GAIN.AI
AI POWERED POOLS

WHITEPAPER

Earn a return on your ETH and USDC

www.gain.ai

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0.1 Abstract

Gain is a series of cryptocurrency-denominated pools powered by community-elected pool managers, operating in traditional and decentralized markets. Our pool managers make use of various techniques such as mechanical trading, yield farming, AI-driven strategies, market making and liquidity providing among others, in order to generate a yield for our digital asset pools. This is made possible through the buying and selling of financial instruments, including but not limited to cryptocurrencies, equities, commodities, indexes, and forex. All of the trading and investment related operations are third party verified in order to prove the origin of all pool related yields.

Gain serves as a bridge

between centralized and decentralized financial systems, leveraging the strengths of each to provide a **transparent and sustainable return on investment** for our ecosystem participants. Gain token holders benefit not only from (1) the possible appreciation of the underlying base asset of our pools, such as Ethereum (ETH), but (2) also from the growth our pool managers can generate, and (3) the limited issuance of the Gain tokens, as they are capped by a fixed supply.

All circulating Gain tokens hold a **full 1:1 reserve** with their corresponding pool. This is possible through the use of a series of decentralized distribution contracts and multi-signature wallets that only release tokens into circulation once they are first swapped for digital assets. As a community-serving project, Gain utilizes a Decentralized Autonomous Organizational (DAO) structure in order to maintain alignment between our token holders and ecosystem by means of token holders voting on key ecosystem decisions.

Pool yields are verified by a third party.

Pools inside the Gain ecosystem are powered by DAO elected pool managers tasked with growing the digital assets in each pool through trading various financial instruments.

Alignment between token holders and pool managers is maintained via a DAO voting process.

Tokens in circulation hold a 1:1 full reserve with their respective pools.

0.2 Gain Thesis

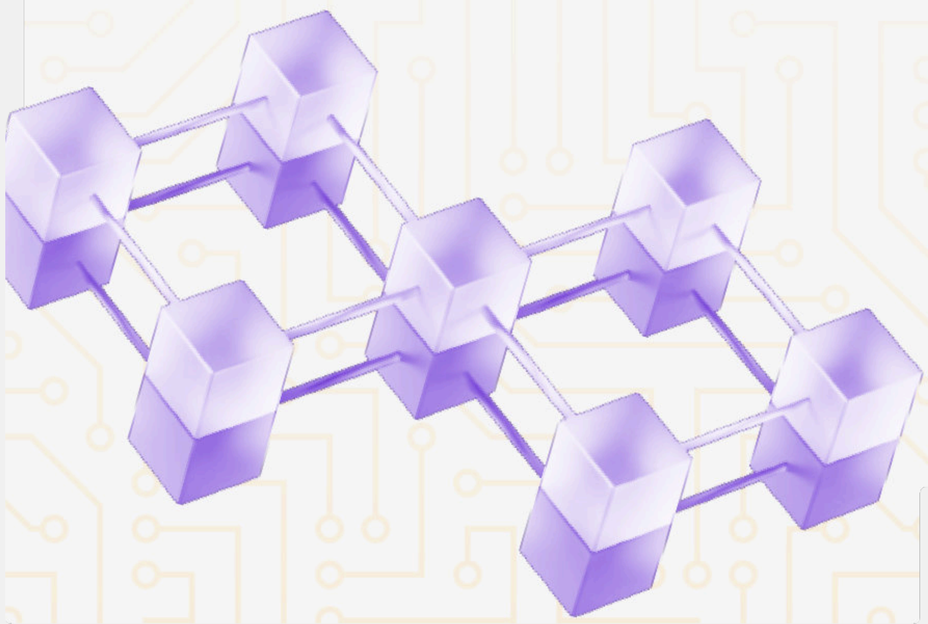
Cryptocurrency investors are actively searching for ways to generate a yield on their holdings. The most common models to accomplish this are decentralized finance (DeFi) loaning and staking protocols or by opening an account with an investment company or cryptocurrency exchange that offers a yield.

Decentralized finance (DeFi)

has a lot of advantages over traditional finance, such as: a low barrier of entry, elimination of unnecessary middlemen and a **trustless structure with superior transparency**. However, there are some challenges in interacting with DeFi, such as a steep learning curve for new participants and **decreased operational efficiency and flexibility** when compared to centralized systems commonly found in traditional finance.

Tradional Financial

structures have **superior infrastructure**, scalability, and flexibility when compared to decentralized financial options. The trade-off usually comes in the form of top-down decision-making that can create a **misalignment between users and the service provider**, as well as a lack of operational transparency. This often leaves the user less aware of the risks associated with their investment.



The returns

one can expect from staking ETH or USDC using DeFi protocols are less than what can be expected through traditional financial options. A good example is ETH staking as a validator node, which has an APY of approximately 5%.

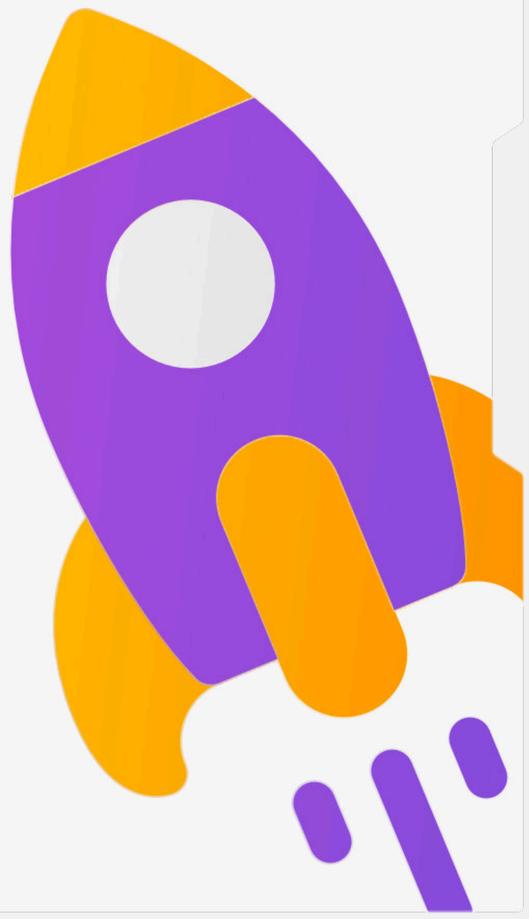
Corporate entities publicize an APY

higher than what can be found through DeFi alternatives than what can be found with DeFi alternatives; however, how the returns are generated is usually ambiguous and kept from the user. This lack of transparency presents a problem as it does not allow a user to properly assess the amount of risk they are assuming, e.g., Blockfi and Celsius, two well-known entities offering a **fixed APY** to the public, **exposed their clients to much higher levels or counterparty risk** than their clients were aware of, which ultimately resulted in client funds being lost or frozen. This example perfectly demonstrates why supplying the necessary **evidence to substantiate how yields are generated** is critical for investors to assess risk and make informed decisions.

Gain's model is focused on maximizing transparency and openness regarding how our pool managers are generating profit or loss for our pools. This is made possible by using **third-party auditing**, as well as broker and exchange statements that substantiate any returns generated from our pools as well as **on-chain proofs**.

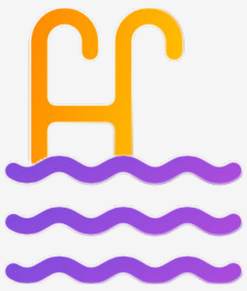
Our aim is to leverage the strengths of both DeFi and TradFi models in order to generate an attractive return on investment for our ecosystem participants while maintaining a transparent and community-centric model that we call Hybrid Finance or simply HyFi.

0.3 Gain Ecosystem Walkthrough



The Gain ecosystem can be broken down into three stages; select the pool you wish to join, convert your digital assets into Gain tokens and convert (swap) your Gain tokens back into ETH or USDC by harvesting (selling) your Gain tokens.

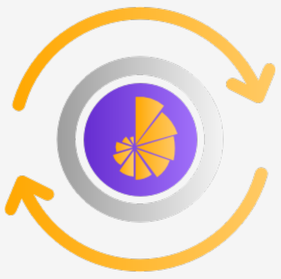
01



Pick a Pool

Join the Ethereum (ETH) or USD (USDC) Pool

02



Tokenize

Swap your ETH for GAIN or USDC for uGAIN

03

Harvest

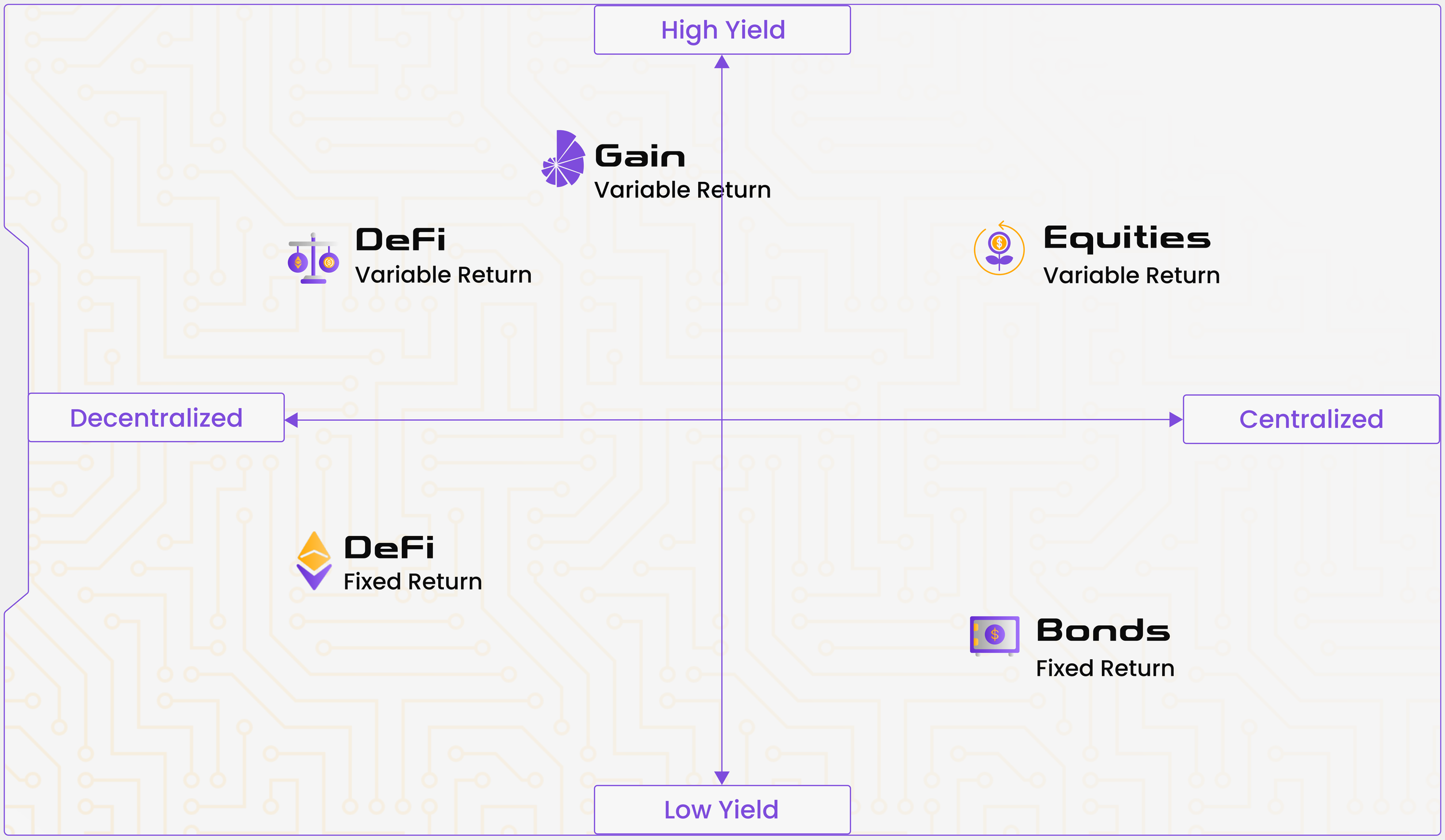
Swap GAIN and uGAIN tokens for ETH and USDC

1.0 Hybrid Finance Value Proposition

Gain pioneer's hybrid finance (HyFi), a unique value proposition that combines the accessibility and transparency of decentralized finance (DeFi) with the scalability and liquidity of traditional finance (TradFi).

Gain's hybrid model

Uses **regulated brokers, exchanges and blockchain protocols to access the financial markets and generate a return for our pools**. Our community-elected pool managers are tasked with growing our digital asset pools through the use of advanced trading technologies and DeFi protocols. The Gain ecosystem aims to generate an attractive variable return while maintaining complete transparency and community/project alignment.



Gain offers a unique hybrid asset made possible through a combination of various legal structures and smart contracts. Gain can access untapped potential markets while protecting participants' assets via regulated, fully compliant legal entities and audited smart contracts.

1.1 First Principals Of Cryptocurrency

The following is an excerpt from Fair Crypto Foundation (faircrypto.org) regarding First Principles of Cryptocurrency

In 2008

Satoshi Nakamoto wrote Bitcoin: A peer-to-Peer electronic Cash System, and for the first time introduced a system that would allow a pure peer-to-peer version of electronic cash to be sent directly from one party to another without going through a financial institution.

The underlying ethos of Blockchain

has always been to shift the balance of the economic power away from centralized organizations through proliferation of the self-powered cryptographically secure digital self-ownership.

In today's world of crypto

people are faced with a multitude of choices of how, when and where to transform their economic energy into self-custodial units of value.

Fair Crypto Foundation

aims to empower the individual in navigating the evolving world of cryptocurrencies through understanding of the first principles of Crypto. In our view, the first principles of Crypto are self-custody, transparency, trust through consensus, and permissionless value exchange without the counterparty risk as originally envisioned by Satoshi's white paper.

Gain as a trustless protocol

As a **hybrid financial project**, there are certain attributes of First Principles that we are currently unable to full comply with, due to our ecosystem using trusted third parties to access financial markets. Ultimately, the goal is for Gain to **evolve into a completely trustless protocol** running on fully decentralized markets. This will become possible as decentralized markets improve in terms of liquidity and execution quality. In order to mitigate risks associated with third parties Gain has set in place a **series of checks and balances** such as our DAO validator, pool auditors and team controlled multi-signature wallets.

1.2 Gain First Principal Attributes

Permissionless

Anyone with an internet connection and a web browser can cconnect to our distribution contracts and purchase Gain tokens.

Transparent

All code for the Gain ecosystem is open-source and available on GitHub.

On-Chain

Transactions of Gain tokens occur on a distributed, public ledger.

Immutable

All token transactions are immutable, making it impossible for any entity to manipulate, replace, or falsify transactional data.

Self-Custodial

Gain allows users to have complete control over their digital assets through self-custody. Users control the private key(s) of their own wallet(s), which ensures that only they have the possession of their Gain tokens.

1.2 Gain First Principal Attributes

Zero Team Pre-mint

7.5% of the total GAIN and uGAIN tokens are allocated for the Gain core team and Gain treasury. Core team tokens are locked into a fixed rate distribution contract and can only be released into circulation by swapping ETH for GAIN and USDC for uGAIN. This happens gradually as our ecosystem generates revenue through the growth of our pools.

Note: Ten percent of the profit generated from pools is allocated to the Gain treasury to cover project related expenses and purchase the Core Teams token allocation. This ensures all tokens in circulation are full-backed by digital assets in order to maintain a 1:1 full-reserve.

Self-Funded/No Venture Capital

The Gain ecosystem was designed to be fair for all participants, regardless of when they join. Typically venture capital firms want a large token allocation in exchange for seed capital, which can create unequitable outcomes between ecosystem participants. This was the primary reason the Gain project was self-funded by the Gain core team members, which protects Gain from being beholden to other entities that may not share the same values and vision as the Gain core team.

Zokyo Audit Report

Zokyo Labs.

Verifiable Pool Performance

All Gain Pool performance is verified by monthly broker statements, on-chain records and third party auditors, such as Myfxbook.com

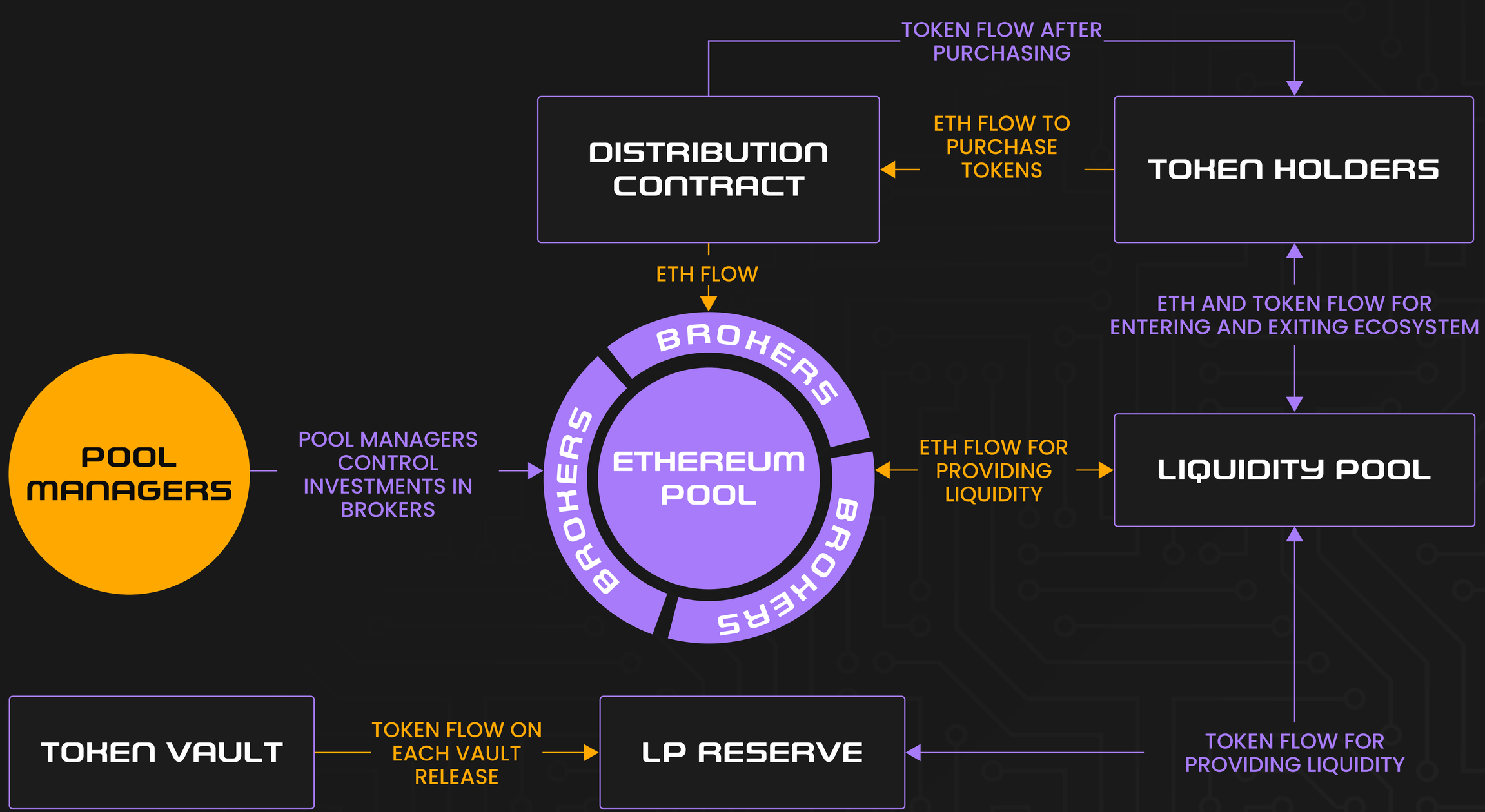
DAO

Gain uses a Decentralized Autonomous Organizational structure in order to maintain alignment between our token holders and ecosystem by means of token holders voting on key ecosystem decisions.

Validated Multi-Signature Wallets

All digital assent movements to and from the treasury, pool wallet, LP reserve, token vault, brokers and distribution contracts are independently validated by the DAO validator; a third party that is appointed by our community members. Reports are provided via our website on a monthly basis.

2.0 Ethereum Pool



The Ethereum pool

consists of a series of ETH denominated accounts and wallets held in regulated brokers, exchanges and DeFi protocols that is actively managed by our DAO elected pool managers.

The objective

is to grow the amount of ETH in the pool and thus increasing the value of the GAIN token, which is a share of the Ethereum pool. Approximately 80% of the ETH is actively managed, while 20% of the ETH is used to provide liquidity for the GAIN/ETH trading pair.

2.1 Ethereum Pool Workflow

01 Participants acquire GAIN tokens by; (1) ETH is sent to the GAIN distribution contract, which allows GAIN tokens to be released into circulation. (2) Exchanging ETH for GAIN tokens on an exchange.

02 ETH entering the Gain ecosystem is sent to the Ethereum pool to be managed by the elected pool managers and/or used to provide ETH liquidity for GAIN tokens holders to harvest (swap GAIN for ETH).

03 The value of GAIN tokens relative to ETH increases as the pool managers grow the amount of ETH in the pool, thereby increasing the redeemable value of the GAIN token.

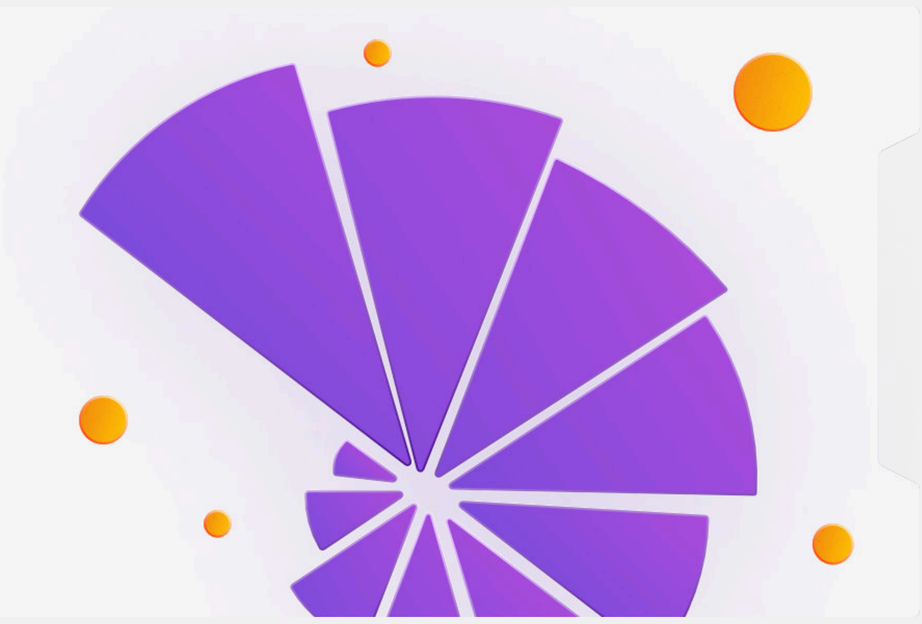
04 20% of the Ethereum pool is dedicated to function as a liquidity pool for the GAIN/ETH pair by providing ETH liquidity via decentralized and centralized exchanges, which allows for GAIN tokens holders to harvest (swap) their GAIN tokens for ETH.

05 If the liquidity pool (LP) drops below 15% of the total value of the Ethereum pool, ETH from the Ethereum pool is withdrawn and sent to the liquidity pool at the spot rate (ratio of circulating GAIN tokens to ETH present in Ethereum pool) in order to maintain sufficient trading liquidity for the GAIN token.

06 If the liquidity pool (LP) is above 25% of the total value of the Ethereum pool, ETH is sent from the liquidity pool to the Ethereum pool in order to be actively traded by the pool managers.

07 75% of ETH generated through the efforts of our pool managers is compound in the Ethereum pool. The remaining 25% is allocated to the Gain treasury (10%) and the pool managers (15%) as a performance reward.

3.0 GAIN Token Attributes



Maximum Supply

A maximum of 42,000,000 GAIN tokens will ever be minted.

Ethereum Blockchain

GAIN is an ERC20 utility/governance token that operates on the Ethereum network.

GAIN on ETH

GAIN tokens are designed to increase in value relative to ETH as our pool managers generate yield for the Ethereum pool.

Audited

All smart contracts in the Gain ecosystem have been audited by Zokyo Labs.

Liquidity Pair

The primary liquidity pair for the Ethereum pool is the GAIN/ETH pair. ETH is the unit of value that is used to process transactions on the Ethereum blockchain.

Liquidity Pool (LP)

20% of the ETH of the Ethereum pool is dedicated to function as a liquidity pool for the GAIN/ETH pair. This allows GAIN token holders sufficient liquidity to enter and exit our ecosystem in a timely and cost-effective manner, while having the added benefit of generating revenue for the Ethereum pool in the form of LP fees.

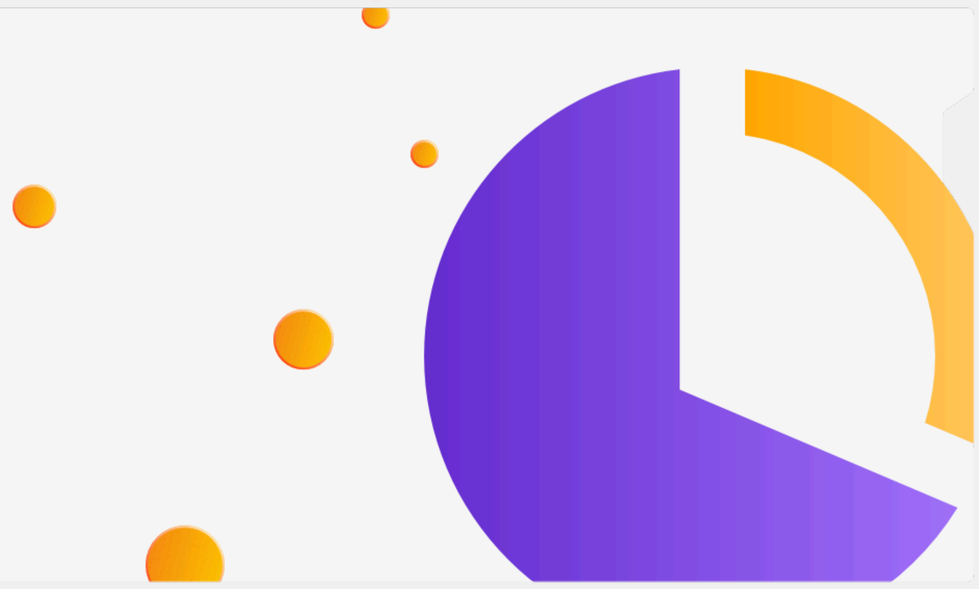
Full Reserve

All circulating Gain tokens hold a full 1:1 reserve with their corresponding pool. This is possible through the use of a series of decentralized token distribution contracts and multi-signature wallets that only release tokens into circulation once they are first swapped for digital assets.

Deflationary

GAIN tokens can be voluntarily burned by the Gain treasury or an individual token holder in order to reduce the maximum supply of GAIN tokens. This action may be incentivized in the future.

3.1 Gain Tokenomics



20% LP Reserve (8,400,000 GAIN tokens)

The LP (Liquidity Pool) reserve is a multi-signature wallet controlled by the Gain core that requires 5 of 10 signatures in order to execute transactions. This wallet is used to provide GAIN token liquidity for centralized and decentralized exchanges. The LP reserve holds uncirculated tokens, which are distributed to exchanges in order to facilitate new participants to acquire GAIN tokens for digital assets as demand dictates. Tokens placed into the liquidity pool are not considered circulating until they are purchased. Digital assets held by LP reserve are protected by both legal and cryptographic means. Token movements by the LP reserve are constrained by the trust's operating agreement and monitored by the DAO validator. Gain Enterprises, the DAO validator, and the multi-signature signatories are liable as officers of the trust. LP reserve.

20% GAIN Distribution Contract (8,400,000 GAIN tokens)

A smart contract that holds GAIN tokens and allows ecosystem participants a decentralized way to acquire GAIN tokens without having to purchase via a centralized exchange. The GAIN distribution contract exchanges ETH for GAIN tokens at a starting rate of 1000 GAIN to 1 ETH and progresses in a linear fashion until a final rate of 1 GAIN to 1 ETH is reached, thereafter the GAIN distribution contract will be depleted.

7.5% Core Team Distribution Contract (3,150,000 GAIN tokens)

Set at a fixed rate of 1000 GAIN to 1 ETH, this contract holds GAIN tokens earmarked for Gain team members and advisors. Tokens can only exit this contract by first being exchanged for ETH, which ensures all GAIN tokens placed in circulation are first exchanged for ETH in order to maintain GAIN's status as a full-reserve token. The Gain treasury slowly purchases these tokens as the ecosystem generates pool returns.

2.5% Marketing Distribution Contract (1,050,000 GAIN tokens)

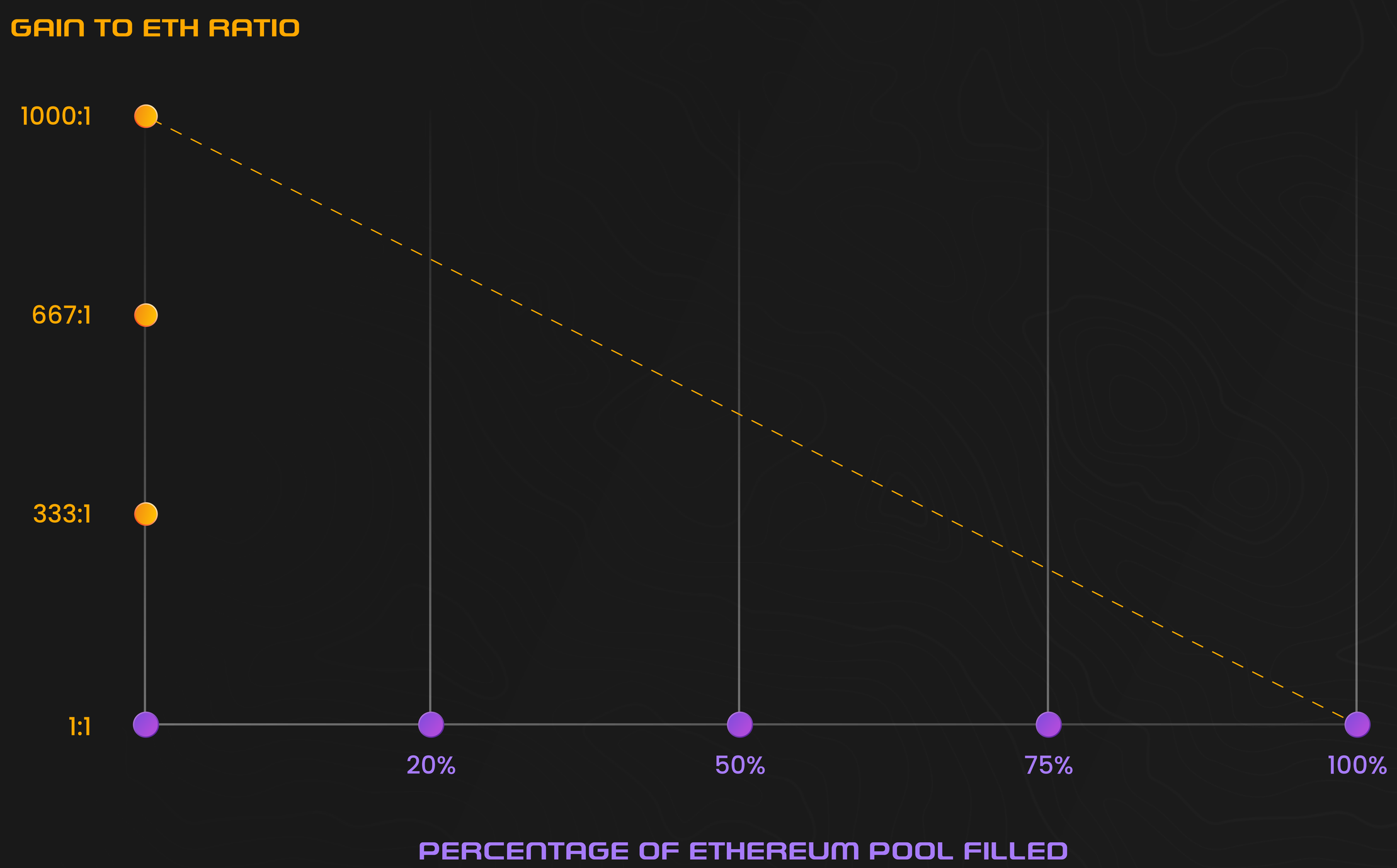
Set at a fixed rate of 1000 GAIN per 1 ETH, this contract holds GAIN tokens earmarked for marketing and promoting the Gain ecosystem. Tokens can only exit this contract by first being exchanged for ETH, which ensures all GAIN tokens placed in circulation are first exchanged for ETH in order to maintain GAIN's status as a full-reserve token. The Gain treasury slowly purchases these tokens as the ecosystem generates revenue.

50% Token Vault (14,700,000 GAIN tokens)

50% of the uncirculated GAIN tokens are locked into a time-release vesting smart contract provided by Team Finance. Unlocks are spread over a 10-year period in the form of 40 equal sized quarterly unlocks. Once an unlock matures, the tokens are then eligible to be claimed by the LP Reserve for new participants to purchase via centralized and decentralized exchanges as demand dictates. These locks limit the amount of available tokens on the open market and allow for an evenly paced distribution of tokens over the course of a 10-year period.

3.2 GAIN Distribution Contract

A smart contract that holds GAIN tokens and allows ecosystem participants a **decentralized way to acquire GAIN tokens** without having to purchase via a centralized exchange. The GAIN distribution contract exchanges ETH for GAIN tokens at a starting rate of **1000 GAIN for 1 ETH** and progresses in a linear fashion until a final rate of **1 GAIN for 1 ETH** is reached, thereafter the GAIN distribution contract will be depleted.



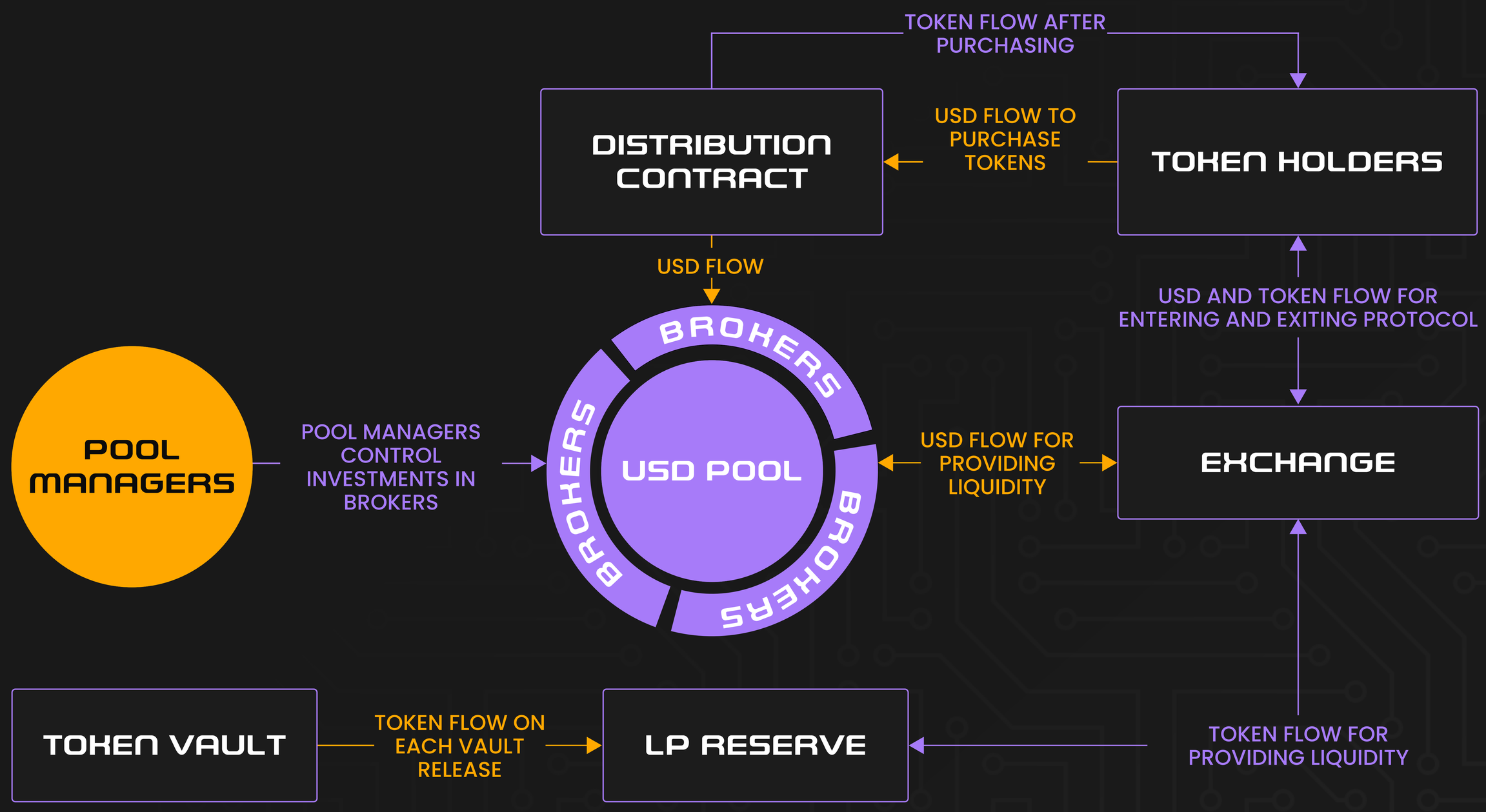
Linear Distribution

As the Ethereum pool fills, the cost per GAIN token increases in a linear fashion from 1000 GAIN for 1 ETH to 1 GAIN for 1 ETH.

Audited

All Gain Ecosystem contracts have been audited by Zokyo Labs.

4.0 USD Pool



The USD Pool

consists of a series of accounts and wallets held in regulated brokers, exchanges and DeFi protocols that is actively managed by our DAO elected pool managers.

The objective

is to grow the amount of USD in the pool and thus increase the value of the uGAIN token, which is a share of the USD pool. Approximately 80% of the USD is actively managed, while 20% of the USD is used to provide liquidity for the uGAIN/USDC trading pair.

4.1 USD Pool Workflow

01 Participants acquire uGAIN tokens by; (1) USDC is sent to the uGAIN distribution contract, which allows uGAIN tokens to be released into circulation. (2) Exchanging USDC for uGAIN tokens on an exchange.

02 USDC entering the Gain ecosystem is sent to the USD pool to be managed by the elected pool managers and/or used to provide USDC liquidity for uGAIN tokens holders to harvest (swap uGAIN for USDC).

03 All USDC received by regulated brokers is converted from USDC to USD when possible. Conversion reduces exposure to possible price fluctuations of USDC relative to USD.

04 The value of uGAIN tokens relative to USDC increases as the pool managers grow the amount of USD in the pool, thereby increasing the redeemable value of the uGAIN token.

05 20% of the USD Pool is dedicated to function as a liquidity pool for the uGAIN/USDC pair by providing USDC liquidity via decentralized and centralized exchanges, which allows for GAIN tokens holders to harvest (swap) their uGAIN tokens for USDC.

06 If the liquidity pool (LP) drops below 15% of the total value of the USD pool, USDC from the USD pool will be withdrawn and sent to the liquidity pool at the spot rate (ratio of circulating uGAIN tokens to USD present in USD pool) in order to maintain sufficient trading liquidity for the uGAIN token.

07 If the liquidity pool (LP) is above 25% of the total value of the USD pool, USDC is sent to the USD pool in order to be actively traded by the pool managers.

08 75% of USD generated through the efforts of our pool managers is left to compound in the USD pool. The remaining 25% is allocated to the Gain treasury (10%) and the pool managers (15%) as a performance reward.

5.0 uGain Token Attributes

Maximum Supply

A maximum of 250,000,000 uGAIN tokens will ever be minted.

Ethereum Blockchain

uGAIN is an ERC20 utility token that operates on the Ethereum network.

Audited

All smart contracts in the Gain ecosystem have been audited by Zokyo Labs.

GAIN on USD

uGAIN tokens are designed to increase in value relative to USD as our pool managers generate yield for the USD pool.

Deflationary

uGAIN tokens can be voluntarily burned by the Gain treasury or an individual token holder in order to reduce the maximum supply of uGAIN tokens. This action may be incentivized in the future.

Liquidity Pair

The primary liquidity pair for the USD pool is the uGAIN/USDC pair. USDC is a USD stablecoin issued by Circle and Coinbase.

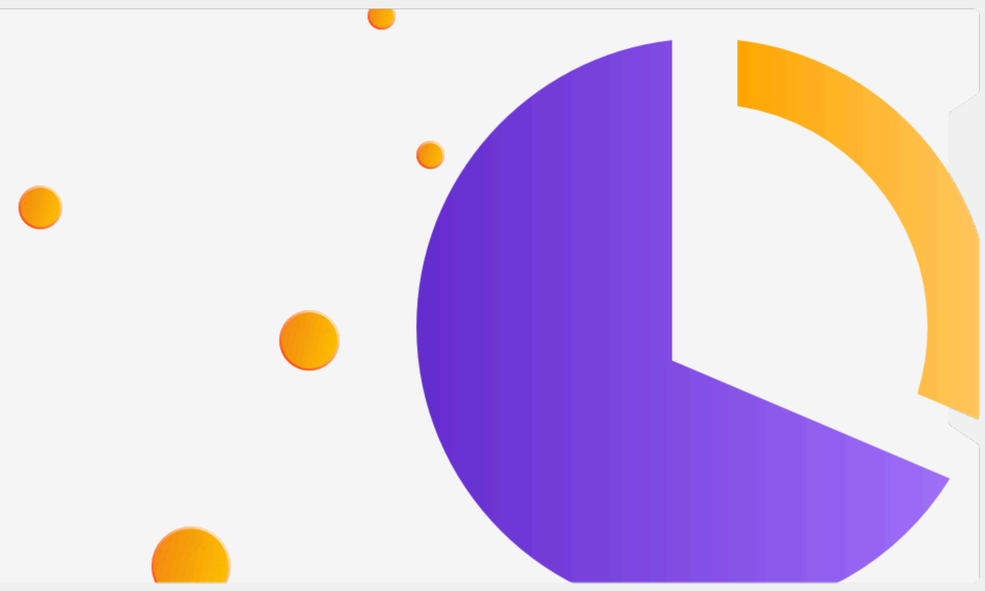
Liquidity Pool (LP)

20% of the USDC of the USD pool is dedicated to function as a liquidity pool for the uGAIN/USDC pair. This allows uGAIN token holders sufficient liquidity to enter and exit our ecosystem in a timely and cost-effective manner, while having the added benefit of generating revenue for the USD pool in the form of LP fees.

Full Reserve

All circulating uGAIN tokens hold a full 1:1 reserve with the USD pool. This is possible by using a series of decentralized distribution contracts and multi-signature wallets that only release uGAIN tokens into circulation once they are first exchanged for USDC.

5.1 UGain Tokenomics



20% LP Reserve (50,000,000 uGAIN tokens)

The LP (Liquidity Pool) reserve is a multi-signature wallet controlled by the Gain core that requires 5 of 10 signatures in order to execute transactions. This wallet is used to provide uGAIN token liquidity for centralized and decentralized exchanges. The LP Reserve holds uncirculated tokens, which are distributed to exchanges in order to facilitate new participants to acquire uGAIN tokens for digital assets as demand dictates. Tokens placed into the liquidity pool are not considered circulating until they are purchased. Digital assets held by LP reserve are protected by both legal and cryptographic means. Token movements by the LP reserve are constrained by the trust's operating agreement and monitored by the DAO validator. Gain Enterprises, the DAO validator, and the multi-signature signatories are liable as officers of the trust. LP Reserve.

20% uGAIN Distribution Contract (50,000,000 uGAIN tokens)

A smart contract that holds uGAIN tokens and allows ecosystem participants a decentralized way to acquire uGAIN tokens without having to purchase via a centralized exchange. The uGAIN distribution contract exchanges USDC for uGAIN tokens at a starting rate of 1 USDC to 1 uGAIN and progresses in a linear fashion until a final rate of 1 USDC to 30 USDC is reached, thereafter the uGAIN distribution contract will be depleted.

7.5% Core Team uGAIN Distribution Contract (18,750,000 uGAIN tokens)

Set at a fixed rate of 1 USDC to 1 uGAIN, this contract holds uGAIN tokens earmarked for Gain team members and advisors. Tokens can only exit this contract by first being exchanged for USDC, which ensures all uGAIN tokens placed in circulation are first exchanged for USDC in order to maintain uGAIN's status as a full-reserve token. The Gain treasury will slowly purchase these tokens as the ecosystem generates pool returns.

2.5% uGain Marketing Distribution Contract (6,250,000 uGAIN tokens)

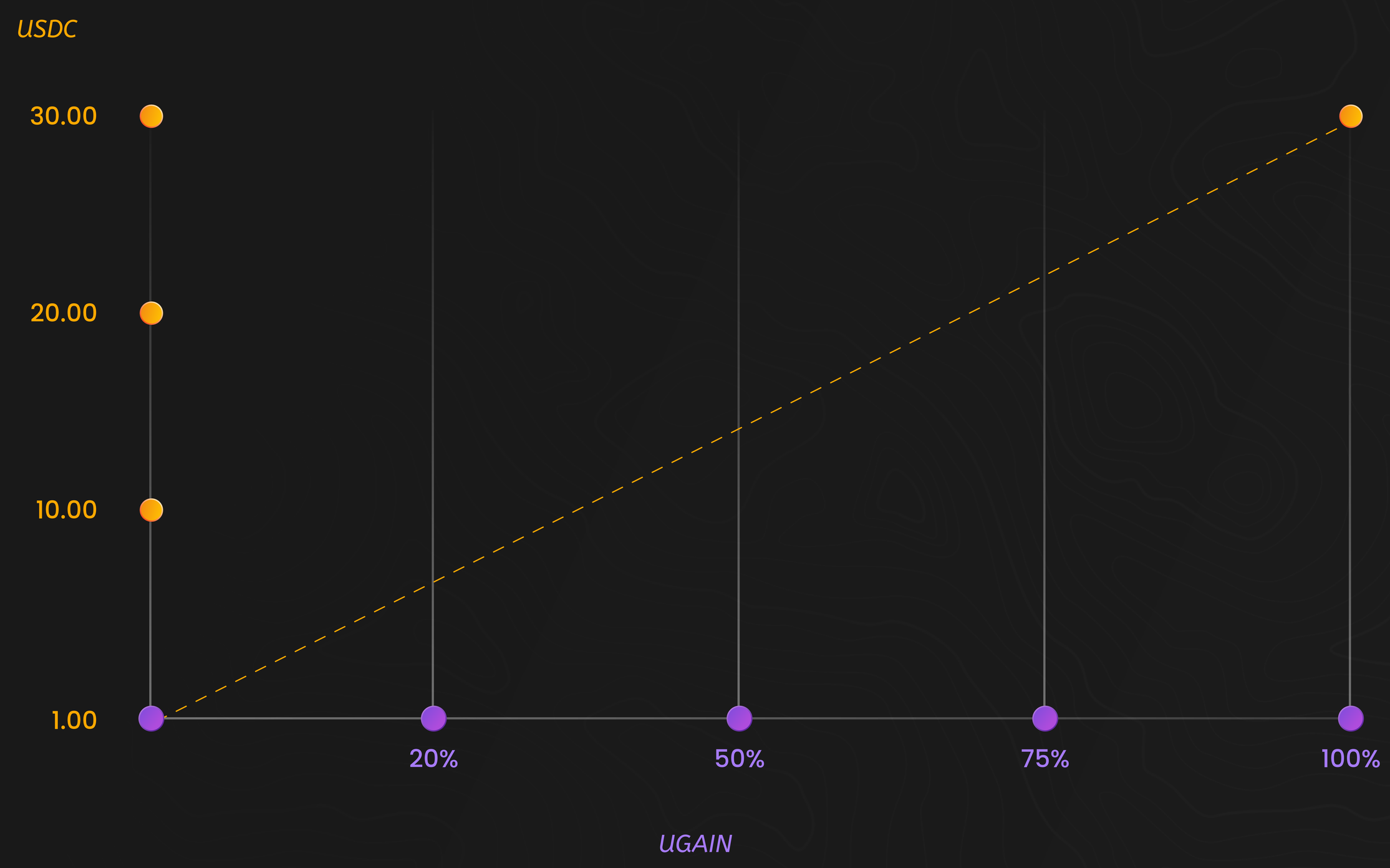
Set at a fixed rate of 1 USDC to 1 uGAIN, this contract holds uGAIN tokens earmarked for marketing and promoting the Gain ecosystem. Tokens can only exit this contract by first being exchanged for USDC, which ensures all uGAIN tokens placed in circulation are first exchanged for USDC in order to maintain uGAIN's status as a full-reserve token. The Gain treasury will slowly purchase these tokens as the ecosystem generates pool returns.

50% LP Vault (125,000,000 uGAIN tokens)

50% of the uncirculated uGAIN tokens are locked into a time-release vesting smart contract provided by Team Finance. Unlocks are spread over a 10-year period in the form of 40 equal sized quarterly unlocks. Once an unlock matures, the tokens are then eligible to be claimed by the LP reserve for new participants to purchase via centralized and decentralized exchanges as demand dictates. These locks limit the amount of available tokens on the open market and allow for an evenly paced distribution of tokens over the course of a 10-year period.

5.2 uGAIN Distribution Contract

A smart contract that holds uGAIN tokens and allows ecosystem participants a **decentralized way to acquire uGAIN tokens** without having to purchase via a centralized exchange. The uGAIN distribution contract exchanges USDC for uGAIN tokens at a starting rate of **1 USDC for 1 uGAIN** and progresses in a linear fashion until a final rate of **30 USDC for 1 uGAIN** is reached, thereafter the uGAIN distribution contract will be depleted.



Linear Distribution

As the USD pool fills, the cost per uGAIN token increases in a linear fashion from 1 uGAIN for 1 USDC to 1 uGAIN for 30 USDC.

Audited

All Gain Ecosystem contracts have been audited by **Zokyo Labs.**

6.0 Spot Rate

The spot rate is a snapshot taken at the close of each day in order to calculate the ratio of circulating GAIN tokens to ETH present in the Ethereum pool as well as uGAIN tokens to USDC present in the USD pool.

For example, 500:1 represents a ratio that equates to a larger value for each GAIN token when compared to a 1000:1 ratio. The ratio refers to how many GAIN tokens are equivalent to one ETH.

The Sport Rate is calculated by:

01

GAIN Token

Circulating GAIN tokens / Total balance of ETH present in the Ethereum pool

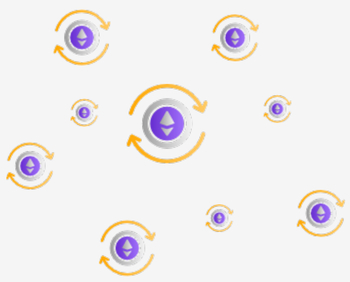
02

uGAIN Token

Circulating uGAIN tokens / Total balance of USD present in the USD pool

6.1 Spot Rate Example

Example:



There are **1,000,000** circulating GAIN tokens.

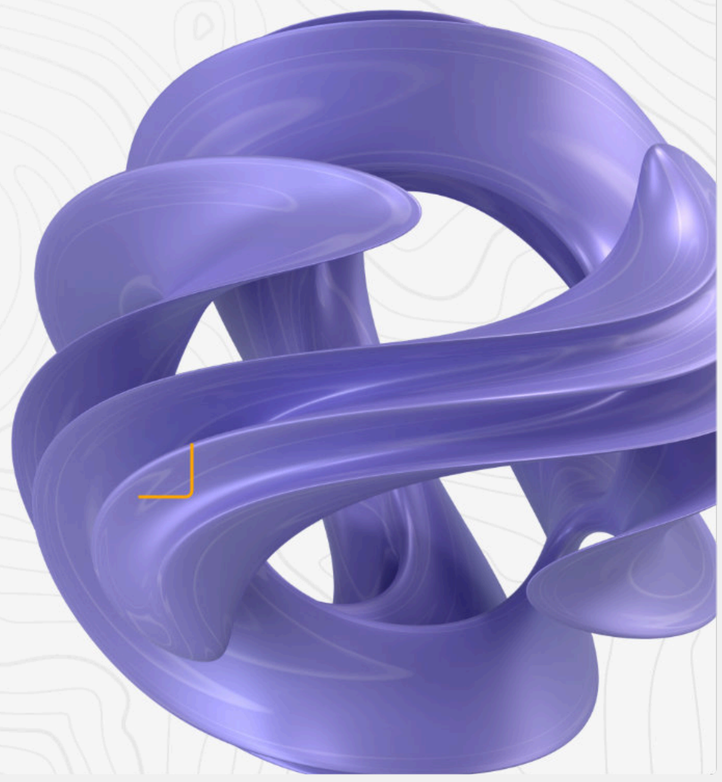
The ETH Pool has a balance of **5,000** ETH at month close.

In this case, the spot rate would be 1,000,000 GAIN / 5,000 ETH = 200, which means that the ETH liquidity is provided at approximately 200:1 or 0.005 ETH per GAIN token.

6.2 Circulating Vs Uncirculating Tokens

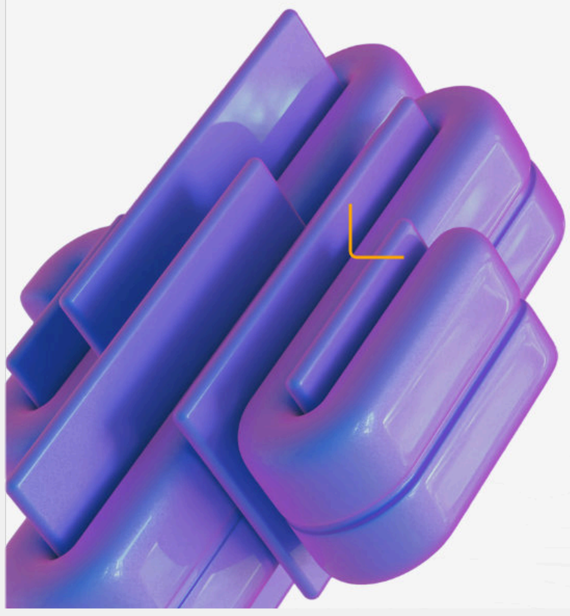
Uncirculated tokens include:

- Distribution contracts
- Token vault
- Liquidity pool
- LP reserve

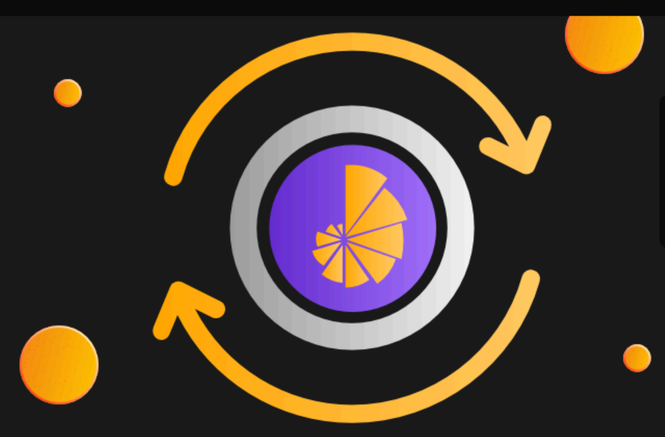


Circulating tokens include:

- All tokens that have been purchased via exchanges and distribution contracts.



7.0 Liquidity Pool



In order to provide on demand liquidity

for our ecosystem participants, approximately **20% of the digital assets that make up the Ethereum and USD pools are deployed in the from of a liquidity pool** on centralized and decentralized exchanges. This allows Gain token holders sufficient liquidity to enter and exit the ecosystem in a timely and cost-effective manner, while having the added benefit of generating income for our pools in the form of fees collected by acting as a market maker.

7.1 Liquidity Pool Workflow

When GAIN price falls 5% under the spot rate

ETH from the Ethereum Pool is withdrawn and used to long GAIN, which moves the price of GAIN in the liquidity pool to the spot rate.

When GAIN price is 5% above the spot rate

GAIN from the LP Reserve is withdrawn and used to short GAIN, which moves the price of GAIN in the liquidity pool to the spot rate.

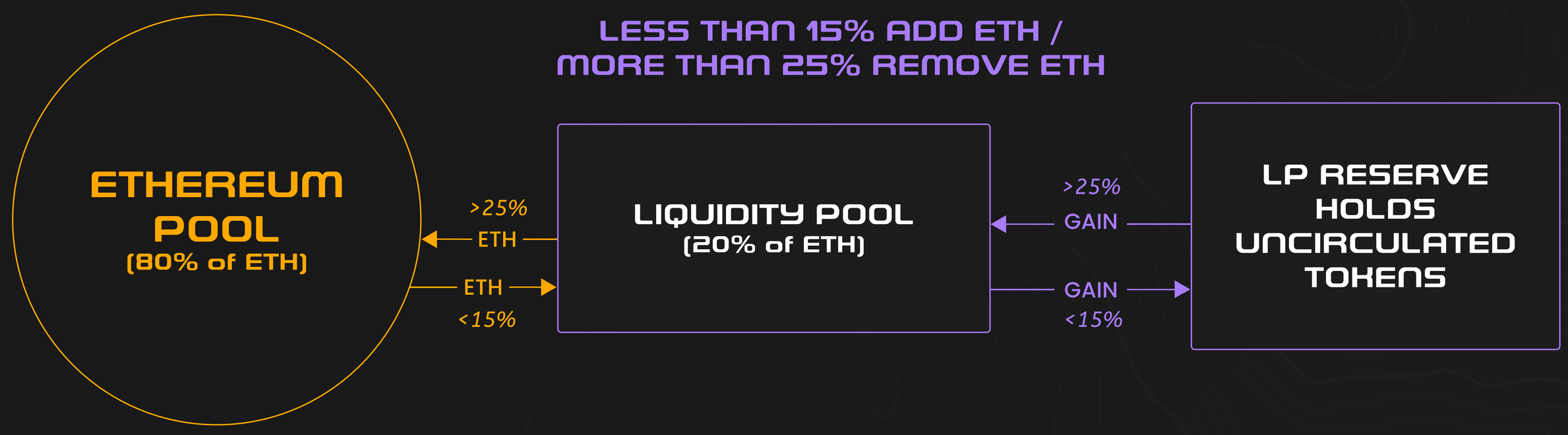
When the ETH liquidity pool falls under 15%

ETH is withdrawn from the Ethereum pool and added to the liquidity pool to achieve a 80:20 ratio of pool assets under active management and assets reserved for the liquidity pool.

When ETH liquidity pool is above 25%

ETH is withdrawn from the liquidity pool and added to the Ethereum pool to achieve a 80:20 ratio of pool assets under active management and assets reserved for the liquidity pool.

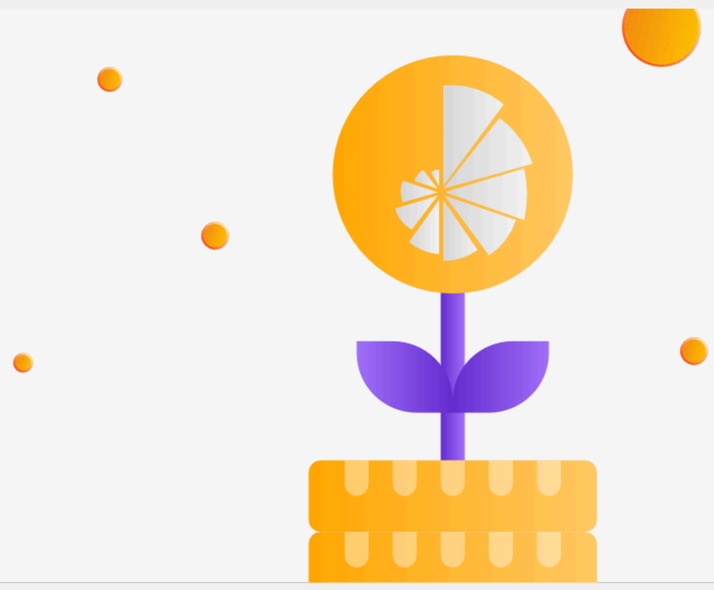
7.2 Liquidity Pool Diagram



7.3 Liquidity Pool Mechanics

- All GAIN tokens in circulation are backed by ETH, which allows 100% of the GAIN tokens in circulation to be redeemed for ETH in the Ethereum pool. As demand to join the Ethereum pool fluctuates, so does the GAIN and ETH in the liquidity pool.
- GAIN tokens flow to and from the LP reserve and the liquidity pool as demand dictates.
- ETH flows to and from the Ethereum pool and liquidity pool as demand dictates, allowing for a fluid system that maintains liquidity at all times, while also generating revenue for the Ethereum pool in the form of market making fees.
- Once all GAIN tokens are circulating from the LP reserve and distribution contracts, free market dynamics will take over with regards to the price of GAIN tokens on the open market, as tokens may hold a premium over the Spot Rate due to scarcity.
- These dynamics are applicable to other pools in the Gain ecosystem, such as the USD Pool for the uGAIN/USDC pair.

7.4 Example Of Workflow



Liquidity Pool pair

GAIN/ETH

Ethereum Pool size

1000 ETH

200 ETH

will be allocated to the liquidity pool

Spot Rate

1000 GAIN to 1 ETH

200,000 GAIN tokens

allocated to the liquidity pool

Mechanics

The price of the GAIN token is allowed to fluctuate +/- 5% from the spot rate, which is the ratio of circulating GAIN tokens to ETH in the Ethereum pool. When the price of GAIN tokens on the open market deviates from spot rate by more than 5%, the workflow outlined in section 7.1 takes affect.

Benefits of this structure

The liquidity pool not only allows participants to enter and exit the Gain ecosystem by purchasing and harvesting the GAIN token, the liquidity pool itself generates revenue for the Ethereum pool by means of fees generated via market making. This revenue directly benefits the spot rate and therefore the GAIN token value, while having the added benefit of improved liquidity and volume metrics for the GAIN token.

8.0 Ecosystem Checks And Balances

Maintaining alignment between token holders, the Gain core team, and pool managers is accomplished by a series of checks and balances regarding each party's authority.

GAIN token holders have the right to vote in key ecosystem decisions such as:

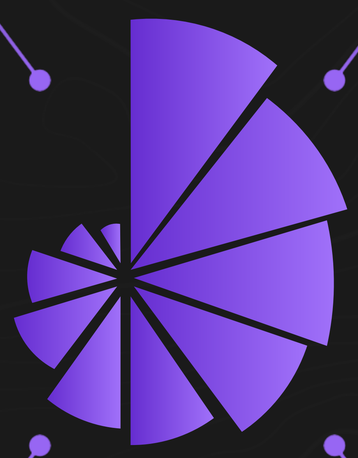
- The brokers and exchanges inside the Gain ecosystem
- Who is managing our pools
- Creating new pools
- New exchange listings
- Project initiatives and grants

Gain Enterprises

is the token issuing entity for GAIN and uGAIN tokens, which resides in Grand Cayman. Tasked with doing the will of the DAO in the physical world, such as opening accounts with brokers and exchanges and formalizing partnerships. Gain Enterprises authority is held in check by the Gain core multi-signature wallets, which requires 5 of 10 signatures in order to approve transactions along with the DAO validator, which submits monthly audit reports to the Gain community.

DAO Validator

reviews and audits all activities associated with the pool wallet, LP reserve, token vault, exchanges, brokers and pool managers associated with the Gain ecosystem on behalf of the DAO/GAIN token holders. The DAO validator is a third-party law firm or auditor that releases a public monthly report available at https://gain.ai/audits



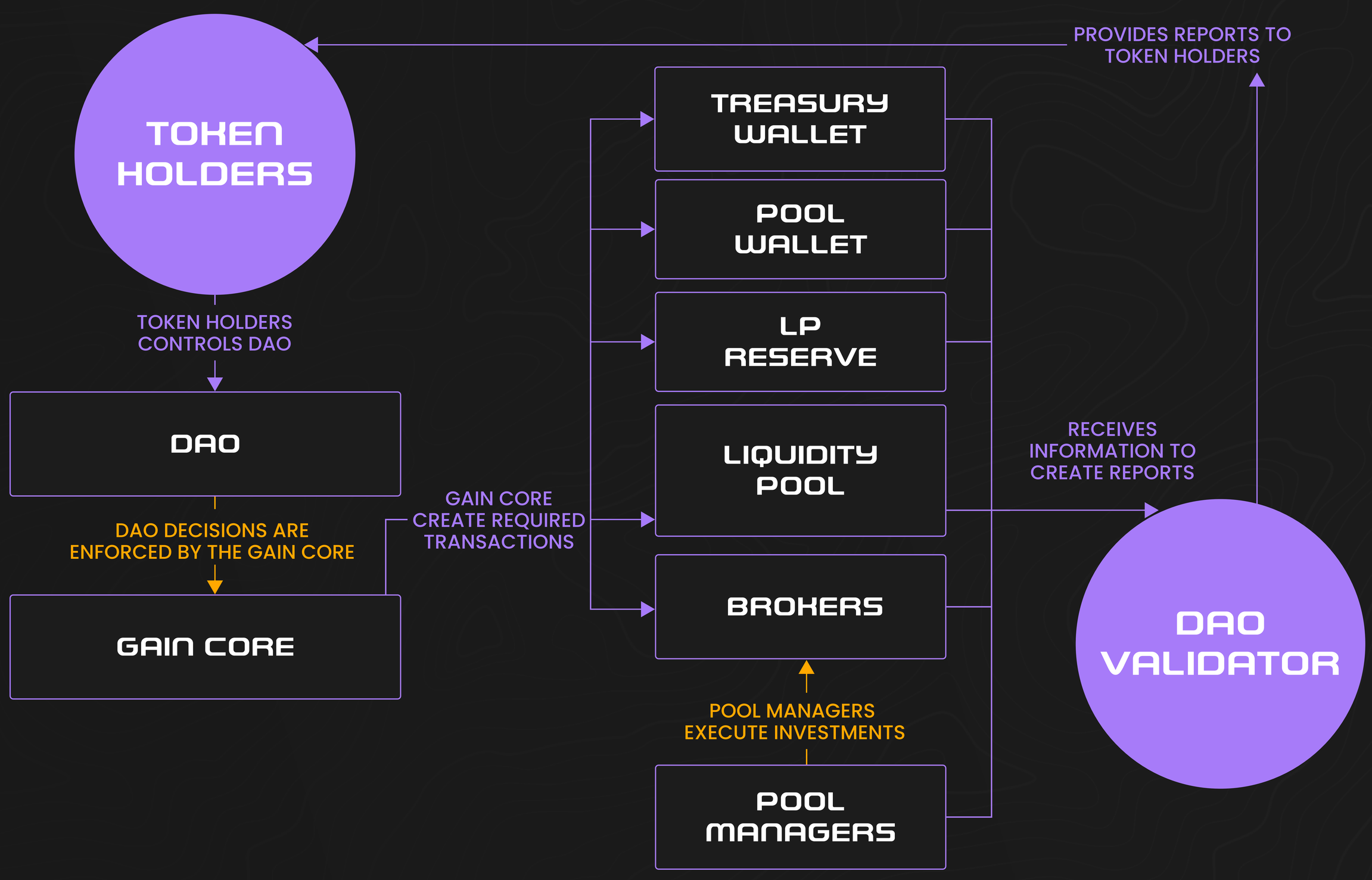
Gain Core

team uses a series of multi-signature wallets that insure no one person can unilaterally perform operations without the digital signature of 5 out of 10 core team members.

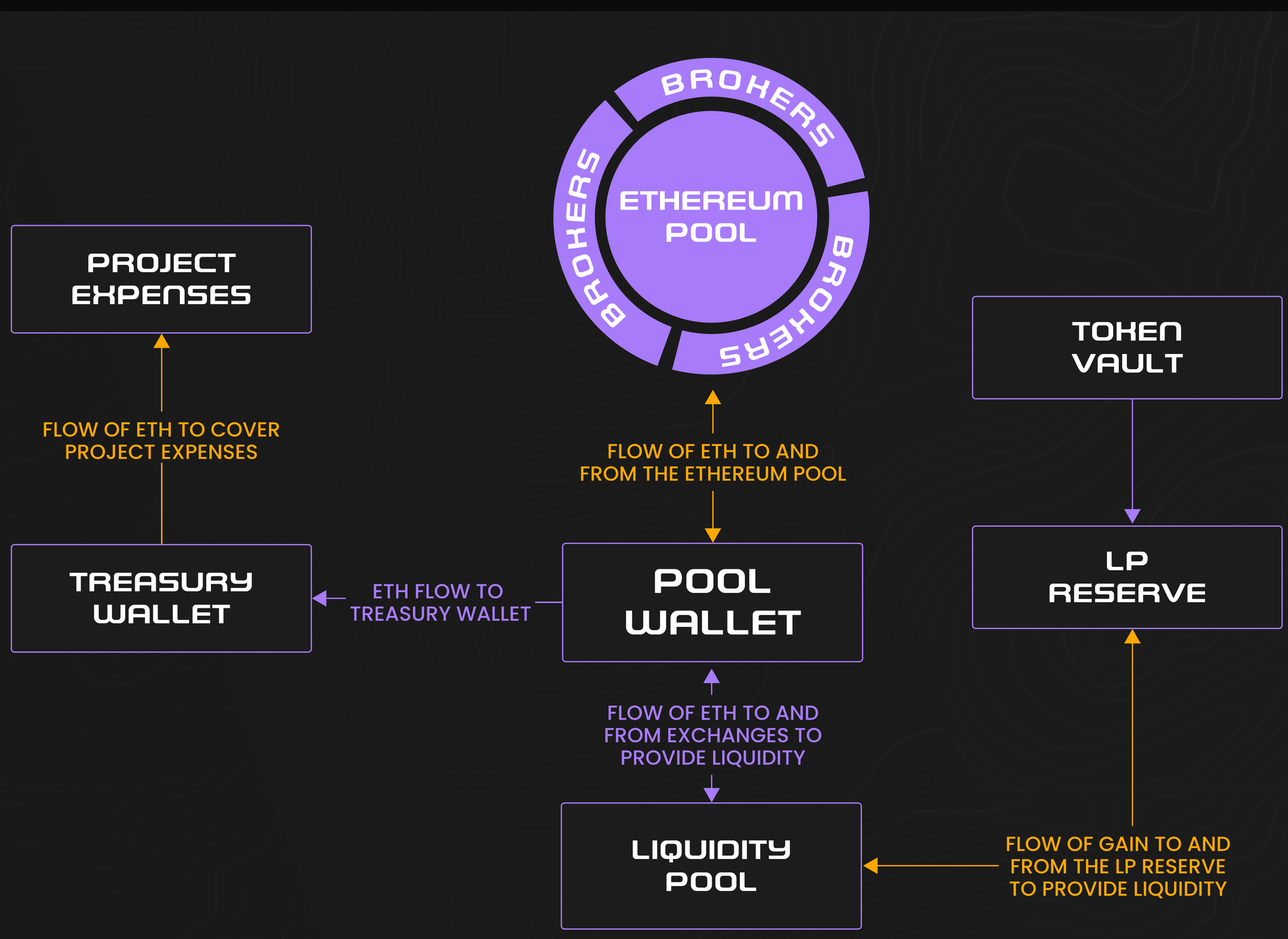
Pool Managers

are elected by the DAO to provide algorithmic trading technologies that operate in traditional and decentralized markets using various techniques such as mechanical trading, AI driven strategies, market making, among others.

8.1 Checks And Balances Diagram 1



8.1.1 Checks And Balances Diagram 2



8.2 Treasury Wallet

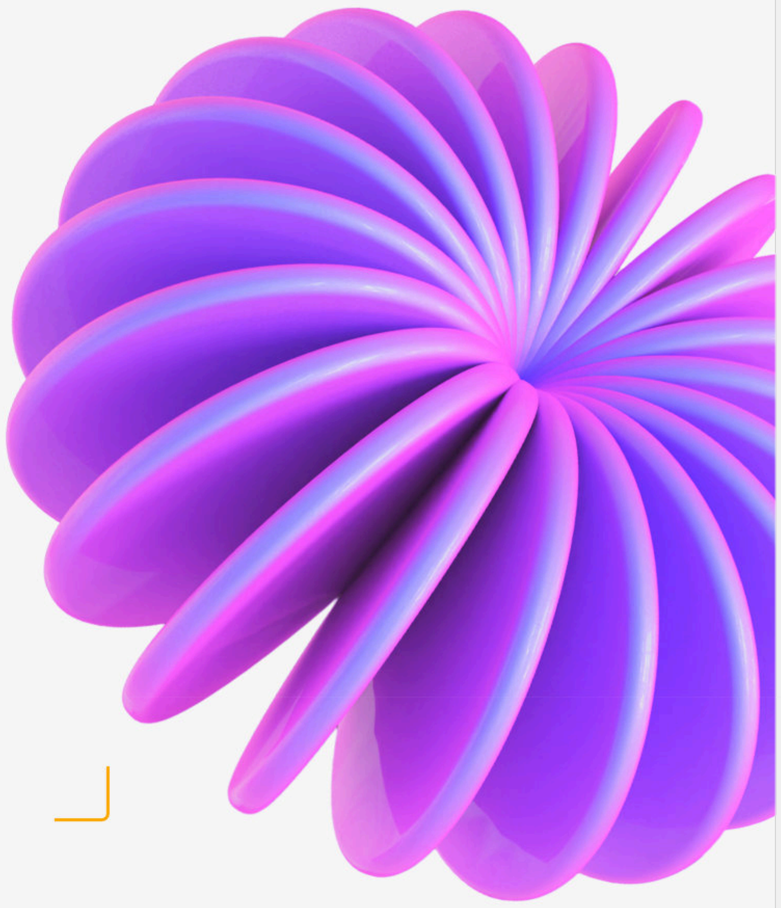
The **treasury wallet** is a multi-signature wallet controlled by the Gain core and requires 5 of 10 signatures in order to execute a transaction. 10% of the Gain pools income goes to the treasury wallet to be used for ecosystem related expenses and initiatives. Funds held by Gain treasury wallets are protected by both legal and cryptographic means. Fund movements by the Gain treasury are constrained by the trust's operating agreement and monitored by the DAO validator. Gain Enterprises and the multi-signature signatories are liable as officers of the trust.

8.3 Pool Wallet

The **pool wallet** is a multi-signature wallet controlled by the Gain core and requires 5 of 10 signatures in order to execute a transaction. It is used to (1) transfer funds from the distribution contracts and liquidity pool into the Gain pools, (2) redistribute digital assets between various pools and broker accounts that make up the Gain pools, (3) distribute performance rewards to the pool managers, (4) distribute rewards to the Gain treasury, and (5) execute withdrawals from the pools in order to capitalize the liquidity pools when required. Funds held by the pool wallet are protected by both legal and cryptographic means. Fund movements by the Gain treasury are constrained by the trust's operating agreement and monitored by the DAO validator. Gain Enterprises, the DAO validator, and the multi-signature signatories are liable as officers of the trust.

8.4 LP Reserve

The LP (Liquidity Pool) reserve is a multi-signature wallet controlled by the Gain core that requires 5 of 10 signatures in order to execute transactions. This wallet is used to provide GAIN token liquidity for centralized and decentralized exchanges. The LP reserve holds uncirculated tokens, which are distributed to exchanges in order to facilitate new participants to acquire GAIN tokens for digital assets as demand dictates. Tokens placed into the liquidity pool are not considered circulating until they are purchased. Digital assets held by LP reserve are protected by both legal and cryptographic means. Token movements by the LP reserve are constrained by the trust's operating agreement and monitored by the DAO validator. Gain Enterprises, the DAO validator, and the multi-signature signatories are liable as officers of the trust. **LP reserve**.



8.5 DAO Proposal And Voting

Gain utilizes a Decentralized Autonomous Organizational (DAO) structure in order to maintain alignment between our token holders and ecosystem by means of token holders voting on key ecosystem decisions.

GAIN token holders have DAO voting privileges on key ecosystem decisions such as:

1. The brokers and exchanges Gain Enterprises partners with
2. Who is managing our pools
3. Creating new pools
4. New exchange listings
5. Project initiatives and grants

Proposals take place at https://gain.ai/dao

8.6 DAO Validator

The DAO validator reviews and audits all activities associated with the pool wallet, LP reserve, token vault, exchanges and brokers associated with the Gain Ecosystem on behalf of the DAO and Gain token holders. The DAO Validator is a third-party law firm or auditor that releases a public monthly report available at https://gain.ai/audits

9.0 Gain Decentralized Components

GAIN Tokens

An ERC20 token used to participate in the Ethereum pool and vote in Gain's DAO.

uGAIN Tokens

An ERC20 token used for participating in the USD pool.

DAO

A decentralized autonomous organization that facilitates transparent blockchain-based voting system for token holders to direct the policies and development of Gain and the management of its pools, including the following:

- What brokers and exchanges Gain Enterprises partners with.
- The percentage pool allocation each technology provider has.
- Creating new pools
- Exchange listings
- Project initiatives and grants

Community Voting Rights

- Elect or replace the DAO validator, pool managers or brokers.
- Change parameters of external liquidity pools for the GAIN/ETH and uGAIN/USDC pair.
- Launch new pools with different underlying assets.
- Ecosystem directives.

9.0 Gain Decentralized Components

Treasury Wallet

A multi-signature wallet controlled by Gain core that is responsible for the movement of project funds and covering project expenses. treasury wallet

Pool Wallet

A multi-signature wallet controlled by Gain core that is responsible for the movement of funds from the distribution contract to the broker accounts and exchanges. pool wallet

LP Reserve

A multi-signature wallet controlled by Gain Core, the LP reserve provides GAIN and uGAIN token liquidity for centralized and decentralized exchanges. Gain tokens are distributed to exchanges in order to facilitate new participants to acquire Gain tokens for digital assets as demand dictates. Gain tokens placed for sale are not considered for the sport rate calculation until they are purchased.

Token Vault

50% of the uncirculated tokens are locked into a time-release vesting smart contract provided by Team Finance. Unlocks are spread over a 10-year period in the form of 40 equal sized quarterly unlocks. Once an unlock matures, the tokens are then eligible to be claimed by the LP Reserve for new participants to purchase via centralized and decentralized exchanges as demand dictates. These locks limit the amount of available tokens on the open market and allow for an evenly paced distribution of tokens over the course of a 10-year period.

GAIN Distribution Contract

A smart contract that holds 20% of the GAIN tokens. The GAIN distribution contract exchanges ETH for GAIN tokens at a starting rate of 1000 GAIN for 1 ETH and a final rate of 1 GAIN for 1 ETH.

uGain Distribution Contract

A smart contract that holds 20% of the uGAIN tokens. The uGAIN distribution contract exchanges USDC for uGAIN tokens at a starting rate of 1 USDC to 1 uGAIN and a final rate of 30 USDC to 1 uGAIN.

9.1 Gain Centralized Components

Ethereum Pool

A collection of ETH denominated accounts held with regulated brokers and exchanges. 80% of the ETH collected from the GAIN distribution contracts and exchanges is sent to the Ethereum pool to be actively managed by the community-elected pool managers. The remaining 20% is sent to the liquidity pool in order to facilitate the buying and selling of GAIN tokens on the open market via exchanges. ETH held in the pool is compounded on a daily basis as operations from the pool managers are opened and closed, along with fees generated from the liquidity pool in the form of market making.

USD Pool

A collection of USD denominated accounts held with regulated brokers and exchanges. 80% of the USD collected from the uGAIN distribution contracts and exchanges is sent to the USD pool to be actively managed by the community-elected pool managers. The remaining 20% is sent to the liquidity pool in order to facilitate the buying and selling of uGAIN tokens on the open market via exchanges. USD held in the pool is compounded on a daily basis as operations from the pool managers are opened and closed. along with fees generated from the liquidity pool in the form of market making.

Founding Team of the Gain Ecosystem

Ten of the Gain core members possess signature rights over the Gain treasury, Gain pool and LP reserve wallets. Operations require 5 of the 10 signatories in order to execute a transaction.

Brokers

Gain utilizes a number of regulated partners to access various financial markets.

Pool Managers

Elected by the DAO to provide algorithmic trading (AT) technologies that operate in traditional and decentralized markets using various techniques such as mechanical trading, yield farming, AI driven strategies, market making and liquidity providing among others, in order to generate a yield for our digital asset pools. Pool managers are compensated with a flat 15% performance reward, assessed on a monthly basis, using an equity-based high water-mark system.

9.2 Legal Components

Gain Enterprise (GE)

The token issuing entity for GAIN and uGAIN tokens, which resides in Grand Cayman. Tasked with doing the will of the DAO in the physical world, such as opening accounts with brokers and exchanges and formalizing partnerships. Gain Enterprises authority is held in check by the Gain cool multi-signature wallets, which requires 5 of 10 signatures in order to approve transactions along with the DAO validator, which submits monthly audit reports to the Gain community.

DAO Validator

The DAO validator reviews and audits all activities associated with the pool wallet, LP token wallet, exchanges and brokers associated with the Gain ecosystem on behalf of the DAO and Gain token holders. The DAO validator is a third-party law firm or auditor that releases publicly available monthly reports.

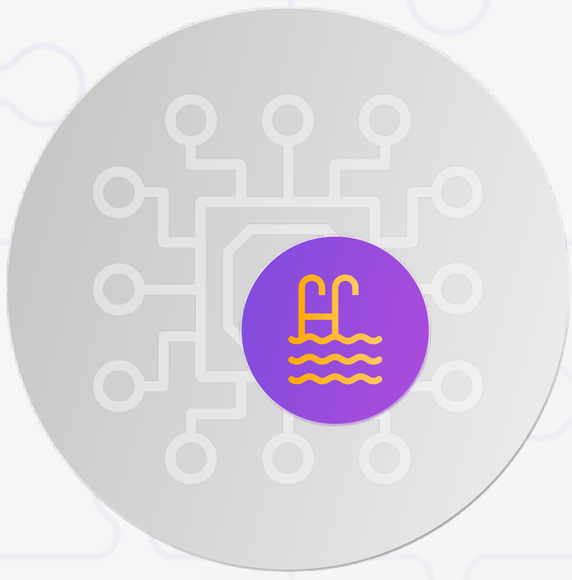
DAO validator reports can be found at www.gain.ai/audits

Current DAO Validator

Torres Legal

10.0 Project Sustainability

The Gain treasury, which is responsible for covering all project related expenses, is sustained in two primary ways:

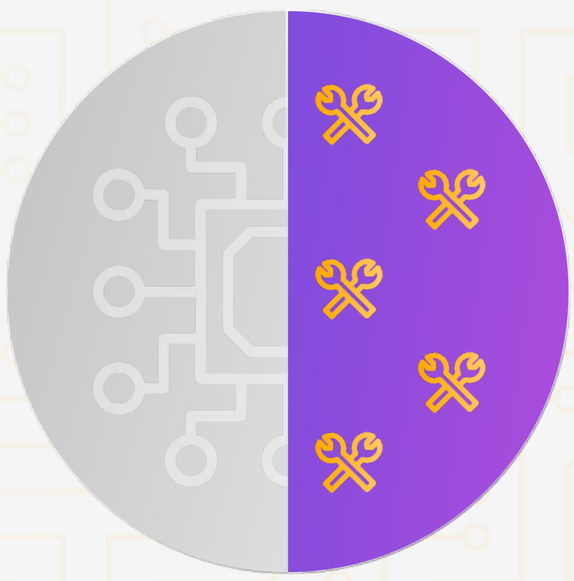


Pool Revenue

10% of the pool's monthly earning is earmarked for the Gain treasury. This revenue is used to cover project related expenses and controlled by the Gain core.

Treasury Management Services Revenue

Half of all revenue generated from the business-to-business services Gain provides to other projects in the form of treasury and/or DAO management is allocated to the Gain treasury, with the remaining half allocated to the pool managers.



11.0 Pool Managers

Elected by the DAO to provide trading-related technologies and act as the operator for our pools. Pool managers are tasked with growing the pools while minimizing pool volatility. Pool managers are compensated with a flat 15% performance reward, calculated using an equity high-water mark method.

Pool Manager Objectives

- Increase the amount of ETH and USD in the pools by an average of 2-3% per month.
- Maintain a trading expectancy of 5.0 pips or higher. For non-FX strategies, this will be based on the underlying traded asset class.
- Maintain a profit factor of 1.10 or higher.
- Limit drawdown to 20%

8.2 Requisite to be elected as the Pool Manager

- Minimum of 1 year of audited live testing results.
- Performance metrics achieved regarding monthly returns, profit factor, expectancy, and volatility.
- All trading strategies deployed demonstrate a minimum of 6 years stability using 99.9% modeling quality or higher.

11.1 Pool Manager Compensation

Pool managers are allotted a 15% performance reward for growing the assets in the various Gain pools. This is paid out directly by the brokers on a monthly basis. The performance reward is only given if new equity highs are achieved.

11.2 Initial Pool Managers

Upon confirmation from the DAO, Cornerstone Investment Group will be the initial pool manager for the Ethereum and USD pools. Cornerstone specializes in developing trading algorithms that are deployed in traditional financial markets, such as currencies, commodities, equities, and indexes. Cornerstone has a legal agreement with Gain Enterprises and the brokers that provide access to the financial markets.

12.0 Pool Manager Proof Of Concept

Cornerstone has announced it will form a three-stage beta test in USD as a proof of technology. Upon completion of this beta period, the DAO will hold a vote to determine if Cornerstone will be approved for the pool manager position.

Cornerstone Statistics

Duration 3+ years	Total growth 280%
Monthly 3.7%	Profit Factor 1.11
Max Drawdowns 20.8%	Pips Trade Expectancy 127

The outcome of the tests are available on myfxbook:
https://www.myfxbook.com/members/Cornerstone1/gain-dao-beta/7670587

12.1 Pool Manager Testing Phases

Three phases

of testing were performed using the algorithms above under live market conditions. For these tests, IC Markets was used as the broker.

The outcome of the tests are available on myfxbook

12.2 Testing Phase One

Period: Approximately one month

Objective

To stress test all three strategies working together with a very low balance. The low balance stress test was designed to see if the strategies could maintain profitability and, at the same time, limit drawdown to less than 20% despite being severely undercapitalized. The lack of capital forces the systems to adapt their risk parameters to compensate for being undercapitalized.

Observations

Cornerstone's trend trading strategy did not place any trades during Phase 1 due to the capital restrictions. The mean-reversion strategy only managed to place one trade with the AUDCAD pair. The rest of the trades were denied due to a lack of available margin. The scalping strategy was able to place trades which resulted in an 87.83% gain during phase 1.

Conclusion: PASS

The portfolio adjusted to the reduced capital by restricting the use of the momentum and mean-reversion strategies, resulting in nearly all trading coming from scalping strategies. The end result was an 87.83% return during phase 1 while staying under the 20% drawdown threshold. While the returns were impressive, the risk of operating under such conditions does not fall in line with the risk profile for the Gain pools.

12.3 Testing Phase Two

Period: Approximately six months

Objective

To observe all three trading strategies operate while properly capitalized. The 20% drawdown limit will be maintained.

Observations

All strategies traded with frequency due to the increased trading capital. The scalping strategy, which trades the GBPCAD currency pair, was affected by excessive volatility caused by the United Kingdom exiting the European Union. This resulted in a 20% maximum drawdown limit being triggered on November 10th, causing the portfolio to incur its first negative month.

Due to these adverse conditions, the GBPCAD strategy was disabled for the majority of December. The momentum strategy, on the other hand, was able to capitalize on the increased volatility by producing some impressive gains in the month of December. All three trading strategies were then enabled for January forward.

Conclusion: PASS

Despite one of the three strategies struggling, the portfolio as a whole grew at a robust rate, which further demonstrates the importance of using a portfolio of trading strategies that excel in different conditions as opposed to only using one trading strategy. This results in less volatility within the portfolio and leads to a better investor experience.

12.4 Testing Phase Three

Period: Ongoing Live Trading with ETH

Objective

To test the scalability of the system when trading with larger amounts of capital using Ether as the base currency.

Observations

The trading characteristics of the fund seem identical to Phase 2. Much of this is due to the liquidity providers' ability to execute these larger orders and scale with the demands of higher volumes.

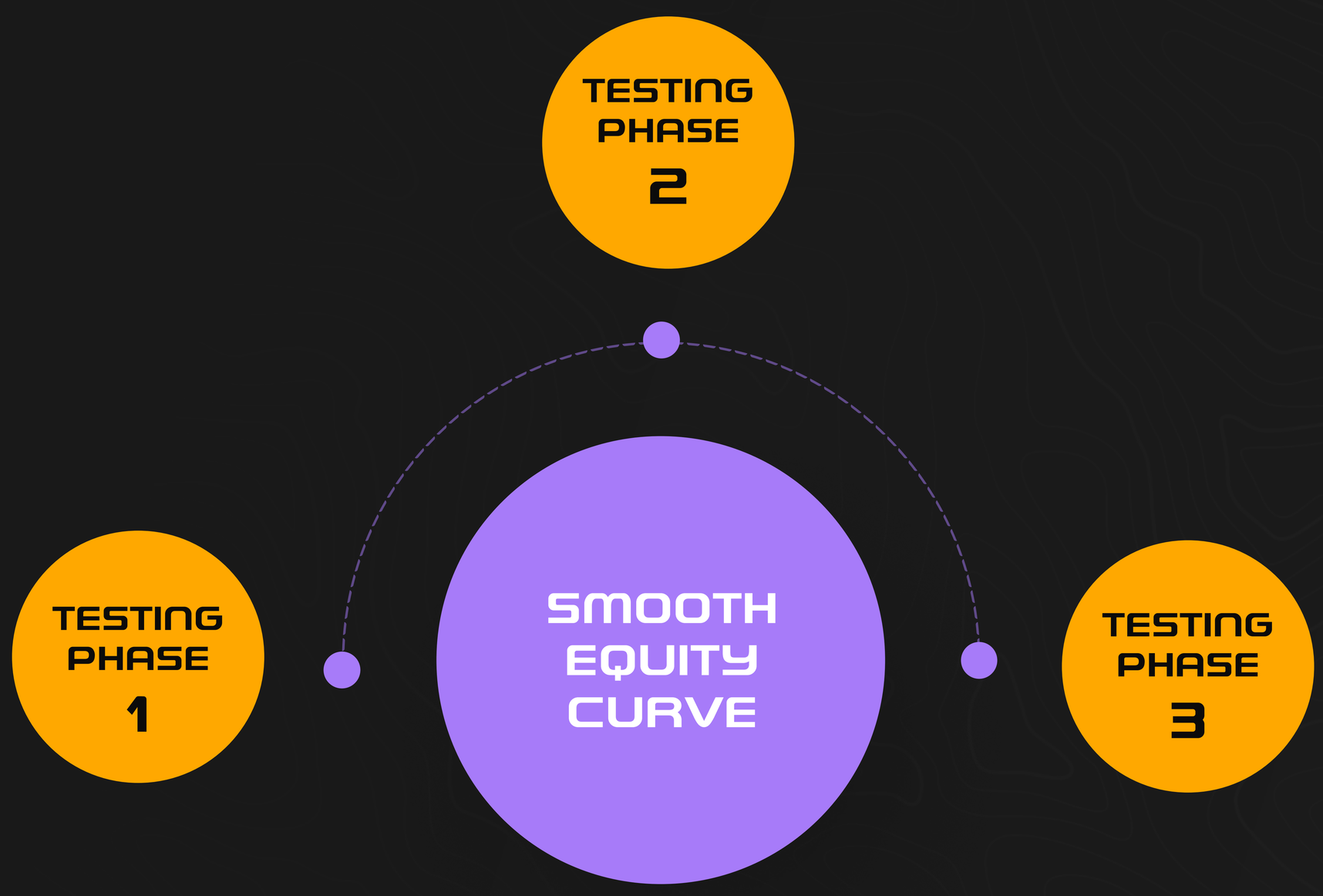
Conclusion: PASS

To avoid poor order fills and other such downsides to trading with higher volumes, we conclude it is only appropriate to trade with financial instruments that have sufficient liquidity to execute orders effectively. So trading will be limited to major and minor/cross currency pairs.

All three phases of testing were performed using the algorithms above under live market conditions. For these tests, IC Markets was used as the broker. The outcome of the tests is available on myfxbook.

12.5 Summary Of Proof-Of-Concept

The three strategies together are complementary and lead to a smooth equity curve. Scalability is not an issue as long as only major currency pairs are traded.



The Objective

of a *2-3% monthly* return while maintaining → a maximum drawdown of *20%*

is in line with our observations of the proof-of-concept period once adjusted for risk.

13.0 Road Map

Q3, 2020

- Objectives and parameters established for Gain pools (objectives; 2% - 3% monthly ROI, with 20% drawdown limit)
- Cornerstone selected as a pool manager for a 1-year beta test with IC Markets as the broker
- MyFXBook.com selected as an independent auditor
- Beta Proof-of-concept started

Q4, 2020

- Established agreements with multiple brokers for crypto-denominated broker accounts
- Whitepaper v0.1 drafted
- Core team assembled

Q1, 2021

- Advisory board established
- Social media presence established
- Marketing and sales teams assembled
- GAIN tokenomics v2.0 established

Q2, 2021

- Branding and website version 1.0
- Whitepaper v1.0 released
- Project initial funding secured

Q3, 2021

- Start of marketing and promotion
- Mascot "Nori" born
- GAIN token contract completed
- Treasury management services drafted

Q4, 2021

- GAIN token audit completed
- Whitepaper v2.0 released
- Additional pool manager selected for beta testing
- Distribution contract finalized

Q1, 2022

- GAIN token generation event
- GAIN tokens distributed to seed round investors
- Distribution contract v0.1 audited by Zokyo Labs

Q2, 2022

- KYC provider contracted
- Web3 integration of distribution contract
- Gain website v2.0 launched

13.0 Road Map

Q3, 2022

- Liquidity pool workflow drafted
- DAO voting system implemented

Q4, 2022

- v0.1 ERC20 distribution contract audited

Q1, 2023

- domain www.gain.ai acquired
- website and branding updated for the new domain

Q2, 2023

- Ethereum pool launched

Q3, 2023

- GAIN token v1.0 airdropped for current GAIN v0.1 token holders
- GAIN whitepaper v3.0 released
- Presale for GAIN and uGAIN tokens
- DAO validator selected

Q4, 2023

- Public sale for GAIN and uGAIN tokens
- GAIN listed on major exchange
- GAIN listed on Coin Gecko
- USD pool launched

Q1, 2024

- Gain ecosystem marketing and promotional campaign launched
- GAIN token listed on Coin Market Cap
- uGAIN listed on a major exchange
- uGAIN listed on Coin Gecko

Q2, 2024

- uGAIN listed on Coin Market Cap

Q3, 2024

- Ethereum pool reaches 50% growth milestone

Q4, 2024

- USD Pool reaches 50% growth milestone
- ETH pool surpasses 10,000 ETH
- USD pool surpasses 30m USD

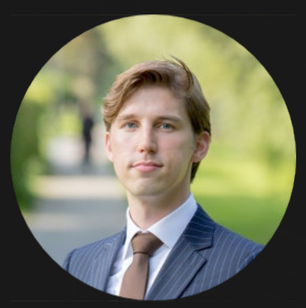
14.0 Gain Core Team

Robert McDonell

FOUNDER AND CHIEF EXECUTIVE OFFICER

Founder of Cornerstone Investment Group (2013) and Gain Enterprises (2020). Robert has been a proponent and advisor of blockchain technologies and digital asset investments since 2016.

LINKEDIN



Robert de Groot

CHIEF FINANCIAL OFFICER

Co-Founder of Internet of Coins & Hybrix. Formerly Head of Incubation at Lisk Center Utrecht. Currently Startup Program Manager at Ethereum Swarm. Building blockchain projects since 2013.

LINKEDIN

Amin Rafiee

PROJECT ADVISOR

UNESCO award winner and a global Bitcoin and blockchain speaker with a background in product design. A consultant and an advisor within the crypto space since 2013.

LINKEDIN

Hector Torres Córdova

CHIEF LEGAL OFFICER

Lawyer specialized in Legaltech and Fintech. Hector has worked with various private and public institutions in financial inclusion projects and in the development of new products.

LINKEDIN

Eliott Teissonniere

TECHNOLOGY ADVISOR

A mentor at the Berkeley Blockchain Accelerator and an advisor to various crypto and technology startups via his company Nuclei Studio.

LINKEDIN

Hunter Douglas Rogers

CHIEF COMMERCIAL OFFICER

A professional social media marketer and business development specialist since 2016, Hunter's passion is educating people on the foreign exchange and cryptocurrency markets.

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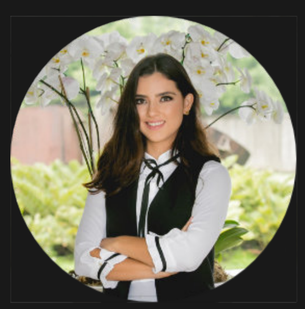


Nolvia Serrano

CHIEF MARKETING ADVISOR

Marketing and PR specialist within the banking and investment industry. Nolvia previously held the CMO position for AAVE as well as a PR role for Citibank.

LINKEDIN

Marc Buma

CHIEF TECHNOLOGY OFFICER

Senior developer and blockchain consultant at his company Bumos. Specialized in full stack (d)app and smart contract development on various blockchain platforms.

LINKEDIN

Luca Cotta

CHIEF COMMERCIAL OFFICER

An early crypto adopter and one of the first Bitcoin users in Italy since 2010. Luca has collaborated with a number of different companies in the crypto space, including strategic consultancy, support, and marketing.

LINKEDIN

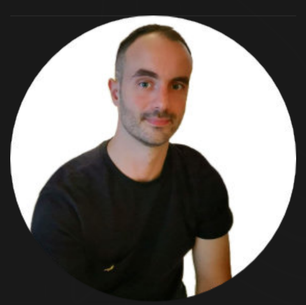
14.0 Gain Core Team

Umar Khattak

PARTNERSHIPS

Umar is an Experienced Business Executive and Entrepreneur with a demonstrated history of working in the Financial Services and Renewable Energy Industries. Umar is currently involved in Asset Management, Global Investments, and Securities Exchange.

LINKEDIN



Dusan ILic-Miloradovic

DATA ANALYST

A crypto advocate since 2013. Background in financial management and business development in the supply chain space working with conglomerates such as DHL and FedEx.

LINKEDIN

Fernando Borea

QUANT TRADING ANALYST

Fernando has been a market analyst and quant developer since 2016. Fernando has acquired a unique skill set enabling him to design, implement and deploy trading strategies.

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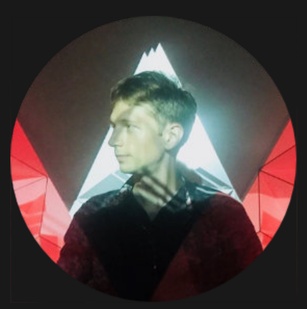

Tristan Roberts

SYSTEM THINKER

A researcher focused on regenerative systems. Tristan worked on automating legal processes for entity formation with OpenLaw and Aragon and has been developing a decentralized research framework to validate experimental gene therapies.

LINKEDIN

Jana Petkanic

DEFI ADVISOR

Consultant specialized in cryptocurrencies and decentralized finance. Co-founding startups and leading business development for fintech startups, Jana's helped scale up ideas into industry leaders. Jana worked as the largest cryptocurrency events organizer in the Netherlands.

LINKEDIN

Mauricio Montoya

IT ADVISOR

As an IT advisor, Mauricio provides strategic advice on how to use technology to achieve goals and improve the structure and efficiency of IT systems in various organizations. He has been conducting IT risk assessments since 2012, from internal audits to system implementations and specialized IT areas.

LINKEDIN

Rodrigo Ayala

OPERATIONS COORDINATOR

Trader and junior developer. Rodrigo has strategic management, financial analysis, and software development background. He previously worked as a researcher and has published academic papers about cybersecurity and autonomous vehicles.

LINKEDIN

Klaske Schep

CONTENT COORDINATOR

Klaske is an experienced writer, editor, and project manager who is fluent in Dutch and English. She has experience with multiple crypto projects involving writing blogs, editing, translating, and SEO.

LINKEDIN

15.0 Glossary

B

Brokers

Gain utilizes a number of regulated partners to access various financial markets.

D

Decentralized Autonomous Organization (DAO)

An organization running on a distributed ledger, such as Ethereum.

Decentralized Finance (DeFi)

A blockchain-based form of finance that does not rely on central financial intermediaries such as brokerages, exchanges, or banks to offer traditional financial instruments and instead utilizes smart contracts on blockchains, the most common being Ethereum.

DAO Validator

The DAO validator reviews and audits all activities associated with the pool wallet, treasury, LP reserve, token vault, exchanges and brokers associated with the Gain ecosystem on behalf of the DAO and Gain token holders. The DAO validator is a third-party law firm or auditor that releases a public monthly report available at **https://gain.ai/audits**.

E

ETH

A distributed ledger capable of supporting complex financial use cases in the form of "smart contracts" that operate on a network of machines.

Ethereum Pool

The Ethereum pool consists of a series of ETH based accounts and wallets held in regulated brokers, exchanges and DeFi protocols that is actively managed by our community elected pool managers. Approximately 80% of the ETH is actively managed, while 20% of the ETH is used to provide liquidity for the GAIN/ETH trading pair.

ERC20

A standard for tokens on Ethereum. Promotes interoperability between exchanges.

G

GAIN Token

Native token for the Ethereum pool, also used as the governance token for the Gain's DAO.

Gain Treasury

A multi-signature wallet controlled by Gain core that holds project funds and coverers project related expenses. **treasury wallet**

Gain Pool

A multi-signature wallet controlled by Gain core that is responsible for the movement of funds from the distribution contract to the broker accounts and exchanges. **pool wallet**

GAIN Distribution Contract

A smart contract that holds all uncirculated GAIN tokens. The GAIN Distribution contract exchanges ETH for GAIN tokens at a starting rate of 1000 GAIN for 1 ETH and a final rate of 1 GAIN for 1 ETH.

Gain Enterprise (GE)

The token issuing entity for GAIN and uGAIN tokens, which resides in Grand Cayman. Tasked with doing the will of the DAO in the physical world, such as opening accounts with brokers and exchanges and formalizing partnerships. Gain Enterprises authority is held in check by the Gain cool multi-signature wallets, which requires 5 of 10 signatures in order to approve transactions along with the DAO validator, which submits monthly audit reports to the Gain community.

Gain Core

Founding team of the Gain ecosystem. Ten of the Gain core members possess signature rights over the Gain treasury, Gain pool and LP reserve. Operations require 5 of the 10 signatories in order to execute a transaction.

15.0 Glossary

H

Hybrid Finance (HyFi)

A combination of traditional finance and decentralized finance models. In Gain's case, this is mediated by tying the pools, which can be various traded accounts on different asset classes, such as currencies, equities, and commodities, among others, to a crypto token, GAIN.

Liquidity Pool

Approximately 20% of the digital assets in all Gain pools is used for provide liquidity and market making on centralized and decentralized exchanges. This allows GAIN token holders sufficient liquidity to enter and exit our ecosystem in a timely and cost-effective manner, while having the added benefit of generating income for our pools vai pool fees.

P

Pool Manager

Elected by the DAO to provide algorithmic trading (AT) technologies that operate in traditional and decentralized markets using various techniques such as mechanical trading, AI driven strategies, market making, among others. Pool managers are compensated with a flat 15% performance reward, assessed on a monthly basis, using an equity-based high water-mark system.

S

Spot Rate

The spot rate is a snapshot taken at the close of each day in order to calculate the ratio of circulating GAIN tokens to ETH present in the Ethereum pool as well as uGAIN tokens to USDC present in the USD pool.

T

TradFi

Short for “Traditional Finance”

L

LP Reserve

A multi-signature wallet controlled by Gain core that provides GAIN and uGAIN token liquidity for centralized and decentralized exchanges. Gain tokens are distributed to exchanges in order to facilitate new participants to acquire Gain tokens for digital assets as demand dictates. Gain tokens placed for sale are not considered for the spot rate calculation until they are purchased. LP reserve

LP Vault

A time-release vesting smart contract provided by Team Finance. Unlocks are scheduled for release in 40 increments of equal size per quarter, over the course of a 10-year period. Once an unlock matures, the tokens are then available for withdrawal to the LP reserve for new participants to purchase via centralized exchanges as demand dictates. These locks will limit the amount of tokens available to the open market and allow for an evenly paced distribution of tokens.

U

uGAIN Token

Native token for the USD pool.

uGAIN Distribution Contract

A smart contract that holds all uncirculated uGAIN tokens. The uGAIN distribution contract exchanges USDC for uGAIN tokens at a starting rate of 1 USDC for 1 uGAIN and a final rate of 30USDC for 1 uGAIN.

USD Pool

The USD pool consists of a series of accounts and wallets held in regulated brokers, exchanges and DeFi protocols that is actively managed by our community elected pool managers. Approximately 80% of the USD is actively managed, while 20% of the USD is used to provide liquidity for the uGAIN/USDC trading pair.

GAIN.AI
AI POWERED POOLS

THANK YOU

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Robert McDonell, Robert de Groot, Amin Rafiee, Marc Buma, Hunter Rogers, Tristan Roberts, Fernando Borea, Hector Torres, et al.