



Large Cap Bundle

Fact sheet

Portfolio construction,
maintenance and risk considerations



Investment objective

Large Cap is a rules-based, single-asset-class portfolio that seeks to track the performance of a diversified selection of the largest and most liquid digital assets available on Luno. The portfolio is constructed to provide broad, diversified exposure to the digital asset market within a single investment, remaining operationally simple for the end investor.

The portfolio is not managed with a view to outperforming a specific benchmark on a short-term basis. Its primary design goal is structured, diversified exposure to the broad digital asset market rather than active return generation.

Availability. This bundle is available to Luno customers verified in South Africa, Nigeria, Malaysia and Indonesia.

Portfolio construction

Large Cap tracks the **CoinDesk 5 Index (CD5)**, published by CoinDesk Indices. CD5 measures the market-capitalisation-weighted performance of the five largest constituents of the CoinDesk 20 Index.

Current holdings and weights are displayed within the Luno application.

Eligibility and selection

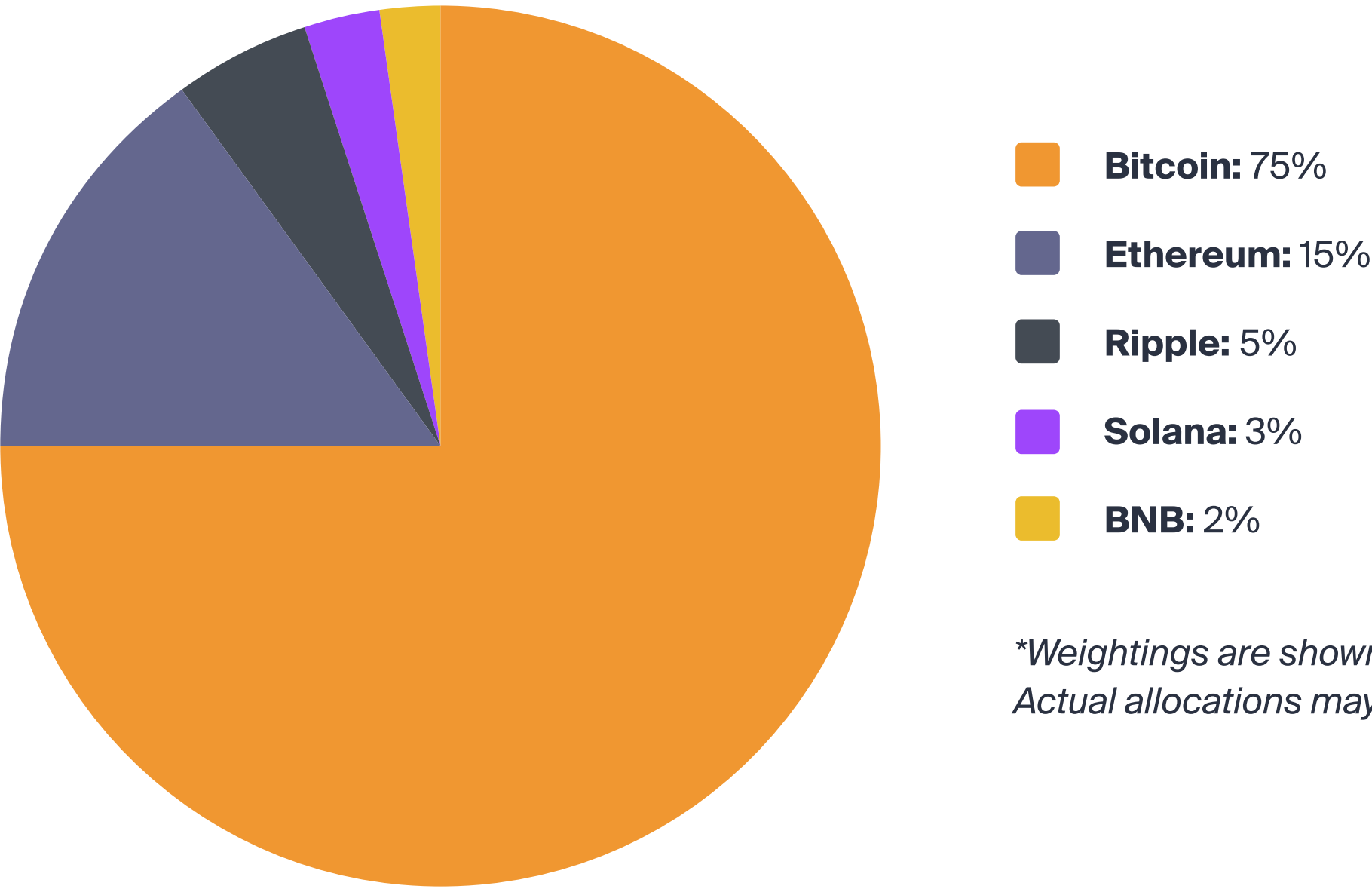
Constituents are drawn from the CoinDesk 20 Index, which applies its own liquidity and size filters. Assets that are stablecoins, meme tokens, privacy or gas tokens, wrapped tokens, staked assets or pegged assets are excluded. A buffer rule (4/6) is applied at each reconstitution: broadly, this reduces unnecessary turnover from assets that move marginally in and out of the top rankings between rebalances.

Governance

CD5’s constituent selection, weighting and rebalancing rules are determined and published by CoinDesk Indices. On Luno’s side, whether a given CD5 constituent can be supported for custody and trading on the Luno platform is assessed through Luno’s Digital Asset Selection Committee (DASC), and the bundle’s ongoing operation is monitored by Luno’s Treasury team.

Weighting

Constituents are weighted by market capitalisation, calculated using circulating supply. No weight caps are applied under the current CD5 methodology.



**Weightings are shown for illustration. Actual allocations may vary and are reflected in the app.*

Fees and charges

The following fees apply to investment in the Large Cap Bundle:

Buy and top-up fee

1% of the amount invested, charged on both initial purchases and any top-ups.

Sell fee

1% of the amount sold, in addition to the pro-rata tracking fee accrued since the last rebalance.

Tracking fee

2% per annum, accrued daily based on the value of the bundle and deducted at each quarterly rebalance, or pro-rata if the bundle is sold before the next rebalance.

Fees are subject to change; the current fee schedule is available within the Luno application.

Rebalancing and maintenance

The portfolio is reconstituted and rebalanced quarterly, on the second business day of January, April, July and October. At each rebalance, positions are adjusted with the intention of restoring the portfolio to its target CD5 weights. The investor is not required to take any action in connection with the rebalancing process.

A brief trading pause (approximately 1.5 hours) applies on the rebalancing date itself, during which the bundle cannot be bought, topped up or sold. Exact pause windows for each quarter are published in the Luno Help Centre. Outside of this window, the bundle can be bought, topped up or sold at any time.

Rebalancing may result in the realisation of gains or losses within the portfolio structure. Reconstitutions apply buffer rules intended to reduce unnecessary turnover between rebalancing events.

Scope and limitations

Large Cap should be understood with the following limitations in mind:

It is not an actively managed strategy that seeks to time markets or select individual digital assets outside the index methodology.

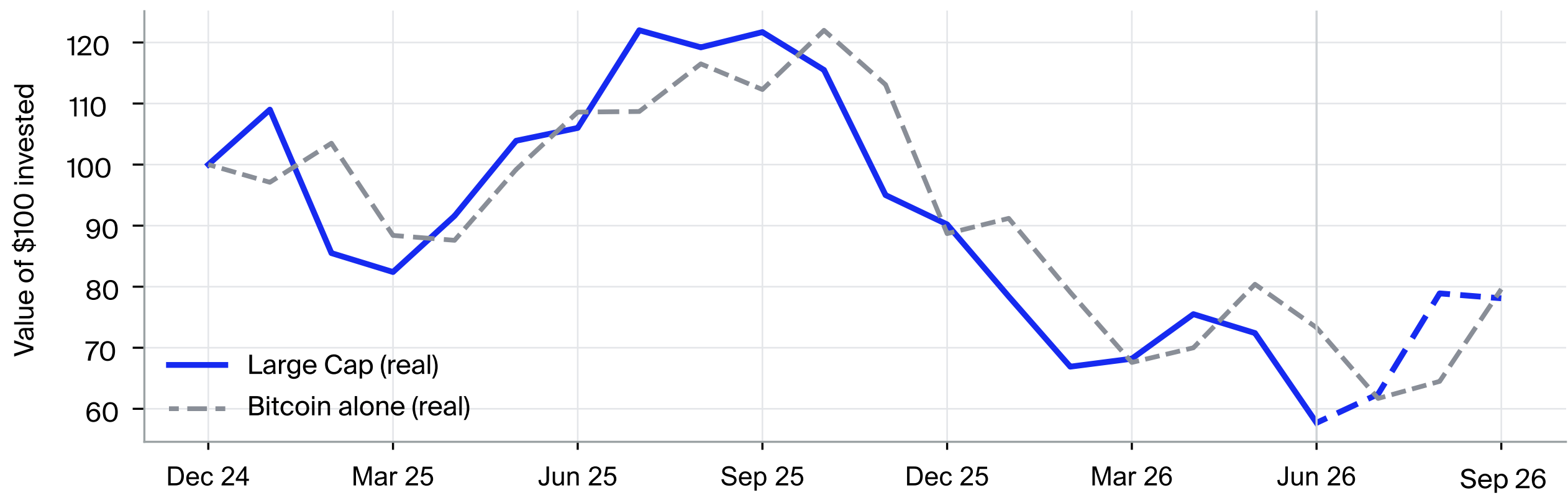
It does not guarantee capital preservation or any particular level of return.

It does not constitute personalised investment advice and is not tailored to any individual investor’s circumstances, objectives or risk tolerance.

It is not a substitute for a diversified, multi-asset financial plan.

Performance

Growth of \$100 – Large Cap vs Bitcoin alone



Growth of \$100 invested: Large Cap versus holding Bitcoin alone, over the 21 months for which this data is available.

Historical tracking

Because Bitcoin represents the majority of the index by weight, Large Cap's performance has historically closely mirrored that of Bitcoin.

Important

This chart reflects the CoinDesk 5 Index (CD5), as published by CoinDesk Indices, matched against Bitcoin's market price. It is not Luno's own audited record of the Large Cap bundle's performance. Past performance is not a reliable indicator of future results.

Risk considerations

Investors should carefully consider the following risks before allocating capital to Large Cap:

Market risk

Digital assets can experience significant price declines. The value of the portfolio can fall as well as rise, and investors may receive back less than they invested.

Operational and platform risk

The portfolio depends on the continued availability and integrity of the Luno platform, and on CoinDesk Indices' administration of the CD5 methodology.

Volatility

Digital assets have historically exhibited high levels of volatility, and the portfolio's value can fluctuate significantly over short periods.

Liquidity risk

While CD5 constituents are selected in part for liquidity, liquidity conditions can deteriorate, particularly in stressed markets.

Concentration risk

Although the portfolio is diversified across several digital assets, it remains concentrated within a single asset class and can be affected by market-wide events that move the whole asset class together.

Tax considerations

Buying into the bundle, quarterly rebalancing, and selling all or part of the bundle may each trigger a tax event. Investors should consult their own tax adviser regarding the potential tax implications of investing in this bundle.

Important

Large Cap is intended for investors who understand and are prepared to accept the risks associated with digital assets, and who are investing with a medium- to long-term horizon. Past performance is not a reliable indicator of future results.

Suitability considerations (general)

In general terms, this portfolio may be more appropriate for investors who:

Seek diversified exposure to the broad digital asset market within a single vehicle;

Are comfortable with meaningful volatility and the possibility of capital loss;

Prefer a rules-based, non-discretionary construction process over active asset selection;

Are investing sums they can afford to leave invested for a multi-year period.

It is less likely to be appropriate for investors who require capital certainty, who have a short investment horizon, or who are unable or unwilling to accept the specific risks of digital assets.

Ongoing information

Current portfolio holdings, weightings and performance information are available within the Luno application. Investors are encouraged to review these details periodically. This methodology note describes the design of the portfolio; it does not replace the product terms, risk disclosures or any applicable regulatory documentation.

[Regulatory status by market](#)

Important notice

This document is provided for informational purposes only. It does not constitute investment advice, a recommendation, or an offer to buy or sell any financial product. Investing in crypto assets involves the risk of loss of capital. Luno operates under the financial services and/or virtual asset service provider authorisation applicable in each market in which this bundle is offered, as set out above. Investors should consider their own financial situation, objectives and risk tolerance, and where appropriate seek independent advice, before making any investment decision. The information in this note is believed to be accurate as at the document date but is subject to change.

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