



WHITE PAPER

Smart Investments Into Crypto
Technologies and Blockchain

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WHAT IS CRYPTOFUND

CryptoFund is a diversified algorithmic crypto fund investing in crypto technologies and blockchain.

The market of crypto currencies is growing at an aggressive pace. But this rapid growth is accompanied by huge volatility, uncertainty and distrust to participants and infrastructure. Our experience in financial markets, credibility among professional traders, investors, financiers coupled with blockchain technology makes it possible to make the crypto industry extremely transparent, open and safe for broad groups of users.

Our mission is to make investments in crypto currency affordable and understandable for everyone.

Our goal is to bring modern technologies of trading and asset management to the crypto industry.



The combination of management technologies that have been proved in classical finance, and fast growing crypto assets has a fantastic potential for implementation. And this is why the Fund was created.

For investors, CryptoFund is a chance to enter the investment business with minimal investment and make money using the technologies adopted by all modern hedge funds, gaining the share from the Fund's commissions for access and management.

We are integrating the next generation of blockchain technologies with high-tech solutions in asset management and trading in order to achieve a stable and consistent growth of the Fund.

MARKET REVIEW

2017 was the year of a breakthrough for crypto assets market. By late August, 2017, the market capitalization of the Crypto currency exceeded \$150 billion. Financial experts suggest that the crypto currency capitalization within the next five years can reach 2 - 5 trillion dollars.

Total Market Capitalisation

From Apr 28,2013 To Aug 26,2017



Source: coinmarketcap.com

The interest of potential investors in the new market is understandable. Alternative investments, unlike classical ones, give the opportunity to earn more than 1,000% per year, and the continued growth of the market allows you to forecast massive profit. The expected return on investment in the crypto currency will be at least 1,250% during the next 10 years.

However, crypto currency capitalization is still very far behind the other financial markets: global stock market capitalization is about 30 trillion, and the market of derivatives is about \$1.5 trillion. Analysts predict that at least 1% of funds previously invested in stocks, currencies, gold and bonds, will flow into the crypto currencies during the next 10 years. So, the market will continue its growth giving everyone the chance to profit. The main thing is to understand and realize the prospects of investments in crypto assets in time.

ISSUES IDENTIFICATION

The pace of market growth leads many people to the crypto industry. Those who have never been engaged in such investments before.

Now you can invest in crypto assets in various ways:

#1 Choose one currency and buy it hoping for further growth. The main advantage is the minimum costs for analyzing and tracking the instrument. The main disadvantage is the unpredictability of the market: a strong downtrend will make you lose all the investments.

#2 Draw up your portfolio of several crypto currencies. The main advantage is the ability to avoid the risks associated with owning one asset. The main disadvantage is the need to devote considerable time to analyzing asset movements and monitoring the state of the portfolio.

#3 Invest in ICO projects. The main advantage is minimal investments in different types of economy with potentially high profitability. The main disadvantage is the risk of losing all funds on scam projects due to a lack of knowledge of the market.

#4 Invest in a mutual crypto fund. The main advantage is the diversification of risks, the engagement of professionals who manage the fund, no need to waste time analyzing markets. Investing in crypto assets through mutual crypto funds allows newcomers to enter the market. They have not yet figured out the specifics of the industry, but understand that one can now get such profits in this market that traditional markets could not offer.

The majority of investors lacking market experience, high risks due to the uncertainty of the external and internal environment, the obvious “bubble” in many crypto-active assets, the likelihood of fraud in some ICOs - all this may lead to the loss of significant funds in this market.

CryptoFund solves this problem by giving potential investors the opportunity to reduce their risks through:

- **the team's experience in trading and finance**
- **developed investment strategy aimed at earning money on any market movements**
- **guarantees for maximum revenues and minimum risks through the personal investments of the founders in the Fund**

The experience of existing crypto funds suggests that even with the most conservative investment strategy, asset growth can reach 1,000% against the US dollar even in the first year of operation.

HOW CRYPTOFUND WORKS

The Fund is owned through the purchase of Fund units (tokens). Now the Fund accepts investments in BTC, but USD and ETH funds are also on the roadmap

The number and price of tokens depends on the cash flow "in" and "out" of the Fund. Every time the buyer sends bitcoins to the Fund's wallet, we issue tokens according to the current fund price, which is calculated at 12.00 GMT every day.

$$\begin{aligned}
 &\text{The price of the token} = \frac{\text{The value of the Fund's assets}}{\text{The number of tokens in circulation}} \\
 &\text{Buyer Tokens} = \frac{\text{Amount invested in the Fund}}{\text{Token price} - \text{Commission for entry}}
 \end{aligned}$$

The current price of the tokens is calculated on the basis of the Fund's net assets by the counting methodology.

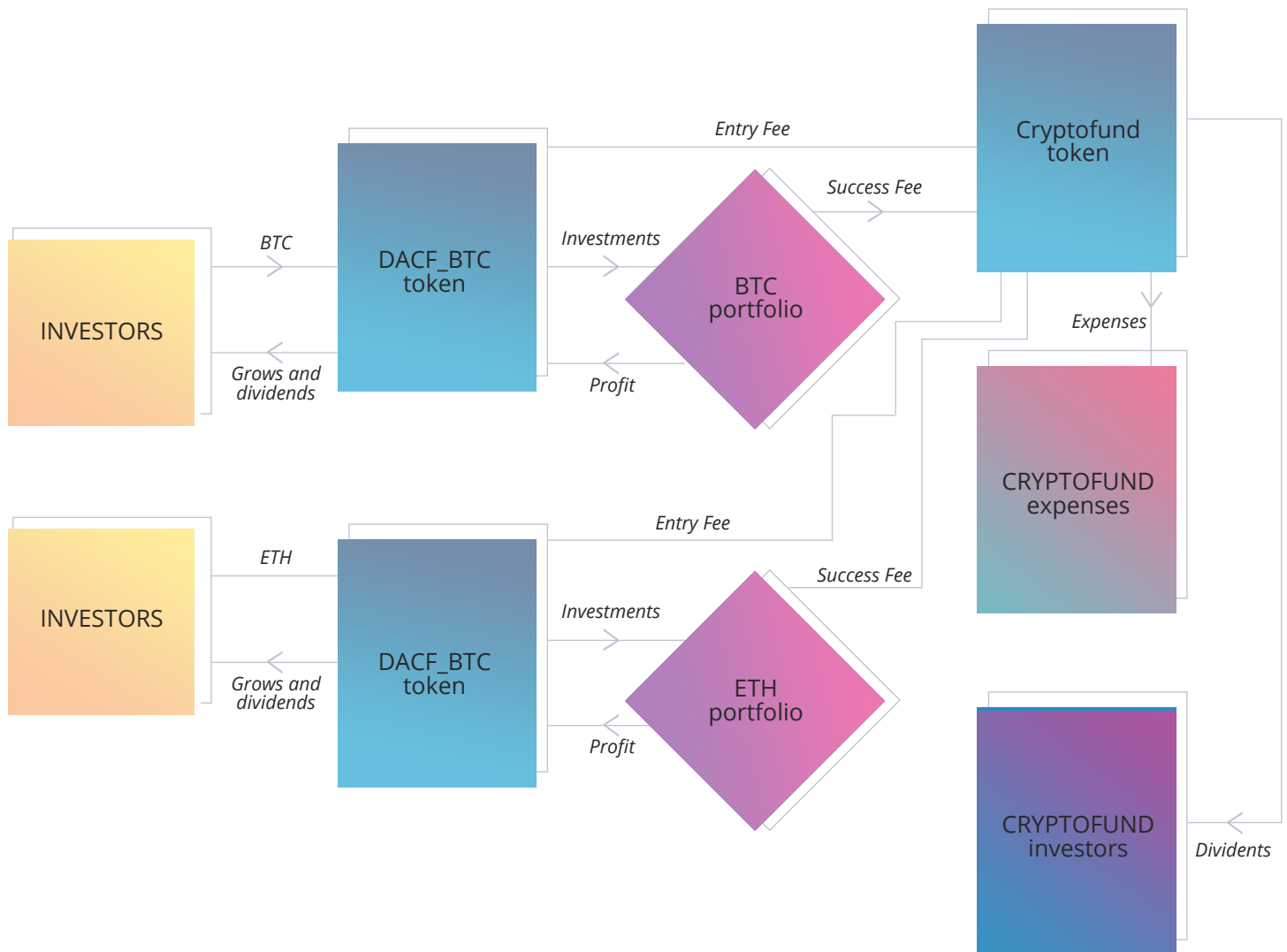
The fund is structured so that at any given moment all tokens are backed with 100% crypto assets under management.

The Fund pays dividends to unit holders. Dividends are paid each time the fund's profit reaches 20%, according to the methodology of calculation.

Each owner of the Fund's tokens can choose whether to reinvest the profit, or to receive a payment to their personal wallet. The system processes payments automatically, based on the information that each token owner notes in his or her personal account.

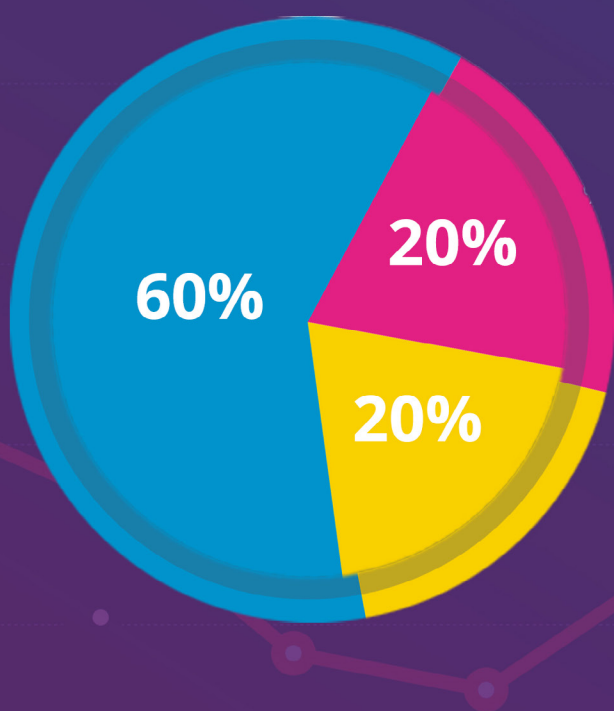


FUND OPERATION SCHEME



THE FUNDS RECEIVED ARE INVESTED IN BASIC PROPORTIONS TAKING INTO ACCOUNT THE RISK-RETURN RATIO.

INVESTMENT STRATEGY



60% ALTCOINS UNDER THE ALGORITHMS

Tools: manually selected liquid crypto assets from top-20
Goal: to maximize return on investment in case of blockchain and crypto technology growth
Risks: low

20% PARTICIPATION IN ICO AND

Tools: tokens of ICO and pre-ICO projects
The goal: to profit on appreciation using the ability of the team to correctly evaluate the assets
Risks: high

20% ACTIVE TRADING

Tools: crypto assets, crypto futures and options
The goal: to obtain additional income, not tied to the growth of crypto market due to active trading
Risks: moderate

Portfolio ratios described above are subject to rebalancing depending on the state of the market and can vary (- + 10%), but the basic proportions will remain unchanged.

The fund aims to accumulate \$100,000,000 under its management by July, 2018. Each investor will receive income based on this amount.

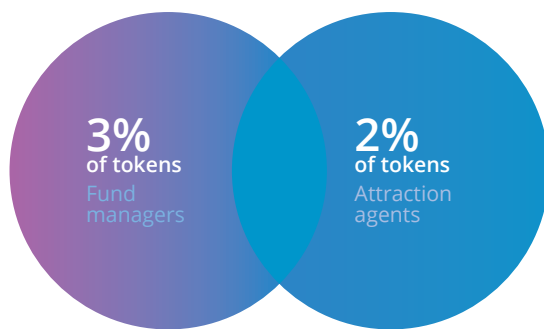
ECONOMIC MODEL

The Fund's economic model is aimed at motivating the Fund's managers to make a profit through quality asset management.

Commission for entering the Fund. Every time someone buys Fund units, 5% of generated tokens are sent as a reward to fund managers and attraction agents. Allocation of compensation is as follows:

The main function of the commission for entering the Fund is to motivate the agents to attract.

The proposed economic model is more convenient and effective than traditional investment models.



1. No offices required
2. No legal expenses are required.
3. No audit is required, as transactions are freely available for viewing through the blockchain
4. There are no tax costs

CRYPTOFUND ADVANTAGES



Diversification

The distribution of investments on various sites and instruments allows to minimize possible losses.



High-Tech Portfolio Management

The basis is rebalancing with the help of self-learning neural networks.



Active trading and fundamental analysis

Experience in financial markets allows you to apply all the knowledge from classical finance in a crypto environment.



Minimizing the risks

Focusing on minimizing risks, we reduce market risks, counterparty risks, and technological risks in the process of work.



Transparency

We further increase the transparency of the block, fully revealing what is happening to the Fund: the investor sees wallets, other customers and transactions.

POTENTIAL CUSTOMERS

The Fund seeks to attract two major audiences:



CLASSICAL MARKETS TRADERS, who get access to crypto market without wasting time exploring the new industry. The founders' experience within the trader community allows attracting both qualified professional speculators and unqualified market participants. The main advantage of the Fund for this category of users is the ability to invest in a portfolio of assets, saving time on learning each of the crypto tools separately.



CRYPTO INVESTORS who are interested in diversifying their risks on crypto markets by utilizing the tools of other financial markets. For these clients, the Fund offers unique strategies of algorithmic trading that will significantly reduce the risks of investing in a growing market, make money either on crypto assets, other derivatives.

ICO

| | |
|--|--|
| What is a token? | A token is a share in the company that gives the right for certain privileges and participation in the profits from the Fund's activities. |
| Payment procedure | Payments are made in the form of dividends on a quarterly basis, terms are stipulated during the token holders meeting. |
| What additional benefits does the token provide? | <ul style="list-style-type: none"> • limited analysis access; • the right to participate in monthly online meetings, where the results of the fund are discussed; • the right to vote on the Fund issues at the general voting; • the right to submit issues for voting, including the portfolio (it is available to holders of a certain number of tokens). |
| Token emission | 3 mln |
| Basic rate | pre-ICO: 1 token = \$0.5 ICO: 1 token = \$1 |
| Planned profitability | \$8.3 per token |
| Regulation | Unsold tokens are destroyed |

ICO Structure



Why ICO?

- to enter global markets,
- attract traditional institutional investors from around the world,
- provide user-friendly investment from a mobile device for all customers.



The investments received at ICO will be directed to:

- expansion of the analysts team,
- involvement of programmers team to develop iOS / Android mobile application,
- legal fund registration (legal entity incorporation in Switzerland / Cayman Islands for USD/EUR accepting, independent audit),
- international marketing,
- bounty program.

How to Invest



1. TO RECEIVE DIVIDENDS FROM TOKENS

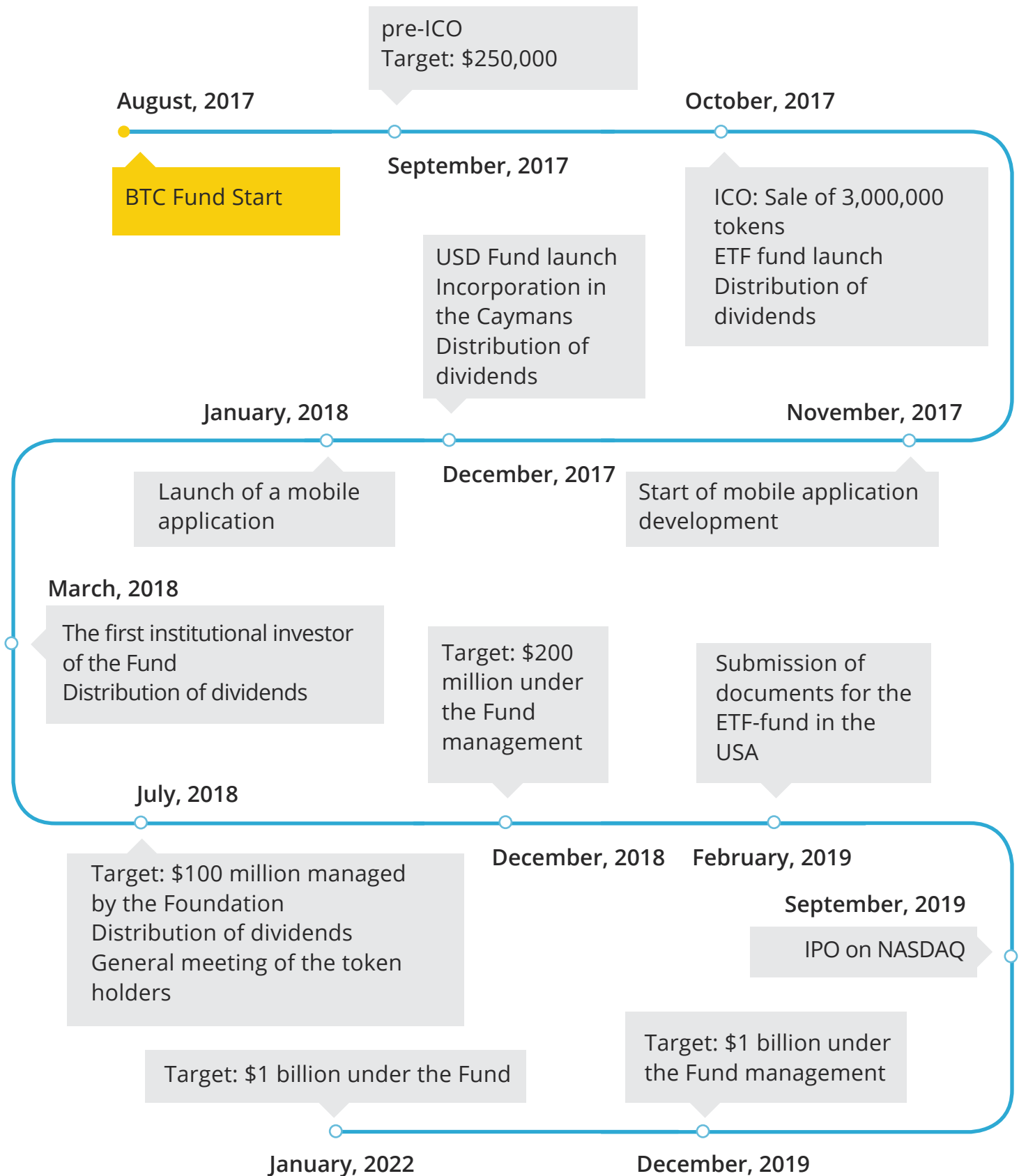
Each token is a share, which guarantees a share in the profit of the fund. After calculating dividends, the investor can receive a payment or reinvest it. Holders of crypto fund tokens receive their share from the Fund's income - commission fees (5%) and for "success" (20%). The share is paid in the form of dividends or is reflected in the price of the tokens.



2. TO PROFIT ON THE TOKEN PRICE RISE

Upon ICO completion, the investor can sell the tokens and receive instant profit. As the assets under the management of the Fund increase, the CryptoFund tokens, which give the right to participate in the fund's profits, and other privileges will appreciate.

ROADMAP



TEAM



GEORGY VERBITSKY
Chief investment officer (CIO)

Professional trader and asset manager with over 10 years of experience in the financial markets. Founder of the trading community and managing partner of H2T Consulting, listed among top-100 best private traders in Russia. He was involved in the development and expansion of Thomson Reuters and

Tradingview. Key strengths: cumulative work experience in fintech, IT companies, and financial structures.

At CryptoFund Georgiy is actively involved in asset management, focusing on the overall strategy and business development



«We started the project at the junction of trading and blockchain with the key goal to create a world-class fund for investments in blockchain and crypto economics. And I'm sure it's within our power. The potential market opportunities are endless, and right now and here we are at the very cutting edge of progress and are committed to what can change the world.»



ALEXANDER BOIARINTSEV
Chief Executive Officer (CEO)

An entrepreneur and a financial expert. A private trader and a cryptoenthusiast since 2010. He has been working in the financial sector for over 15 years, starting with the development of non-state pension funds, attracting capital, and ending with business process development of financial companies.

In CryptoFund he is responsible for building business processes, communicating with partners, and attracting key investors.



*«We are on the way to a breakthrough in trading! All large funds activity is based on the model that we follow at CryptoFund, but they have not yet come to the cryptoworld, which means that each investor has a chance to enter the market at the lowest possible price. As soon as we find ourselves on the Nasdaq, one token will be worth \$300.
It's definitely worth trying to earn with us right now.»*



EUGENE KOINOV
Chief Technology Officer (CTO)

Developer of cryptographic platforms with 20 years of experience. He was engaged in the development of software products in the field of information security, automation of financial instruments trading, strategy development and bringing it all to US exchanges.

At CryptoFund he is responsible for the technical organization of the fund, he is responsible for the technical organization of the fund, algorithmic trading and protection of funds.

“*«My life motto:” Let’s try it! “, and what I’m doing now - blockchain technology and trading, give huge opportunities. Blockchain in finance allows you to create really interesting products, and I’m glad that I’m participating in this.»*



EMIL MASIEN
Head of mobile development

Analyst, software engineer and developer of online platforms. He was engaged in the coaching of start-ups in IdeaLab - the world’s first business incubator. He also helped companies to solve business problems applying the most advanced technologies, from the idea to the finished product.

In CryptoFund, he manages the mobile platform development that will facilitate the interaction of investors with the Fund.

“*«We are both the ones who develop blockchain projects and the ones who will be using them - we are creating a new world and a new economy. CryptoFund performs an important function - it makes cryptoinvestment available for those who want to earn in this new world».*

SAFETY

The technological solutions used by the Fund support the safety of customers and their funds at all stages of work, from receiving, storing and redistributing of funds to their withdrawal to the client.

The created ecosystem of storage and application of security keys allows to prevent any types of attacks

The main elements of the security system:

- The main way to store the Fund's assets is "2-of-3 signatures" accounts.
- If a scheme with multiple signatures is not possible, the wallet of one of the Fund managers is used.
- Most of the operations are carried out with the help of hardware signature (Trezor)
- Access to accounts on exchanges is protected by multi-factor identification.
- Generation of a set of basic keys and a password encrypting a private key is on the user's side.
- The authentication system does not compromise the entire system in case of server hacking.

RISKS

Investments in the Fund may be subject to various risks, including counterparty risks, regulatory risks, the risks of theft, fraud, and so on.

Managers of the fund are obliged to do everything possible to minimize all possible risks, while working to maximize the profit of the Fund.

By sending bitcoins to the Fund, you confirm that you understand all risks associated with the Fund and understand that you can incur losses up to the total loss of the invested bitcoins, if any of these risks are realized.

The Fund's managers do not bear any responsibility for reducing the value of the Fund's units in the event that these risks are realized, except for the possible loss of their personal investments in the Fund.

LIQUIDATION

The decision of the two managers of the Fund launches the liquidation procedure, which is carried out according to the following algorithm. The following procedure will be launched in the event of Fund liquidation:

- 1. All assets of the Fund will be converted to bitcoins.**
- 2. All bitcoins are proportionally divided among the depositors of the Fund.**
- 3. All bitcoins will be sent to the personal wallets of depositors.**
- 4. Should at the time of liquidation the Fund owns any illiquid asset, it will be on the Fund's balance sheet until it is possible to sell it and exchange it for bitcoins.**

LEGAL NOTICE

The given financial metrics are hypothetical, thus the actual numbers can differ and be subject to change by the economic situation or by a new risk factor which has not been revealed up until the present moment.

The information provided does not imply contractual obligations and is not a prospectus or an investment proposal.

The resulted financial indicators are forecasted, therefore actual numbers can differ from the mentioned above because of change of an economic situation and-or occurrence of the new risk factor which have not been revealed for the present moment.

CONTACTS

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