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Compass Staking Yield Reference Index Ethereum ("STYETH INDEX")

The first-ever regulated index measuring
Ethereum Staking Yield

STYETH INDEX

Introduction:

The **Compass Staking Yield Reference Index Ethereum (“STYETH”)** measures the annualized staking yield obtained when staking on the Ethereum blockchain.

When network participants “stake” Ethereum, they deposit a quantity of ETH that in turn supports the security and operations of the blockchain. They receive “staking rewards” as compensation for successful staking participation.

STYETH grants investors access to robust and transparent reference staking yields that can monitor the performance of their staked assets. It provides valuable insight into the Ethereum blockchain on a dynamic level, reduces information asymmetry and improves market efficiency related to staking.

STYETH Key Features:



Provides robust and transparent measure of annualized ETH staking yield in a regulated environment



Ensures clean, uncorrupted access to data by eliminating need for intermediary data providers



Provides trusted readily off-chain staking yield indicator from exclusively on-chain data



Published both daily and in real time for each “epoch”



Leverages on blockchain’s accessibility and immutability by extracting input data directly from it (by connecting to a node)



Methodology and governance complies with most strict financial indices regulation (European Benchmark Regulation)

Methodology:

The index perfectly recomputes the rewards determined and distributed by the network by implementing the Consensus specification defined by Ethereum core developers.

1

The equation first considers values based on financial rewards and penalties enacted by the Ethereum network (the values are determined by attestation rewards/penalties, slashing rewards/penalties and sync committee rewards/penalties)

2

The network’s transaction fees are then considered (these are the fees the block proposer receives in order to include a transaction in the block)

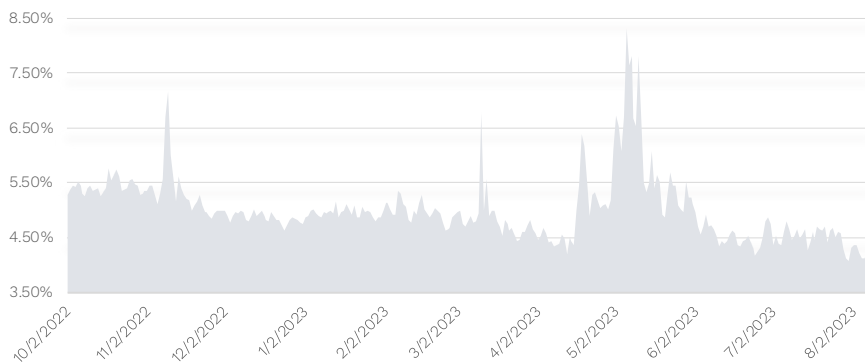
3

The yield is calculated by dividing a value based on these three elements (rewards, penalties, transactions fees) by the total staked amount of ether by active validators (the effective balance). The index is complete once the yield is annualized

Indices are computed daily and published at 4:30 PM London time. They are available on Bloomberg and Refinitiv.

STYETH INDEX

Performance:



Index Codes

Bloomberg Ticker	STYETH Index	Refinitiv Code	.STYETH
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STYETH Key Benefits:

- Utilize as a robust and transparent reference yield
- Utilize as a BMR-regulated benchmark for ETH staking yield measurement
- Accurately compute the total return of financial products invested in Ethereum
- Capitalize on a trusted reference for ETH staking yield for any strategy involving staking on the Ethereum blockchain
- Gain transparent insight into the dynamics of the Ethereum blockchain

About Compass:

Compass Financial Technologies SA is an independent Swiss-based company focused on the design, calculation and administration of market benchmarks and tailor-made quantitative investment strategies. Founded in 2017, Compass has locations in Lausanne, Paris and New York. For more than 20 years, the team at Compass has been developing recognized benchmarks ranging from simple vanilla indices to complex index strategies based on quantitative models and market intelligence. Compass calculates nearly 1,500 indices for institutional clients, from investment banks and pension funds to asset managers related to all asset classes. Compass Financial Technologies (France) is a registered Benchmarks Administrator by the Autorité des Marchés Financiers (AMF) under the EU Benchmarks Regulations (EU BMR).