Defining Digital Assets
DACS: The Digital Asset Classification Standard

As the broad spectrum of digital assets grows, how does one categorize this sprawling and ever evolving landscape? The answer is simple. The Digital Asset Classification Standard (DACS), created by CoinDesk Indices.

Why DACS?
- Providing taxonomy with reliable, comprehensive and standardized industry definitions and classifications for digital assets
- Delivering a transparent and standardized method to determine sector and industry exposure, facilitate portfolio attribution analysis and help pinpoint investment opportunities

How does DACS help investors?
- Identifying investment opportunities across digital assets by sector and industry group
- Analyzing the impact of sector trends on a portfolio
- Evaluating sector and industry group exposures versus benchmarks
- Measuring the performance of a digital asset against its peers
- Helping portfolio managers build well-defined sector focused and sector rotation strategies

![DACS Classification Diagram](image-url)
How is DACS designed?

- Seeks to classify the top 500 digital assets by market capitalization
- Classification is determined by use case and technology of the digital asset categorized into a three-tiered hierarchy of Sectors, Industry Groups, and Industries
- Each digital asset is assigned to an industry, and each industry is assigned to an industry group and finally, each industry group is placed within one of seven distinct sectors: currency, smart contract platforms, decentralized finance (DeFi), culture & entertainment, computing, stablecoin, and digitization

How will DACS evolve in this ever-changing landscape?

- Market feedback is gathered through consultations with CoinDesk Indices and a DACS Advisory Council
- Assets are reconstituted on a monthly basis to ensure largest assets are captured and classified
- Material changes are announced prior to implementation

Does CoinDesk Indices offer indices covering DACS?

- The CoinDesk Market Index (CMI) Family provides benchmarks for the performance of the entire digital asset market, and is the first to help quantify contributions to returns and risk by sector
- The CoinDesk Select Sector Index Family is a suite of investable indices that follows a rules-based methodology

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