



CoinDesk Indices Seek Feedback on Modifications to its Digital Asset Classification Standard (DACS) and CoinDesk Market Index (CMI)

April 1, 2024: CoinDesk Indices (CDI) is seeking feedback on modifications to its Digital Assets Classification Standards (DACS) and CoinDesk Market Index (CMI) methodologies. The changes are intended to transition from monthly to quarterly reconstitution schedules to align with other index families and narrow the focus of assets classified under DACS.

Below is a summary of the proposed modifications:

Proposal 1 – Reduce the number of digital assets classified within DACS from the top 500 to the top 250 by market capitalization. The information used to classify assets in the top 250 is generally more accessible than the assets in the bottom 250 and these protocols are generally more established allowing analysts to better determine their use case when assigning a classification. Based on the latest DACS reconstitution, the bottom 250 assets by market capitalization represented only 1.2% of DACS. Please see table 1 below for the impact of this change.

Proposal 2 – Update the frequency of DACS reconstitutions from monthly to quarterly to align with index reconstitutions. This would ensure the latest assets are included for those index reconstitutions that rely on DACS. The new publication months for DACS would be March, June, September, and December.

Proposal 3 – Update the frequency of CMI reconstitutions from monthly to quarterly. The new reconstitution schedule would align with other index families and continue to bring in new assets that qualify for CMI in a timely manner. The new effective dates would be the second business day of January, April, July, and October.

Implementation Schedule:

Any changes resulting from this consultation would be implemented at the next scheduled reconstitution after results are announced subject to CDI providing sufficient lead time.



Index Impact

The table below provides a summary of indices that use DACS and/or CMI as their universe and the impact of the proposals described above using the latest CMI and DACS constituents.

Table 1: Impact of Proposal 1

Index Ticker	Index Name	Potential Index Impact?	Impacted Weight ¹
CMI	CoinDesk Market Index	Yes - smaller assets removed	0.36%
CMIP	CoinDesk Market Plus Stablecoin Index	Yes - smaller assets removed	0.33%
CPU	CoinDesk Computing Index	Yes - smaller assets removed	2.55%
CNE	CoinDesk Culture & Entertainment Index	Yes - smaller assets removed	11.15%
CCY	CoinDesk Currency Index	Yes - smaller assets removed	0.07%
DCF	CoinDesk DeFi Index	Yes - smaller assets removed	6.05%
DTZ	CoinDesk Digitization Index	Yes - smaller assets removed	16.05%
SMT	CoinDesk Smart Contract Platform Index	Yes - smaller assets removed	0.17%
CSC	CoinDesk Stablecoin Index	Yes - smaller assets removed	0.00%
USCE	CoinDesk USD Stablecoin Equal Weight Index	Yes - smaller assets removed	0.00%
CD20	CoinDesk 20 Index	No - selects largest assets only	0.00%
DLCS	CoinDesk Large Cap Select Index	No - selects from top 200 in DACS	0.00%
DIGS	CoinDesk Industry Group Select Equal Weight Index	No - selects from top 50 in CMI	0.00%
CMIS	CoinDesk Market Select Index	No - selects from top 200 in DACS	0.00%
CPUS	CoinDesk Computing Select Index	No - selects from top 200 in DACS	0.00%
CNES	CoinDesk Culture & Entertainment Select Index	No - selects from top 200 in DACS	0.00%
CCYX	CoinDesk Currency Select Ex Bitcoin Index	No - selects from top 200 in DACS	0.00%
CCYS	CoinDesk Currency Select Index	No - selects from top 200 in DACS	0.00%
DFX	CoinDesk DeFi Select Index	No - selects from top 200 in DACS	0.00%
SCPX	CoinDesk Smart Contract Platform Select Index	No - selects from top 200 in DACS	0.00%
SCPXX	CoinDesk Smart Contract Platform Select Ex ETH Index	No - selects from top 200 in DACS	0.00%
MTVS	CoinDesk Metaverse Select Index	No - selects from top 200 in DACS	0.00%

¹ Impacted weight is calculated by taking the market capitalization of the bottom 250 digital assets in DACS, which would no longer qualify, divided by the total market capitalization of the index. Pricing data from March 27, 2024.



Consultation Questions:

1. Do you agree with Proposal 1 to modify the DACS universe from the top 500 to top 250 by market capitalization. Please provide comments if you do not agree with the proposal.
2. Do you agree with Proposal 2 to modify the DACS reconstitution from monthly to quarterly? Please provide comments if you do not agree with the proposal.
3. Do you agree with Proposal 3 to modify the CMI reconstitution from monthly to quarterly to align with other index families? Please provide comments if you do not agree with the proposal.
4. Do you agree with the suggested implementation schedule as described above?

All responses to this consultation should be sent to indexservices@coindesk-indices.com. This consultation will close on April 19, 2024. Once closed, the Index Committee will review the feedback and announce the results within 30 days.

Regards,

CoinDesk Indices



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