

HASHDEX RESEARCH

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Finding Opportunity in Market Stress

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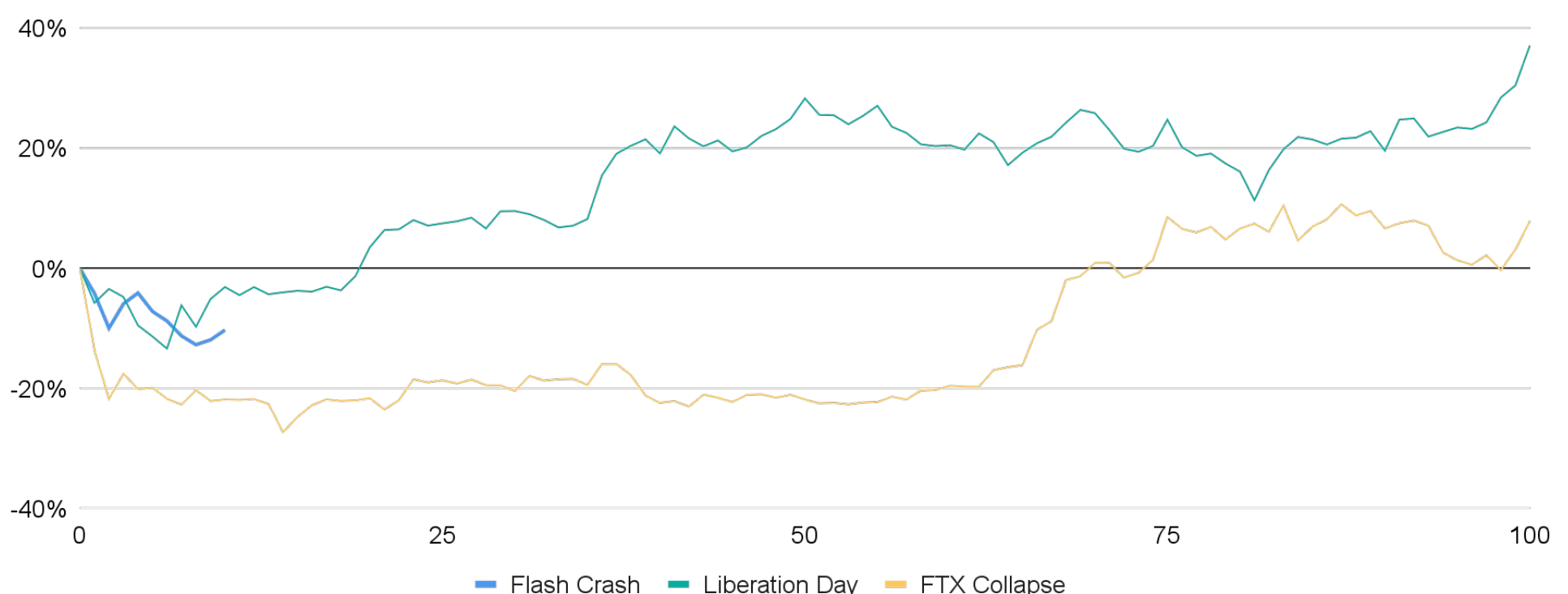
Turning shocks into signals

Periods of stress have often marked key turning points for crypto. Despite sharp drawdowns, the market has repeatedly shown its ability to recover once uncertainty fades. After the Liberation Day event on April 2 2025, losses peaked six days later but were fully recovered within 20 days. Following the FTX Collapse, the maximum drawdown occurred 14 days after the event, with recovery taking 70 days. Both cases highlight crypto's resilience and capacity to rebuild momentum after severe shocks.

Each stress event stems from different causes — policy shifts, liquidity crunches, or institutional failures — but the pattern is consistent: crises reset valuations, clear excess leverage, and pave the way for new growth. For disciplined investors, they often create attractive entry points as innovation and adoption continue beneath the surface.

With stronger infrastructure, clearer regulation, and the rise of tokenization and stablecoin payments should help soften future shocks and support long-term growth. Volatility will persist, but history shows that crypto's recoveries tend to reward patient, diversified investors.

NCI™ performance throughout stress events



Past performance is not indicative of future results. You cannot invest directly in an index. Returns shown exclude fees and expenses. Dates refer to key stress events: Flash Crash (Oct 9, 2025), Liberation Day (Apr 2, 2025), and FTX Collapse (Nov 7, 2022, end of the insolvency process). Elaborated by Hashdex Asset Management using data from CF Benchmarks from November 7, 2022 to October 20, 2025.



Oct 13 2025 - Oct 19 2025

Hester Peirce about tokenization and privacy

- SEC Commissioner Hester Peirce argued that tokenization is becoming a central focus for financial markets, emphasizing its potential to modernize settlement, transparency, and asset issuance.
- Peirce's stance suggests the SEC could move to a more constructive regulation of tokenized assets, which may reduce uncertainty and foster more innovation on the tokenized assets frontier.

Japan's banks to launch stablecoins payments

- Japan's three biggest banks are developing a joint stablecoin framework to facilitate real-time corporate settlements and interbank payments.
- As stablecoins become embedded in corporate and interbank payments, they expand on-chain liquidity, supporting broader adoption of crypto and strengthening the long-term investment case for the ecosystem.

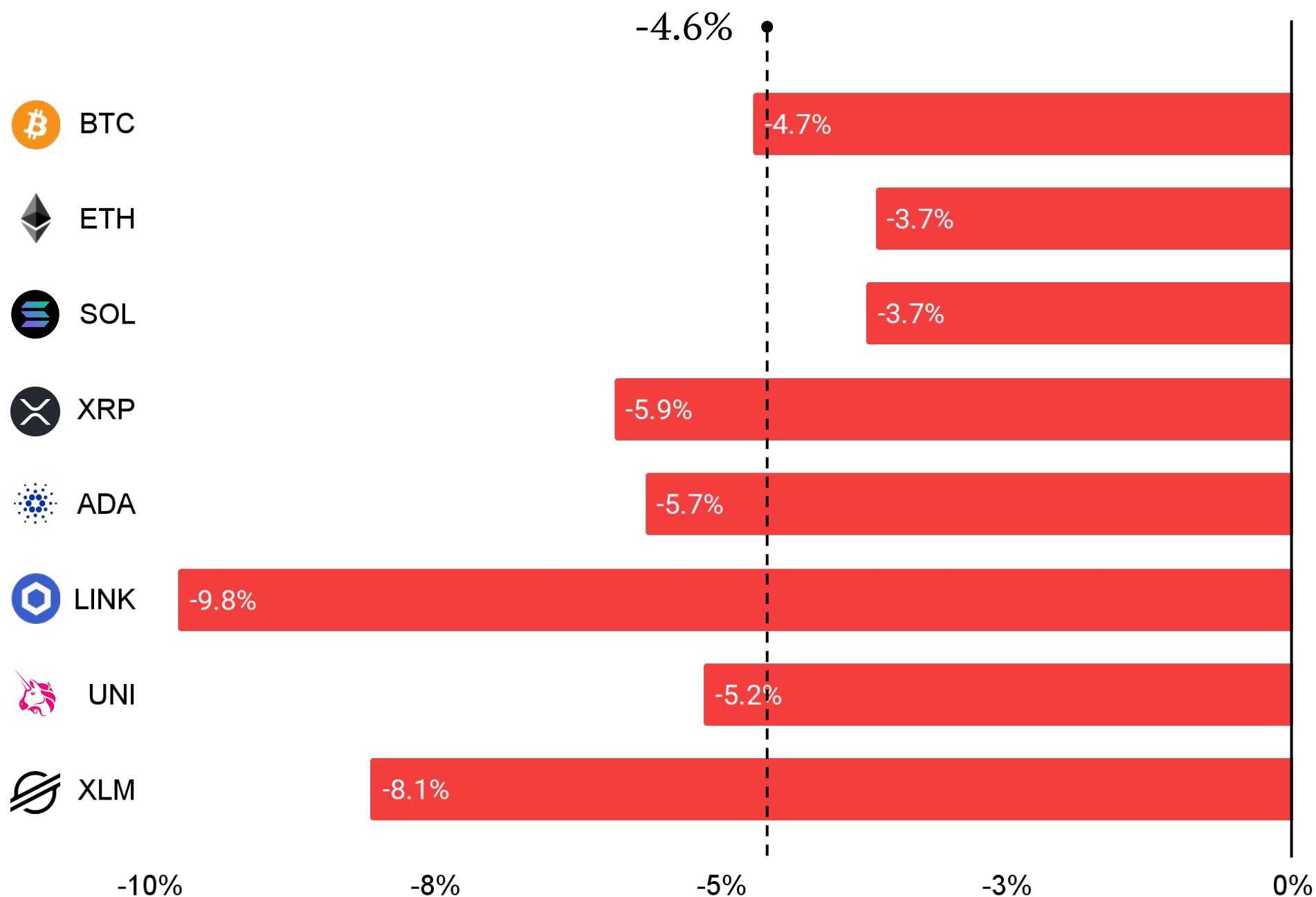
Trexx launches purpose-built L1 on Tanssi

- Trexx, a Brazilian gaming and social-finance startup, is building a dedicated layer-1 on Tanssi to let esports teams and brands monetize fan activity through tokenized rewards, loyalty programs, and collectibles.
- The initiative expands crypto's real-world utility beyond finance by linking gaming, AI, and digital fandom to tokenized incentives. It also highlights growing demand for customizable infrastructure like Tanssi to support consumer-facing use cases, which could strengthen value for infrastructure tokens.



The Nasdaq Crypto Index™

The **Nasdaq Crypto Index™ (NCI™)** declined 4.6% last week, with **all constituent assets posting losses**. Smaller-cap tokens such as **Chainlink (LINK)**, down 9.8%, and **Stellar (XLM)**, down 8.1%, led the decline. **Ethereum (ETH)** and **Solana (SOL)** were more resilient, each falling 3.7%. This relative stability helped the **NCI™** outperform its main component, **Bitcoin (BTC)**, which dropped 4.7%, underscoring the benefits of diversification even amid market stress.



Past performance does not guarantee future results. You cannot invest directly in an index. Index performance does not reflect actual fund performance, as funds may vary significantly from index securities. Index returns exclude management fees, transaction costs, expenses, or brokerage commissions, which could reduce fund returns. Crypto performances are determined by the reference index for each asset, as provided by CF Benchmarks. Source: Hashdex Asset Management with data from CF Benchmarks (from October 12, 2025 to October 19, 2025).



The Nasdaq Crypto Index™

The **Nasdaq Crypto Index™ (NCI™)** fell **4.6%** last week, underperforming traditional risk assets such as the **Nasdaq 100 (+2.5%)** and the **S&P 500 (+1.7%)**. **Gold continued its strong rally**, rising **5.1%** for the week and exceeding **60%** year-to-date. While equities advanced, the crypto market is still recovering from the **Flash Crash of October 10, 2025**. However, this event may ultimately prove healthy, serving as a leverage reset that strengthens market foundations. With improving infrastructure and clearer regulation, crypto could soon regain momentum and recover its year-to-date performance.



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3. MARKET METRICS

Indices tracked by Hashdex

Index	7D	30D	YTD	YoY
Nasdaq Ether Reference Price	-3.7%	-10.3%	19.5%	47.8%
Nasdaq Solana Reference Price Index	-3.7%	-20.3%	-2.6%	-
CF Web 3.0 Smart Contract Platforms Index	-4.4%	-22.8%	-19.2%	22.3%
Nasdaq Crypto Index US	-4.6%	-8.1%	-	-
Nasdaq Crypto Index	-4.6%	-8.3%	14.5%	59.4%
Nasdaq Bitcoin Reference Price	-4.7%	-5.4%	16.6%	59.1%
Kaiko Hashdex Risk Parity Momentum Crypto Index	-5.3%	-18.9%	-6.0%	45.0%
CF Digital Culture Composite Index	-5.7%	-27.9%	-51.7%	-36.7%
Nasdaq XRP Reference Price Index	-5.9%	-19.7%	-	-
CF DeFi Composite Index	-6.2%	-25.2%	-31.4%	9.2%



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