

# HyperDex

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# 1.0 Introduction

## 1.1 DeFi

DeFi is creating an ecosystem of financial applications deployed on a variety of public blockchain networks. These networks are decentralized, immutable, and permissionless. This eliminates the need for third-party mediators, ensures the integrity of data is maintained, and allows anyone with an address and an internet connection to participate. DeFi is not a single entity, but a collection of loosely bound ideas and protocols revolutionizing financial services through the use of blockchain technology.

Since its inception, DeFi has experienced unprecedented expansion. It has emerged as the most exciting innovation in the finance and investment sectors. DeFi is critical for every cryptocurrency investor as it relies on smart contract protocols, offering better returns and options than traditional banks. DeFi instruments are permissionless, peer-to-peer, mutualized, and often fully automated.

DeFi is heterogeneous and sophisticated with huge potential in the current and near future, with each innovation paving the way for the following one. However, DeFi is not without its current limitations that create a barrier for retail investors.

## 1.2 Problems

There are a number of barriers hindering the usability and subsequent adoption of DeFi in its current state. These barriers make it difficult for retail investors to participate and capture the newly generated value within DeFi.

Among these barriers include:

1. DeFi offers an extensive variety of products with mechanisms that feature different risks and returns, **increasing the complexity of DeFi instruments**.
2. The crypto market functions 24/7 and is both highly complex and volatile, **requiring extensive research to successfully curate profitable strategies**.
3. Many DeFi protocols require a proper understanding of how their smart contracts function, otherwise **investors risk precarious exposure of capital**.

Without addressing the problems above, this creates a paradoxical situation in which DeFi becomes the least accessible sector in crypto and finance for retail investors.

## 2.0 Overview

HyperDex is a DeFi asset management platform that overcomes the aforementioned barriers and ultimately enables investors to easily and effectively capture the value generated by DeFi. This is done by routing investor's crypto assets into different HyperDex products through the use of algos and staking.

In return, HyperDex offers a number of benefits including:

- Mitigating the risks inherent to DeFi that cannot easily be managed by a single passive investor
- Providing a passive strategy for investors that do not have the time, knowledge, or experience to take advantage of DeFi opportunities
- Enabling anyone owning crypto assets to effectively invest in DeFi via the platform, with or without prior DeFi knowledge

### 2.1 Mission

HyperDex envisions the creation of a robust, decentralized financial asset management platform. These mirror standard traditional financial products, however everything is decentralized and automated. HyperDex aims to reach people from different financial backgrounds and geographical locations, offering them the fruits of DeFi. For many, HyperDex will be the first step taken in a journey that helps users become more savvy investors and enthusiasts.

### 2.2 Cubes

Each investment opportunity offered by HyperDex is collectively put in a container to differentiate the strategy chosen and expiration time. These containers are called 'Cubes'. Cubes function very similarly to decentralized exchange liquidity pools. By opting for a specific cube, users select a particular investment strategy and generate the expected income, which will always be known without any hidden fees or market mechanics. It is up to the user to research and understand the details of each respective cube.

HyperDex offers three different types of investment strategies, each with varied returns and risks:

- **Fixed Income**
- **Algorithm Trading**
- **Race Trading**

### **2.2.1 Fixed Income**

Fixed income cubes are investment strategies that offer a fixed income to the users on either stable coins or other crypto assets. Users can choose from a variety of fixed income cubes based on their expiration dates and returns. Users are responsible for reviewing and understanding the additional terms for each cube, such as pay-back rules and early redemption fees.

### **2.2.2 Algorithm Trading**

Algo-trading cubes are automated trading protocols based on a pure statistical arbitrage algorithm. Algo-trading cubes aim at bringing higher returns by identifying the market discrepancies among the leading crypto assets. HyperDex's algo-trading is a proprietary algorithm that has been used successfully for several years during various market conditions. Its trade execution is fully automated.

### **2.2.3 Race Trading**

Race trading cubes are very similar to that of cryptocurrency prediction markets. HyperDex's race trading cube enables users to speculate on the outcomes of future prices of selected crypto assets. Users make a prediction on the future price, then HyperDex race cube automatically calculates the necessary information for the user's stops, position in the market (long / short) along with proper leverage according to the risk selected by the user.

### **2.2.4 Expiration / Renewal**

Every cube has a built-in auto-renewal function that activates by default. At renewal, unlocked funds may be withdrawn or simply left to continue generating profit until the next expiration / renewal period. Funds may be withdrawn before the expiration date but will be subjected to an early redemption fee.

## **2.3 HyperCubes**

To increase returns, users may upgrade any type of cube into a HyperCube. HyperCubes are upgraded versions of normal cubes that offer higher returns along with additional rewards in the form of HYP tokens.

To upgrade a cube, users must stake an equivalent amount of HYP tokens ranging from 10-100% of their original investment. Once complete, the cube becomes a HyperCube resulting in higher rewards for the original base return as well as doubling the profits by receiving additional rewards in HYP.

Upgrading a cube to a HyperCube benefits the entire ecosystem. Firstly, each swap to make a HyperCube increases the user's yield. Additionally, due to the natural function of the liquidity pool, each swap converted into HYP immediately results in a higher HYP price.

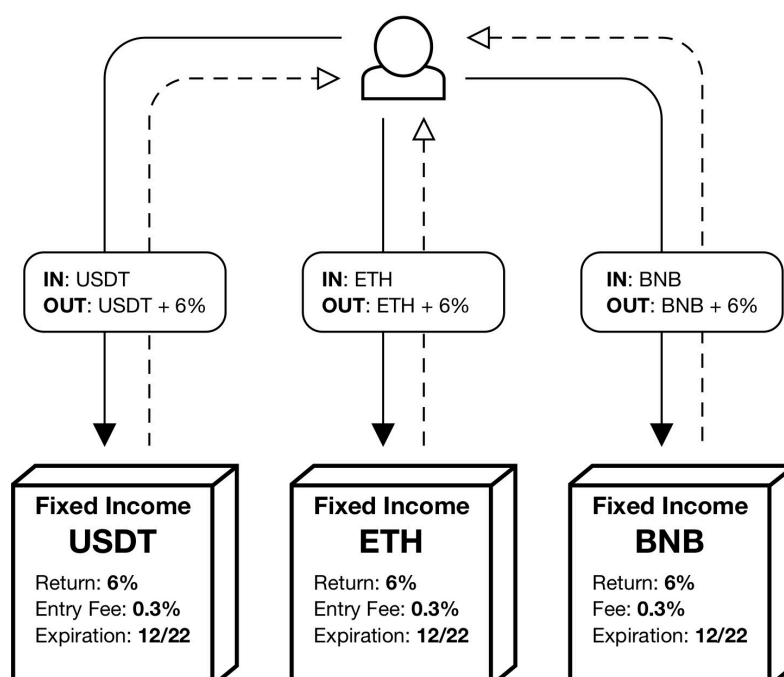
## 2.4 HYP Token

The Hyper token (HYP) is the native token for HyperDex. Its value is derived from the generation of transactional demand from a heterogeneous user base. The HYP token is created with the intention of enhancing the utility and productivity of the HyperDex platform.

By introducing the native HYP token, users are able to enjoy a better DeFi experience at comparatively low transactional costs while also capitalizing on the platform's growth. HYP also increases the attractiveness of HyperDex at an early stage by acting as an ideal reward token for the platform. Furthermore, HYP tokens encourage early adoption while also stabilizing the user base. This occurs due to the expectation that tokens will appreciate in price over time, resulting in lower carry-costs when using the token at later dates.

## 3.0 Fixed Income Cubes

A selection of fixed income cubes are available to users, with returns available for both stable coins as well as selected crypto assets. Each cube has its own expiration date along with relevant details pertaining to the investment such as ROI, reward distribution, early redemption fees, etc.



## 3.1 Cube Details

Each fixed income cube contains key information relevant to each respective cube, including but not limited to:

- **Asset**
- **Expiration**
- **Entry fee**
- **Fixed return (annualized)**
- **Lock up period**

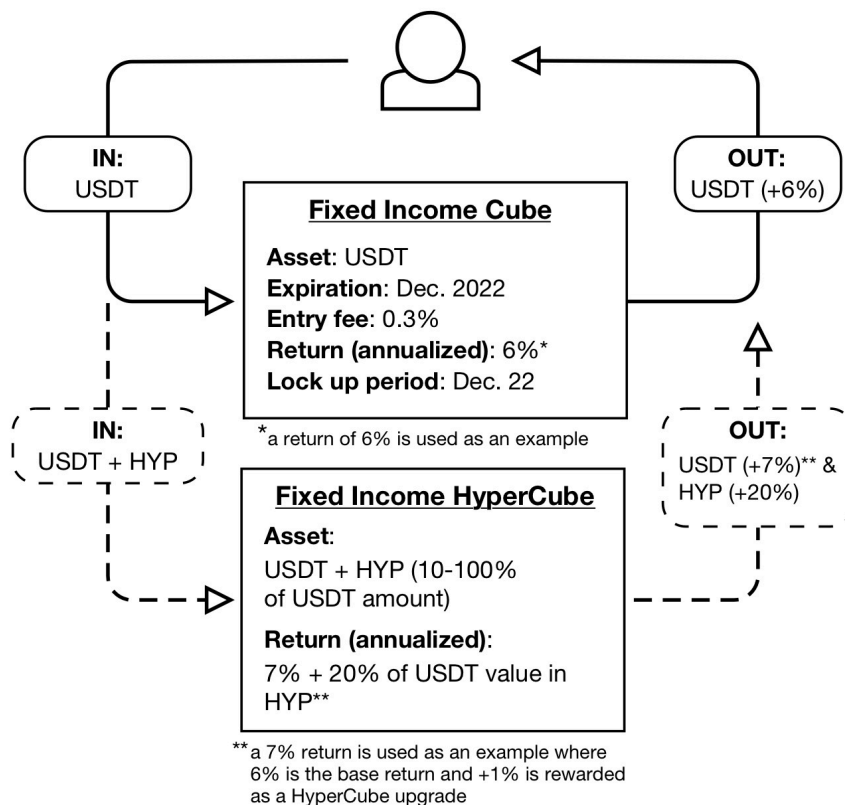
The asset variable represents the deposited stable coin or crypto asset that a user is earning returns on. The expiration simply marks the expiration date of the cube, resulting in users automatically receiving their rewards once over. The entry fee is the percentage fee of the user's investment, with the fee coming directly out of the deposit. The fixed return variable displays the annualized percentage return on the asset deposited into the cube. Lastly, the lock up period is the time period in which users must keep their deposits locked. If a user withdraws their investment before the expiration, their deposit is subjected to a 20% early redemption fee.

## 3.2 Fixed Income HyperCube

A user may choose to upgrade from a normal fixed income cube to a fixed income HyperCube, effectively increasing their overall returns. This is achieved by depositing an additional 10-100% of the original investment in HYP tokens. Once upgraded to a HyperCube, users receive an increased return on the original cube investment + an additional return on their deposited HYP tokens.

### 3.3 Example

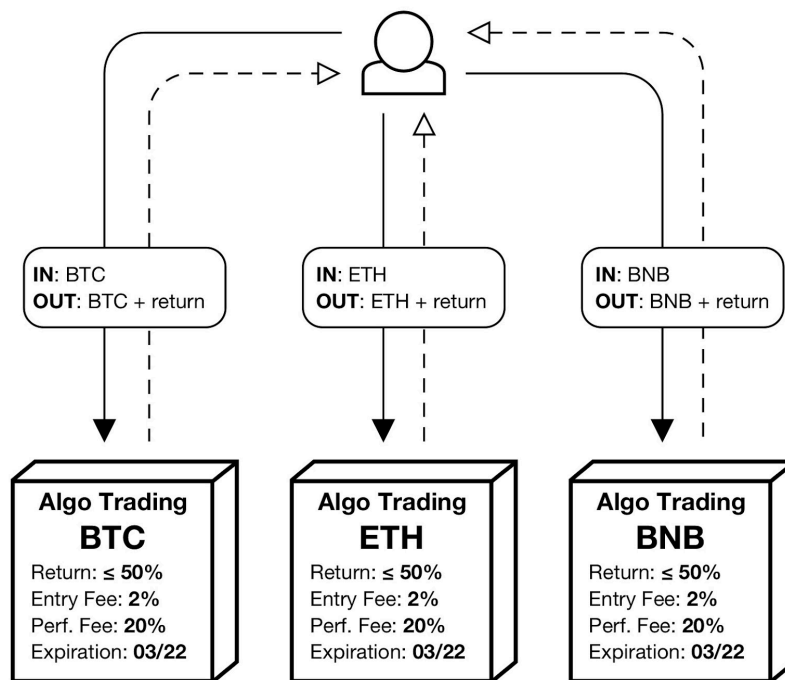
For example: consider a fixed income cube with a 6% annualized return on deposited USDT, a December 2022 expiration, an entry fee of 0.3% of the deposited USDT, and a lock up period ending December 22nd 2022



In this example, a user would yield an annualized return of 6% on their deposited USDT. If the same cube was upgraded to a HyperCube, the user would yield an annualized return of 7% on their deposited USDT + 20% of the USDT value in HYP tokens. In the end, HyperCubes reward users with both an increased return on their original deposited assets plus an additional return on their deposited HYP tokens.

## 4.0 Algorithm Trading Cubes

Algo trading cubes take a data driven approach to the market and act purely based on statistical algorithms. Using a proprietary system, algo trading cubes are able to identify market discrepancies among the main cryptocurrencies. A complex chain analysis of a given cryptocurrency is conducted at all times, finding the most profitable path for selected coins. These paths are traded and achieve relatively high returns in comparison to the risk.



## 4.1 Cube Details

Each algo trading cube contains key information relevant to each respective cube, including but not limited to:

- Asset
- Expiration
- Entry fee
- Performance Fee
- Return (annualized)
- Lock up period

The information contained within algo trading cubes such as asset, expiration, entry fee, return, and lock up period function similarly to previously mentioned fixed income cubes. Performance fee represents the fee taken from the cube's net profit. If a user withdraws their investment before the expiration, their deposit is subjected to a 20% early redemption fee.

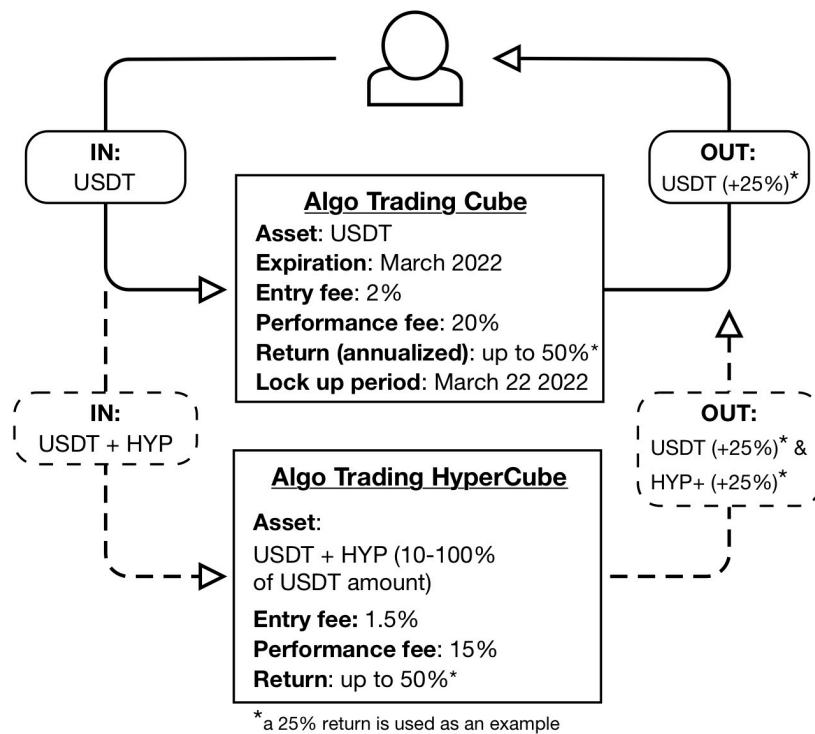
## 4.2 Algo Trading HyperCube

A user may choose to upgrade from a normal algo trading cube to an algo trading HyperCube, resulting in the user receiving an overall increase in returns. This is done by depositing an additional 10-100% of the original investment in HYP. Once upgraded, algo trading HyperCubes reward users by decreasing performance fees along with rewarding users with HYP tokens equivalent to the USDT value of the performance return.



## 4.3 Example

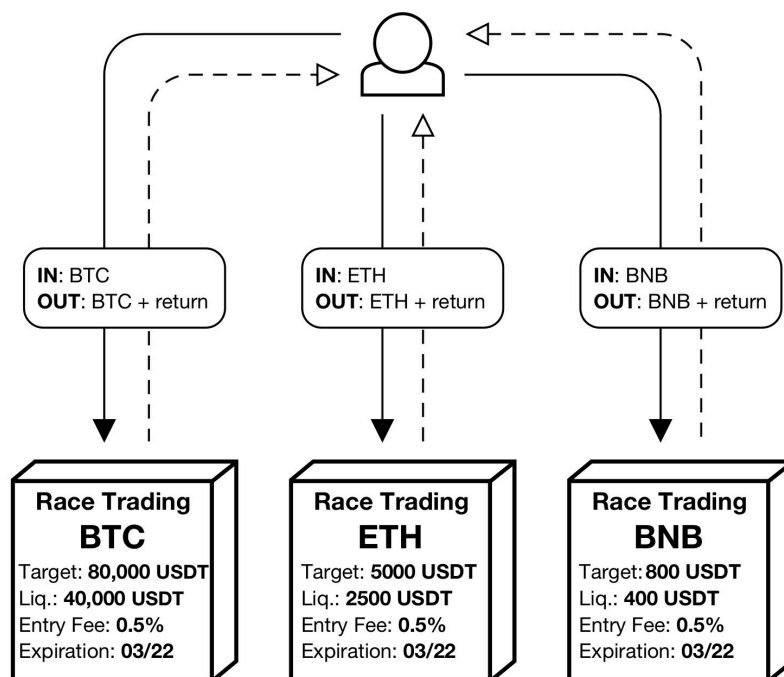
For example: consider an algo trading cube with a variable return of up to 50% on USDT, a March 2022 expiration, an entry fee of 2% of the deposited USDT, a performance fee of 20% of the net profit, and finally a lock up period ending March 22 2022.



In this example, if the algo trading cube yielded a 25% return, the user would receive a 25% return (minus a 20% performance fee). If the same algo trading cube was upgraded to a HyperCube, a user would receive both 25% of their deposited USDT along with 25% of the USDT value in HYP, with a lower performance fee of 15% as well as a lower entry fee of 1.5%. Therefore, HyperCubes increase overall returns by lowering the performance and entry fee and enabling users to earn a double variable return.

## 5.0 Race Trading Cubes

Race trading cubes enable users to make market predictions on a specific crypto asset. Users may select a long or short position based on their predictions and then generate a profit if the asset's price achieves the selected price value before expiration. Race trading cubes are a more aggressive approach similar to a futures contract trade, with the added benefit that profit and potential losses are immediately visible in the cube's structure.



## 5.1 Cube Details

Each race trading cube contains key information relevant to each respective cube, including but not limited to:

- Asset
- Expiration
- Entry fee
- Target price
- Liquidation price
- Return (annualized)
- Lock up period

The information contained within the race trading cube such as asset, expiration, entry fee, return, and lock up period function similarly to the fixed income and algo trading cubes. Target price represents the price at which the cube automatically distributes the user's reward before expiration. Liquidation price represents the price at which a user's race trading investment is liquidated (i.e. lost). If neither the target price nor liquidation price are reached by expiration, the user's return is based on the market price at expiration. If above a user's entry price, the user profits. If below the entry price, the user makes a loss.

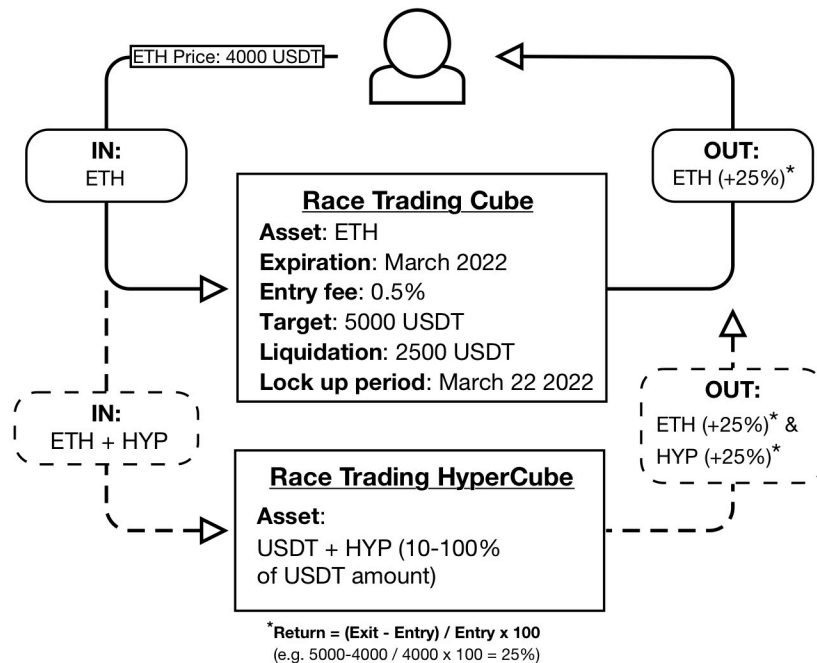
## 5.2 Race Trading HyperCube

As with other cubes, users may choose to upgrade from a normal race trading cube to a race trading HyperCube. This increases the user's overall returns. To upgrade a race trading cube, users must deposit an additional 10-100% of the original investment in HYP.

Once upgraded, race trading HyperCubes reward users with a return on their original investment along with HYP tokens equivalent to the USDT value of the performance return.

## 5.3 Example

For example: consider a race trading cube with ETH as the traded asset, an expiration of March 2022, an entry fee of 0.5%, a target price of 5000 USDT, a liquidation price of 2500 USDT, and lastly a lock up period until March 22 2022.



If the user were to deposit 1 ETH at a market price of 4000 USDT, and the price of ETH reaches the target price of 5000 USDT, the user would earn a 25% (0.25 ETH) return (minus fees). If the same race trading cube was upgraded to a HyperCube, the user would receive the same 25% return on their ETH deposit along with an equivalent amount of HYP tokens (e.g. 1000 HYP at a \$1 HYP price).

## 6.0 HYP Token

Hyper token (HYP) is a BEP-20 token built on the Binance Smart Chain network. HYP tokens serve the purpose of enhancing the overall utility and productivity of the HyperDex platform. HYP tokens may only be obtained through swapping or minting. HYP tokens are minted on demand every time a cube earns a reward, unlike other protocols where tokens are minted each block (e.g. every 3 seconds on BSC).

- **Name:** Hyper Token
- **Symbol:** HYP
- **Type:** BEP-20
- **Network:** Binance Smart Chain (BSC)
- **Supply:** Inflationary

## 6.1 Pre-sale

Up to 100 million Hyper tokens will be minted during the pre-sale phase. This phase will last about 4 weeks once the Launch page is active. The pre-sale phase will be concluded once the total collected amount reaches up to 5,000,000 USDT or once the 4 weeks time period is complete.

The minimum investment in the pre-sale phase will be 1,000 USDT to a max of 100,000 USDT for retail clients. For institutional clients it will be up to 500,000 USDT.

The client investor receives HYP tokens at a 1:1 ratio for every USDT (or stable coin) invested, with the price set at 0.10 USDT throughout the duration of the pre-sale (e.g. a 100,000 USDT investment results in the investor receiving 1,000,000 HYP tokens). Tokens purchased during the pre-sale will be subject to a 12 month vesting period.

During the pre-sale, for every new client's minted token, the platform will mint an additional one. Therefore for every 100,000 USDT (or stable coin) investment, there will be an instant minting process of 2,000,000 HYP. Once the platform launches, the minting process will occur as described in this paper, where users may only receive HYP tokens by participating in HyperCubes or via the secondary market.

## 6.2 Liquidity

The primary risk associated with any token is its liquidity. If liquidity is not present for a token, it can lead to highly volatile price action. The market of the platform's token may be illiquid at times, especially during the early stages of token adoption.

To address liquidity issues, HyperDex will create an initial liquidity token pool with the token value set at 0.10 USDT. The pool will have continuous USDT flows, as 10% of the overall commissions gained by the HyperDex platform will be distributed inside the liquidity pool automatically.

## 6.3 Minting

After the pre-sale phase, tokens will be minted every time a user's profit is due. In order to mint tokens and prevent inflation or deflation issues, HyperCube's profits will be minting only the Hyper tokens expected from the percentage reward.

$$\text{Tokens Minted} = [\text{profit in USDT}] / [\text{Hyper token USDT value}]$$

For example: a 100 USDT fixed-income HyperCube return would result in a 20 HYP payout with a HYP market price of \$1. This payout would be 10 HYP if the HYP market price was \$2 at expiration.

## 6.4 Tokenomics

In the pre-sale phase, up to 100,000,000 HYP tokens will be minted and distributed accordingly:

- **LP Liquidity Pool:** 50%
- **Reserve Liquidity:** 25%
- **Developers:** 10%
- **Marketing:** 10%
- **Contingency Fee:** 5%

Afterwards, during the regular phase, the minting of new HYP tokens will occur on demand. Only the amount matching the USDT profit value of the HyperCube at expiration / renewable is minted.

### 6.4.1 Network Fees

The HyperDex platform charges a commission fee for cube investments. Any new USDT or other crypto asset investments will not result in new tokens being minted, but will instead directly deduct fees from the investment.

For example: a user invests into a fixed income USDT HyperCube by depositing 1000 USDT and 1000 HYP. The commission in this example would be 3 USDT (0.3%) along with 3 HYP (0.3%).

## 7.0 Token Swap

Users are given the opportunity to stake liquidity into HyperDex swap pools in return for a percentage of the swap fees. This is done by simply staking both tokens into the respective liquidity pool in return for an LP token. LP tokens represent a user's proportional share of the liquidity pool.

For every swap, a 0.25% fee will be deducted from each transaction and distributed as follows:

- 0.17% allocated to liquidity providers
- 0.08% allocated to the HyperDex platform

## 8.0 Farm

After staking liquidity in the token swap and receiving LP tokens, users may then take their LPs and stake them into the farm. Staked LP tokens enable users to earn more rewards over time. However, users must note that HyperDex farming pools are based on a fixed income return. The planned annualized return of the farm is set to 20%.

## 8.0 Referral Program

HyperDex has developed a referral program to reward any promoter who successfully onboards new users. The referral system acts through the promoter's wallet, with a unique referral code generated to represent a promoter's referral.

With the referral code, the user will generate 3-5% more HYP token profit on cube investment at the first expiration / renewal. An additional 3-5% Hyper tokens will be minted and allocated to the promoter as soon as the user invests in the cube. The user will be allowed to use the referral code only once per cube.

## 9.0 Road Map

Significant milestones for HyperDex include but are not limited to:

- **Q1 2022:** Platform's loan and lending, Major DEX listing
- **Q2 2022:** New markets cubes
- **Q3 2022:** P2P Loan exchange
- **Q4 2022:** Development on other blockchains (e.g. Cardano, Fantom, etc.)

## 10.0 Conclusion

HyperDex is creating a platform to effectively act as a gateway to DeFi for all types of investors, with or without prior DeFi knowledge. This is accomplished via a series of investment strategies offered in the form of so-called cubes. Cubes come in the form of fixed income cubes, algo trading cubes, and race trading cubes. Each cube has different risks as well as returns. Cubes may be upgraded to HyperCubes through the use of HYP tokens, which increases the user's overall return. Users may also stake tokens in HyperDex liquidity and / or farming pools for additional rewards.