

ILSI – Rebalancing post Q4-2022

This post will provide an overview of the rebalancing process post Q4-2022 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. 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, post-December 2022) and consists of aligning the portfolio composition with the underlying index.

The evaluation phase has yielded no changes to the index construct.

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 (1st column), the target index composition (2nd column) and the achieved portfolio composition (3rd 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	%
WETH	25.09%	20.00%	20.25%	-4.84%	0.25%
WBTC	21.80%	20.00%	19.65%	-2.15%	-0.35%
MATIC	19.27%	15.50%	15.67%	-3.60%	0.17%
LINK	11.78%	12.00%	11.90%	0.12%	-0.10%
ENS	0.00%	5.00%	4.84%	4.84%	-0.16%
APE	8.19%	8.00%	8.29%	0.10%	0.29%
AAVE	5.52%	8.50%	8.55%	3.03%	0.05%
YFI	2.79%	3.50%	3.43%	0.64%	-0.07%
SNX	2.67%	4.50%	4.49%	1.82%	-0.01%
DYDX	2.87%	3.00%	2.92%	0.05%	-0.08%
	99.98%	100.00%	99.99%	0.01%	-0.01%

Current Index Breakdown (as of January 2023)

1. WBTC (20%)
2. Ethereum (20%)
3. Polygon (15.5%)
4. ENS (5%)
5. Chainlink (12%)
6. ApeCoin (8%)
7. Aave (8.5%)

8. Synthetix (4.5%)
9. dYdX (3%)
10. Yearn Finance (3.5%)