

Blockchain!

 Nasdaq | REWRITE TOMORROW

Nasdaq Blockchain Economy Index

WHAT IS THE RSBLCN INDEX?

- The Nasdaq Blockchain Economy Index (RSBLCN) is designed to measure the returns of companies that are committing material resources to developing, researching, supporting, innovating or utilizing blockchain technology for their proprietary use or for use by others.



WHAT GOES INTO THE INDEX?

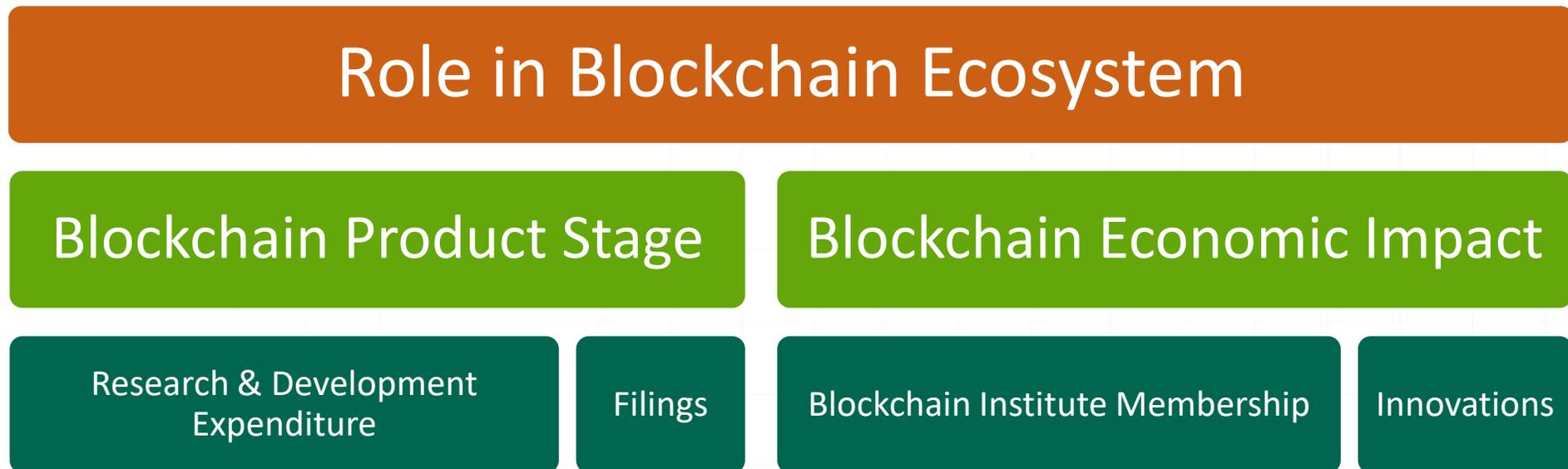
A security must meet the following criteria for index selection:

- be classified as a company in the Blockchain Economy as determined by the Reality Shares Index Committee and with a Blockchain Score SM ≥ 50 ;
- have a minimum worldwide market capitalization of \$200 million;
- have a minimum six-month average daily dollar trading volume of \$1 million;
- be listed on an Index-Eligible Global Stock Exchange;
- one security per issuer is permitted;
- may not have entered into a definitive agreement (e.g., M&A) or into any other pending arrangement which would likely result in the security no longer being Index eligible; and
- may not be issued by an issuer currently in bankruptcy proceedings.

The Index will have between 50 and 100 constituents. If more than 100 constituents meet the selection criteria, the top 100 based on Blockchain Score SM are selected.

WHAT IS THE BLOCKCHAIN SCORE SM?

- The Blockchain Score SM is calculated as the weighted sum of seven factor scores. Weight of each factor depends on its importance relative to other factors. The seven factors are as follows:



THE SEVEN BLOCKCHAIN FACTORS

1. Role in Blockchain Ecosystem:

Potential constituents are awarded scores commensurate with their level of active effort in the blockchain economy, categorized as one of the following: Investor; Adopter; Advisor; Supplier; and Developer.

2. Blockchain Product Stage:

Potential constituents are assigned scores based on their stage of blockchain product development or utilization, categorized as one of the following: Planning stage; Testing stage; and Growth stage.

3. Blockchain Economic Impact:

Potential constituents are assigned scores based on the expected economic impact of their blockchain utilization/involvement, categorized as one of the following: Cost reduction; Revenue maximization; and Improved productivity.

THE SEVEN BLOCKCHAIN FACTORS (CNT'D)

4. Blockchain Institute Membership:

Potential constituents are assigned scores based on membership in blockchain institutes and consortiums (including Hyperledger, R3, and the Enterprise Ethereum Alliance).

5. Research & Development Expenditure:

Potential constituents are assigned scores based on the level of R&D expenditure as a percentage of total revenue.

6. Filings:

Potential constituents are assigned scores based on the number of public filings and announcements made in reference to blockchain technology.

7. Innovations:

Potential constituents are assigned scores based on their level of blockchain innovation, including the number of patent applications related to blockchain development.

HOW IS THE INDEX CALCULATED?

- The index is calculated using a modified Blockchain Score-weighted process, which consists of two steps:
- First, index securities' weights are calculated by dividing each security's Blockchain ScoreSM by the sum of the Blockchain Scores of all index securities. The formula as follows,

$$W_i = \left(B_i / \sum_{i=1}^n B_i \right)$$

W_i = Weighting of constituent *i*

n = Number of constituents

B_i = Blockchain Score of constituent *i*

- Second, the weights are adjusted so that no single constituent represents more than 10% of the index weight.

HOW OFTEN DOES THE INDEX NEED TO BE REBALANCED?

- The index is reconstructed quarterly in March, June, September and December.
- Constituents' weighting process is applied using market data as of the third Friday in March, June, September and December.
- Constituent Selection Process is referred to date of the first Friday of March, June, September, and December.
- Index Reconstitutions become effective at market open on the eighth trading day following the third Friday in March, June, September and December.
- The Index is rebalanced annually in conjunction with the Index Reconstitution in September.
- In March, June and December the Index undergoes the constituent weighting process only when new securities are added to the Index; otherwise, no changes are made to security weights.

WHAT DOES THE INDEX COMPOSITION LOOK LIKE?

TOP 10 HOLDINGS

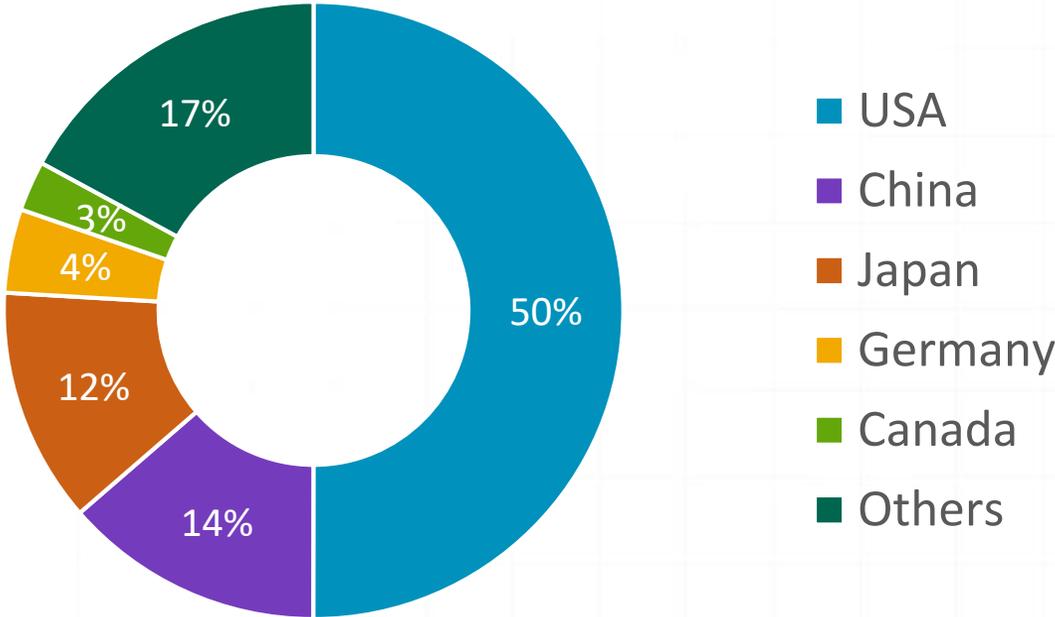
- As of June 30, 2021

Company Name	Symbol	Index Weight
COINBASE GLOBAL	COIN	2.26
IBM	IBM	1.87
ACCENTURE	ACN	1.82
SILVERGATE CAPITAL	SI	1.81
FUJITSU	6702	1.80
OVERSTOCK.COM	OSTK	1.79
MICROSTRATEGY	MSTR	1.78
BAIDU	BIDU	1.78
JD.COM	JD	1.76
SQUARE	SQ	1.73
Top 10 Total		18.41

Source: Nasdaq

TOP 5 COUNTRIES

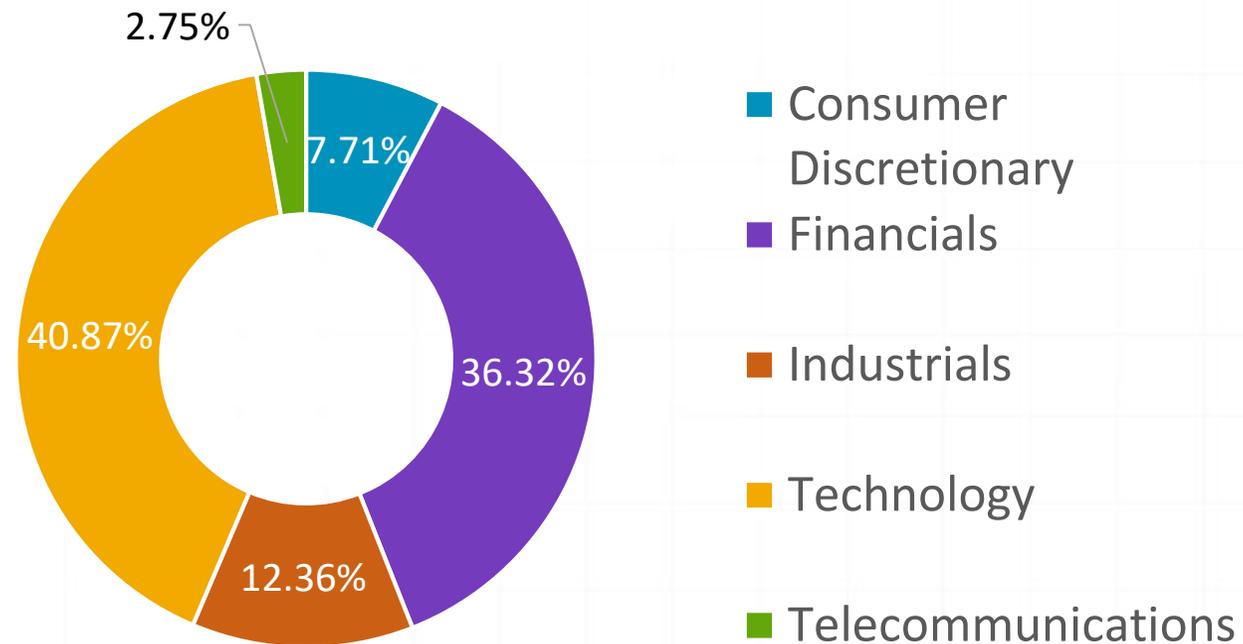
- As of June 30, 2021



Source: Nasdaq

ICB INDUSTRY BREAKDOWN

- As of June 30, 2021

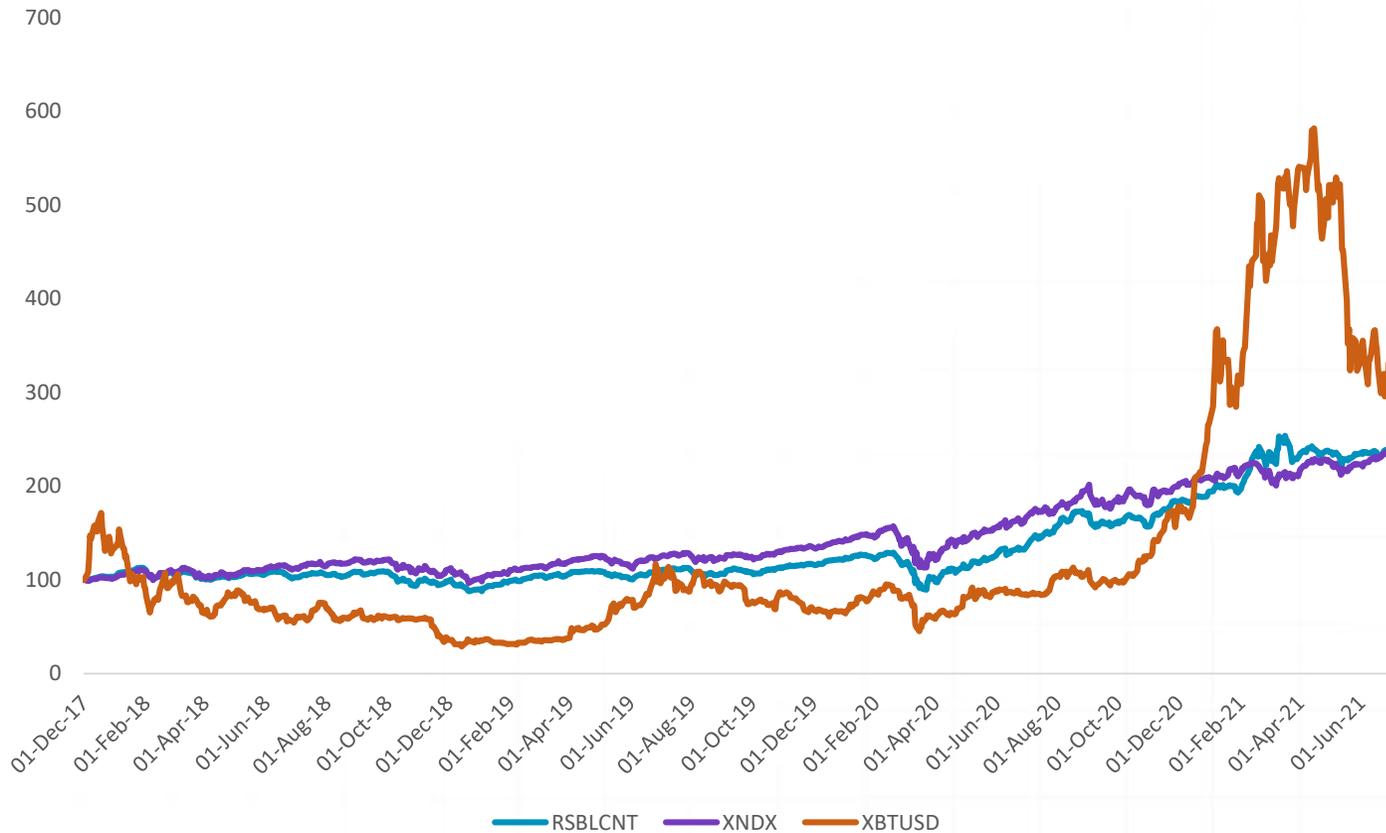


Source: Nasdaq

HOW HAS THE INDEX PERFORMED?

HISTORICAL PERFORMANCE

- Since the index launch at Dec. 1, 2017



- **RSBLCNT: +139%**
Nasdaq Blockchain Economy Total Return Index
- **XNDX: +138%**
Nasdaq-100 Total Return Index
- **XBTUSD: +217%**
Bitcoin USD Price

Source: Nasdaq, Bloomberg

PERFORMANCE SUMMARY

- From December 1, 2017 to June 30, 2021

	RSBLCNT	XNDX	SPXT	XBTUSD
2021 YTD TR	23.39%	13.34%	15.25%	19.27%
1 Year TR	78.85%	44.36%	40.79%	278.10%
Ann TR	27.58%	27.35%	16.69%	38.05%
Volatility	22.25%	25.53%	21.99%	77.14%
Best Month	16.61%	15.23%	12.82%	62.34%
Worst Month	-12.06%	-8.83%	-12.35%	-37.64%
Corr. (RSBLCNT)	1.00	0.83	0.84	0.27
Index Est. D/Y	1.24%	0.63%	1.39%	N/A

Source: Nasdaq, Bloomberg

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