



# Martial Eagle Value Index

## Benchmark Statement

April 25<sup>th</sup>, 2024

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## 1 General Information

**Index Family Name :** Martial Eagle Value Index

**Initial Date of Publication :** May 2<sup>nd</sup>, 2024

**Index Owner :** Compass Financial Technologies

**Index Administrator :** Compass Financial Technologies (France)

**Index Calculation Agent :** Compass Financial Technologies (France)

**Allocation Provider :** Martial Eagle

## 2 Index Description Objective

The Martial Eagle Value Index (the *Index*) is a strategy index invested in Compass Crypto Reference Indices and Compass Stablecoin Commodity Reference Indices according to a quantitative model developed and maintained by the Allocation Provider.

The Martial Eagle Value Index is a long only index designed to capture the Value style characteristics of top liquid digital asset coins. The Index can be accessed online on the Compass Financial Technologies website ([www.compass-ft.com](http://www.compass-ft.com)) or on Bloomberg or Refinitiv.

Martial Eagle Value Index			
Compass API Code	Index Name	Bloomberg Code	Refinitiv Code
MLVAL	Martial Eagle Value Index	MLVAL Index	.MLVAL

Table 1: Martial Eagle Value Index - Publication Codes

### 3 Regulatory Information

The Martial Eagle Value Index is non-significant benchmarks according to EU Regulation 2016/1011 given:

1. they are not used directly or indirectly within a combination of benchmarks as a reference for financial instruments or financial contracts or for measuring the performance of investments funds having a total average value of at least EUR 50 billion on the basis of all the range of maturities or tenors of the benchmark, where applicable, over a period of six months; and
2. they have market-led substitutes and, in the event that the benchmarks cease to be provided or are provided on the basis of input data no longer fully representative of the underlying market or economic reality or unreliable input data, the benchmark administrator do not anticipate a significant and adverse impact on market integrity, financial stability, consumers, the real economy or the financing of households or businesses in the EU.
3. The Martial Eagle Value Index is based on signals provided by the external service provider Martial Eagle (the "Allocation Provider") in accordance with the Article 10 of the EU Regulation 2016/1011. Compass Financial Technologies (France) has take all the necessary actions to make sure sure that the conditions described in section 10.3 of the EU Regulation 2016/2011 are fulfilled.

### 4 Index Methodology

#### 4.1 Index allocation and composition

The Index invests in Underlying Components based on signals and exposures provided by the Allocation Provider. The allocation can be revised one time per day , until 11am London time. Each new allocation is provided by the Allocation Provider via an Allocation Notice. Once received and validated by the Index Calculation Agent, the Allocation Notice will be implemented, based on the time it is received by the Index Calculation Agent and based on the specific cut off times defined by the Index Calculation Agent.

#### 4.2 Underlying Components

The Underlying Component of the Index are the Compass Crypto Reference Indices.

Levels of the Underlying Components used in the determination of the Index are the hourly Compass Crypto Reference Indices fixing at 12am London Time.

The Compass Crypto Reference Indices have been designed to provide institutional investors with independent and robust cryptocurrency Reference prices. Based on a resilient and BMR-ready compliant methodology, they serve as independent and transparent prices to value cryptocurrency portfolio or as benchmarks for investors willing to issue investment products tracking cryptocurrencies prices. More details on the Compass Crypto Reference Indices including the methodology are available on the Compass website ([www.compass-ft.com](http://www.compass-ft.com))

#### 4.3 Allocation model

The Martial Eagle Index is a long only index designed to capture the Value style characteristics of top liquid digital asset coins. The value style is predicated on the belief that every asset possesses an intrinsic value based on fundamentals. The index operates on this principle by observing that digital assets priced lower than their fundamental value tend to outperform those with higher prices. The construction of this value investment style index utilises the NVT ratio (Network Value to Transaction) along with on-chain and off-chain metrics, all integrated with proprietary machine learning framework. This approach allows for a more refined definition of the Value factor tailored to the digital assets market, enhancing our ability to identify undervalued assets within this asset class. During periods of suboptimal value factor performance, our strategy allows for a seamless transition of long positions from cryptocurrencies to more secure assets

like DAXG (Gold crypto coin). This proactive approach ensures portfolio stability, smaller drawdowns and reflects our commitment to prudent risk management in the digital asset market.

## 5 Amendment to the Index methodology

The Index methodology may be supplemented, amended in whole or in part, revised or withdrawn at any time. Supplements, amendments, revisions and withdrawals may also lead to changes in the way the Index is compiled or calculated or affect the Index in another way. In the absence of exceptional circumstances affecting the Index calculation or methodology, the Index is reviewed annually. Changes in Index methodology decided during the annual review will be published on the Compass website ([www.compass-ft.com](http://www.compass-ft.com)).

The Index Administrator shall inform Index licensees of any amendment to the Index methodology with reasonable prior notice. The notification document shall provide Index licensees with the amendments, the reasons for making such amendment and the effective date of the changes.

## 6 Cessation of the Index

The Index Administrator has established procedures to be followed for termination of the Index. Any termination of the Index must be approved in advance by the Index Committee. A notice to licensees will be published in advance of the termination. Before deactivating the Index, the Index Administrator always determines whether there are any listed financial products issued on that index as the underlying. The Index Administrator terminates indices only provided that:

- All existing commercial customers have been consulted, and commercial relationships have been terminated or transitioned accordingly.
- Consultations with stakeholders have not led to the decision to continue the index.

The Index Administrator is not responsible for determining or offering an alternative index to its subscribers or other stakeholders when the Index is terminated. However, the Index Administrator may recommend an alternative index if it considers, based on various criteria, that this alternative index could be a credible substitute index.

## 7 Disclaimer

Nothing contained herein shall constitute or shall be deemed to constitute a financial, legal, tax or other advice of any kind, or a solicitation to purchase, sell or invest in any financial products or to engage in any financial strategy. Compass Financial Technologies SA or any of its affiliates (“Compass”) (i) does not guarantee the adequacy, the accuracy, the timeliness, the completeness, the evolution and/or the movements of its indices or any data included therein (the “Indices” or the ”Index”), (ii) shall not have any liability for any errors, omissions, delays or interruptions therein and (iii) makes no warranty, express or implied, as to results to be obtained by owners of any securities, or by any other person or entity from the use of the Indices. Compass does not make any express or implied warranties, and expressly disclaims, all warranties of merchantability or fitness for a particular purpose or use with respect to the Indices. Without limiting any of the foregoing, in no event shall Compass have any liability for any lost profits or indirect, punitive, special or consequential damages or losses, even if notified of the possibility thereof.



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