



CryptoIndexSeries

Digital Asset Indices

CIS Index Services

This mini report explores the situations and potential solutions for institutions where indices are required to keep track of the digital asset markets, and to introduce new products & services that takes market /sector indices as the underlying.

ABOUT CRYPTOINDEXSERIES

CryptoIndexSeries™ provides institutions with data, benchmarks, access to trading and portfolio analytics API & tools for digital asset markets. CryptoIndexSeries™ products POWER institutions' in-house digital asset solutions through a robust API & enable them to SAVE cost, ECONOMISE on their resources, FOCUS on their strategic activities, and MAKE the right trading decisions on time.

Founded in 2019 in the UK and acting as a crypto data contributor to Refinitiv operating under LSEG, CryptoIndexSeries™ is THE trusted solutions partner for Digital Asset market participants.

EXECUTIVE SUMMARY

Corporations, Financial Markets and other financial institutions often utilise various indices not only to track the markets and identify investment opportunities, but also to build investment products. Indices increase market transparency, enable diversification, support risk management and decision-making activities. This is no different for the digital asset markets, as its recent growth has led to a noticeable increase in the building and managing of indices.

CryptoIndexSeries™ has proprietary market & sector indices, provides proprietary taxonomic digital asset data to create innovative digital asset indices and offers Index Calculation & Administration services to institutions requiring custom made indices based on specific needs.

CHALLENGES

Calculating and managing indices requires a vast collection of data, real time data feeds, expertise, and resources for monitoring the markets and rebalancing the components of the index. The latter becomes more cumbersome for digital assets, due to the market's nascency and high volatility. Here are some of the specific challenges in this area:

- Having a separate data provider (for pricing data), an index calculator and an index administrator may bring stakeholder management and coordination challenges.
- Real-time data is difficult to collect, distribute and manage. Having a trustworthy data channel is extremely important.
- Defining an index methodology requires expertise in many areas including, but not limited to, defining how data updates are defined, selecting calculation techniques (eg. Paasche), laying down constituent selection & rebalancing rules. In all these areas, finding the right resources with the required knowledge and expertise can take time and may be costly.
- In addition to creating Digital Asset indices and Market Indices, Sector or Segment indices (eg. Defi Index, Metaverse Index) have gained popularity. In order to create such specific baskets of assets in the form of indices, further taxonomic data is required to classify and select the right constituents.

Finally, financial institutions looking to invest in indices or aiming to offer such services to their clientele would need to focus on their strategic objectives rather than building such indices in-house as this additional effort to build an expert index team may leave them behind their competitors.



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THE SOLUTION

The **CryptoIndexSeries™** Index Calculator and Administrator services bring significant benefits to overcome the challenges outlined in the previous section. **CryptoIndexSeries™** makes use of vast digital asset data universe and real time data, and expertise in supporting and / or co-creating methodologies.

The following table outlines the processes & services that **CryptoIndexSeries™** can provide / perform as an Index Calculator as well as the responsibilities of an Index Administrator.

| Processes & Tasks | Index Calculator | Index Administrator |
|--|------------------|---------------------|
| Methodology | | |
| Defines Index Methodology | | √ |
| Prepares the Index Methodology Document | | √ |
| Defines Maintenance Rules | | √ |
| Co-ordinates / Manages Governance | | √ |
| Data Scoring | | |
| Sources the Input Data for Index Calculation (Constituent Data, FX Rates, etc.) | √* | |
| Handles corrections detailed in the index methodology / governance | √* | |
| Monitors Input data for problems and quality issues | √* | |
| Index Calculation | | |
| Calculates Index | √ | |
| Publishes Index data to the CIS real-time network | √ | |
| Archives Index data for historical purposes (timeseries / candles) | √ | |
| Archives rebalance related data and makes available (via API) | √ | |
| Archives Index components input data and makes available (via API) | √ | |
| Back-calculates the index to relevant start date | √ | |
| Oversees the index calculation process | | √ |
| Index Maintenance | | |
| Selects initial index constituents (based on methodology) | | √ |
| Implements the required changes to the index | √ | |
| Reviews the index constituents periodically (e.g. Monthly) | √** | √ |
| Sources input data needed to perform a constituent review | √** | √ |
| Determines the required constituent changes to the index | √** | √ |
| Reviews & Notifies relevant parties for any extraordinary events | √** | √ |
| Implements the necessary actions accounting for extraordinary events based on given instructions | √ | |
| Oversees the Index Maintenance process | | √ |
| Maintains the Index Methodology Document | √** | √ |

To elaborate on the tasks provided on the table, the processes related to Index Methodology are mainly performed by the Index Administrator. We are happy to give guidance and share expertise in this area.

With regards to data sourcing (marked with *), the Index Administrator can select a data provider or utilise the data services provided by **CryptoIndexSeries™** as part of our CIS API service.

As for the index maintenance process, the index administrator is accountable for the actions to be taken. In carrying out the tasks marked with (**), we are happy to extend our services to support the index administrator.



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BENEFITS

CryptoIndexSeries Index Services assure institutions that:

- The index methodology document is maintained regularly to reflect new areas of concern and potential measures to take.
- Extraordinary events that affect the digital asset ecosystem are reviewed, notified to the relevant parties and necessary actions are taken to rebalance the indices.
- Necessary changes are implemented to indices on a regular basis.

Through these index services, **CryptoIndexSeries™** powers institutions digital asset journey and allows them to

- focus on the markets and daily operations whilst **CryptoIndexSeries™** ensures the coherency of the index methodology.
- save time, costs and resources that would otherwise be allocated for Index Calculations and Administration.
- off-load the tasks for archiving, rebalancing and back-calculations to **CryptoIndexSeries™**.
- utilise resources to grow their business whilst **CryptoIndexSeries™** determines potential constituent and weighting changes.
- remain assured that the data for new constituents are sourced timely and accurately.

Disclaimer: This is an informational document and does not constitute an investment recommendation, investment advice, legal, tax or accounting advice or an offer to sell or a solicitation to purchase any securities and therefore may not be relied upon in connection with any offer or sale of securities.

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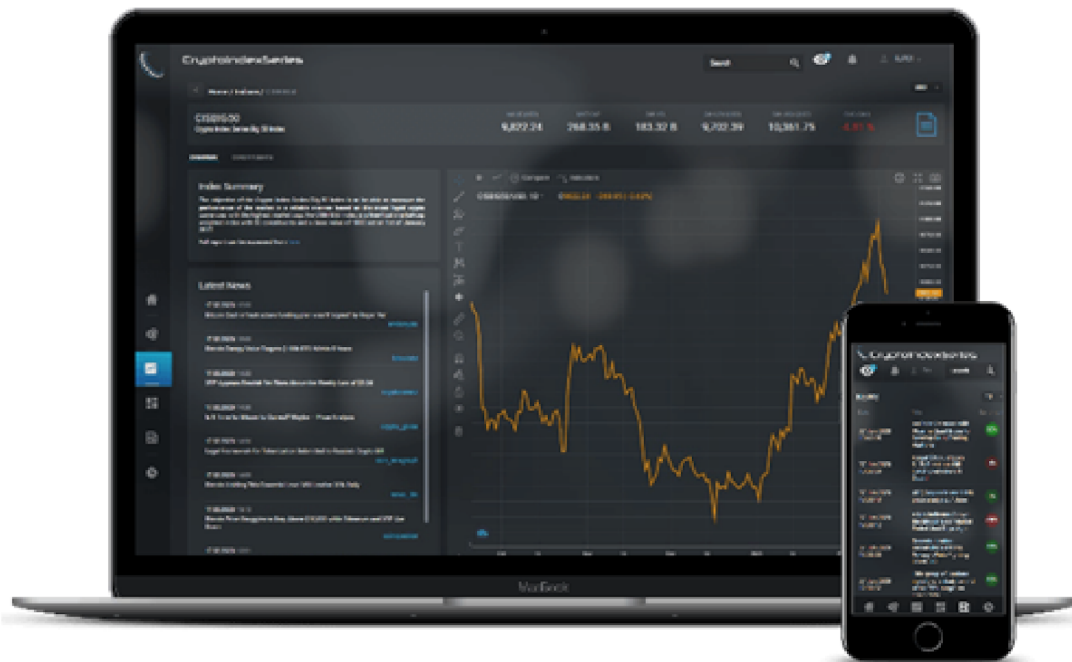
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For more information on any of **CryptoIndexSeries** products, please feel free to contact us on any of the following channels:

Web: <https://cryptoindexseries.com/en/contact/>

Email: contact@cryptoindexseries.com



**Crypto Market Data,
Trading and Portfolio Analytics
for Institutions**



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