

SOLUTION OVERVIEW

FTSE Digital Asset Staking Index Series

A proof of stake yield index series in association with Digital Asset Research.



Overview

The FTSE Digital Asset Staking Index Series is designed to provide market participants with a mechanism to evaluate the impact of staking on total return.

Participants in a proof-of-stake blockchain network can lock up a digital asset holdings as collateral to become eligible to validate transactions and create new blocks. In addition to transaction processing, the staking process also contributes to network security. As a reward, stakers earn additional tokens, offering a yield of sorts.

The FTSE Digital Asset Staking Index Series incorporates both price returns and staking rewards to calculate a total return.

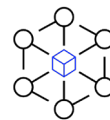
Direct staking data from Digital Asset Research

Digital Asset Research (DAR) has established direct connections with individual Blockchain networks to source and calculate staking rewards data. DAR understands the fine points of each staking program, including:

- Epoch ranges (duration)
- Settlement schedules
- Reward types
- Staked amounts
- Staking pool operators
- Delegators

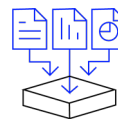
Staking data is complemented by the foundational FTSE DAR Reference Price data, which incorporates a comprehensive exchange and asset vetting methodology.

Key Features



Direct connection to Blockchain nodes

The index series connects directly to Blockchain nodes to source and calculate staking rewards.



Customised data collection schedules

Staking rewards are broken out by layers or participant type where necessary to account for differing reward time periods.



Total return calculation

Index values incorporate both price returns and returns generated by staking rewards.
Asset Price + Staking Rewards = Total Return



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How we source staking data

Each blockchain implementation has its own distinct characteristics, requiring a custom approach to data collection. The initial step involves researching each blockchain to identify its specific data requirements. Data is then retrieved directly from the source. In the example below, we detail three proof-of-stake assets—Cardano, Ethereum, and Polkadot—each utilizing native tokens as part of their staking programs.

Blockchain (Native token)	Overview	Token use cases	Staking reward (Types & participants)
Note: Proof-of-stake networks use their native tokens for staking to secure their networks			
Cardano (ADA)	Decentralized application (DApp) Development platform with a multi-asset ledger and verifiable smart contracts.	<ul style="list-style-type: none"> – Exchanging value and paying transaction fees within the Cardano network – Governance to control the protocol 	<p>Running a stake pool: A pool operator can run its own private staking pool or a public staking pool where other network participants can delegate.</p> <p>Delegating to a stake pool: Holders can delegate their ADA to a staking pool operator to participate in the network and receive rewards.</p>
Ethereum (ETH)	Open source, layer 1 blockchain that allows anyone to deploy decentralized applications and smart contracts.	Exchanging value and paying transaction fees within the Ethereum network	<p>Consensus layer: Rewards received for proposing and attesting to blocks during the consensus process.</p> <p>Execution layer: Rewards received for processing transactions.</p>
Polkadot (DOT)	Ecosystem of interconnected blockchains called parachains Each Parachain has specific tasks/use cases, such as those related to finance, identity, data storage, etc.	Differs by parachain	<p>Nominators: Stake DOT and select trustworthy validators.</p> <p>Validators: Stake DOT and validate proofs to participate in consensus.</p>

Source: Digital Asset Research. For illustrative purposes only.

Periodic Review

The indices under the FTSE Digital Asset Staking Index Series are reviewed quarterly in March, June, September and December.

Transparency and governance

Indices are managed according to FTSE Russell’s transparent, publicly available rule set, and in accordance with global best practice standards of index governance.

For detailed methodology please refer to FTSE Russell methodology documentation:

[FTSE Digital Asset Staking Index Series – Ground Rules](#)

[Guide to the Vetting of Digital Assets and Digital Asset Exchanges](#)

[Guide to the Calculation of the FTSE DAR Digital Asset Prices and FTSE DAR Reference Prices](#)

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