



Fidelity Bitcoin Index

Index Methodology Document

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Contents

- SECTION 1: INTRODUCTION..... 3**
 - Index Definition 3
 - Index Methodology Summary 3
- SECTION 2: INVESTMENT UNIVERSE..... 4**
 - Bitcoin 4
- SECTION 3: INDEX CONSTRUCTION 5**
 - Constructing the Index 5
 - Weighting Methodology 5
- SECTION 4: INDEX MAINTENANCE..... 6**
 - Ongoing Maintenance..... 6
- SECTION 5: INDEX CALCULATIONS 7**
 - Index Restatement..... 7
 - Index History 7
 - Data Calculation..... 7
 - Data Distribution 7
- SECTION 6: INDEX GOVERNANCE..... 8**
 - Index Sponsor and Index Calculation Agent..... 8
 - Index Committee..... 8
 - Index Policy..... 8
- DISCLAIMERS 9**

Section 1: Introduction

Index Definition

Fidelity Bitcoin Index is designed to reflect the performance of Bitcoin in U.S. dollars.

Index Methodology Summary

Parameter	Fidelity Bitcoin Index
Investment Universe	Bitcoin
Rebalancing	Given the index has one asset, rebalancing is not applicable. Have provision to make adjustments for certain “corporate actions” (i.e. hard forks) on a quarterly basis

Section 2: Investment Universe

Bitcoin

The eligible investment universe is Bitcoin.

Securities Excluded:

1. All other digital assets not Bitcoin

Exchange Selection: All U.S digital asset exchanges and/or regulated digital asset exchanges, subject to a review by the Fidelity Digital Asset Services Advisory Committee and the Fidelity Index Committee. The exchanges will be evaluated quarterly and the final selections will be made on the third Friday of March, June, September, and December or during market disruptions where an exchange review is warranted. New exchanges that meet the eligibility requirements will be considered for inclusion at the quarterly review once there is one week of pricing data available.

Section 3: Index Construction

Constructing the Index

Index is constructed using Bitcoin price feeds from eligible exchanges and the volume weighted median price (VWMP) method, based on rolling 5-minute increments to develop a Bitcoin price composite.

Weighting Methodology

100% Bitcoin

Section 4: Index Maintenance

Ongoing Maintenance

The index is also reviewed by the Fidelity Index Committee every 6 months during the semiannual index review for potential updates needed to account for evolution / maturation of the digital assets industry. Corporate actions will be reviewed quarterly on the first Friday of March, June, September, and December and implemented on the third Friday of March, June, September, and December as follows:

EVENT TYPE	DIGITAL ASSETS “CORPORATE ACTIONS” TREATMENT
Hard Forks*	The index will track forks of bitcoin and, when minimum requirements are met, will be credited with a “liquidation value dividend” which seeks to approximate the economic value that could be realized by a bitcoin holder liquidating the forked asset. Forks will be tracked for up to 18 months from the date of the fork event. At each quarterly index review, any forked assets that are listed on at least 33% of eligible exchanges (weighted by Bitcoin volume) will be credited to the index based on the closing price of the forked asset (using the same VWMP calculation methodology described in Section 3) at that quarterly review. Volume is calculated in native units of Bitcoin over the trailing 30 days at each quarterly review and the exchanges that listed the fork must have over 33% of total volume over the period. Once the fork is credited as a dividend, it will no longer be tracked.
Air Drops	Air drops are not included in the index calculation.

Section 5: Index Calculations

The index is calculated using a volume weighted median price approach. The index market value is the volume-weighted median price over the previous five minutes, which is calculated by (1) ordering all individual transactions over the previous five minutes by price, and then (2) selecting the price associated with the 50th percentile of total volume.

Index Restatement

To address situations where delayed receipt of trading data results in such data's exclusion from the daily index calculation, the daily index level will be restated if the following threshold is eclipsed:

- If the daily index level would change by 25 basis points or more when trades from the five-minute window ending at 4:00PM EST that arrived after 4:00PM EST are included in the daily index level calculation

Index History

Index history will be calculated for daily values going back to 12/31/2014. Base value will be the price of Bitcoin at 4pm EST on 12/31/2014, using the same VWMP calculation methodology described in Section 3.

Data Calculation

Following data calculations will be generated

Fidelity Bitcoin Index

- a. Price Return
 - i. Index Name = **Fidelity Bitcoin Index PR**
 - ii. Calculation Frequency = Calculated in 15 second increments; 24 hours a day, 365(6) days/year
 - iii. Daily Price = 4PM EST; follows same calculation process (VWMP) outlined in Section 3
 - iv. Ticker = FIDBTCP
- b. Total Return (includes liquidation value of hard forks)
 - i. Index Name = **Fidelity Bitcoin Index TR**
 - ii. Calculation Frequency = Calculated in 15 second increments; 24 hours a day, 365(6) days/year
 - iii. Daily Price = 4PM EST; follows same calculation process (VWMP) outlined in Section 3
 - iv. Ticker = FIDBTCT

Data Distribution

Data will be supplied by the calculation agent to the following vendors

- Bloomberg
- Morningstar
- FactSet
- MG Stover

Section 6: Index Governance

Index Sponsor and Index Calculation Agent

The index sponsor is Fidelity Product Services LLC (FPS). FPS has appointed Coin Metrics, Inc. as Index Calculation Agent to calculate and publish the indexes in accordance with this methodology document. The index sponsor may appoint an alternative Index Calculation Agent at any time.

Index Committee

The index is maintained by Fidelity Product Services LLC Index Committee. The Index Committee is responsible for reviewing the design and composition of the indexes. The Committee meets periodically to review market conditions and index performance, or on an as-needed basis to address major market developments. In addition, the Committee reserves the right to exercise its discretion in making decisions with respect to Index Policies or actions.

The Index Committee considers information about changes to its indexes and related matters to be potentially market moving and material. Therefore, all Index Committee discussions are confidential.

In addition, the Index Committee will consult with the Fidelity Digital Asset Services Advisory Committee, which includes additional subject matter experts from across Fidelity Investments.

Index Policy

Announcements: Announcements regarding changes to any of the indexes will be made publicly available prior to the effective date of the change.

Index Holiday Schedule: Index will be calculated everyday

Market Disruption: In situations where calculation of an index may not be possible under certain circumstances, including market disruptions, systems failures, weather conditions, acts of terrorism or any other event that is beyond the reasonable control of the Index Sponsor and/or Index Calculation Agent, the Index Calculation Agent will calculate the closing price of the indexes based on:

- (1) The closing prices published by the exchange, or
- (2) If no closing price is available, the last regular trade reported for each security before the exchange closed

If an exchange fails to open due to unforeseen circumstances, the Index Calculation Agent will omit that exchange from the index calculation until it reopens. If all exchanges fail to open or in other extreme circumstances, the Index Calculation Agent may determine not to publish the indexes for that day.

Disclaimers

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