

## Financial Metrics

<b>\$INDEX Price</b>	\$2.25
<b>Revenue</b>	\$72,815
<b>Operational Expenses</b>	(\$425,779)
<b>Net Profit/(Loss)</b>	(\$380,929)

## General Business update

Over the last quarter there has been a notable step change in the focus of our products and as a result we have [depreciated](#) a number of underperforming assets. Over the last several months Index Coop has been scaling back in size and expenditure, and refocusing the product roadmap to meet our core objectives. As part of these ongoing efforts, the Index Coop Product Pod has identified several products that have not shown strong demand or demonstrated product-market fit (PMF). These products have lagged in the metrics and KPIs that Index Coop monitors, metrics such as Total Value Locked (TVL), Net Dollar Flows (N\$F), and Unique Holders w/ \$100+ in Exposure (UH>\$100).

With that said a number of products have seen strong performance over the last month with Post-Merge [\\$icETH](#) performing well aided by >10% in APY. With a leaner more focused Index Coop we can start to work together to build products that have PMF from launch.

October marked the potential of a significant partner with balancer. With a number of products in the pipeline that are to be launched utilising managed balancer pools, the DAO has proposed a partnership with balancer that includes fee split arrangement on product launches, a DAO to DAO tokenswap and veBAL gauges. We are excited at the prospect of being able to partner with the balancer team and hope to launch many more products on this platform in the future.

Coupled with an increased team focus the Index Council and Investors following internal and external feedback have developed a Contributor Incentive Program that is intended to provide the community with ownership of the organisation and also to incentivise long term growth both individually and as a community. Coupled with this we are currently working with legal counsel in the US to enable us to have a better understanding of the regulatory and liability risks our community currently faces. We are working closely with them to inform the structure from a personnel perspective going forward.

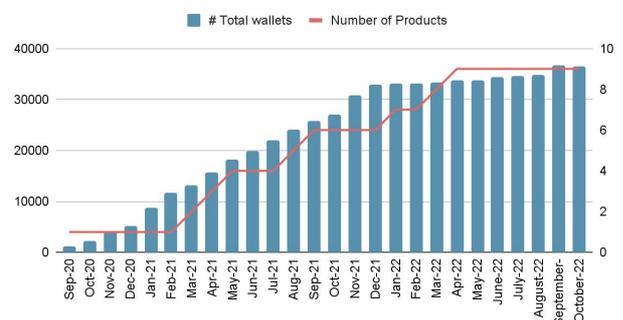
## Summary of Performance

October saw an increase in overall costs for the DAO, this is an anomaly compared to the previous months. This is largely due to contributor rewards seeing an increase of 26%, which can be attributed to the payment of severance to two departing core hires.

Revenue saw a slight increase of 1% MoM to \$72.8k, however revenue continues to struggle when compared to Q1 and Q2 of this financial year. Challenging market conditions product's correlation with ETH performance has contributed to the downward trend.

The Net loss for October was slightly higher than September. As detailed this is a result of severance packages being settled and legal costs. Net loss totaled (\$380,929). Legal expenses saw an increase after a month of no legal costs (due to timing of payments) going forward we anticipate ~\$40k monthly for the foreseeable future. The other notable expense this month was for market maker fees to Zigzag of \$47k, this is not expected to be a recurring cost.

Total Wallets Exposure Across Mainnet Products



## Products

Streaming fees generated were once again dominated by ETH2x-FLI and DPI, generating \$31k and \$26k respectively or 78% of total revenue during October.

This month's rebalancing costs saw a 103% increase MoM, however compared to the high of \$20k in July, total rebalancing costs came to only \$1.7k in October. Our engineering team continues to perform rebalancing in a more efficient manner, with DPI costs down by 61% compared to the previous rebalancing, this is significant for the coop as rebalancing costs in Q1 and Q2 had a significant impact on individual product profitability.

The product's being depreciated contributed to only 3% of the total revenue this month confirming the need to discontinue them and focus on products that resonate with the market from launch.

## Treasury Portfolio Value

Portfolio value as of October 31st, 2022 totals **\$12.32M**.

The Index Coop treasury (a breakdown can be seen on the balance sheet below) the main holding is INDEX totaling \$4.7m, which has seen a 51% reduction in price since September, a result of depreciating asset prices. We have recently reallocated our Investment assets and have de-risked a large proportion of our treasury following the fallout of FTX and the risk of stablecoins depegging. Index Coop currently holds ~\$7.3m in fully collateralized stablecoin assets.

# Treasury Report

OCTOBER 2022

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## Income Statement

	Q1	Q2	July	August	September	October	YTD
<b>Revenue</b>	\$	\$	\$	\$	\$	\$	\$
Streaming Fees	877,764	564,509	122,472	89,279	71,905	72,815	<b>1,798,744</b>
Investment Income	-	45,184	-	-	-	-	<b>45,184</b>
<b>Total Revenue</b>	<b>877,764</b>	<b>609,693</b>	<b>122,472</b>	<b>89,279</b>	<b>71,905</b>	<b>72,815</b>	<b>1,843,928</b>

## Cost of Sales

Liquidity Mining	(247,130)	-	-	-	-	-	<b>(247,130)</b>
Methodologist Portion	(313,432)	(183,253)	(49,154)	(29,570)	(25,033)	(27,965)	<b>(628,406)</b>
<b>Total Cost of Sales</b>	<b>(560,561)</b>	<b>(183,253)</b>	<b>(49,154)</b>	<b>(29,570)</b>	<b>(25,033)</b>	<b>(27,965)</b>	<b>(875,536)</b>

<b>Gross Profit</b>	<b>317,202</b>	<b>426,440</b>	<b>72,318</b>	<b>59,709</b>	<b>46,872</b>	<b>44,850</b>	<b>968,393</b>
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## Operating Expenses

Contributor Rewards	(1,761,637)	(1,492,615)	(289,378)	(275,090)	(256,495)	(325,325)	<b>(4,400,540)</b>
Exchange Listings	(18,016)	(6,738)	-	(3,356)	(8,731)	(47,017)	<b>(83,857)</b>
Admin Expense	(13,215)	(57,825)	(2,674)	(9,012)	(1,099)	(816)	<b>(84,642)</b>
Ads & Sponsorships	(149,320)	(28,240)	(8,117)	(1,577)	-	-	<b>(187,255)</b>
Impression Mining	(24,099)	(8,463)	(131)	-	-	-	<b>(32,693)</b>
Legal	(7,031)	(22,580)	(98,967)	(32,817)	-	(40,987)	<b>(202,383)</b>
Events	-	(5,228)	-	-	-	(380)	<b>(5,608)</b>
Data & Software Licensing	(2,726)	(28,510)	(10,821)	(6,933)	(11,477)	(10,940)	<b>(71,406)</b>
ETH Gas Expense	(70,707)	(64,264)	(3,106)	(27,377)	(399)	(315)	<b>(166,168)</b>
Audit Expense	-	(55,071)	-	-	-	-	<b>(55,071)</b>
<b>Operating Expenses Total</b>	<b>(2,046,751)</b>	<b>(1,769,534)</b>	<b>(413,194)</b>	<b>(356,162)</b>	<b>(278,201)</b>	<b>(425,779)</b>	<b>(5,289,623)</b>

<b>Net Profit/(Loss)</b>	<b>(1,729,549)</b>	<b>(1,343,094)</b>	<b>(340,876)</b>	<b>(296,453)</b>	<b>(231,329)</b>	<b>(380,929)</b>	<b>(4,321,231)</b>
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## Balance Sheet (October 31st 2022)

Current Assets	\$
Aave	2,937
bb-a-USD-gauge	797,290
cDAI	410,208
cUSDC	804,076
DAI	1,064,419
DATA	3,396
ETH	52,370
ETH2x-FLI	64,178
ETH2x-FLI-P	1,400
GMI	1,265
G-UNI-DAI-USDC	1,140,626
G-UNI-icETH-WETH	13,167
icETH	7,170
Index	4,796,708
JPG	1,136
USDC	2,920,180
WETH	248,099
<b>Cash &amp; Cash Equivalents</b>	<b>12,328,625</b>
<b>Debtors</b>	
zkSync Loan	1,000,000
<b>Total Assets</b>	<b>13,328,625</b>
<b>Liabilities</b>	-
<b>Capital &amp; Reserves</b>	
Paid in and vested capital	16,264,973
Unrealized price movement reserve	9,719,232
Retained Earnings	(8,334,349)
Net Income	(4,321,231)
<b>Total Equity</b>	<b>13,328,625</b>

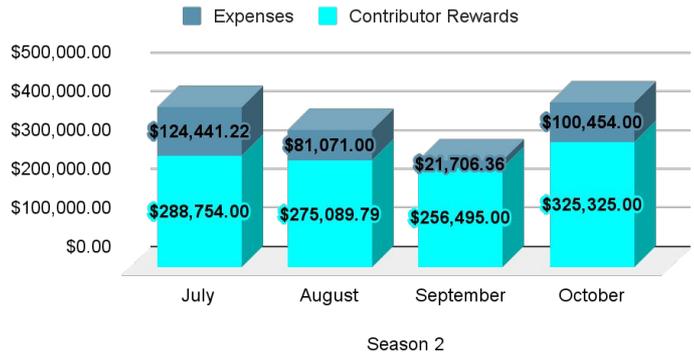
# Budget Vs Actual

OCTOBER 2022

## Index Coop

Actual spend (Opex + Payroll)	<b>\$425,779.00</b>
Budget (Opex + Payroll)	<b>\$426,352.33</b>
<b>Variance</b>	<b>-0.13%</b>
Change in spend from previous month	+53.05%
<b>Actual - Payroll cost</b>	<b>\$325,325.00</b>
Budgeted - Payroll cost	\$308,290.33
<b>Actual - Opex (excluding rewards)</b>	<b>\$100,454.00</b>
Budget - Opex	\$118,062.00

## Season 2 - Monthly Actuals



## Network Budget Breakdown

Growth Network	Budget	Actual	% Variance
Core Hires	\$86,666.67	\$88,333.33	1.92%
Flexible Rewards	\$6,000.00	\$1,000.00	-83.33%
<b>Total Rewards</b>	<b>\$92,666.67</b>	<b>\$89,333.33</b>	<b>-3.60%</b>
Other Expenses	\$67,500.00	\$97,862.33	10.96%
<b>Total Nest Spend</b>	<b>\$160,166.67</b>	<b>\$187,195.66</b>	<b>44.98%</b>

Build Network	Budget	Actual	% Variance
Core Hires	\$185,958.00	\$211,491.66	13.73%
Flexible Rewards	\$10,000.00	\$0.00	-
<b>Total Rewards</b>	<b>\$195,957.00</b>	<b>\$211,491.66</b>	<b>7.93%</b>
Other Expenses	\$45,062.00	\$975.26	-4520.51%
<b>Total Nest Spend</b>	<b>\$241,019.00</b>	<b>\$212,466.92</b>	<b>-13.44%</b>

Service Network	Budget	Actual	% Variance
Core Hires	\$19,666.67	\$17,500.00	-11.02%
Flexible Rewards	-	-	-
<b>Total Rewards</b>	<b>\$19,666.67</b>	<b>\$17,500.00</b>	<b>-11.02%</b>
Other Expenses	\$5,500.00	\$1,616.41	-240.26%
<b>Total Nest Spend</b>	<b>\$25,166.67</b>	<b>\$19,116.41</b>	<b>-31.65%</b>