



Index Policy

GMCI Base Select Ecosystem

Methodology

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1. Introduction

GMCI operates as an index provider that curates and maintains Market Indices on digital assets (the “Indices”). The guiding principles underpinning the administration of the Indices encompass maintaining a resilient index architecture and computational framework, instituting appropriate monitoring and quality control protocols, and providing transparent documentation.

The GMCI Base Select Ecosystem Index (“GMCI Base”) tracks the performance of the top native protocols built on Base according to their circulating market capitalization.

The key objectives of the GMCI Base include:

- Representation: to accurately represent the largest dApps and platforms on Base, providing insights into core protocols within the Base ecosystem.
- Benchmarking: to offer a standardized yardstick for evaluating investment portfolios and strategies focused on Base protocols, also compared to other blockchain ecosystems.
- Thematic investing: to allow investors to align their investments with a specific blockchain ecosystem, thereby enhancing their exposure in a straightforward manner.

2. Index Construction

2.1. Asset Universe Eligibility

Eligibility for inclusion in the asset universe, as well as the criteria for asset exclusion, is determined through qualitative assessments outlined in Section 2.2 and Section 2.3 of the **Index Policy** document, maintaining a standard procedure with no significant exceptions. The only notable exception is that the custody requirement is dropped for the GMCI Base.

2.2. Asset Selection Process

GMCI only chooses assets from the GMCI asset universe that are natively deployed on Base. In case a project is active on multiple chains, use-case specific metrics that assess on-chain activity are considered, being total value locked, its native token’s trading volume on decentralized exchanges (DEX), and overall DEX volume facilitated. GMCI reserves the right to add new metrics if deemed necessary. All sectors and use cases are permitted. Then, all index candidates are ranked by their relative blended circulating market capitalization. Those who make up less than 0.5% of the Base selection total are filtered out. The blended market capitalization is calculated based on the method detailed in Section 2.6 of the **Index Policy** document, maintaining a standard procedure with no significant exceptions.

2.3. Index Weighting & Calculations

The index weighting is based on the assets' blended circulating market capitalization. The index weight calculations follow the Capped Circulating Market Capitalization Index Calculation detailed in Section 2.8 of the **Index Policy** document. GMCI initiates allocation weight assignments based on the blended market capitalization of each respective digital asset reflected on the rebalancing reference date. Subsequently, a weight control mechanism is introduced, which limits the allocation weight of the largest constituent to 25%. The excess weight is distributed proportionately among the remaining index constituents. During this distribution process, a rule is enforced to ensure that subsequent allocation weights do not surpass the size of prior allocation weights, with the weighting process occurring in descending order of market capitalization.

3. Index Maintenance

3.1. Methodology Updates

This methodology is open to potential additions, full or partial adjustments, revisions, or removals at any point in time. Such changes may have implications for index construction, calculation, or other aspects of the index. Typically, unless exceptional circumstances significantly impact the index calculation or methodology, the individual index methodology will undergo an annual review.

3.2. Index Maintenance

GMCI adheres to a monthly rebalancing schedule, having the effective date as the last Friday of each month at 4:30 pm UTC. The rebalancing review follows the process outlined in Section 3.2 of the **Index Policy** document, maintaining a standard procedure with no significant exceptions.

Appendix 1: Document Revision History

Release	Date	Amendment
Version 1	May 19, 2025	Initial Release
Version 2	June 23, 2025	Updated Links to General Index Methodology

Disclaimer

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