Rocky NFT 10 Index Methodology

Index Construction

Index Objective
The Rocky NFT Indices are designed to measure the performance of NFT (Non Fungible Token) across different blockchains in the crypto universe. The indices are equal weighted.

Eligibility Criteria
Only the Non Fungible Tokens are included. Wrapped NFT tokens are not eligible for the index.

Exchange Listing
It's listed on major NFT trading market place, including: Opensea, Blur, X2Y2, Magic Eden and LooksRare. The trading history should be more than 3 months in order to be eligible.

Liquidity
NFT should have an average trading volume of at least 10,000 USD per day for the past 3 months in order to be considered eligible for the index.

Owner Size
NFT projects must have more than 1,000 NFTs in total size and more than 500 in total unique address holders in order to be eligible for index.

Multiple Subcategories
For projects with multiple sub categories of NFTs, it's treated as separate NFTs. Each sub category is individually considered eligibility of index.

Market Capitalization
Minimal market capitalization of 10mm USD for NFT is required to be eligible for the index.

Index Constitution
The top 10 largest market cap NFT projects that are eligible for inclusion are selected for the NFT 10 Floor Price index.

Data Source:
The data is taken from nftpricefloor.com, CoinGecko.com, CoinMarketCap.com, NFT exchanges and blockchain data pool.

Index Maintenance

Quarterly Update and Rebalances
Index Constitution is reviewed on a quarterly basis. For each quarter end based on UTC time, the data is collected and reviewed. After quarterly review, announcements of additions and deletions are made. The index changes take place on the quarter end UTC time + 24 hours. The price quote from the quarterly end will be used for the additions and deletions to calculate the new adjustment factor. The adjustment factor makes sure the price of the index is not impacted by the addition and deletion.

Deletion
An NFT that substantially violates one or more of the eligibility criteria for index may be deleted at the Index Committee's discretion.

Spinoffs
As a general policy, a spin-off NFT is added to an index where the parent NFT is a constituent, at a zero price at the beginning. The spinoff NFT will remain in the parent's index if it meets the eligibility criteria. If a spin-off security is determined to be ineligible to remain in the index, it will be removed 24 hours post the spinoff. The adjustment factor will change accordingly.

Other Adjustments
In cases where there is no achievable market price for an NFT being deleted, it can be removed at a zero or minimal price at the Index Committee's discretion.

Index Governance

Index Committee

Rocky Index Committee maintains the indices. The committee meets regularly. At each meeting, the Index Committee may review major events. In addition, the Index Committee may revise index policy covering rules for selecting companies, treatment of spinoffs or other matters.

Rocky Index is aiming at decentralized management going forward and involvement of major market participants.

Index Policy

Please visit www.rockyindex.com for announcements and updates. Any major change will be announced with proper advance notice where possible.