

Methodology

The Canon 8 · an institutional index of digital art on Ethereum

PURPOSE

What the index measures

The Canon 8 is a rules-based benchmark for the works that define digital art as a collecting category. Every constituent is held as a work of cultural significance, and no single name, CryptoPunks included, exceeds 25%. The index is reconstructed quarterly from base 100 at 1 January 2022 and reported in US dollars.

CONTEXT

Why a new benchmark

Grail used the Bitwise Blue-Chip NFT Collections Index as its reference for two years. At its October 2025 rebalance that index stood at roughly 58% CryptoPunks, uncapped, and was majority profile-picture collections. That composition is a fair gauge of the blue-chip NFT market, but it does not match an art-only mandate. The Canon 8 keeps CryptoPunks as a foundational work, caps every constituent at 25%, and restricts the universe to works selected as art.

UNIVERSE AND SELECTION

Five filters, applied in sequence

- 1 Art qualification.** The work must stand as art, not solely as a profile-picture or status collection.
- 2 Top-tier standing.** A recognised flagship within its category, by record and reputation.
- 3 Institutional validation.** Collected, exhibited, or preserved by museums, major houses, or comparable institutions.
- 4 Cycle resilience.** A demonstrated ability to hold cultural and market relevance across a full cycle.
- 5 Bucket coverage.** One canonical collection per artist, chosen so the eight together span the medium.

WEIGHTING

Capped market-cap

Each constituent is weighted by a compressed, premium-adjusted market capitalisation, normalised to 100%, subject to a 25% cap and a 5% floor.

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weight  $\propto$  sqrt( market cap  $\times$  (1 - liquidity discount) )  $\times$  canon premium,  
normalised to 100%, subject to a 25% cap and a 5% floor.
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The square-root compression limits the dominance of the largest collection; the liquidity discount marks down thinly traded names; the canon premium, bounded between 1.0 and 1.7 and applied as lift only, recognises art-historical weight. Three of the four steps are reproducible from public data. The canon premium is the one proprietary input, and the index does not depend on it: ordering and shape are stable without it. The 25% cap is binding on CryptoPunks.

GOVERNANCE

Five standing dimensions, no committee

The Canon 8 has no discretionary index committee. Selection and continued membership are anchored to five standing dimensions, applied consistently to every constituent.

INNOVATION	A technical or formal first that moved the medium forward.
HISTORICAL POSITION	A fixed point in the timeline of digital art.
ARTISTIC AUTHORSHIP	A named artist with a coherent, attributable body of work.
CULTURAL INFLUENCE	Reach beyond the market, into the wider culture.
INSTITUTIONAL MEMORY	Collected, exhibited, or preserved by lasting institutions.

SENSITIVITY

The shape is stable across rule sets

Weights are shown under three rule sets: no compression and no premium, compression only, and Option B (compression plus premium, the published rule). Across all three the ordering is stable and CryptoPunks is capped at 25%. The index does not depend on the proprietary premium.

CONSTITUENT	NO COMP., NO PREM.	COMPRESSION ONLY	OPTION B
CryptoPunks	25.0%	25.0%	25.0% CAP
Chromie Squiggle	25.0%	19.4%	16.8%
Autoglyphs	11.1%	12.2%	14.2%
Fidenza	16.3%	14.8%	12.8%
Grifters by XCOPY	7.6%	10.1%	10.0%
Everydays 2020	5.0%	5.8%	8.6%
Ringers	5.0%	7.8%	6.8%
Winds of Yawanawa	5.0%	5.0%	5.8%
Total	100.0%	100.1%	100.0%

Final weights apply the 25% cap (binding on CryptoPunks) and the 5% floor, normalised to 100%. Source: Grail backtest engine, Option B, 15 June 2026. Floors and 90-day sales: NFT Price Floor, 15 June 2026.

DATA AND SOURCES

Inputs and maintenance

Constituent floors are read at each quarter-end and the index is maintained on a monthly cadence. From July 2026, following the closure of NFT Price Floor, constituent floors are sourced from OpenSea.

Sources: NFT Price Floor (floor prices, closing 30 June 2026; OpenSea thereafter) · CoinGecko (total NFT market cap) · Investing.com (ETH, monthly close). Bitwise reference: bitwiseinvestments.com.

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