AlliedOffsets Tradable20 Index Methodology

This document outlines the process for creating the AlliedOffsets Tradable20 Index.

The object of this effort is to create an index of VCM projects and vintages that represent the most liquid and tradable credits. By creating an index that can potentially be recreated through active trading, the index has the potential to provide a real benchmark for values in the VCM.

Ideally, as the index can practically be recreated, it would be possible to create futures, options, and cashless exercises of contracts, leading to potential for far greater volumes. This, in turn, would make it possible to use the benchmark for hedging and index type investment purposes which is lacking in the VCM today. Being able to hedge future credit revenues against the wild fluctuations in the prices of credits in the VCM we believe can lower the risk of investing in the market (improving risk/return profile), and thereby encourage more investment in the space: something that is sorely needed for the VCM to fulfil its huge potential.

Much like the large market capitalization weighted dominated stock indices (S&P500, etc.) the AO Tradable20 tries to reflect varying values of credits traded of the projects in the index. We do this by weighting the various projects in the index by a measure of the value of credits retired in the past year (based on credits retired and estimated price of those credits). This is an imperfect measure of size of a project, but in the absence of a quoted share price it goes some way to ensure that larger projects (by value, although not necessarily by number of credits) receive a greater weighting in the index.

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1. Index Creation Explainer

Every quarter end, the index will be refreshed with updated constituent parts. The index will be renewed using the same methodology and published in advance of January 1, April 1, July 1, and October 1.

In addition to this document, we will publish a quarterly updated document to include any amendments or adjustments to the methodology.

Index selection:

We rank all projects in the VCM based on multiple parameters, hoping to answer the question of "which projects are most easy to find/trade/retire". Our data is based on projects for 20+ registries & 29,000+ projects, capturing 99%+ of the VCM.

For the purposes of the index, only vintages no more than six calendar years will be eligible. That means that for an index period in 2024, any vintages from 2018 onwards will be eligible.

The most active projects in the VCM are determined by our Liquidity Score (explained here).

To ensure that the index is based on the most tradable projects in the eligible period, we have amended our original liquidity score as follows:

For projects/vintages last six calendar years:	*Weight*
Number of ratings	15%
Unique retiree accounts - last 1 year	5%
Number unique retirements - last 1 year	10%
Est value retired credits - last 1 year	10%
All time unique retiree accounts	10%
All time unique brokers	10%
Retired Credits - last 3 months	10%
Est value retired credits - last 3 months	5%
Retired Credits - last 1 year	10%
Retired Credits - last 5 year	5%
AO received number broker prices - last year	<u>10%</u>
	100%

We then rank these projects according to their percentile score out of all projects in the AlliedOffsets database. Before considering other requirements, this liquidity score ranking will provide the initial list of potential projects for the index.

Index criteria:

Vintage:
As mentioned above, only vintages no more than six calendar years will be eligible. That means that for an index period in 2024, vintages from 2018 onwards will be eligible.

There have to be at least two eligible vintages for a project to be available for inclusion in the index.

Available credits:
There has to be at least 1,000,000 credits unretired credits in the eligible vintages.

No consistent eligibility requirement:
For a given project, there will be cases where some, but not other vintages are eligible for tax schemes, etc. It could be that 2018 & 2019 vintages are not eligible, but later ones are. This will **not** impact the eligibility of the various vintages into the index - all are still eligible to be delivered against the index. But obviously as tax eligible credits are likely to be more expensive there will be an incentive to use the cheaper ineligible credits.

Here is a blog we wrote about our ongoing work with tax eligible credits:
https://blog.alliedoffsets.com/vcm-credits-eligible-for-compliance-tax-schemes

Below is an example output of liquidity scores for eligible projects/vintages (using the entire AlliedOffsets database, but only applying it to vintages of the past six calendar years). Note that this liquidity score is an ever changing number and as a result you should expect to potentially see different rankings of the liquidity scores in the various quarterly indexing periods:

	Project ID	Project name	Liquidity score
1	VCS1477	Katingan Peatland Restoration and Conservation Project	0.985
2	VCS2250	Delta Blue Carbon - 1	0.982
3	GSR5642	Burn Stoves Project in Kenya	0.980
4	VCS1650	Reduced Emissions from Deforestation and Degradation in Keo Seima Wildlife Sanctuary	0.977
5	GSR7312	Promoting Improved Cooking practices in Nigeria	0.965
6	VCS1748	Southern Cardamom REDD+ Project	0.960
7	VCS1742	Hydroelectric Project in Kinnaur District in Himachal Pradesh	0.955
8	VCS2508	UNITOR REDD+ PROJECT	0.949
9	VCS934	The Mai Ndombe REDD+ Project	0.948
10	GSR447	Improved Cookstoves for Social Impact in Ugandan	0.944

		Communities	
11	VCS1753	Bundled Solar Photovoltaic Project by ACME	0.941
12	VCS2478	Reducing Gas Leakages within the Titas Gas Distribution Network in Bangladesh - CER Conversion	0.924
13	VCS2082	Qianbei Afforestation Project	0.922
14	VCS1805	Solar Energy Project(s) by SB Energy Private Limited	0.914
15	GSR7468	300 MW Wind Energy Project by Green Infra Wind Energy Limited	0.912
16	VCS1622	REDD+ Project for Caribbean Guatemala: The Conservation Coast	0.912
17	VCS1851	Renewable Solar Power Project by ReNew Solar Power Private Limited	0.900
18	GSR10790	GS10789 VPA1: Efficient and Clean Cooking for households in Somalia	0.899
19	CAR1480	Phlogiston Phase I	0.896
20	VCS1566	REDD+ Project Resguardo Indigena Unificado Selva de Mataven (RIU SM)	0.894
	"Bench"		
21	ACR114	GreenTrees ACRE (Advanced Carbon Restored Ecosystem)	0.879
22	VCS1067	Reduction of deforestation and degradation in Tambopata National Reserve and Bahuaja-Sonene National Park within the area of Madre de Dios region ‚ÄìPeru	0.875
23	VCS1812	VTRM Renewable Energy	0.868
24	VCS1728	Bundled Wind Power Project by Mytrah Group	0.866
25	VCS1950	Longyuan Mulilo De Aar 2 North Wind Energy Facility	0.866

Below is a sample of vintages for the various projects that have had retirements in the past (so likely to be the most available vintages) and the remaining credits for those vintages:

	Project ID	Eligible already retired vintages	Remaining credits
1	VCS1477	[2018.0, 2019.0, 2020.0]	13,428,308
2	VCS2250	[2018.0, 2019.0, 2020.0, 2021.0]	2,228,091
3	GSR5642	[2018.0, 2019.0, 2020.0, 2021.0, 2022.0, 2023.0]	1,095,089
4	VCS1650	[2018.0, 2019.0, 2020.0, 2021.0]	4,880,613
5	GSR7312	[2018.0, 2019.0, 2020.0, 2021.0]	1,300,746
6	VCS1748	[2018.0, 2019.0, 2020.0, 2021.0]	14,413,352
7	VCS1742	[2018.0, 2019.0, 2020.0, 2021.0,	12,499,979

		2022.0]	
8	VCS2508	[2018.0, 2019.0, 2020.0, 2021.0, 2022.0]	1,903,712
9	VCS934	[2018.0, 2019.0, 2020.0]	18,787,702
10	GSR447	[2018.0, 2019.0, 2020.0, 2021.0, 2022.0]	1,089,361
11	VCS1753	[2018.0, 2019.0, 2020.0, 2021.0]	4,574,131
12	VCS2478	[2018.0, 2019.0]	2,720,124
13	VCS2082	[2018.0, 2019.0, 2020.0, 2021.0]	1,280,840
14	VCS1805	[2018.0, 2019.0, 2020.0, 2021.0, 2022.0]	1,812,828
15	GSR7468	[2019.0, 2020.0, 2021.0, 2022.0]	1,209,894
16	VCS1622	[2018.0, 2019.0, 2020.0, 2021.0]	2,134,939
17	VCS1851	[2018.0, 2019.0, 2020.0, 2021.0, 2022.0]	1,941,528
18	GSR10790	[2019.0, 2020.0, 2021.0, 2022.0]	1,531,275
19	CAR1480	[2021.0, 2022.0, 2023.0]	5,846,551
20	VCS1566	[2018.0, 2019.0]	7,766,732
	"Bench"		
21	ACR114	[2018.0, 2019.0, 2020.0]	2,114,260
22	VCS1067	[2018.0, 2019.0, 2020.0]	1,089,900
23	VCS1812	[2018.0, 2020.0, 2021.0]	1,115,681
24	VCS1728	[2018.0, 2019.0, 2020.0, 2021.0, 2022.0]	1,750,736
25	VCS1950	[2018.0, 2019.0, 2020.0, 2021.0, 2022.0]	1,913,894

Ratings requirement:
There are currently no quality ratings requirements.

Registry:
There is currently no restriction on registries. They can all be from one registry or a registry may not be represented in the index. Restrictions might hamper liquidity of the index.

Project Type:
There is currently no restriction on project types.

Geography:

There is currently no restriction on geography.

2. Index Weighting:

The weighting of the 20 projects that make it into the index is based on the value of the credits retired for the past year. Projects that have a higher value of retired credits get a higher weighting in the index.

The logic behind this weighing is that it mostly closely reflects VCM market activity.

We believe that a weighing of the index based on values of retired credits makes sense. In a perfect (if unrealistic) world, where credits only trade on the basis of their perceived CO_2 benefits, a credit trading at $25 per credit could be expected to have 5x the CO_2 benefit of a $5 credit. If both credits had the same number of annual retirements, then the $25 credit should be a larger part of the index (reflecting higher CO_2 benefit). Meanwhile, if there were 5x the number of $5 credits retired, the amount of credits in the index would be 5x the $25 credit (the two projects would be providing similar CO_2 benefits). While the market doesn't fully operate this way there does seem to be a recognition that more expensive credits provide a higher expected carbon benefit.

To ensure that no one project dominates the index or is irrelevantly small, the max and min share of the index is 10% and 1% respectively (post adjustment, the weighting could be bigger, as example below).

Using the AlliedOffsets estimated values of retired credits for the 12 months preceding the index creation period, the 20 projects with highest liquidity score (and meeting other requirements) are as follows:

	Max %	10.0%					
	Min %	1.0%	Value retired			Adjusted	
		Project ID	last 12 months	% of total	adjusted %	value retired	% of total
1		VCS1477	$32,627,293	31.0%	10.0%	$10,516,960	14.4%
2		VCS2250	$21,612,459	20.6%	10.0%	$10,516,960	14.4%
3		GSR5642	$3,608,772	3.4%	3.4%	$3,608,772	4.9%
4		VCS1650	$5,049,829	4.8%	4.8%	$5,049,829	6.9%
5		GSR7312	$3,814,798	3.6%	3.6%	$3,814,798	5.2%
6		VCS1748	$4,125,769	3.9%	3.9%	$4,125,769	5.6%
7		VCS1742	$1,387,385	1.3%	1.3%	$1,387,385	1.9%
8		VCS2508	$2,197,257	2.1%	2.1%	$2,197,257	3.0%

9	VCS934	$1,165,888	1.1%	1.1%	$1,165,888	1.6%
10	GSR447	$6,274,498	6.0%	6.0%	$6,274,498	8.6%
11	VCS1753	$2,061,455	2.0%	2.0%	$2,061,455	2.8%
12	VCS2478	$2,103,976	2.0%	2.0%	$2,103,976	2.9%
13	VCS2082	$1,524,629	1.4%	1.4%	$1,524,629	2.1%
14	VCS1805	$2,157,672	2.1%	2.1%	$2,157,672	2.9%
15	GSR7468	$511,976	0.5%	1.0%	$1,051,696	1.4%
16	VCS1622	$4,888,119	4.6%	4.6%	$4,888,119	6.7%
17	VCS1851	$3,376,207	3.2%	3.2%	$3,376,207	4.6%
18	GSR10790	$351,123	0.3%	1.0%	$1,051,696	1.4%
19	CAR1480	$4,906,096	4.7%	4.7%	$4,906,096	6.7%
20	VCS1566	$1,424,400	1.4%	1.4%	$1,424,400	1.9%
		$105,169,599	100.0%		$73,204,060	100.0%

	"Bench"	
21	ACR114	$7,019,162
22	VCS1067	$10,399,001
23	VCS1812	$1,417,388
24	VCS1728	$700,021
25	VCS1950	$678,091

The right hand column of weightings above represent the values in the index of the various projects at the start of the indexing period (Jan 1, April 1, July 1, Oct 1).

Calculating credits in the index:

When calculating the number of individual credits that the weights of the projects represent, we use the median price per credit for the 5 prices prior to the indexing period for each of the eligible vintages. That means that for a January 1 index creation, for each project/vintage combination in the index we use the median of the prior 5 weekly price points (median is to avoid outlier prices impacting the index).

As an example, if Project VCS1234 of vintages 2019 had prices of $4.50, $4.25, $4.70, $4.35, and $4.55 as the five latest prices prior to January 1 then the reference price for that vintage would be $4.50. If the eligible vintages for VCS1234 had following vintage/price combinations: 2018: $4.40/ 2019: $4.55 / 2020: $4.35 / 2021: $4.60, then the minimum reference price would be 2020 at $4.35. We use this price as it is the cheapest vintage which is deliverable into the index.

Note: AO prices estimates are typically based on offer prices. We believe that the vast majority of activity in the VCM market (both on exchanges and OTC) take place at or near the offer prices, and using those AO estimated prices is therefore a fair reflection of the market.

We now know the weighting of the various projects into the index, the eligible vintages (any in past six calendar years), and the minimum median reference price. Using these inputs we can calculate the number of credits for each project in the index.

We find the units in the index by applying the weights and reference price to a fixed amount. Using $10,000 as the January 1 index value we can find the units for each of the projects.

As an example, if Project VCS1234 with a reference price of $4.35 had a 7.3% weight in the index, the number of credits that this project would have in the index would be calculated as follows:

($10,000 * 7.3%) / $4.35 = 167.81 (rounded to 168)

Similarly, continuing the example of above, the units for each of the projects in the Jan 1 index would be as follows:

	Project ID	Index Weighting	Min Median Reference Price	Credits / project for $10k of index	Round to nearest unit
1	VCS1477	14.37%	$4.73	304.06	304
2	VCS2250	14.37%	$27.01	53.19	53
3	GSR447	8.57%	$5.70	150.50	151
4	VCS1650	6.90%	$4.17	165.63	166
5	CAR1480	6.70%	$3.56	188.52	189
6	VCS1622	6.68%	$5.26	126.95	127
7	VCS1748	5.64%	$2.44	231.46	231
8	GSR7312	5.21%	$5.12	101.88	102
9	GSR5642	4.93%	$7.04	70.07	70
10	VCS1851	4.61%	$1.27	363.15	363
11	VCS2508	3.00%	$6.91	43.47	43
12	VCS1805	2.95%	$1.23	239.63	240
13	VCS2478	2.87%	$2.05	140.20	140
14	VCS1753	2.82%	$1.11	254.85	255
15	VCS2082	2.08%	$6.30	33.06	33

	Project ID				
16	VCS1566	1.95%	$4.85	40.16	40
17	VCS1742	1.90%	$0.97	195.38	195
18	VCS934	1.59%	$2.40	66.50	66
19	GSR7468	1.44%	$2.50	57.58	58
20	GSR10790	1.44%	$6.60	21.77	22
		100.0%			2,848

The way to read the outline above is that to recreate the index you need to have 102 credits (of a vintage of the last six calendar years) for Project ID GSR7312, and you will need 255 credits from Project ID VCS1753.

Again, you can deliver any vintage of the past six years into the index, and for purposes of pricing the index using AlliedOffsets prices, the cheapest of the eligible prices will be used.

In the case above, the credits that go into the index from different projects will range from low double digits to well into the triple digits. This difference reflects the difference in reference price and weight in the index.

Using sample prices the value of the index is calculated as follows:

	Project ID	Cheapest vintage	Number credits	Total cost of credits
1	VCS1477	$4.65	304	$1,414
2	VCS2250	$27.57	53	$1,461
3	GSR447	$5.70	151	$860
4	VCS1650	$4.07	166	$676
5	CAR1480	$3.66	189	$692
6	VCS1622	$5.11	127	$648
7	VCS1748	$2.44	231	$562
8	GSR7312	$4.91	102	$500
9	GSR5642	$6.69	70	$468
10	VCS1851	$1.09	363	$394
11	VCS2508	$6.47	43	$278
12	VCS1805	$0.97	240	$232
13	VCS2478	$1.63	140	$228
14	VCS1753	$0.72	255	$184
15	VCS2082	$6.30	33	$208

16	VCS1566	$4.56	40	$182
17	VCS1742	$0.94	195	$183
18	VCS934	$2.10	66	$139
19	GSR7468	$2.26	58	$131
20	GSR10790	$6.42	22	$141
			2,848	$9,580.3

In the example above, the quoted value of the Tradable20 index is $3.36, and this is the number we will use in quoting the value of the index.

Given the number of credits used in the index and sample prices, the total cost of buying the 2,848 credits that make up the index would be $9,580. Note: the reason that the cost of buying the 2,848 credits does not add up to $10,000 is that prices have changed since the index creation.

3. Index creation for January 1, 2024:

Step 1: Run all projects through the AlliedOffsets Liquidity Score with restrictions outlined above regarding retired vintages and minimum credits remaining:

	Project ID	Project name	Liquidity score
1	VCS1477	Katingan Peatland Restoration and Conservation Project	0.990
2	VCS2250	Delta Blue Carbon – 1	0.975
3	GSR5642	Burn Stoves Project in Kenya	0.973
4	VCS1650	Reduced Emissions from Deforestation and Degradation in Keo Seima Wildlife Sanctuary	0.961
5	VCS1748	Southern Cardamom REDD+ Project	0.956
6	CAR1480	Phlogiston Phase I	0.950
7	VCS1753	Bundled Solar Photovoltaic Project by ACME	0.944
8	GSR7312	Promoting Improved Cooking practices in Nigeria	0.937
9	VCS1742	Hydroelectric Project in Kinnaur District in Himachal Pradesh	0.936
10	VCS1851	Renewable Solar Power Project by ReNew Solar Power Private Limited	0.930
11	ACR114	GreenTrees ACRE (Advanced Carbon Restored Ecosystem)	0.927
12	VCS1805	Solar Energy Project(s) by SB Energy Private Limited	0.926
13	GSR7071	400 MW Solar Power Project at Bhadla, Rajasthan	0.921
14	VCS2508	UNITOR REDD+ PROJECT	0.920
15	VCS934	The Mai Ndombe REDD+ Project	0.912
16	VCS2478	Reducing Gas Leakages within the Titas Gas Distribution Network in Bangladesh - CER Conversion	0.906
17	VCS1067	Reduction of deforestation and degradation in Tambopata National Reserve and Bahuaja-Sonene National Park within the area of Madre de Dios region –Peru	0.891
18	GSR447	Improved Cookstoves for Social Impact in Ugandan Communities	0.888
19	GSR7468	300 MW Wind Energy Project by Green Infra Wind Energy Limited	0.882
20	VCS2082	Qianbei Afforestation Project	0.881
	"Bench"		
21	VCS487	210 MW Musi Hydro Power Plant, Bengkulu	0.878
22	VCS1622	REDD+ Project for Caribbean Guatemala: The Conservation Coast	0.870
23	VCS1566	REDD+ Project Resguardo Indigena Unificado Selva de Mataven	0.868

		(RIU SM)	
24	VCS1792	Ghani Solar Renewable Power Project by Greenko Group	0.838
25	VCS1812	VTRM Renewable Energy	0.838

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Step 1b: See eligible vintages that have had retirements & remaining credits of those vintages:

	Project ID	Eligible already retired vintages	Remaining credits
1	VCS1477	[2018.0, 2019.0, 2020.0]	11,694,695
2	VCS2250	[2018.0, 2019.0, 2020.0, 2021.0]	1,939,193
3	GSR5642	[2018.0, 2019.0, 2020.0, 2021.0, 2022.0, 2023.0]	1,040,507
4	VCS1650	[2018.0, 2019.0, 2020.0, 2021.0]	4,731,156
5	VCS1748	[2018.0, 2019.0, 2020.0, 2021.0]	14,406,731
6	CAR1480	[2021.0, 2022.0, 2023.0]	7,064,329
7	VCS1753	[2018.0, 2019.0, 2020.0, 2021.0]	4,213,211
8	GSR7312	[2018.0, 2019.0, 2020.0, 2021.0]	1,257,761
9	VCS1742	[2018.0, 2019.0, 2020.0, 2021.0, 2022.0]	12,235,372
10	VCS1851	[2018.0, 2019.0, 2020.0, 2021.0, 2022.0]	1,934,099
11	ACR114	[2018.0, 2019.0, 2020.0, 2021.0, 2022.0]	3,455,200
12	VCS1805	[2018.0, 2019.0, 2020.0, 2021.0, 2022.0]	1,466,015
13	GSR7071	[2019.0, 2020.0, 2021.0, 2022.0]	1,793,186
14	VCS2508	[2018.0, 2019.0, 2020.0, 2021.0, 2022.0]	1,801,373
15	VCS934	[2018.0, 2019.0, 2020.0]	16,408,470
16	VCS2478	[2018.0, 2019.0]	2,718,266
17	VCS1067	[2018.0, 2019.0, 2020.0]	1,061,382
18	GSR447	[2018.0, 2019.0, 2020.0, 2021.0, 2022.0]	1,017,773
19	GSR7468	[2019.0, 2020.0, 2021.0, 2022.0]	1,083,285
20	VCS2082	[2018.0, 2019.0, 2020.0, 2021.0]	1,270,526
	"Bench"		
21	VCS487	[2018.0, 2019.0, 2020.0]	2,037,904
22	VCS1622	[2018.0, 2019.0, 2020.0, 2021.0]	1,777,928
23	VCS1566	[2018.0, 2019.0]	7,729,900
24	VCS1792	[2018.0, 2019.0, 2020.0, 2021.0, 2022.0]	3,496,487
25	VCS1812	[2018.0, 2020.0, 2021.0, 2022.0]	1,446,253

Step 2: Find the percentage weights of the projects that go into the index:

		Value retired			Adjusted	
Max %	10.0%					
Min %	1.0%					
	Project ID	last 12 months	% of total	adjusted %	value retired	% of total
1	VCS1477	$39,416,454	25.0%	10.0%	$15,737,296	12.3%
2	VCS2250	$22,890,539	14.5%	10.0%	$15,737,296	12.3%
3	GSR5642	$4,086,609	2.6%	2.6%	$4,086,609	3.2%
4	VCS1650	$6,228,773	4.0%	4.0%	$6,228,773	4.9%
5	VCS1748	$11,444,952	7.3%	7.3%	$11,444,952	9.0%
6	CAR1480	$5,682,045	3.6%	3.6%	$5,682,045	4.5%
7	VCS1753	$5,006,238	3.2%	3.2%	$5,006,238	3.9%
8	GSR7312	$6,043,212	3.8%	3.8%	$6,043,212	4.7%
9	VCS1742	$2,720,093	1.7%	1.7%	$2,720,093	2.1%
10	VCS1851	$6,932,834	4.4%	4.4%	$6,932,834	5.4%
11	ACR114	$9,769,695	6.2%	6.2%	$9,769,695	7.7%
12	VCS1805	$4,716,049	3.0%	3.0%	$4,716,049	3.7%
13	GSR7071	$1,359,842	0.9%	1.0%	$1,573,730	1.2%
14	VCS2508	$2,386,974	1.5%	1.5%	$2,386,974	1.9%
15	VCS934	$2,871,566	1.8%	1.8%	$2,871,566	2.3%
16	VCS2478	$2,344,373	1.5%	1.5%	$2,344,373	1.8%
17	VCS1067	$11,943,112	7.6%	7.6%	$11,943,112	9.4%
18	GSR447	$8,432,504	5.4%	5.4%	$8,432,504	6.6%
19	GSR7468	$842,776	0.5%	1.0%	$1,573,730	1.2%
20	VCS2082	$2,254,321	1.4%	1.4%	$2,254,321	1.8%
		$157,372,958	100.0%		$127,485,398	100.0%

	"Bench"		
21	VCS487	$2,991,956	
22	VCS1622	$8,338,872	
23	VCS1566	$1,751,942	
24	VCS1792	$1,212,245	

25	VCS1812	$1,630,124

Step3: Calculate the number of credits that go into the index from the various projects:

	Project ID	Index Weigthing	Min Median Reference Price	Credits / project for $10k of index	Round to nearest unit
1	VCS1477	12.34%	$4.73	261.26	261
2	VCS2250	12.34%	$27.01	45.70	46
3	VCS1067	9.37%	$6.90	135.77	136
4	VCS1748	8.98%	$2.44	368.68	369
5	ACR114	7.66%	$15.57	49.23	49
6	GSR447	6.61%	$5.70	116.15	116
7	VCS1851	5.44%	$1.27	428.20	428
8	VCS1650	4.89%	$4.17	117.31	117
9	GSR7312	4.74%	$5.12	92.67	93
10	CAR1480	4.46%	$3.56	125.37	125
11	VCS1753	3.93%	$1.11	355.38	355
12	VCS1805	3.70%	$1.23	300.75	301
13	GSR5642	3.21%	$7.04	45.57	46
14	VCS934	2.25%	$2.40	94.05	94
15	VCS1742	2.13%	$0.97	219.96	220
16	VCS2508	1.87%	$6.91	27.12	27
17	VCS2478	1.84%	$2.05	89.70	90
18	VCS2082	1.77%	$6.30	28.07	28
19	GSR7071	1.23%	$2.61	47.39	47
20	GSR7468	1.23%	$2.50	49.48	<u>49</u>
		100.0%			2,997

Note: the limit on the weighting is 10%, pre-adjustment. So if a project represents an initial $300 of a total of $1000 value in the index then that value is adjusted down to $100 (10% of $1000). But this means that the post-adjustment share is now $100 out of $800 total value ($1000-$200) for an adjusted total $100/$800 = 12.5% for that project.

Step4: Calculate the price of the index (as of the latest price import into this document) - in reality this price will update continuously.

	Project ID	Cheapest Vintage	Number Credits	Total cost of credits
1	VCS1477	$5.17	261	$1,349
2	VCS2250	$26.55	46	$1,221
3	VCS1067	$6.93	136	$942
4	VCS1748	$1.87	369	$688
5	ACR114	$15.53	49	$761
6	GSR447	$5.82	116	$675
7	VCS1851	$1.66	428	$710
8	VCS1650	$4.06	117	$475
9	GSR7312	$5.11	93	$475
10	CAR1480	$5.20	125	$650
11	VCS1753	$1.29	355	$456
12	VCS1805	$1.56	301	$468
13	GSR5642	$6.74	46	$310
14	VCS934	$1.33	94	$125
15	VCS1742	$1.17	220	$256
16	VCS2508	$6.39	27	$173
17	VCS2478	$1.93	90	$173
18	VCS2082	$6.34	28	$178
19	GSR7071	$2.67	47	$125
20	GSR7468	$2.59	<u>49</u>	<u>$127</u>
			2,997	$10,337.0

Price of index:	$3.45

For any thoughts on issues and improvements, please reach out to us at hello@alliedoffsets.com.