



WHITE PAPER



MISSION STATEMENT

PentaCore commits people, capital and technology towards helping investors profit for the digital currency and blockchain revolution.

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INTRODUCTION

Investing in cryptocurrency has proven to yield significant returns for investors. With the rapid adoption of blockchain technology, cryptocurrency has emerged as an exciting asset class of its own. We have seen unprecedented growth in the marketplace as innovative breakthroughs have led to exciting opportunities for investors.

However, there are still barriers for many investors. Investing in cryptocurrency remains a complex and seemingly risky endeavor. The market is rapidly evolving, and these barriers are stopping investors from taking advantage. PentaCore wants to change that.

PentaCore is a wealth management firm that was created to streamline the crypto investment process by combining ease of entry with experienced asset management.

We empower investors to be part of a new movement of democratic, disruptive technology through sound investment in a rapidly growing, in-demand marketplace.

Our company provides the necessary guidance and product offerings to allow investors to take full advantage of the digital currency and blockchain revolution.

With the creation of our first investment vehicle, "PentaFund," individuals can confidently and easily invest in cryptocurrency assets aimed at delivering superior risk-adjusted returns.

Investors can gain entry into our actively-managed fund (PentaFund) by taking part in our upcoming Initial Coin Offering (ICO).



SUMMARY



The cryptocurrency and blockchain technology space provides a unique opportunity for investors to diversify their portfolios and take advantage of a rapidly growing market.



There are significant barriers to entry into cryptocurrency for the average investor – complexity, lack of understanding, and inaccessibility.



PentaCore recognizes the multitude of investment issues that exist today – economic, complexity, trust, risk – and takes steps to resolve all of them in a well-managed, proactive way.



PentaCore solves this issue by providing easy access to an actively-managed, broadly diversified hedge fund in the cryptocurrency and blockchain space.



PentaCore is initially launching three products – the PentaFund diversified investment fund, PentaView's data-driven and informational platform, and PentaPost, an educational resource for investors.



PentaFund is managed by a team of expert fund managers and experienced researchers who make up our industry-leading Fund Management Brain Trust (FMBT), which uses strict criteria to select the most qualified investments for the Fund.



BACKGROUND:

CRYPTOCURRENCY AND BLOCKCHAIN

In 2017, investing in cryptocurrency and blockchain suddenly became a remarkably attractive proposition:

- As of August 2017, the overall valuation of cryptocurrency's market capitalization was \$165 billion.
- The market grew by 800% in the first eight months of 2017.
- Over \$1.3 billion was invested in ICOs between January and June 2017.





The most well-known and popular cryptocurrency, Bitcoin, makes up almost half of the above market capitalization. That percentage is expected to shrink as many new cryptocurrencies emerge, taking advantage of new technology in their respective fields.

Ethereum, another blockchain technology, has been making waves since its inception 2 years ago, and has already achieved its own market capitalization of over \$30 billion.

Although cryptocurrencies are perhaps best known as an alternative to traditional fiat currencies, the blockchain technology upon which they are built has uses that extend far beyond being a means to exchange money.



Changes in the largest five cryptocurrencies between Jan and Sep 2017

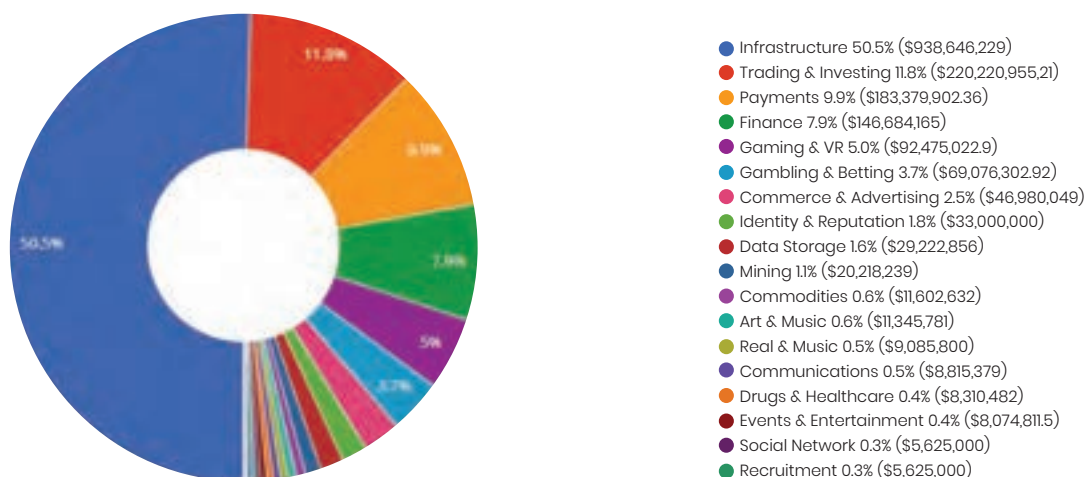
Currency		Market Capitalization			Value Per Coin		
	Name	Jan 1 2017	Sep 3 2017	Change	Jan 1 2017	Sep 3 2017	Change
	Bitcoin	\$15,428M	\$76,620M	+ 494%	\$963	\$4,632	+ 481%
	Ethereum	\$723M	\$33,307M	+ 4,606%	\$8.26	\$353	+ 4,283%
	Ripple	\$238M	\$8,777M	+3,688%	\$0.0065	\$0.2289	+ 3,521%
	Litecoin	\$215M	\$4,203M	+1,954%	\$4.37	\$79.66	+ 1,822%
	Dash	\$79M	\$2,717M	+ 3,439%	\$11.26	\$361	+ 3,204%



DIVERSIFICATION: BLOCKCHAIN TECHNOLOGY

In 2017, over half of all ICOs were related to infrastructure, 12% were in trading and investing, 10% in payments, 8% in finance, 5% in gaming and VR, and the rest a combination of commerce, advertising, identity management, data storage, commodities, art, music, and more. Growth in these areas is only just starting to be realized, which is excellent news for investors as it provides an early opportunity for diversification across a range of industries, thereby reducing risk.

ICOs by Category 2017



There are almost a thousand different cryptocurrencies being actively traded today, with more launching every month. Although this is a rapidly growing area, much of the world has yet to take notice. These assets have only just started to realize their intrinsic value and economic impact. Their wide-scale adoption, coupled with the revolutionary benefits and security of blockchain, will transform much of how we do business and transact with each other all over the globe.

Cryptocurrency is having a major impact on socio-economic issues as well. The widespread use of cryptocurrency and blockchain technologies will reduce dependence on traditional currencies, financial systems, and governments, and make the exchange of value a much more democratic process. Since cryptocurrency decentralizes currency, it has the ability to create a major impact on our world's financial future and global economy.



ISSUES AND OPPORTUNITIES: CRYPTOCURRENCY ASSET CLASS

We are focusing on four crucial issues and opportunities inherent to cryptocurrencies and the worldwide economy.

These four categories have driven and influenced our creation of PentaCore and our management of PentaFund.



Economics

Financial markets from a macro-economic perspective.



Complexity

Confusion and lack of accessibility to the cryptocurrency markets.



Trust

Identifying and avoiding bad actors and investments



Risk

Managing risk vs. reward profile in the volatile cryptocurrency market.



ECONOMIC ISSUES AND OPPORTUNITIES

Economic issues are globally wide-ranging in their scope. From the falling value of currencies to lack of traditional high yield investment opportunities, there are pervasive issues throughout our existing financial markets.

Devaluation of Fiat Currencies

In many countries around the world, people face major issues around economic inflation and devaluation of fiat currencies. These issues affect trading partners, residents, businesses, and other stakeholders. One of the harshest consequences these people face is the immense difficulty of transferring their remaining financial wealth out of devalued currencies. What can they do to protect their assets?

Profitable Investment Opportunities Are Scarce

There is a distinct lack of traditional investment opportunities for growing wealth right now. Interest rates are historically low, the bond market has limited returns, and the stock market seems overvalued by historic standards. For many, investing in options, day trading, swing trading, shorting, commodities, and Forex seem like risky propositions.

Centralized Political and Financial Power Emboldens Corrupt Governments

The centralization of currencies gives governments enormous amounts of financial and political power. That may not be a devastating problem for a healthy democracy, but in a less stable government, it can lead to systemic abuses and a crippling lack of socio-economic change. Financial influence and power needs to be made more widely available.

ECONOMICS THE BENEFITS OF CRYPTOCURRENCY AND PENTACORE

Cryptocurrency and blockchain technologies can help to resolve many economic issues, and PentaCore makes the whole process easier.

- As more fiat currencies become increasingly devalued, investors can move a portion of their wealth into cryptocurrencies, away from traditional financial markets.
- Cryptocurrencies have high liquidity – The transfer of value between fiat currencies and cryptocurrencies is becoming easier every day.
- The increasing market caps, diversity, and growth of cryptocurrency markets provide a great opportunity for investors to make healthy additions to their investment portfolios.
- Cryptocurrencies are based on the notion of decentralization, and present one of the most democratic options when choosing an investment vehicle.
- Cryptocurrencies are likely to play a significant role in socio-economic change in the next 5 to 10 years.
- PentaCore gives investors a guided pathway to the cryptocurrency and blockchain marketplace



COMPLEXITY

ISSUES AND OPPORTUNITIES

Issues of complexity mainly revolve around a lack of awareness and understanding of the marketplace. This is caused in part by the fragmented nature of the cryptocurrency ecosystem, confusion over how to get involved, and the unclear – often contradictory – opinions being offered by “experts” on which technologies represent worthy investments. The sheer magnitude of options can be overwhelming to investors. Less than 20% of the world’s population understands the concept of “cryptocurrency,” and less than 1% is currently invested in the space. Data and high-quality information on cryptocurrency is in short supply.

There Is a Lack of Awareness of Cryptocurrency and Blockchain

In the technology space, many people have heard of cryptocurrencies, especially Bitcoin. Outside of it, there is a sweeping lack of familiarity with both cryptocurrency and blockchain. Because of this, many people fail to understand or realize the potential value of investing in these technologies. Even investors who do understand the area can struggle to figure out how to get involved.

The Cryptocurrency Marketplace is Fragmented

Although Bitcoin is the most well-known cryptocurrency, there are over 1,000 in existence. Most of these are completely independent, unrelated to real-world currencies or trends, and each other. Hardly any investors have the time or resources to independently research and identify the most promising opportunities, and yet all investors must diversify to mitigate risk and maximize reward.

Getting Involved in Cryptocurrency is Confusing

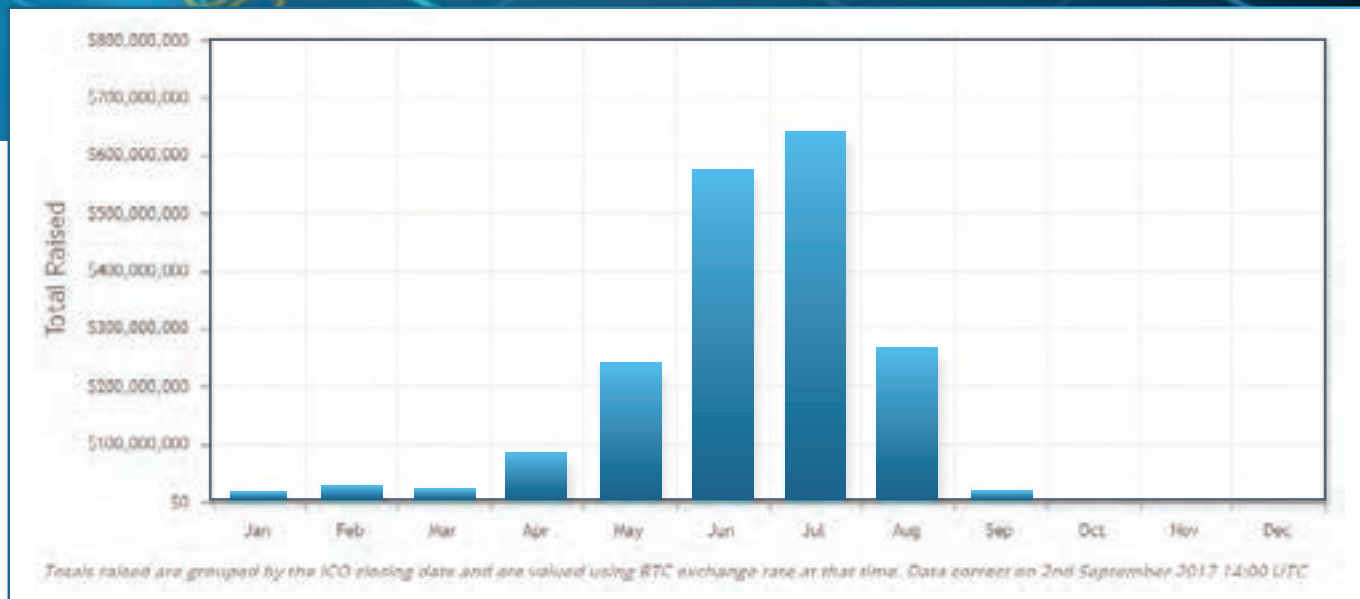
Once an investor has decided he wants to purchase a cryptocurrency, he may quickly become frustrated by the process of actually doing so, which can be complex and bewildering: investors need to first locate and download a digital wallet, find a currency and crypto marketplace in which to invest, and convert real-world currency into cryptocurrency. Only then can they finally make their purchase, after which they will need to learn how funds are reinvested, as well as when and how to exit the investment once they have reached their goals. None of this is very intuitive or clear.

The Marketplace is Growing and Changing All the Time

Even if an investor is able to acquire an understanding of the current state of play, the enormous influx of new ICOs, trends in existing cryptocurrencies, and innovative uses of blockchain technology means that state is constantly changing. Few investors can be expected to keep up with such a nuanced, fluctuating marketplace.



Cryptocurrency ICO Stats 2017



COMPLEXITY THE BENEFITS OF PENTACORE

- PentaCore has been designed from the ground up to remove or reduce the complexity inherent to cryptocurrency.
- PentaFund is an actively-managed fund, led by expert cryptocurrency fund managers who vigilantly review all existing cryptocurrency and blockchain technologies to make reasoned, well-informed, smart investments.
- New and emerging technologies and ICOs are independently researched, analyzed, and tracked to see if they would be a positive addition to the Fund.
- We continually analyze and make proprietary decisions on the right assets to invest in.
- PentaCore provides an easy, accessible, and intelligent way to get involved with our Fund through our ICO.
- Our thorough and consistent review of crypto markets guides our everyday fund management decisions. We provide comprehensive data on the Fund and marketplace as a whole through our PentaView platform.



TRUST

OPPORTUNITIES

Just like in any investment space, not every asset is issued by a reputable company, and there are bound to be investors who have had a disappointing experience. In addition the stigmas attached to cryptocurrency each time it is seized by hackers, or used to pay for Ransomware attacks, and a clear trust barrier emerges. First that barrier must be addressed, then it must be surmounted. One of the best ways to accomplish all of this is through total openness and transparency. These qualities cannot be for show. They must come from a foundation of solid corporate policies, strict internal standards, and explicit contractual agreements with our investors. We will technologically enforce these crucial protocols through a “smart contract” system.

Poorly Managed Cryptocurrencies

The sharp rise in the number of ICOs and blockchain technologies makes it difficult to sort the truly valuable new entrants from businesses that are just trying to “pump and dump,” make a quick buck, or actively defraud investors. In spite of these new challenges, it remains just as important as ever that investors avoid investing in questionable ICOs and other offerings. But whom do they turn to for help ?

Ransomware Attacks and Negative Perceptions are Rampant

Due to the relative anonymity of its transactions, cryptocurrency has rapidly become the financial tool of choice for malware exploiters and other technologically savvy miscreants. Most criminal activity in this space, carried out in various forms, has been associated with the use of Bitcoin. Widespread negative perception has sprung up in response, an unfortunate consequence.

THE BENEFITS OF PENTACORE

Although PentaCore cannot single-handedly build and repair trust among cryptocurrency investors, our approach is designed to make the whole process as transparent and trustworthy as possible.

- PentaCore is built on principles of complete transparency, through PentaFund itself, and our supporting products, PentaView and PentaPost.
- PentaFund will only invest in established cryptocurrencies and blockchain technologies that have proven track records and are expected to appreciate in value.
- If PentaFund invests in emerging cryptocurrencies, we will use stringent criteria to identify strong candidates from trustworthy, well-managed businesses.
- All agreements with investors will be rationalized and enforced through smart contract blockchain technology. These smart contracts will clearly define exactly what to expect from the PentaCore coin, as well as the strict standards and restrictions to which PentaCore will be bound.
- Our topflight team of researchers and fund management experts carefully scrutinize every proposed Fund investment to determine if it's a good addition.
- We regularly perform a comprehensive review of our holdings to ensure the Fund is properly allocated and diversified, so any losses will be mitigated by gains in other areas of the portfolio.



RISK

ISSUES AND OPPORTUNITIES

There's no doubt that volatility is one of the chief characteristics of the cryptocurrency space. This volatility can lead to unusually high returns on wise investments, but can cause equally devastating losses on poorly managed assets. Investors need confidence that their money will be well-managed, and that volatility will be minimized through effective strategies for mitigating risks, protecting downsides, and maximizing returns.

The Cryptocurrency Market is Very Volatile

Bitcoin seems to make news each month for its enormous swings in valuation. The volatility inherent to individual cryptocurrencies must be carefully managed and hedged against if investors are going to be confident in putting money into a fund designed to invest in multiple cryptocurrencies.

There Are New, Untested Entrants to the Marketplace All the Time

The sheer volume of new ICOs and technologies means there are many untested cryptocurrencies being added to the market every month. These newcomers must be independently analyzed and verified, which we accomplish by applying our strict criteria to filter out assets that are unlikely to appreciate in value.

Until Now, Investors Have Had to “Go It Alone”

To many, investing in cryptocurrency can seem like a shot in the dark. Without deep knowledge it's easy to make a mistake and invest in the next “big thing,” only to find out later that the once-exciting opportunity is poorly managed or won't deliver its promised growth.

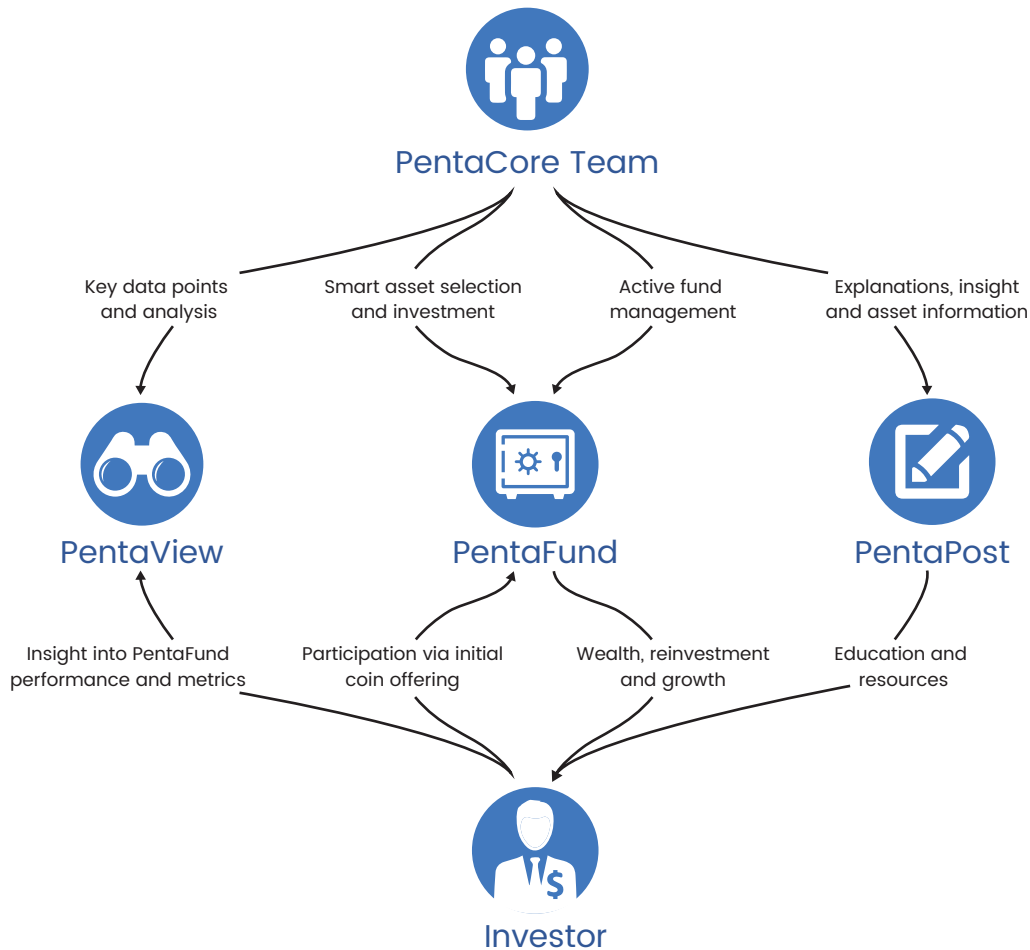
THE BENEFITS OF PENTACORE

PentaFund has been carefully modeled around strict risk-management principles in order to deliver a balanced risk and reward profile to investors.

- PentaFund is actively managed and reviewed on a continual basis to ensure minimal exposure to poorly-performing assets.
- The Fund is diversified across dozens of different cryptocurrency assets and blockchain technologies. The diverse nature of marketplaces, industries, and use cases limits the impact of macro-economic shifts.
- We apply modern portfolio management principles to the cryptocurrency space, containing its volatility and limiting downside risks.
- The Fund uses several hedging strategies to manage risk and maximize returns.
- The Fund has a mid- to long-term outlook for wealth appreciation.



THE PENTACORE ECOSYSTEM



How do investors take advantage of this fast-growing, democratic, fragmented, volatile, and highly valuable marketplace? How can they connect with each other, share information, and act now to get ahead of the curve and stay there? The answer is an entirely transparent and trustworthy high-value fund and platform, that balances risk and reward, and provides easy access to the widest, most diversified collection of cryptocurrency and blockchain assets. That's why we created Pentacore, to give you access to:

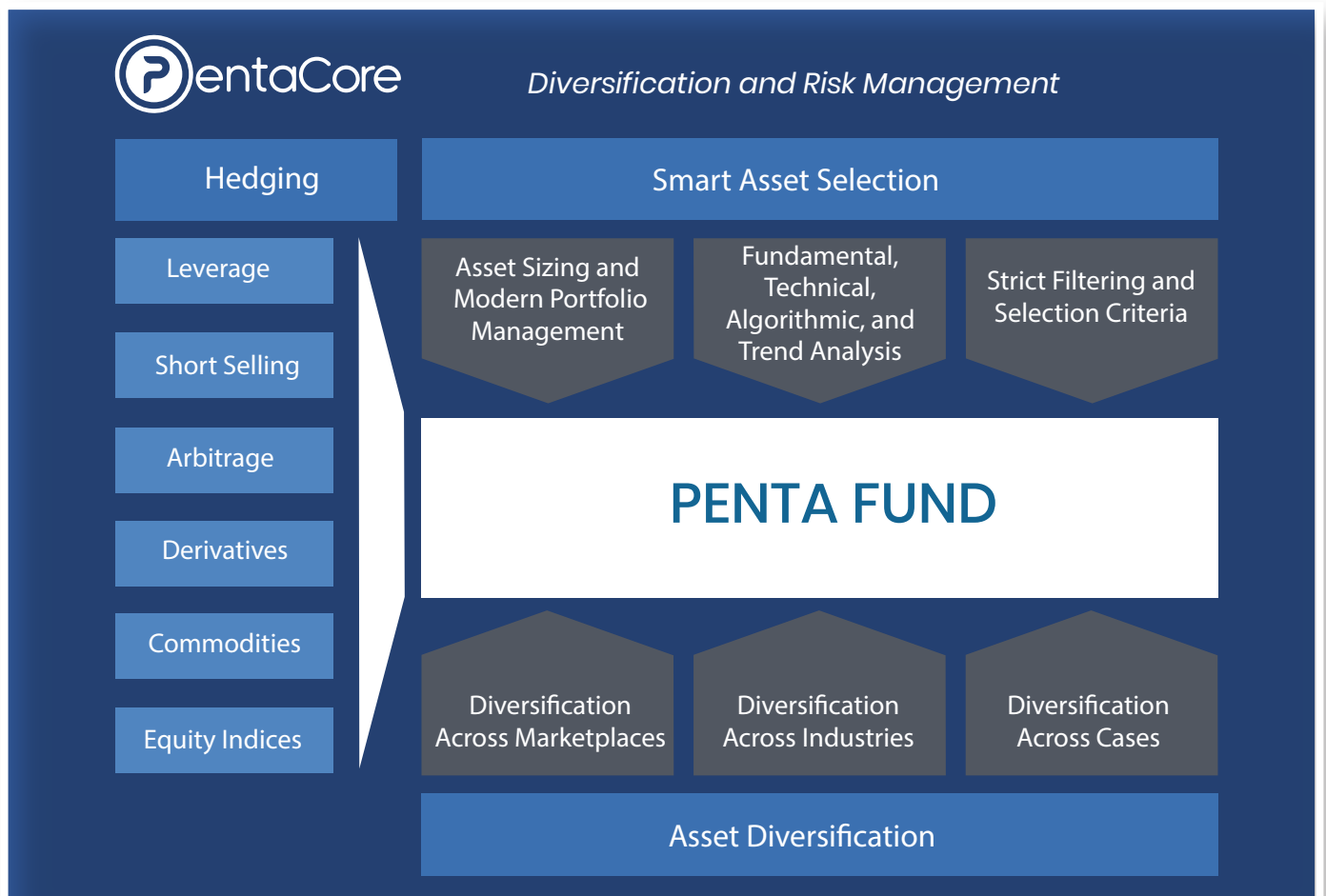
- Our actively-managed diversified fund, PentaFund.
- Our investment information platform, PentaView.
- Our educational resource, PentaPost.

These products are designed to make cryptocurrency and blockchain technology visible and easy to invest in.



THE PENTAFUND INVESTMENT FUND

PentaFund seeks to achieve capital appreciation with added emphasis on the protection of capital during unfavorable market conditions. It pursues this objective by investing primarily in cryptocurrencies while using hedging strategies to vary the exposure of the fund to market fluctuations.





INVESTMENT OBJECTIVES

PentaFund is an actively-managed, crypto asset fund that employs a team of experienced asset managers to produce superior risk-adjusted returns. We believe that through active management, we can steer investors toward valuable exposure to the fundamentally revolutionary cryptocurrency market.

By employing deep quantamental analysis and proprietary techniques, actively-managed funds like PentaFund give investors the opportunity to avoid potentially overvalued assets with poor business models. Since the cryptocurrency market trades 24 hours a day, 7 days a week, investors can feel assured that PentaFund will be protecting their investments at all times. We believe that active management should lead to superior long-term returns for investors.

The PentaFund investment vehicle is designed as an absolute return fund. It is designed to make positive returns through sophisticated investment management techniques that may differ from traditional mutual funds. These alternative techniques include short selling, arbitrage, leverage, and the use of derivatives. This hedging helps to reduce investor exposure.

PentaFund stands apart from its competitors by seeking gains independently of any market benchmark and uncorrelated to other asset classes. We believe the lack of correlation between crypto assets and traditional assets makes it a particularly attractive strategy for investors seeking portfolio diversification.





Blockchain
Opportunities



Preliminary
Analysis



Asset
Selection



Smart
Investment



PentaFund

INVESTMENT STRATEGIES

The fund's portfolio will typically be fully invested in cryptocurrencies decided on by PentaCore's Investment Manager. The Investment Manager's approach to cryptocurrency selection focuses on assets demonstrating favorable valuations and market action. Our analytical approach includes measurements of price behavior, fundamental value, trading volume, and other tangible factors.

When the Investment Manager views market conditions unfavorably, the fund may use derivatives, or effect short sales of certain cryptocurrencies to reduce the exposure of the fund's portfolio. Even when the Investment Manager views market conditions favorably, the fund may use similar strategies to increase its exposure to the impact of general market fluctuations.

The choice of indices and instruments used for hedging is based on a consideration of the cryptocurrencies held in the fund, and generally hedges using indices that are inversely correlated with those cryptocurrencies. These hedges may include other cryptocurrencies, derivatives, or traditional market assets like commodities, currencies, and equity indices.

There are no specific restrictions on the market capitalizations of cryptocurrencies in which the fund invests. This will allow us to freely take advantage of market opportunities on behalf of our investors. The fund may invest a portion of its assets in cryptocurrencies with a lower market cap, including ICOs.

** The fund may hold investments on or through, without limitation, established cryptocurrency exchanges, securities exchanges, aggregators, "over the counter" markets, or other private funds.*



REDEMPTION POLICY

PentaFund will reinvest all profits from the buying and selling of assets, net of fees, back into PentaFund. Investors will be able to cash out of the PentaFund by selling their PentaCore tokens on the open market as well as redeeming their tokens with the fund directly up to 10% of the fund net asset value. This method of redeeming directly with PentaFund will take place on a quarterly basis.

Investor payouts in the secondary market are based on the supply and demand for the PentaCore token. When an investor redeems their tokens with the fund directly, the price will be determined by dividing the Net Asset Value (NAV) by total outstanding PentaCore tokens. It is possible that the market value of PentaCore tokens can vary significantly from the NAV of the Fund. PentaFund will publish the NAV of its holdings, net of fees, on a periodic basis allowing investors to make better-educated decisions when buying or selling PentaCore coins.

During the specified quarterly redemption periods, PentaFund will also allow new investors to enter into the fund at the given price determined by the funds (NAV). With new investors entering on a quarterly basis, the fund can accommodate its members who redeemed directly with the fund. Members do not have to liquidate assets, negatively affecting the fund's position in order to do so.

FEES & EXPENSES

Often, the costs involved in investing in traditional mutual funds are not particularly transparent. These fees vary widely across the spectrum of operating funds, and are one of the biggest drawbacks to these kinds of investments. Sometimes fees are hidden or obscured with complex language, and critics often claim the average investor does not understand everything they are paying for.

We have responded forcefully against this culture by placing a strenuous emphasis on the transparency of PentaFund's costs.

PentaFund's fee structure is most similar to those employed by traditional hedge funds. Our Fund uses a modified 2/20 structure (a 2% management fee assessed on assets under management and a 20% performance fee assessed on profits, similar to the fee structure used by many traditional hedge funds) that fits more conveniently into the larger cryptocurrency ICO structure.

SUBSCRIPTION FEES

Upon completion of the ICO, PentaCore will retain a percentage of all funds raised for the development of the PentaView Platform and to reimburse any of the PentaCore partners for upfront costs to date. This percentage will constitute the Initial High-Water Mark (IHWM). PentaCore will not charge any Performance Fees on the initial ICO funds raised until the Net Asset Value (NAV) of the Fund exceeds the IHWM.

It is possible that the implications of this condition are that PentaFund's NAV may begin below the initial ICO price, but investors in the secondary market will enjoy any appreciation of their coins without Performance Fees paid by the initial ICO investors. This should help boost the aftermarket value of the coin above the NAV, since PentaFund will be managed free of Performance Fees until the IHWM condition is satisfied.



PERFORMANCE FEES

Once the IHWM condition is satisfied, PentaCore will retain 20% of all profits, net of Management Fees and Trading Expenses, subject to a rolling High-Water Mark at the end of each month.



MANAGEMENT FEES

PentaCore will charge in Management Fees an annual rate of 2% on all PentaFund assets. These fees allow us to pay for the day-to-day expenses of running PentaCore and PentaFund. They will be payable on a monthly pro-rata basis, regardless of PentaFund performance.



TRADING EXPENSES

“Trading Expenses” is a catch-all category, and includes any fees that don’t fit into the above categories. These fees include all expenses related to the trading of cryptocurrency assets, including, but not limited to: exchange fees, trading commissions, and subscriptions related to the day-to-day trading of cryptocurrency assets. We do not expect these fees to amount to more than 1% of Fund assets per year



THE PENTAVIEW ANALYSIS PLATFORM

As we've established by now, central to our mission is the elimination of the complexity and confusion of the ever-expanding range of cryptocurrencies and blockchain technologies. We have achieved this through our comprehensive information platform, Pentaview.

This platform serves the needs of our investors and community by providing easy-to-understand, far-reaching, high-quality data relevant to our cryptocurrency and blockchain investments.



THE PURPOSE OF PENTAVIEW

Investors will be able to pool resources and information, make suggestions to the PentaCore team, and stay up-to-date on a growing, ever-changing marketplace. PentaView serves to deepen and expand investors' insight into PentaFund and the wider cryptocurrency and blockchain market. By actively educating investors through our platform and providing valuable resources to highly-motivated investors, PentaView is a significant step forward toward education and transparency in the cryptocurrency space.

The PentaCore Platform provides a world-class user interface and experience. Our user-friendly interface allows new users to easily register and stay up-to-date on the ever-changing cryptocurrency marketplace. PentaFund investors will have access to a personalized, state-of-the-art dashboard that provides them with the following information and capabilities:

- A comprehensive view of PentaFund's holdings, with analysis.
- The total assets under management (value of the fund).
- Access to industry-leading articles, research, and other educational materials.
- Premium podcasts and digital media information.

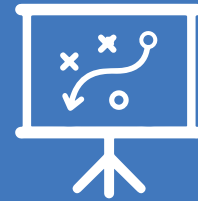
PentaView will initially be available for viewing PentaFund assets, with further integrations and insight into the wider market coming in early 2018. PentaView will also provide insight into our product roadmap, so investors can stay abreast of what to expect as our product range comes to life.



PENTAPOST EDUCATIONAL RESOURCES

PentaPost is an educational resource that allows the larger PentaCore Team to share its latest thoughts, ideas, and insight into the cryptocurrency marketplace, placing special emphasis on the coins that PentaFund invests in.

PentaFund's managers will provide regular updates through the PentaPost forum. They will share market updates, weekly recaps and trends, and give insight into their coin picks. There will be two types of content – free, publicly-distributed content, and premium content designed exclusively for PentaFund investors.



PENTAPOST AND OUR COMMUNITY

Investors will be able to consume data, interact with each other, and learn about cryptocurrency, all at their own pace and comfort level. While most funds usually focus on results at the exclusion of all else, PentaCore plans to achieve its success by openly nurturing an ever-expanding “companion” perspective to its fund, and then leveraging the results to benefit its investors.

Depending on user demand, we may make PentaPost an interactive experience and organize investor community feedback into a “consensus filter” that we use to advise on our research and smart investment picks.



A wealth management firm designed
to give investors exposure to the
cryptocurrency and blockchain market.