The QSI Methodology

How Qatobit selects, weights, and rebalances the assets inside every QSI Crypto Index. This is the document the rest of the platform is built to earn. Read it before you read a single number, because the number is the output, and this is the machine that produces it.

A QSI Crypto Index is a curated basket of assets, governed by a written rule, rebalanced on a fixed schedule. The QSI methodology is that rule, set down in full. It defines what is allowed into an index, what is kept out, the role each holding plays, how the weights are set, and the cadence at which the whole thing is brought back to discipline. You are not asked to trust a result. You are handed the construction and invited to judge it. The framework is public. The calibration is ours.

Why do we call it a Methodology

Anyone can assemble a list of large crypto assets and call it an index. The list is the easy part. It is also the part that falls over the first time the market does something the list-maker did not expect, because a list has no rule for what happens next.

A methodology is the rule for what happens next. It answers the questions a list cannot. When an asset doubles and its weight runs away from the rest, what brings it back. When a new asset is the loudest thing in the market, what decides whether it belongs. When the cycle turns and conviction is hardest to hold, who is making the decision, and is it a person feeling brave or a rule executing on schedule. The QSI methodology exists so the answer is always the rule.

That is the whole of the proposition. You do not have to be right about which coin wins. You have to decide whether the method is sound. That is a smaller, clearer decision, and the method is written down so you can actually make it.

The (Qatobit Systematic Index) QSI Construction Framework

Every QSI index is built through the same eight-stage framework. The thesis of each index differs, and the calibration differs, but the system is one system. The discipline lives in the system, not in any single decision.

1. The Eligible Universe

Most of the discipline is in what we refuse to consider. A structured wealth product is held for years, custodied at scale, and rebalanced on behalf of investors who treat the position as an allocation, not a trade. That rules out most of the crypto market before selection even begins.

The eligible universe is deliberately narrow: assets with the liquidity, the market structure, and the operational maturity to be held and rebalanced at size, for years, without the act of managing them moving the market against the holder. For the crypto indices, that is a small set of large, institutionally traded digital assets, a low-correlation hedge sleeve, and a yield-bearing stable reserve. For QSI GEQ10, it is a curated set of globally listed companies at the intersection of technology and digital finance. The universe is the first filter and the most consequential one. An asset that is not in the universe is not a close call. It is simply not the kind of thing this product holds.

2. The Screens

An asset enters consideration only after clearing a set of standing gates. Each gate is a rule decided in advance, not a judgment made in the moment a chart looks exciting.

- **Liquidity and depth**. A position must be possible to build and unwind without the holder moving the price against themselves. Thin liquidity is a risk no thesis can pay for.
- **Market-structure quality**. Where the asset trades, how its price is formed, and whether that price holds together across calm and stressed conditions.

- **Custody and settlement eligibility**. The asset must be holdable and settleable to an institutional standard. An asset that cannot be safely custodied is not a candidate, whatever its returns.
- **Regulatory availability**. The asset must be appropriate to offer an Indian investor under the applicable framework.
- **Security and on-chain integrity**. For a crypto asset, the protocol's record, its decentralisation, and the absence of a single point of failure that could take the position to zero.
- **Durability**. A track record long enough to have been observed across at least one full market cycle. We are not interested in how an asset behaves in a bull market. We are interested in how it behaved in the worst case scenario as well.
- **Role and correlation fit**. Whether the asset adds exposure the basket does not already hold, or merely duplicates a risk that is already there.

An asset that fails a gate does not enter, regardless of how it is performing that week. Most of the work of the methodology, and most of its refusals, happen here, quietly, before anyone sees a weight.

3. Role-based Construction

Inside an index, an asset does not hold a slot. It holds a role and those roles are defined before the assets are chosen, which is the order that matters.

Role	Description
Anchor	The deepest, most settled exposure, the position the rest of the index is built around.
Core	Independent source of return, chosen because it behaves differently from the anchor, not because it is the next largest name.
Growth Lever	higher-beta position, sized deliberately and present only where the index's

Role	Description
	thesis calls for upside the anchor and core cannot provide.
Buffer	low-correlation hedge whose job is to absorb drawdowns.
Reserve	A stable, yield-bearing layer that supplies the capital a rebalance needs without forcing the sale of a conviction position to fund it.

An asset earns its place by filling a role the thesis requires. It is trimmed or removed when it stops filling that role. This is the line between a portfolio and a watchlist: a watchlist holds what is interesting, a portfolio holds what has a job.

4. Weighting

Weights derive from three things at once: the role an asset plays, the risk it contributes to the basket as a whole, and concentration limits that stop any single holding from quietly coming to dominate the index between rebalances.

This is the point where we are deliberately reserved, and the reserve is itself part of the rigour. The framework, how weights are derived, is public on this page. The calibration, the specific target weights and the bands they are allowed to move within are published inside each index's own methodology and held to, but it is not the sort of thing that belongs in a marketing line. And there are two reasons for it. A static weight printed in external copy is stale the day after the next rebalance, so it would misrepresent the live state of the product. And the calibration is the part that a serious index keeps proprietary, the same way a fund publishes its rules while keeping its exact model its own. You can read how the weights are set, and the settings are ours.

5. The Monthly Rebalance

Cadence is a design decision, and it was made on purpose. Rebalance too often and transaction costs and tax friction eat the benefit, which matters more for an Indian investor than for almost anyone, given how crypto gains are taxed. Rebalance too rarely and the index drifts away from the thesis it was built to hold. Monthly is the point where the discipline is frequent enough to keep the construction honest and infrequent enough to stay cost- and tax-aware. That is why every QSI Crypto Index rebalances monthly, and the cadence is a chosen answer, not a default.

The rebalance is mechanical and calendar-defined. On the date, holdings that have grown above their target are trimmed, holdings that have fallen below are topped up, and the composition resets to the rule.

Over a cycle, the effect is counter-cyclical by construction. The method trims what has run hot and adds to what has lagged, on schedule, in exactly the months a human would find it hardest or a burden to do either manually. The discipline does not depend on the investor, or on us, feeling brave at the bottom or disciplined at the top. The calendar is what holds it.

We would like to disclose that the calendar is not the only trigger that rebalances the Indices. A defined set of events, a security failure in any holding, a structural break in an asset's liquidity, a change that causes it to fail one of the screens, can trigger an off-cycle review outside the monthly date and those reviews are governed as well. Every resulting change is versioned and dated and anyone can see the rebalancing documents in our platform where we document everything to keep the transparency..

6. Risk Architecture

The buffer is the clearest single statement of who an index is built for. Where the thesis calls for protection, a low-correlation hedge sits inside the basket and is rebalanced counter-cyclically against the crypto sleeve, trimmed near highs and redeployed into crypto at troughs. Where the thesis is full conviction, there is no buffer, and the methodology says so in plain language rather than burying it.

Be precise about what this manages. The methodology manages concentration risk, the danger of being wrong about a single asset, and it manages that very well, because the basket/index holds several positions on stated rules rather than one position on a hope. What it does not remove is market risk. When the asset class as a whole falls, a QSI index falls with it. A buffer softens a drawdown. It does not cancel one, and nothing in this framework pretends otherwise. We would rather you read that sentence here clearly than meeting it in a bad month.

7. Data and Verification

A methodology is only as honest as the data underneath it. Construction and rebalancing run on institutional-grade market and on-chain data, drawn from more than one source and cross-checked, with defined handling for anomalies, gaps, and bad prints so that a single corrupted input never drives a decision.

The research behind this is disciplined rather than expansive. It is a tight, repeatable process applied the same way every cycle, which is the point. The aim is not the largest possible volume of analysis. It is that the same inputs and the same rules produce the same decision whether the month was euphoric or grim. Consistency under pressure is the thing institutional money actually pays for, and it is easier and clever to achieve through discipline than through scale.

8. Governance and Transparency

The methodology is a living document under change control. It is written down, versioned, and dated. When it changes, the previous version still exists, so anyone can read what was decided, when, and why. A methodology you cannot read against its own past is a moving target dressed as a rule.

This is also where the public-framework, proprietary-calibration line earns its keep. The framework is published before the platform opens and before a rupee is committed, so the reading can be done in advance, by a sceptic, on their own terms. The calibration is held proprietary, the way any serious index keeps its exact settings its own while publishing the logic. That combination is deliberate. It is what lets you judge the method on its merits, and it is what makes the method genuinely difficult to lift, because a coherent and a governed system cannot be copied easily.

The Four Indices

Index	Thesis	Primary Characteristic
QSI Core	The careful first allocation.	The conservative construction: an anc core, a buffer sized for real protection reserve. Built for the investor who wa meaningful crypto exposure with the structural protection the suite offers.
QSI Growth	The Flagship.	Qatobit's flagship Crypto Index. It kee frame and adds a growth lever, sized d with the buffer retained at a smaller p More upside and the same discipline. index the suite is anchored on.
QSI VRION	Full Conviction.	The pure-crypto construction, no buf for the investor who has made a delib multi-year decision to maximise crypt and to hold the risk themselves. The la potential in the suite, and the deepest profile. The methodology states that p than softening it.
QSI GEQ10	The Digital Economy.	A different category from the three cr indices: a curated index of global liste at the intersection of technology, digi and innovation, offering tokenized equ rather than direct crypto exposure. It SEBI regulation working with a pure t

Index	Thesis	Primary Characteristic
		onchain stocks. Its construction follow eight-stage framework, applied to a gl universe.

What This Methodology Does Not Do

It does not promise a return, and it never will. It does not remove market risk. It does not make a falling asset class rise, and it does not turn a bad cycle into a good one. It manages concentration, enforces discipline, and gives you a construction you can read and hold through a drawdown without having to make the hardest decisions yourself, at the moments they are hardest to make. That is what a methodology is for. The rest is the market's to decide, and obviously yours as well.

The Architecture Behind the Method

The methodology is the thing you own. The platform is built to carry it to an operating standard that confirms it rather than replaces it. That standard, a documented security and custody architecture, a PACT certification and a CERT-In audit named and verifiable at launch, and a Live Proof of Reserves designed to let holders verify their assets on their own schedule, sits after the methodology. The construction earns your attention. The architecture backs it up. Never the reverse.

Verification & Versioning

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Disclaimer: Crypto investments are subject to market risk and volatility. Past performance is not indicative of future returns. This is not investment advice. Please consult a qualified financial advisor before investing.

Qatobit
Wealth, by design.