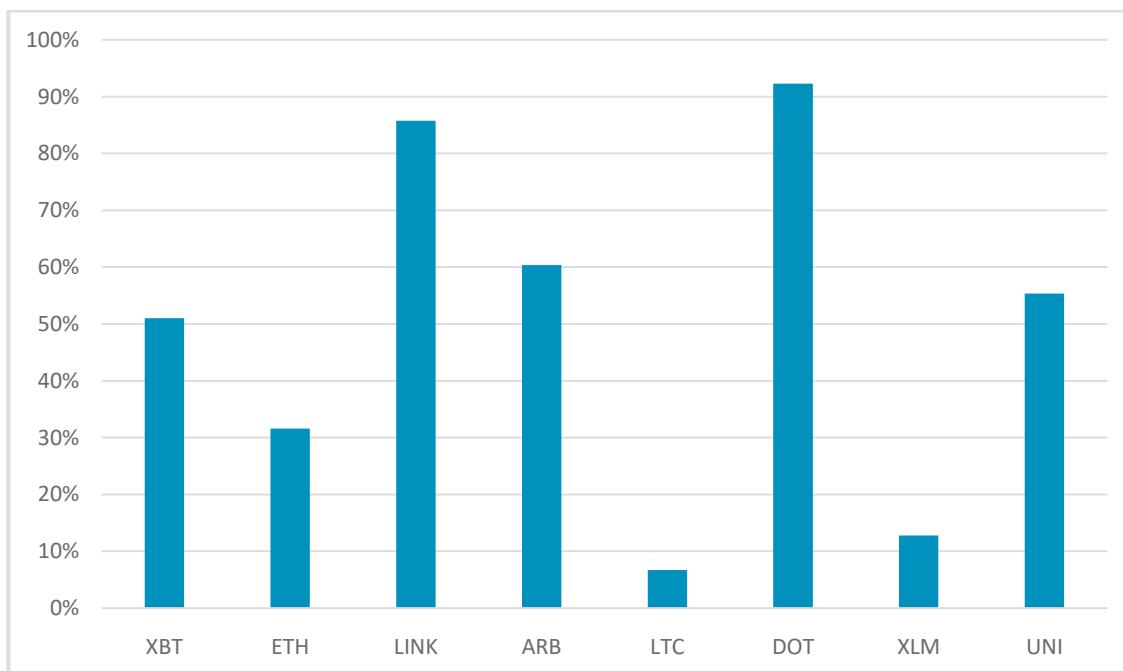
Component	Weight %
Bitcoin (BTC)	69.11
Ethereum (ETH)	28.07
Chainlink (LINK)	0.77
Litecoin (LTC)	0.55
Arbitrum (ARB)	0.52
Polkadot (DOT)	0.42
Uniswap (UNI)	0.30
Stellar Lumens (XLM)	0.25

Source: <https://indexes.nasdaqomx.com/Index/Weighting/NCI> on 12/29/23, end of day

NCI Q4 2024 Rate of Return

Returns from October through December varied by digital asset, but all were positive. Polkadot (DOT) experienced the highest rate of return of all assets, at 92.3%. Chainlink (LINK) followed with a return of 85.8%. Arbitrum (ARB) was the third highest performer at a 60.4% return. Uniswap (UNI) and Bitcoin (BTC) returned 55.4% and 51% respectively, followed by Ethereum (ETH) at 31.6% and XLM at 12.8%. Litecoin (LTC) experienced the lowest rate of return at 6.7%. The average return across all assets was 49.5%, and the standard deviation 31.2%⁹.

Nasdaq Crypto Index (NCI™) Q4 Rate of Return: 10/1/23 – 12/31/23

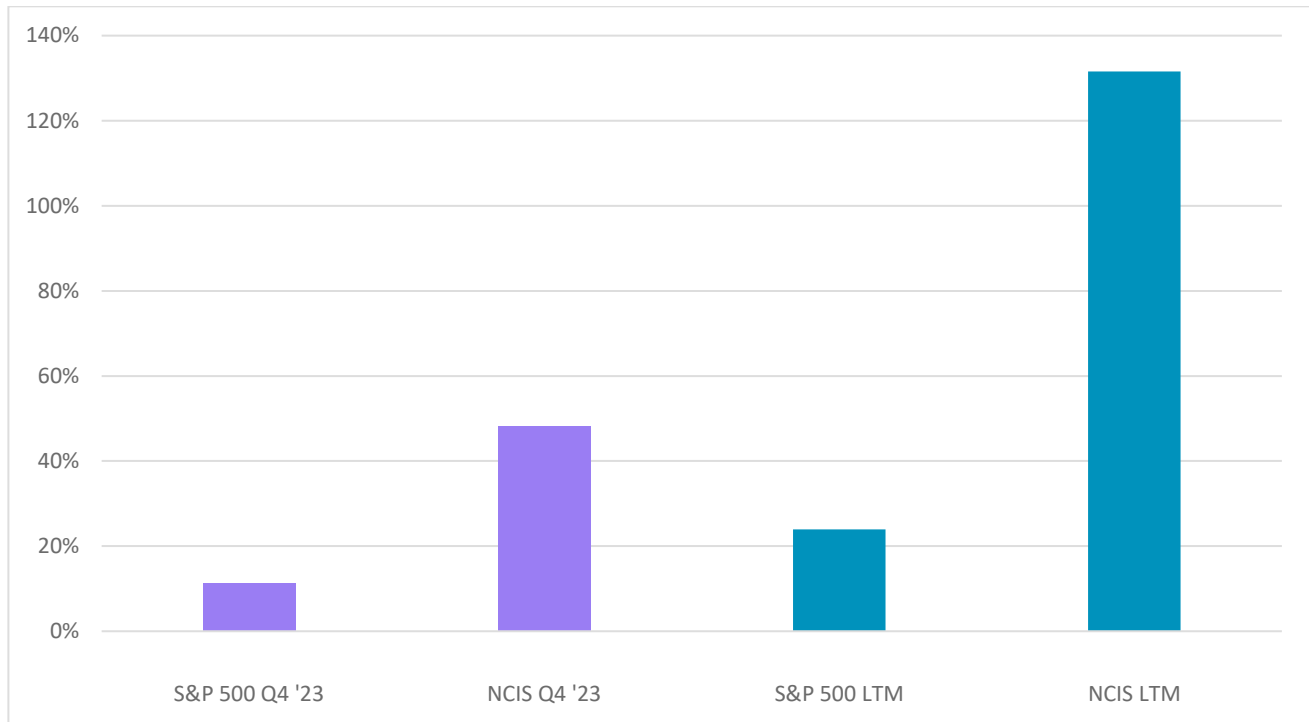


Source: Price data from Coinmarketcap.com, close of day data on 10/1/23 and 12/31/23 for each asset. Please note that ETC was a constituent in the NCI from 10/1/23 through 11/30/23 and ARB was not. On the reconstitution and rebalance on 12/1/23, ETC was removed and ARB was added. This chart shows the rate of return over Q4 only of constituents present from 12/1/23 through 12/31/23. 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.

⁹ Data source: coinmarketcap.com historical data “close price” for each asset, from 10/1/23 – 12/31/23

The NCIS returned 48.1% over Q4 2023, and 131.6% over the past 12 months¹⁰. This is compared below with the S&P 500 which returned 11.2% over Q4 2023, and 23.9% over the past 12 months¹¹.

NCIS vs. S&P 500 Rate of Return: Q4 2023 vs. LTM



Sources: <https://www.nasdaq.com/market-activity/index/spx/historical> and <https://indexes.nasdaqomx.com/Index/History/NCIS>. LTM data from 12/29/22 – 12/29/23. Q4 data from 10/2/23 – 12/29/23.

¹⁰ Data source: <https://indexes.nasdaqomx.com/Index/History/NCIS>, from 10/2/23 – 12/29/23, and 12/29/22 – 12/29/23, respectively.

¹¹ Data source: <https://www.nasdaq.com/market-activity/index/spx/historical> from 10/2/23 – 12/29/23, and 12/29/22 – 12/29/23, respectively.

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