



CF Digital Asset Index Family

Oversight Function Meeting Minutes (FULL)

January 17th 2025

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1 Attendees & Quorum

Oversight Function: Thomas Morgan

Administrator: Sui Chung

Administrator Compliance: Alise Kane

Conflicts of Interest

The administrator and TM briefly discussed the Oversight Functions internal position. It was concluded that, from both a regulatory and operational standpoint, this role is not a conflict.

There being no further conflicts of interest to discuss the meeting began at 14:07 London Time.

2 Standing Items

Surveillance Alerts

The Administrator summarised the surveillance alerts that had been triggered and reviewed. The Administrator then went on to explain that some alerts were below materiality threshold and would not require further assessment. The Administrator then discussed Staking Reward Rates exceptions.

The Administrator also outlined the surveillance program implemented as part of compliance requirements. This program involves continuous monitoring of input data to detect anomalies or outliers that could trigger surveillance alerts. These alerts are designed around the specific risks within index methodologies and are assessed based on their severity, market impact, and duration. Should an alert exceed predefined thresholds, a full investigation is initiated.

In response to TM's question, the Administrator confirmed that the surveillance program covers both Spot Rates and Settlement Prices. Additionally, an exchange was suspended from specific indices due to persistent liquidity concerns. The suspension is not permanent; if liquidity conditions improve, the exchange may be reinstated.

The Oversight Function had no further questions regarding these alerts.

Assets Benchmarked

The Administrator then confirmed that Assets Benchmarked as of December 31st, 2024, remain below the €50bn threshold and therefore CF Benchmarks indices will remain "Non-Significant".

Quarterly Metrics Reports

The Administrator reminded the Oversight Function of the quarterly metrics reports that had been provided since the previous meeting and asked for questions and comments.

The Administrator stated that any significant issues identified in the data would be flagged. Over the past six months, the data has generally met sufficiency requirements, with one exchange as a notable exception due to ongoing liquidity concerns.

The Administrator also discussed possible adjustments to improve data sufficiency. In response to a question from TM about liquidity thresholds, the Administrator indicated that liquidity issues typically begin around the 70th ranked asset by market cap, and possibly closer to the 90–100 range under current market conditions. A 45-day observation period is used to evaluate whether new benchmarks can be reliably maintained. The decision to launch new benchmarks balances commercial viability with operational sustainability

3 Launch of ONDO-USD and SUI-USD Settlement Prices & Spot Rates

The Administrator proposed for additional assets to be covered by the CF Digital Asset Index Family. The Administrator presented 2 Asset Pairs to the Oversight Function seeking to add both Settlement Prices and Spot Rates to the CF Digital Index Family.

- CF Ondo Finance- Dollar Settlement Price (ONDOUSD_RR)
- CF Ondo Finance- Dollar US Settlement Price (ONDOUSD_NY)
- CF Ondo Finance- Dollar Settlement Price (ONDOUSD_RTI)
- CF SUI- Dollar Settlement Price (SUIUSD_RR)
- CF SUI- Dollar US Settlement Price (SUIUSD_NY)
- CF SUI- Dollar Settlement Price (SUIUSD_RTI)

The Administrator and the Oversight Function discussed transaction volumes published by Constituent Exchanges and noted that the hour preceding 1600 London Time and 1600 New York Time was liquid for all the Asset Pairs in question.

The Oversight Function then went on to analyse the data sufficiency metrics and agreed that there was ample trading volume as well as sufficient numbers of Bids and Asks in the proposed observation window for a robust Settlement Prices and Spot Rates calculation for proposed Asset Pairs and time variants.

The Oversight Function resolved on the launch of proposed Settlement Prices and Spot Rates.

4 Launch of the CF Sector Application Category Index

The Administrator stated that it wishes to propose the launch of both once a day Settlement Prices and a corresponding once a second Spot Rates for new investable indices. These indices enable investors to gain targeted exposure to specific categories or themes within the digital asset ecosystem and client expressed interest to license these indices.”

- CF Sector Application Category Index
- CF Services Category Index
- CF Services Category Index

These new indices aim to expand benchmark coverage to tokens that are currently classified but not yet benchmarked. The Administrator then confirmed that Settlement Prices will be launched in the form of two-time variants i.e. London and New York.

The Oversight Function reviewed input data sufficiency analysis and resolved for the indices as members of the **“CF Digital Asset Index Family - Multi Asset - Classification Series”**.

5 Annual Review of Constituent Staking Providers' Conformance to the Constituent Staking Provider Criteria

The Administrator has begun its first Constituent Staking Providers review process. The Administrator anticipates this process will be complete within the next month and will provide the results to the Oversight Function in February 2025.

As part of the process the Administrator circulated a template to complete (**a copy attached**) to each Staking Provider. The template is designed to understand conflicts of interest, staking provider approach to operation risk, KYC and AML compliance.

Where follow up questions may exist the Administrator will set up calls with individual Staking Providers.

Upon the completion of the above steps the Administrator will summarise key updates to the Oversight Function for each Constituent Staking Provider and will provide copies of due diligence questionnaires.

The Administrator will ask the Oversight Function to review the analysis of Constituent Staking Providers and to resolve on whether they continue to meet criteria 2 through 4 via an email.

CF Constituent Staking Provider Criteria can be found on pages 4 and 5 of the document [here](#).

6 Update on Administrators Constituent Exchange Review and Conformance to the Constituent Exchange Criteria

The Administrator introduced the item by reminding the Oversight Function of the [CF Constituent Exchanges Criteria](#) and the manner in which the Administrator has verified and confirmed the conformance of Constituent Exchanges previously and the process it undertook for this annual review. The Administrator stated there are SEC legal suits against two exchanges Kraken and Coinbase, but the Administrator doesn't know what the outcome will be yet. Currently this is being monitored.

The Administrator also explained how it complies with the Reporting of infringements requirements.

The Administrator then went on to discuss [the Final Notice](#) issued by the FCA to Coinbase subsidiary CB Payments Limited (CBPL) and concluded that as per the notice these failings have now been addressed and a fine has been levied. The Administrator didn't find any other significant regulatory actions.

The Oversight Function resolved that it had provided oversight to the Administrator's review of the conformance of the Constituent Exchanges to the CF Constituent Exchange Criteria.

7 One Operational Incident

The Administrator summarised the causes of the risk event which impacted the CF Blockchain Infrastructure Index and Brazil & US variants and CF Broad Cap Index. The Administrator also outlined a detailed remediation plan and how proposed measures would mitigate against the Administrator encountering such issues in the future.

The Administrator then confirmed this resulted in a restatement of a rebalance completed on 18 October 2024 but there was no direct client impact.

8 Annual Documentation Review

The Administrator presented the Oversight Function with documents which are subject to an annual review, suggested changes were included as mark-up(s).

The Oversight Function and the Administrator discussed the changes to the documents, most of which were minor updates with no substantial changes in terms of their aims or approaches.

The Oversight Function resolved that it had reviewed the documentation and agreed to proposed changes for the following documents:

- CF Oversight Function Specifications
- CF Benchmarks - Governance and Oversight Framework
- CF Benchmark Statement - Single Asset Series
- CF Benchmark Statement - Regulated-Data Benchmarks
- CF Benchmark Statement - Multi Asset Series
- CF Benchmark Statement - Staking Series
- CF Digital Asset Index Family - Multi Asset Series Ground Rules

The Administrator did not propose any changes to the below list of documents, links to the latest versions available on <https://www.cfbenchmarks.com/> are provided below.

The CF Oversight Function Documentation

- CF Benchmarks - Accountability Framework

Single Asset Series

- CF Settlement Price Methodology Guide
- CF Spot Rate Methodology Guide
- CF Hard Fork Policy
- CF Constituent Exchanges Criteria
- CF Constituent Exchanges

Rolling CME Futures Indices

- CF Rolling CME Bitcoin Futures Index Methodology
- CF Rolling CME Ether Futures Index Methodology
- CF Rolling CME Bitcoin Ether Basket Futures Index Methodology

Multi Asset - Classification Series and Multi Asset - Capitalization Defined Series

- CF Digital Asset Category Index Methodology
- CF Digital Asset Sector Composite Index Methodology
- CF DACS Methodology
- CF Benchmarks Restatement Policy - Multi Asset Series
- CF Capitalization Series Methodology

Volatility Series

- CF Bitcoin Volatility Index Real Time Methodology

- CF Bitcoin Volatility Index Settlement Methodology

Staking Series

- CF Staking Series Methodology
- CF Constituent Staking Provider Criteria

9 A.O.B

There being no further business the meeting was adjourned at 15:38 London Time.