

## ILSI – Rebalancing post Q1-2022

This post will provide an overview of the rebalancing process post Q1-2022 of the “Invest Like Stakeborg Index” (“ILSI”).

### Rebalancing Process

As per ILSI’s index maintenance rules the index is rebalanced on a 3-month basis, with the first rebalancing phase occurring immediately post Q1-2022. The process consists of two phases, namely the evaluation phase and the rebalancing phase. The first includes processes such as evaluating existing tokens, screening the list of aspiring new tokens in each category and taking decisions on any changes to the prevailing portfolio composition. Revised index weights and portfolio changes are incorporated in the final week of the rebalancing month. The second phase is due to occur in the first week post-the rebalancing month (in this case, March 2022) and consists of aligning the portfolio composition with the underlying index.

The evaluation phase has yielded two changes to the index construct: \$APE and \$YFI would replace \$ENJ and \$BOND, respectively. An overview of the added assets is available towards the end of this post.

An overview of the pre- and post-rebalancing index breakdown is highlighted in the table below. The table includes a summary of the assets’ weightings on the last day before the rebalancing phase (1<sup>st</sup> column), the target index composition (2<sup>nd</sup> column) and the achieved portfolio composition (3<sup>rd</sup> column). There are small differences between the target and achieved weightings given a series of factors such as the need to transact in a sequential manner, where timing could have an effect on pricing and transaction costs.

Token Symbol	pre-Rebalance	Target	Achieved	pre- vs. Achieved	Δ vs. target
	Allocations	Allocations	Allocations	% change	%
WBTC	17.07%	20.00%	20.12%	3.05%	0.11%
ETH	15.70%	20.00%	20.07%	4.37%	0.06%
LINK	9.93%	10.96%	10.94%	1.01%	-0.02%
BOND	1.75%	0.00%	0.00%	-1.75%	0.00%
LUNA	27.19%	15.00%	15.12%	-12.07%	0.12%
ENJ	4.55%	0.00%	0.00%	-4.55%	0.00%
AAVE	7.59%	6.02%	6.00%	-1.59%	-0.02%
SNX	3.52%	3.00%	3.03%	-0.49%	0.03%
DYDX	2.06%	3.00%	2.87%	0.81%	-0.13%
FTT	10.64%	10.56%	10.65%	0.01%	0.09%
APE	0.00%	7.91%	7.67%	7.67%	-0.24%
YFI	0.00%	3.55%	3.54%	3.54%	-0.01%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>0.00%</b>

### Current Index Breakdown (as of April 2022)

1. WBTC (20%)
2. Ethereum (20%)
3. Terra (15%)

4. Chainlink (11%)
5. FTX Token (11%)
6. ApeCoin (8%)
7. Aave (6%)
8. Synthetix (3%)
9. dYdX (3%)
10. Yearn Finance (3%)

### **Overview of Index Changes**

#### ApeCoin (\$APE)

\$APE is the governance token of the ApeCoin DAO and the utility token used to empower a decentralized community which at its base layer is formed by members of one of the most engaged and appreciated communities in the Web3 space: BAYC. The token will probably also have a role in the Yuga Labs-powered metaverse and ecosystem as a whole. That Yuga Labs which had the largest seed round in history: \$450 million raised from funds such as a16z, Animoca Brands, FTX Ventures, and others.

#### Yearn Finance (\$YFI)

Yearn Finance (\$YFI) is a blue-chip and one of the leading projects in DeFi. Widely-recognized for its fair launch system and contribution in the yield aggregation vertical, Yearn is a decentralised asset management platform that has multiple uses ranging from liquidity provision, lending, to insurance.

*One for all and all for DAO*