



# **KINESIS MONETARY SYSTEM**

**THE EVOLUTION OF THE GOLD STANDARD**



**WHITEPAPER - VERSION 1.0**

JUNE 2018

# CONTENT

---

- ABSTRACT
- 1.0 INTRODUCTION**
- 2.0 DESIGN PRINCIPLES**
- 3.0 KINESIS MONETARY  
SYSTEM FEATURED  
COMPONENTS**
- 4.0 KINESIS CURRENCY  
SUITE**
- 5.0 VELOCITY-BASED YIELD  
SYSTEM**
- 6.0 KINESIS ECONOMY**
- 7.0 KINESIS ROADMAP**
- 8.0 KINESIS VELOCITY  
TOKEN & INITIAL TOKEN  
OFFERING (ITO)**
- CONCLUSION

# ABSTRACT

---

With the evolution of blockchain, cryptocurrencies and mobile devices, participants in the global economy have been presented with a profound opportunity: a chance to apply ingenious creativity to money and to be part of an empowering people-centric revolution. Yet, despite this opportunity, current blockchain payment systems and their cryptocurrencies have suffered from severe price volatility, limiting their holder's desire to be used as tender. This makes many of these mediums unsuitable for commercial exchange.

The Kinesis Monetary System is specifically designed to overcome these drawbacks through the development of a universally adopted, decentralized, asset-backed monetary system. A monetary system that is efficient, secure, fair, and incentivizes commercial exchange. This system combines new world decentralized technology with the oldest, fairest, and most sustainable form of money, to empower and serve the interests of us all equally and capitalistically.

This paper outlines our vision and philosophy behind the Kinesis Monetary System, detailing the core components and products supporting its innovative ecosystem. More importantly, analysis is provided that specifically highlights Kinesis' unique currency specifications and quantitatively proves the concept behind our incentivized multifaceted yield system. These features differentiate Kinesis as a stable, useful, secure, and rewarding platform to facilitate commerce.

# INTRODUCTION

---

## 1.1 Vision

The vision for Kinesis is to deliver an evolutionary step beyond any monetary system available in the world today. A system that through participation, enhances money as both a store of value and as a medium of exchange, for the benefit of all. Much the same as our sun unconditionally delivers an indiscriminate share of energy to planet Earth that stimulates life, we see Kinesis as a comparative energy system to stimulate the movement of money, assets, commerce, and economic activity in a fair, honest, and rewarding process.

## 1.2 Mission

The mission of the Kinesis monetary system is to deliver an internationally fungible monetary system, designed to give back to those who participate, and thus create a solution for the global need for sound, reliable money. It is understood that for sound money to be a successful global transaction currency against legal tender currencies, Sir Thomas Gresham's economic principle that "bad money drives out good" must be defeated. This is an observation of human behavior and money where people who value one currency over another will hold onto and hoard the more valued tender, while spending the currency they value less. Similarly, given cryptocurrency market volatility, it is often a crypto-holder's view that their crypto-assets will rise in value or that they must hold on to them to wait for prices to recover. As a result, there is no incentive for that token to be used as a medium of exchange, thus promoting hoarding behavior.

## 1.3 Kinesis Monetary System

Kinesis, in its world changing mission, embraces and rewards the use of its own currency, stimulating the movement of capital, acting as a system that encourages commerce and economic activity. Core to the mechanics of the system is the perpetual

incentive and stimulus for money velocity. Outside capital is attracted into Kinesis via a very attractive risk/return ratio and then put into highly stimulated movement. This is achieved through giving money 1:1 direct allocated asset backing and then attaching a unique multifaceted yield system that promotes exchange and fairly shares the wealth generated by the Kinesis Monetary System according to participation and capital velocity.

The primary elements of Kinesis are:

- **Gold & Silver** – Kinesis’ primary currencies are backed 1:1 with allocated physical gold & silver, the greatest stable and definable stores of value for use in commercial and private transactions and investment. Allocated means that full direct title to the bullion used for the 1:1 backing of KAU and KAG coins is allocated to the owner of the respective coin.
- **Yield** - A perpetually recurring yield generated from economic activity, not from debt-based interest like fiat currency. Provides definable value via Net Present Value (NPV) calculations for use in commercial, institutional and retail investment.
- **Blockchain & Cryptocurrency Technology**  
- Enhanced by asset-backed currency and multifaceted yield system

The Kinesis system can be overlaid on top of anything that can be standardized, traded, and stored as value. Accordingly, we are developing a kinetically charged cryptocurrency suite with allocated title of bullion, fiat banknotes, cryptocurrencies, and other assets that are secured physically and digitally stored in our allocated Kinesis banking and asset management system. By attaching a yield to currency or asset tokens, risk/return ratios can be forecasted and virtually all currency and investment asset markets can be targeted and infiltrated. As such, over time we plan for more currencies and assets to be added, ultimately infiltrating more

markets spread across the world. This form of currency has necessary real-world application in both commerce and private transactions, along with attracting capital from institutional and retail investors as well as savers.

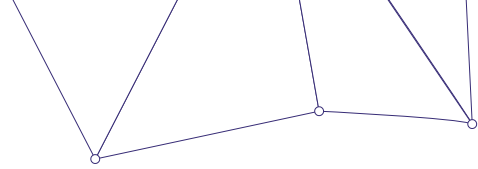
Kinesis will attract capital from markets that are currently experiencing little or comparatively low yields. These include:

1. Cryptocurrency Markets
2. Gold & Silver Markets
3. Fiat Currency Markets
4. Investment Asset Markets

Given the Kinesis Monetary System’s stability and security, participating in the Kinesis system is inherently less risky than these alternative markets and offers potentially greater return. Furthermore, where banks conversely hold legal title of their customer’s deposits and can put these deposits at risk through highly leveraged lending strategies, the Kinesis Monetary System allocates title directly to the ultimate beneficial owner. Thus, at its core, Kinesis is a monetary system focused on minimizing risk, maximizing return, stimulating velocity, and maximizing the rate of adoption.

#### 1.4 Development Partner - Allocated Bullion Exchange (ABX)

Kinesis and the Kinesis Monetary System has been developed in partnership with sister company Allocated Bullion Exchange (ABX). ABX ([www.abx.com](http://www.abx.com)), the world’s leading electronic institutional exchange for allocated, physical precious metals has been in operation since 2013, has seven trading, pricing and vaulting hubs across the globe and has recently partnered with Deutsche Borse Group entity European Commodity Clearing (ECC) for clearing and settlement services (<https://abx.com/2017/11/15/ecc-abx/>).



## 1.5 Sequencing

The development, roll-out and commencement of the Kinesis Monetary System is comprised of two distinct and sequenced events (described within this whitepaper):

- a) The Initial Token Offering (ITO) of the Kinesis Velocity Token (KVT); an ERC20 compatible utility token. KVTs are the capital raising vehicle to support the global Kinesis Monetary System. Holders of KVTs collectively earn a percentage of transaction fees from various business units within the Kinesis Monetary System. The KVT ITO is currently in pre-sale, with a public sale launch set to commence on 1 July, 2018 and end on 31 August, 2018; and,
- b) The Initial Coin Offering (ICO) of the first Kinesis Currency Suite of products; each backed 1:1 by direct, allocated precious metals. The first Kinesis cryptocurrencies: KAU (gold-backed coin) and KAG (silver-backed coin) are based on the bespoke Kinesis Blockchain Network (a fork of the Stellar Network). KAU and KAG currencies are the medium by which all transactions occur across the Kinesis Monetary System. The Kinesis Currencies ICO represents the advent of the creation of KAU and KAG by “minting” and backing the created coins with physical precious metals bullion. The Kinesis Currencies ICO are slated to commence on 1 September 2018.

# DESIGN PRINCIPLES

---

## 2.1 Addressing Cryptocurrency Market Problems

Volatility in cryptocurrencies make them non-viable stores of value and unsuitable for use as currencies. Given the price uncertainty of the world’s largest coins, it is clear that they are not viable reserve currencies that can facilitate global commerce.

These characteristics prevent mass-adoption, as a currency must be stable and mimic a fixed article of exchange in an economy. For example, a business with budgeted profit margins takes a significant risk in accepting these currencies as a form of payment, or as a reserve currency to sit on their balance sheet. Money was created to serve and bring efficiency to commercial transactions.

While the early cryptocurrencies have laid the blueprint for a decentralized future, their current limitations prevent their sustainable use in commercial applications. Nevertheless, they have paved the way forward for new and improved innovations like the Kinesis Monetary System

## 2.2 Addressing Fiat Currency Market Problems

Historically, fiat money has never endured a long existence. In fact, every fiat currency since its inception by the Romans has experienced devaluation collapse. This has had significant negative implications on that currencies’ respective economy as well.

Similarly, current fiat currencies are also a poor store of value. Central Banks print and devalue money, creating price inflation at their discretion to keep commercial banks lending and consumers spending to maintain economic growth in nominal terms (without inflation taken into account). Furthermore, bank deposits globally are almost universally losing money in real terms by paying interest below the rate of inflation. As a result, the counterparty risk incurred by a depositor for depositing funds with a bank (giving title of your money to a bank) is not fiscally responsible or viable. In addition, these depositors must deal with bail-in provisions, depositors insurance being removed, and interest rates being negligible.

As illustrated in this chart, the printing of US dollars to stimulate economic activity is having a decreasing positive economic effect. The US government along



with other major governments and monetary systems around the world are funding themselves through deficit funding from central banks. History shows that currency crashes and high inflation or even hyperinflation typically follow these actions.

In addition, the US government along with most other major governments are further accumulating an insurmountable level of debt evidenced by the unsustainable rise of federal debt against GDP. In lieu of this, the US government is struggling to meet the interest payments on their debt, notwithstanding rising interest rates. This has led to unfunded off-balance sheet liabilities surpassing the liabilities currently held on balance sheet pointing to the foundations of an insolvent economy.

Given this information it is clear it is evident that having a central authority, whether it be banks or government, at the center of a monetary system is inherently problematic. These are the issues a stable and decentralized alternative like Kinesis aims to solve.

## 2.3 Addressing Asset-backed Currency Problems

### 2.3.1 Gresham's Law of Money

As previously mentioned, Gresham's Law of Money – "bad money drives out good," is an inherent problem plaguing both traditional cryptocurrencies and asset-backed currencies. This is witnessed with gold and silver, where those who hold it over legal tender or fiat currency, typically do not wish to spend it, choosing the less valued fiat currency for everyday transactions. The Kinesis Monetary System defeats Gresham's Law phenomena by highly incentivizing people to utilize a valuable currency through a multifaceted reward system based upon participation and money velocity that is expanded upon later in this paper.

### 2.3.2 Yield

Other asset-backed currency problems stem from the fact precious metals and many other assets have no

yield attached to them. Furthermore, they actually typically cost money to hold securely. In this respect, a yielding asset like interest bearing bank deposits or stocks paying dividends become a more attractive investment option for investors looking for a yield on their investments. The Kinesis Monetary System gives yield to these precious metals by attaching multiple yields for varying degrees of passive or active participation. As detailed later in this paper, the proposed model outlining the multifaceted yield system offers a more attractive alternative than the yields on offer for passive investors, as well as highly incentivizing participation for those who wish to be active.

### 2.3.3 Security

Asset-backed currencies' final major problem revolves around security. Historically, there have been multiple cases of fraud involving the use of precious metals and other assets as a payment solution. An investor must be cautious in who they invest with to avoid the risk of fraud and theft. This has already been problematic in asset-backed crypto-currencies as well. For example, recently, Tether, a company that issues a widely traded cryptocurrency purported to be backed by US dollars, has been subpoenaed amid secretive circumstances surrounding the USD backing of their cryptocurrency.

Alternatively, Kinesis' primary currencies are backed 1:1 with allocated physical gold & silver, the greatest stable and definable stores of value for use in commercial and private transactions and investment. Kinesis utilizes the multi-layered third-party audit and verification system of ABX's Quality Assurance Framework. ABX is a global wholesale spot bullion exchange which has been operating without blemish since 2013 and has large physical broker/dealers and traders around the world entrusting its systems. Furthermore, large partnerships are in place with the likes of Deutsche Borse Group, one of the largest exchange groups in the world, government owned postal systems, like PT Pos Indonesia, as well as large established mobile banking and vaulting

partners. The physical handling, clearing, storage, and delivery mechanics are currently being integrated into a Deutsche Borse Group's regulated commodity clearinghouse, European Commodity Clearing, who must also maintain approval and acceptance from the German financial regulator. All bullion has a verified audit trail with multilayered third-party audit and verification in place and regularly audited and transparent holdings system.

## 2.4 Addressing Bullion Market Problems

### 2.4.1 Archaic & Inefficient Market

Wholesale bullion market participants currently trade over-the-counter (OTC) in the physical markets largely outside of the electronic environment either via phone, email, or in person. These systems are completely manual, problematic, inefficient and costly. Phone dealing desks are costly and involve manually booking a trade, placing a physical order with a supplier, and hedging the trade. There is an acceptance in the market that the legacy OTC London market architecture is outdated and there is a need for a transition to new globally efficient digital system. Kinesis via its institutional integration with ABX and its operationally segregated wholesale contracts, which offer serial number and bar hallmark, provides an ideal solution for bi-lateral wholesale trading through the blockchain. This solution will be promoted in partnership with ABX and their extensive network of institutional partners.

### 2.4.2 Siloed and Inefficient Market

Local physical markets currently trade in a very siloed manner, completely independent and disconnected from one another. Kinesis will efficiently interface these markets and aggregate global physical liquidity.

### 2.4.3 Limited Resources

Many organizations currently do not have the resources to conduct the necessary due diligence, understand the regulatory framework and establish global operations. Kinesis' system and technology

allows local market participants to expand their horizons internationally. These additional markets enable them to benefit from international liquidity and attract international clients.

### 2.4.4 Barriers to Entry

There are significant barriers of entry into the local physical market. Outside of the big bullion banks or international trading houses, local market participants typically only trade in their home region thereby limiting them to primarily local clients. In the absence of a pre-existing global aggregator platform, substantial price differentials exist in the different liquidity centres around the world. Kinesis breaks down the barriers to entry to each physical market and directly interface these trading centres allowing traders to arbitrage the differential.

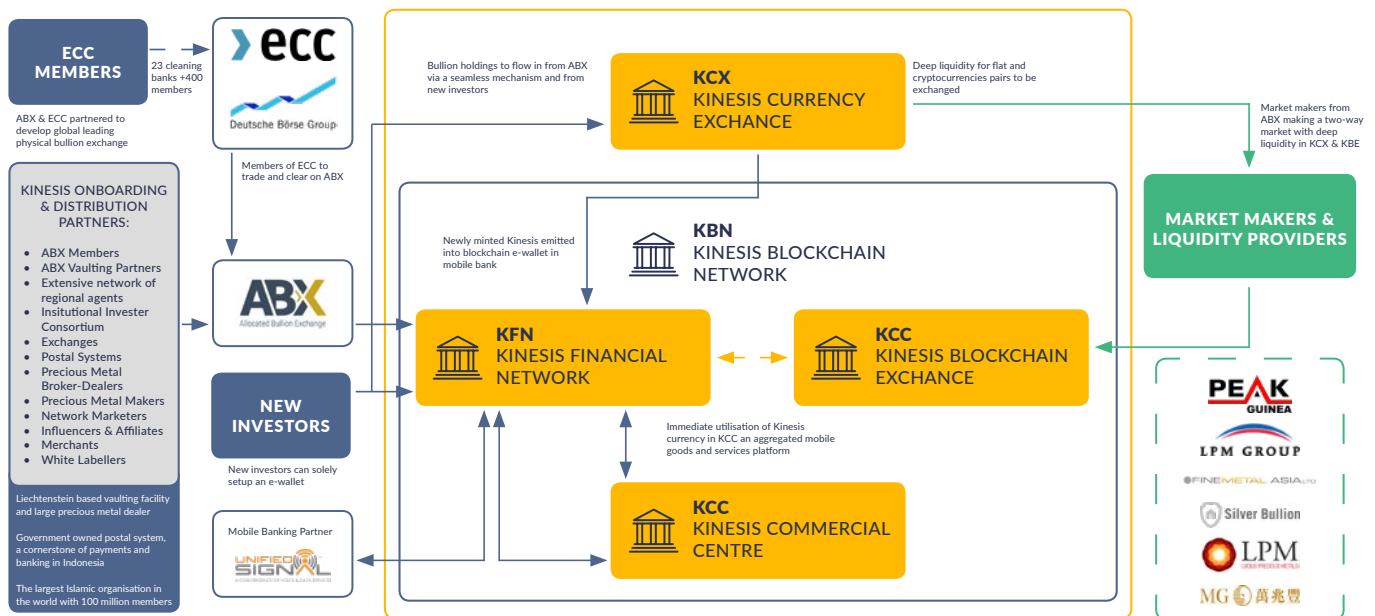
### 2.4.5 Market Access

Unlike in the energy or base commodity space, precious metal producers (suppliers) have no pre-existing way to enter the wholesale market directly. There are challenging barriers to entry for end consumers (Jewelers, Manufactures & Investors) to directly access the wholesale market. The physical trade flow of bullion typically passes through a series of intermediaries.

ABX provides this facility to enable suppliers to act as Liquidity Providers and access our exchange directly and sell metal at the "Offer" price. Currently, producers must sell to an intermediary and hit their "Bid", which decreases their revenues materially. As the vast majority of producers sell at spot this is a compelling proposition for them. Additionally, ABX integrates the physical trade cycle, allowing for end consumers to access the exchange directly. By changing the physical price maker and taker dynamics we contend that we will change the price discovery dynamics of the precious metals market. We also contend that by bringing the Producers directly onto our platform we will bring the rest of the industry into our market.

# KINESIS MONETARY SYSTEM FEATURED COMPONENTS

Kinesis is a full-circle monetary system made up of all elements and functions required for a successful and effective monetary system. These differing functions make up different business units within the group.



## 3.1 Kinesis Currency Exchange (KCX)

KCX functions as the wholesale market where the currency is created and minted. This occurs in an institutional centrally cleared exchange with deep liquidity and connectivity into global wholesale trading organizations via Allocated Bullion Exchange (ABX).

## 3.2 Kinesis Blockchain Network (KBN)

KBN is the blockchain technology upon which the Kinesis suite of cryptocurrencies is built. Kinesis currencies can be sent, spent, saved, or traded through the blockchain. Coins purchased in the

wholesale market are emitted into the KBN with incentives based on money velocity.

## 3.3 Kinesis Blockchain Exchange (KBE)

KBE operates as a blockchain digital currency exchange where Kinesis and other digital currencies can be traded. This is being developed internally to ensure deep liquidity for the Kinesis currencies.

## 3.4 Kinesis Financial Network (KFN)

The KFN serves as a mobile banking system where Kinesis currencies can be used for savings or payments, remittances, and money movement. This



facility also has a Mastercard and Visa debit card and accompanying companion card facility providing the ability to use Kinesis as a payment currency across the world.

KFN will include an e-commerce technology suite where Kinesis can be moved to in real-time. This secure mobile payment and debit card platform can be viewed in any fiat currency of choice. The suite provides extensive functionality and value provided to individual and corporate members, including private labelling abilities. Also accounted for is a mobile payment account system and balance that is equivalent to a virtual savings account including the ability for customers to earn interest on all funds loaded into the user's mobile payment account. Paired with the technology offerings is an integrated debit card equivalent to a checking account, which can be used anywhere Visa / MasterCard is accepted allowing customers to withdraw funds at virtually any ATM around the world.

Additionally, companion cards can be created for kids and family members abroad, enabling funds can be moved from the mobile payment account to companion cards in real-time and for FREE.

Lastly, KFN offers the ability for merchants to integrate simple APIs to accept customer payments without paying 1.5% to 4% credit card merchant processing costs virtually eliminating any and all credit card debt. Other mobile account fiat fees are detailed in the Appendix.

### 3.5 Kinesis Commercial Centre (KCC)

The KCC performs as an online aggregator platform of goods and service providers, enabling the Kinesis currency suite to be seamlessly utilized as payment for participating merchants.

#### Kinesis Currency Suite

Kinesis' 1:1 fully allocated asset-based digital currency suite will have the following products incorporated: Reserve & Payment Currencies

- Physical Gold & Silver
- Segregated Physical Gold & Silver bars
- Physical banknotes: EUR, JPY, GBP & CHF
- Digital Currencies: TBA

#### Investment Currencies

- Pair: Physical Silver/Paper Silver



# KINESIS CURRENCY SUITE

---

## 4.1 Kinesis Currency Specifications

The Kinesis Money team has developed a proprietary blockchain network forked off the Stellar blockchain network for the Kinesis currency suite. This fork enables Kinesis to leverage the high transaction speeds and superior security that Stellar offers, and in addition to this, Kinesis has been able to add unique functionality which allows for further value-add features to be incorporated into the Kinesis Monetary System.

### Gold Currency (KAU)

Description: 1 fine gram gold contract and token, consisting of gold cast bars of minimum fineness of 995, and bearing a serial number and identifying stamp of a refiner as per ABX Quality Assurance Framework, table of Approved Refiner List.

### Silver Currency (KAG)

Description: 10 grams silver contract and token, consisting of silver cast bars of a minimum fineness of 999, and bearing an identifying stamp of a refiner as per ABX Quality Assurance Framework, table of Approved Refiner List.

## 4.2 Kinesis Wholesale Segregated Currency Specifications

### Gold Wholesale Currency (KWG)

Description: 1 fine kilogram gold contract and token, consisting of gold cast bars of minimum fineness of 9999, and bearing a serial number and identifying stamp of a refiner as per ABX Quality Assurance Framework, table of Approved Refiner List.

### Silver Wholesale Contract (KWS)

Description: 1,000 troy ounces of silver contract and token, consisting of silver cast bars of minimum fineness of 999, and identifying stamp of a refiner as per ABX Quality Assurance Framework, table of Approved Refiner List.

# VELOCITY-BASED YIELD SYSTEM

---

## 5.1 Description

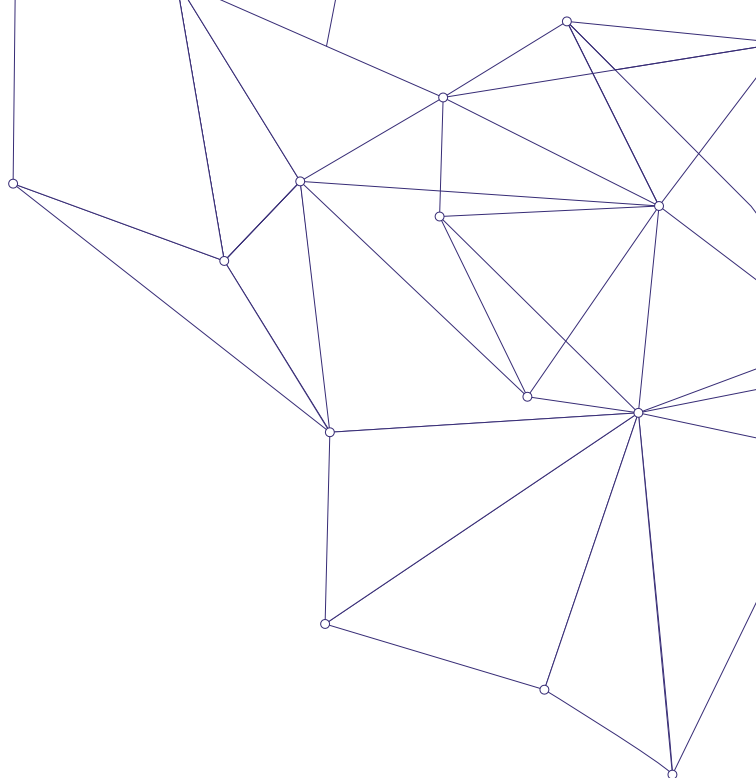
Kinesis has developed a multifaceted yield system that is specifically designed to attract institutional and retail capital while incentivizing the use and velocity of the currency suite. Users are financially rewarded based on their participation and the overall velocity (rate that money changes hands) of the Kinesis currencies. This revolutionary unique yield is derived purely from economic output rather than debt like fiat currency with fractional banking.

Our system provides for very interesting economic implications. Under a fiat monetary system with fractional banking, there is the need to continually devalue the currency and inflate prices to stimulate economic activity, which is proven to only work for a finite period of time and is now currently ceasing to work. In the Kinesis system of shared economic wealth this is not required due to the large incentive to utilize the currencies.

In the cryptocurrency sphere, the Kinesis currency suite will provide a stabilizing force while its use will be highly incentivized, stimulating velocity. Other volatile cryptocurrency holders can find price stability by converting their volatile cryptocurrencies into Kinesis. As a result, our currency suite will be particularly useful for businesses and merchants.

As a benchmark, we have taken the cryptocurrency backed by USD, Tether, and looked at their velocity rates and then dramatically decreased them in our assumptions to remain conservative. Tether's velocity stays high for one main reason, they provide a stable price that can be used by cryptocurrency users to liquidate volatile cryptocurrencies and hold a relatively stable one. Their model has been a success and their velocity is higher than any other cryptocurrencies. Between 1 December 2017 to 17 January 2018 their velocity rate averaged at 199% per day.

Backed up by solid argument and evidence, it is our strong conviction that the Kinesis currency suite offers a far superior substitute to Tether. While Tether offers price stability for cryptocurrency users, they present no certainty with redemptions and have a



#### KINESIS MINTER YIELD

	Incentive			Yield based on Velocity					
	Fee	Fee Share %	Transaction %	20%	30%	40%	50%	80%	100%
Pre-ICO	0.45%	15%	0.068%	4.93%	7.39%	9.86%	12.32%	19.71%	24.64%
Post-ICO	0.45%	5%	0.023%	1.64%	2.46%	3.29%	4.11%	6.57%	8.21%

#### KINESIS DEPOSITOR YIELD

	Incentive			Yield based on Velocity					
	Fee	Fee Share %	Transaction %	20%	30%	40%	50%	80%	100%
Pre-ICO	0.45%	10%	0.45%	2.63%	3.94%	5.26%	6.57%	10.51%	13.14%
Post-ICO	0.45%	5%	0.023%	1.31%	1.97%	2.63%	3.29%	5.26%	6.57%

#### KINESIS HOLDER YIELD

	Incentive			Yield based on Velocity					
	Fee	Fee Share %	Transaction %	20%	30%	40%	50%	80%	100%
Pre & Post ICO	0.45%	15%	0.0675%	3.94%	5.91%	7.88%	9.86%	15.77%	19.71%
KCC Commission Share <sup>1</sup>	5%	40%	0.04%	2.34%	3.5%	4.67%	5.84%	9.34%	11.68%
				6.28%	9.42%	12.56%	15.70%	25.11%	31.39%
1 Assuming 2% of all transactions are occurring in the KCC									

#### KINESIS RECRUITER YIELD

	Incentive			Yield based on Velocity					
	Fee	Fee Share %	Transaction %	20%	30%	40%	50%	80%	100%
Pre-ICO	0.45%	15%	0.0675%	3.94%	5.91%	7.88%	9.86%	15.77%	19.71%
Post-ICO	0.45%	7.5%	0.03375%	1.97%	2.96%	3.94%	4.93%	7.88%	9.86%

product that is beholden to the fractional banking system that has proven for them to be laden with multiple layers of counterparty risk. In contrast, Kinesis offers similar or better price stability and tremendous liquidity provided by bullion industry participants. These features mitigate counterparty risk (bullion and cash vaulted) and provide much greater incentive to trade, use, and attract capital.

## 5.2 Velocity Based Incentivizing Yields

### 5.2.1 Minter Yield

The Kinesis currency Minter yield is designed to attract capital and then put it into motion while maximizing the incentive to use (send, spend or sell) the currency. This system rewards participants who create ("Mint") the currency in the primary market and then use it in the secondary blockchain market. Minters receive a proportional share of the transaction fees as a yield forever on the Kinesis coins they create. The more Kinesis coins created, are transacted, or the higher the velocity, the higher the yield.

### 5.2.2 Holder Yield

Holder Yield provides a yield on passive participation in Kinesis currency while holding the currencies. This return is purely passive and designed to compete with bank deposits, stock dividend yields and rental property yields. Kinesis Holders simply enjoy the benefits of the economic activity of the system while having their money held in the circulation.

### 5.2.3 Recruiter Yield

Recruiter Yield rewards entities such as people or corporations who recruit and refer new users of the currency suite. This yield is designed to incentivize more participants into the ecosystem.

### 5.2.4 Depositors Yield

Depositors Yield is applicable on user's initial deposit directly into their Kinesis Wallet. This system maximizes the incentive for a large initial deposit and then further use of the currency. Depositors receive a share of the transaction fees as a yield forever on the

Kinesis coins they bought and then used. Again, the higher the velocity of the initially purchased Kinesis coins, the higher the yield.

### 5.2.5 Fee Sharing

Higher ongoing fees are offered to early adopters of the Kinesis currency suite, per the Pre-ICO column on the table above. This phase runs from 1 September 2018 to 30 September 2018. To participate in the Kinesis currency suite Pre-ICO, subscription is required in the KVT ITO and then qualification under 5.2.

FEE SHARING			
	Transaction Fees		KCC Commission
	Pre-ICO	Post-ICO	
Minter	15%	5%	
eWallet Depositor	10%	5%	
Holder	15%	15%	40%
Recruiter	15%	7.5%	
KVT	20%	20%	20%
White Labeller	N/A	10%	20%
Partners	20%	20%	0%
Kinesis	5%	17.5%	20%
	100%	100%	100%

# KINESIS ECONOMY

## 6.1 Kinesis Minters

Kinesis Minters will receive a yield on their participation by simply purchasing Kinesis currency in the KCX wholesale market and then sending, spending, or selling them in the Kinesis Blockchain Network (KBN). Once the currency is purchased in KCX it is automatically emitted and appears in the Minters Kinesis Wallet in KBN. The Minters Yield will become receivable once the coins are then sent, spent, or sold (from the offer side) via their Kinesis Wallet.

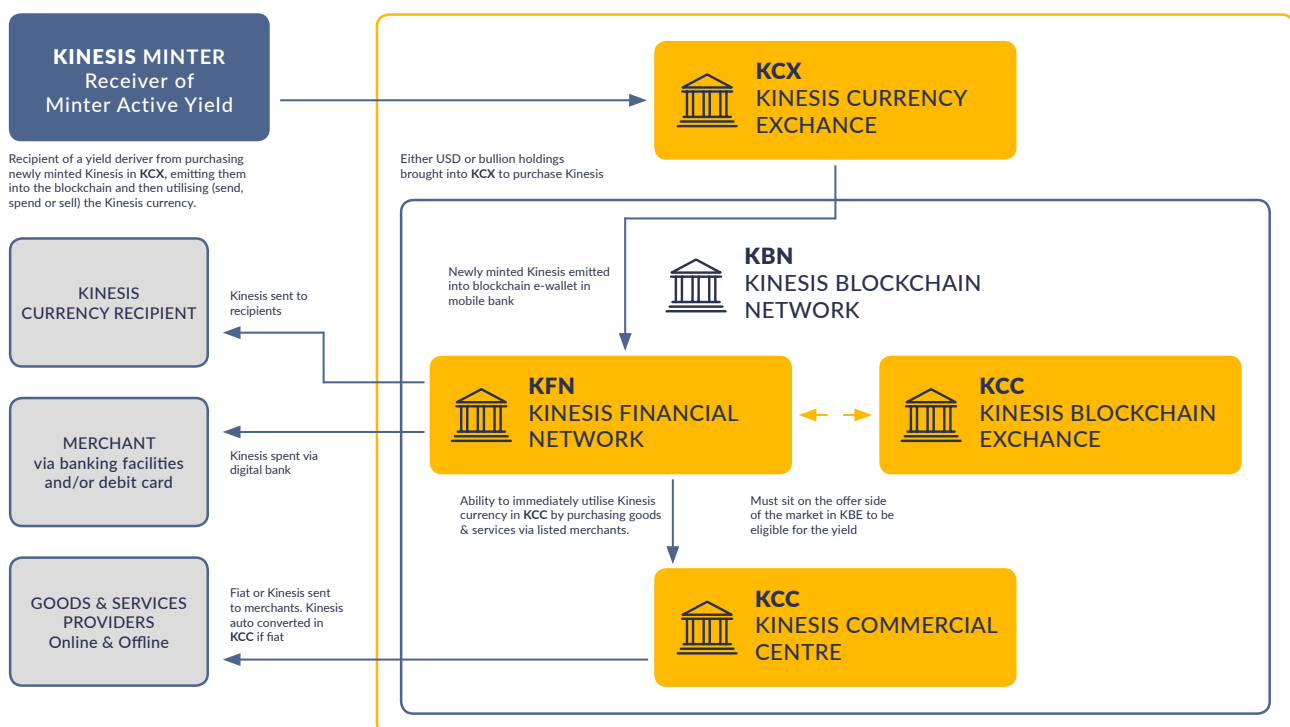
This system also provides people and businesses with perpetual recurring revenue that continues to build over time with currency use, simply just for creating and using the Kinesis currency. The yield is based on the velocity of the currency and derived from a perpetual share of transaction fees from the coins the Minter created in proportion to all coins in existence. The more currency minted and sent into the system by the Minter, the more value of currency will be moving through the system and the greater

the recurring financial reward will be. This highly incentivizes the use of the currency. In order to profit, capital only needs to be tied up for a relatively short period of time providing a unique revenue generating opportunity to everyone with requisite spare capital.

These tables model the returns available according to a number of capital revolutions (cycles) of a capital outlay of \$50,000. Essentially, the more revolutions performed, the more capital is working for a minter in the market, and the more transaction fees they are sharing in. These tables also show the incentive to utilize, sell and circulate the Kinesis currency, kinetically charging it, for both businesses and individuals alike.

### Examples include:

- Businesses can pay their employees in Kinesis and begin building an entirely new revenue stream that continues to grow larger and larger over time.
- Private and institutional participants/traders can circulate their capital and earn more as more Kinesis currency they minted travels through the system.

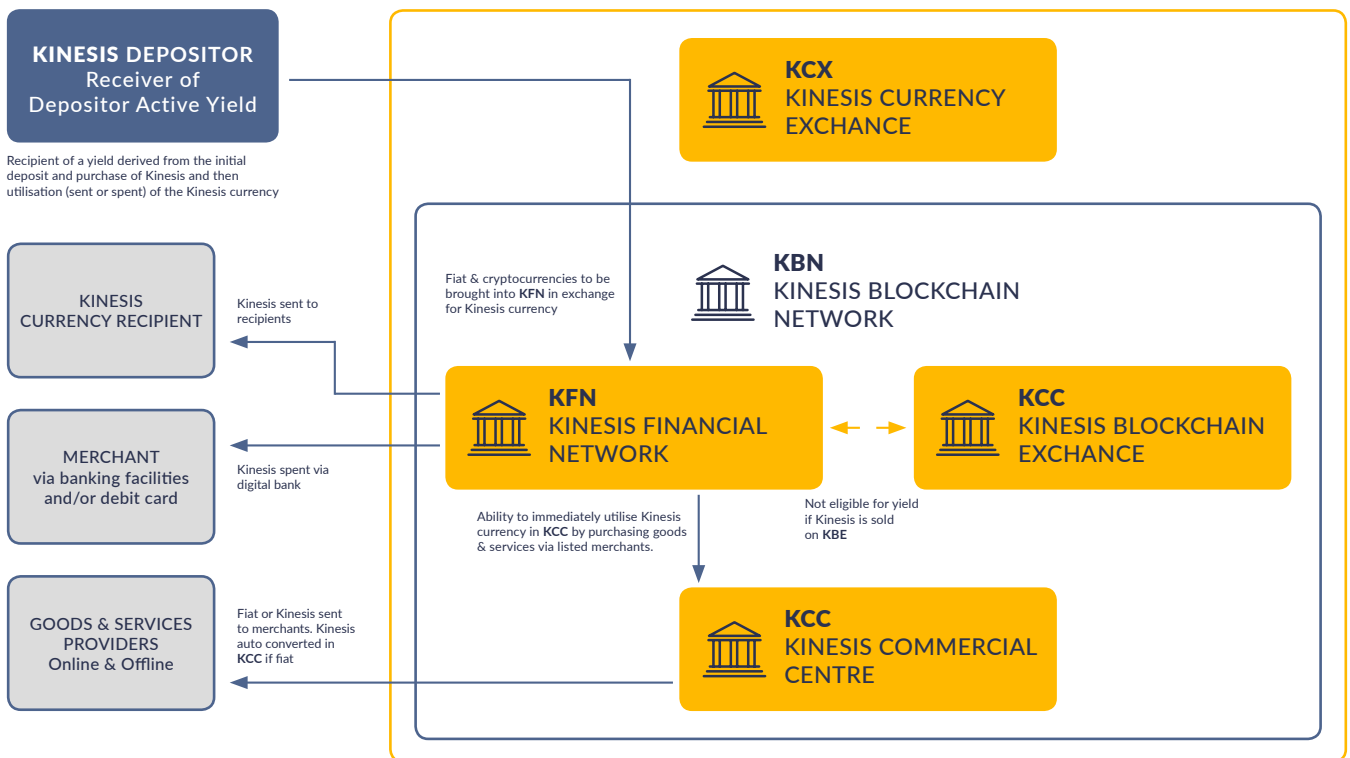




## 6.2 Kinesis Depositors

Kinesis Depositors will receive a yield on their initial deposit and purchase of Kinesis from their Kinesis Wallet in the KFN once they are sent or spent. As Kinesis' travel from hand-to-hand throughout the KBN a proportional share of the transaction fees will be shared perpetually with the Depositor for the life of the currency.

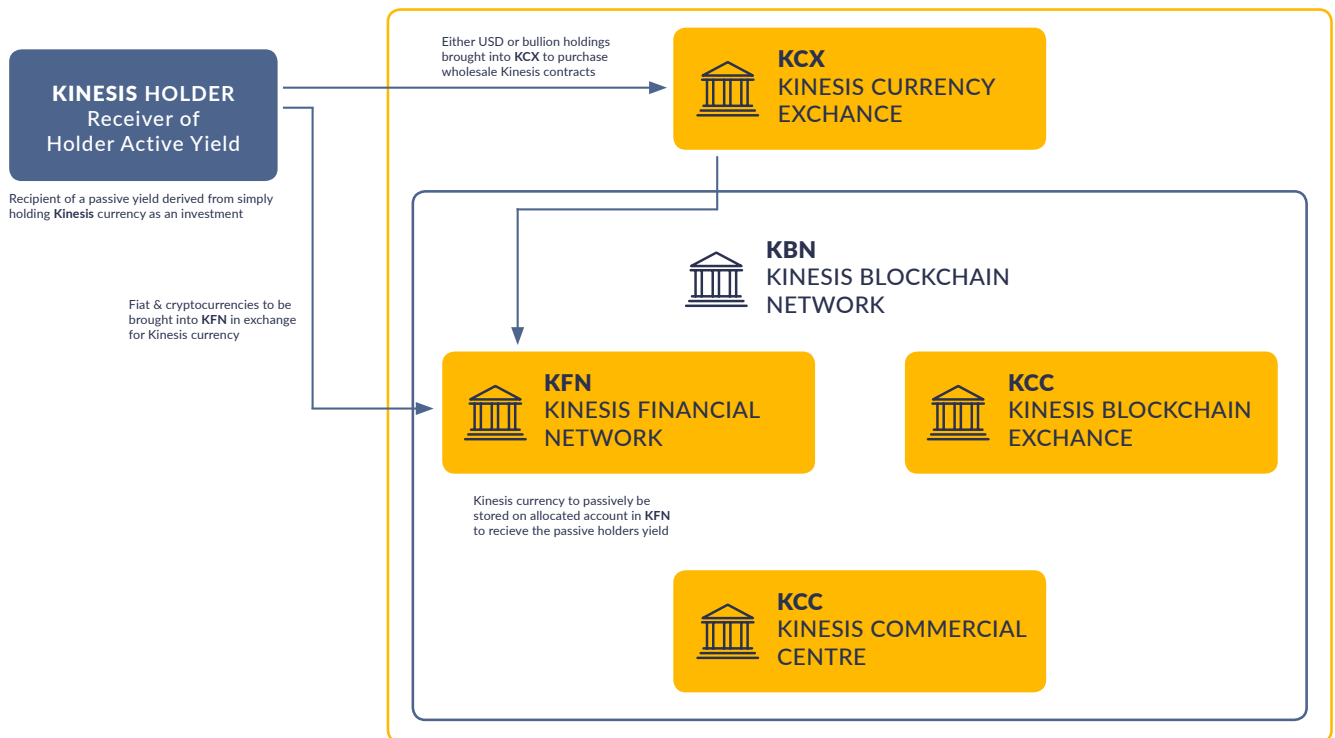
The yield is based on the velocity of the currency and derived from a perpetual proportional share of the transaction fees associated Kinesis currency in existence. This yield is also designed to maximize initial deposits into the Kinesis Blockchain Network by strongly rewarding this initial deposit. This is applicable for all Kinesis currencies in the Kinesis digital currency suite.



### 6.3 Kinesis Holders

Kinesis Holders will receive a yield on their passive participation in the Kinesis currency held in their Kinesis Wallet. The yield is based on the velocity of the currency and derived from a consolidated share of the transaction fees across the Kinesis Blockchain Network (KBN), calculated on a daily basis and credited to their Kinesis Wallet accounts monthly.

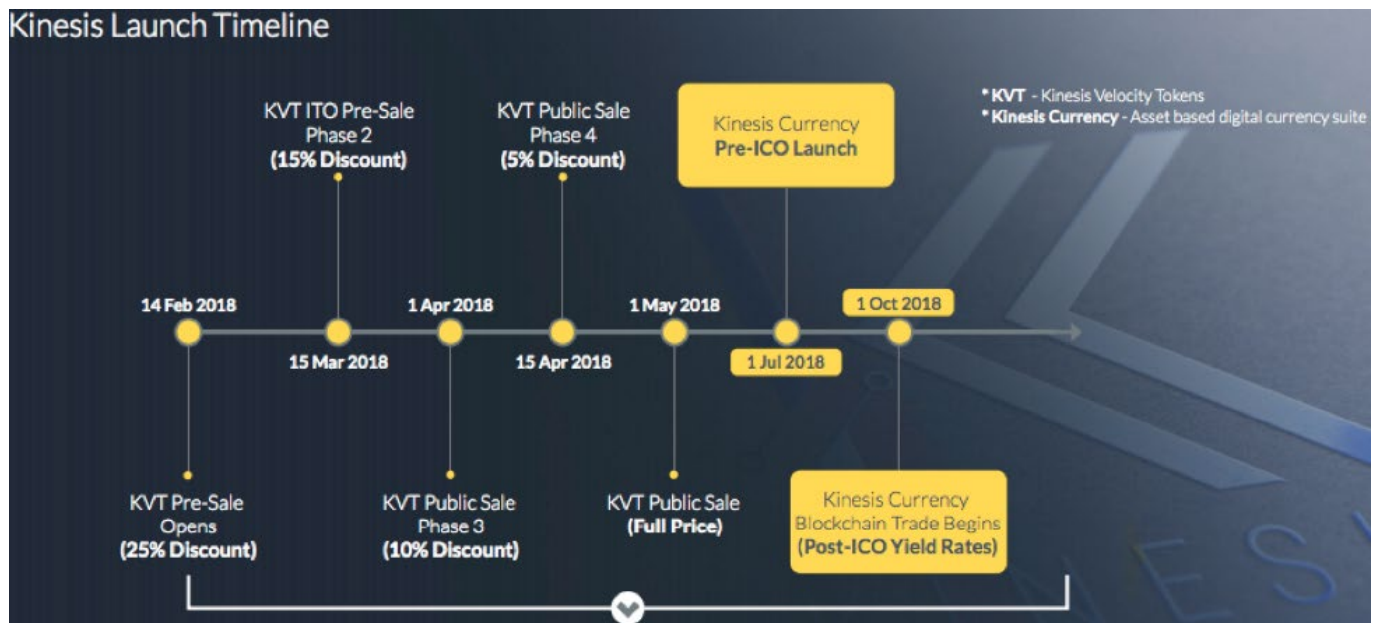
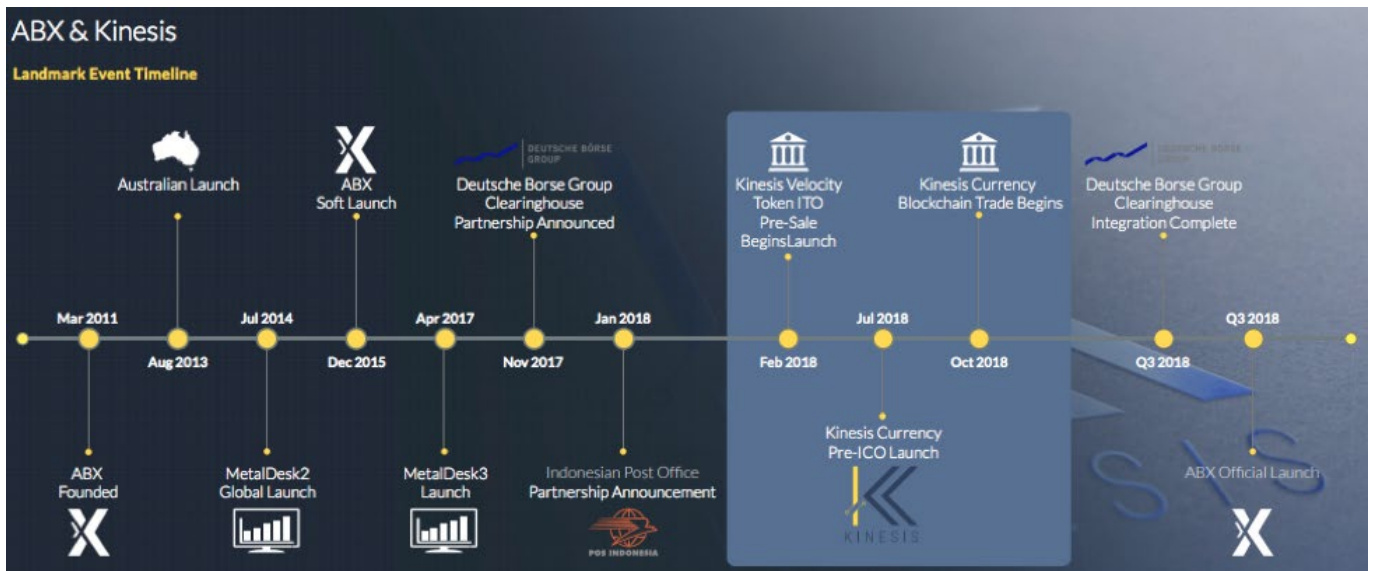
This yield is derived from true economic activity and a sharing of the wealth of the entire Kinesis system as there is no interest or debt associated with this yield. Based on conservative velocity figures the yield will far surpass global bank deposit interest rates with allocated ownership and less risk. Therefore, Kinesis is set to attract large sums of capital from all asset classes spread across the world. This is applicable for all Kinesis currencies in the Kinesis digital currency suite.



### 6.4 Kinesis Recruiters

Kinesis Recruiters will receive a perpetual revenue share on all transaction fees from the participants they recruit. This provides an immediate business opportunity for anyone, whether they are: a private individual referring friends or family; someone wanting to establish a business to refer participants/users into Kinesis; an online marketer or affiliate; a person or business wanting to refer other businesses or broker/dealer operations in; or a pre-established business wanting to enroll their clients in the Kinesis system. The viral and scalable nature of the system is quite effective.

# KINESIS ROAD MAP & LAUNCH TIMELINE



# KINESIS VELOCITY TOKEN & INITIAL TOKEN OFFERING (ITO)

The Kinesis Velocity Token is a utility token that receives a portion of the transaction fees from the Kinesis Monetary System components. The KVT is an ERC20 token, requiring an ERC20 compatible wallet.

## 8.1 Rates

KVT holders receive a proportional 20% share of all transaction fees associated with all Kinesis currencies and 20% of all commissions from the Kinesis Commercial Centre (KCC).

- Price: USD 1,000
- Currently, the Pre-sale offers a 2.5% discount until 30 June 2018.
- Technically and legally hard capped to a maximum of 300,000 KVTs to be issued.
- A minimum of 5% and a maximum of 20% of transaction fees of the Kinesis system will go towards buying back the tokens at market prices, which will then be held by Kinesis Limited.

## 8.2 Use of Funds

Kinesis is seeking to raise over US\$200 million to enable it to aggressively grow its business by completing the integration of all elements in its physical asset based digital currency, blockchain, payments, vaulting, and precious metal trading businesses, and initiating its global commercialization program. The plan contemplates

one large closing in late Q3 2018. Roughly \$44.25 million is allocated to working capital over the next 15 months. \$148.75 million is allocated to capital investment in platform integrations, financial and banking licenses, market making capital, and a series of strategic investments across the supply line.

## 8.3 Token Allocation

TOKEN ALLOCATION		
	Advisors	5%
	Founders & Management	9%
	Bounty Campaign	3%
	ICO Marketing	3%
	Reserve Fund	10%
	Kinesis Community	70%
		100%



# CONCLUSION

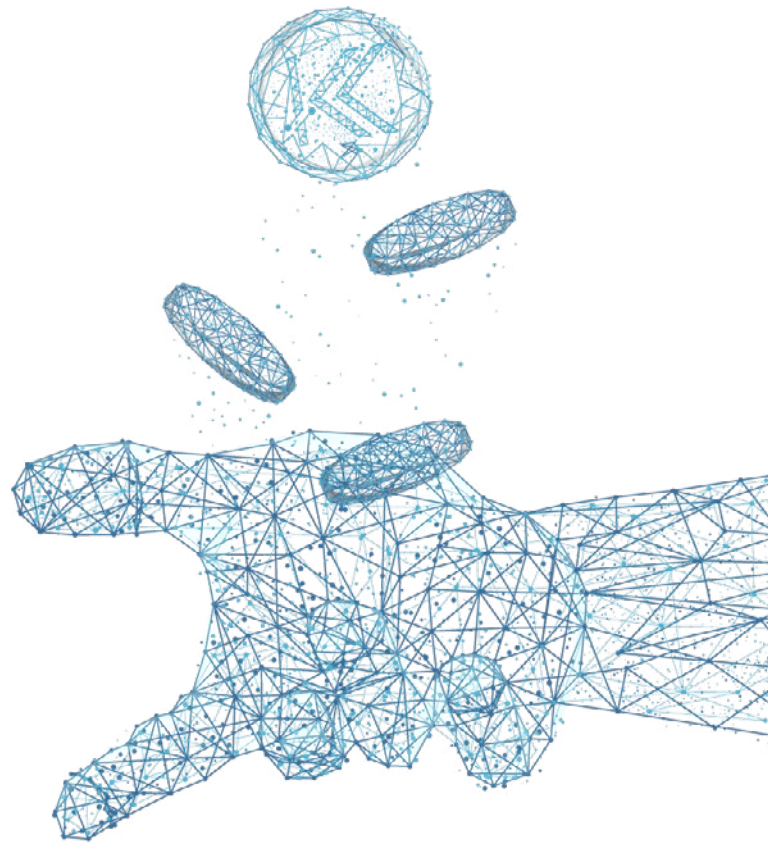
This whitepaper has presented a new system for money which has been architected and engineered for real world application and success. For money to be successful it must be:

1. an efficient medium of exchange; and
2. an effective store of value.

However, it is very difficult to achieve both while promoting economic activity, hence the continual desire by central planners to maintain a level of inflation, or in other words a devaluation of currency. Under the Kinesis Monetary System, we are able to take the greatest store of value, gold, make it an efficient medium of exchange via blockchain and cryptocurrency technology, then stimulate money velocity and economic activity through a multifaceted incentivizing yield system.

Kinesis is not abstract or theoretical, it has been meticulously planned and, at the time of writing, the majority of the ecosystem has been built with commercialization underway. It has been architected and engineered by exchange, market, banking, and technology professionals who have a deep understanding of what is required to build out and implement this monetary system and currency market in the most strategically effective sequential way. Furthermore, the distribution network is already extraordinarily powerful and primed for action.

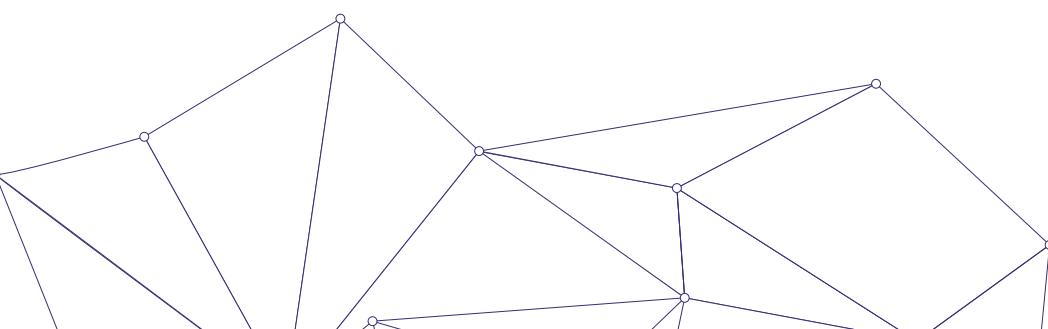
**For in-depth information on the kinesis monetary system including, financial analysis and projections, management team and much more, please download the [blueprint at kinesis.money](https://kinesis.money/blueprint)**



We believe that Kinesis has the power and design to address the multitude of flawed cryptocurrencies in the marketplace. Kinesis stands ready to energize the next wave of innovation in the blockchain and decentralized cryptocurrency space. We look forward to your participation and seeing you on the other side!

**Welcome to KINESIS**

**The monetary system for a successful and sustainable future.**





# IMPORTANT INFORMATION & DISCLAIMER

---

## General

This investor presentation (the “Presentation”) has been prepared by Kinesis Limited (“Kinesis”). While this Presentation has been prepared in good faith and to the best of their ability by the Kinesis management, recipients should make their own independent investigations and enquiries regarding matters in this Presentation, and rely upon their own judgment as to the accuracy and completeness of any information. Any reliance placed by the recipient on any information shall be at their own risk and Kinesis and other related entities shall not be liable for any indirect or consequential loss whatsoever or howsoever arising.

## Confidentiality Undertakings

The information contained in this Presentation is being provided on a confidential basis to the recipient solely for the purpose of evaluating an investment in Kinesis. This Presentation may not be distributed, reproduced or used without the prior, written consent of Kinesis for any purpose other than the evaluation of Kinesis’ business. By accepting a copy of this Presentation (whether in hard or soft copy form), the recipient agrees, for itself and its related bodies corporate and each of their officers, employees, agents, advisors and other stakeholders, to maintain the confidentiality of this information. The recipient acknowledges and agrees that any reproduction or distribution of this Presentation, in whole or in part, or any disclosure of its contents, or use of any information contained in this Presentation for any purpose other than to evaluate an investment in Kinesis is prohibited. Where this Presentation has been provided to you under a non-disclosure and/or confidentiality agreement, the terms of said document(s) shall override any confidentiality terms contained herein.

## Contemplated Transaction

Kinesis reserves all rights in relation to the conduct of any transaction, including but not limited to the right to deal with parties on materially different terms, terminate discussions with any or all persons, alter or discontinue any offer to purchase shares in Kinesis at any time prior to entering into binding legal arrangements, all without prior notice or liability to any recipient of this Presentation or any other person. This Presentation does not purport to provide all of the information the recipient may require in order to evaluate an investment in Kinesis. Recipients should make any of their own enquiries and evaluations which they consider appropriate to verify the information provided herein.

## Forward-looking Statements

This Presentation may contain forward looking statements relating to Kinesis’ operations that are based on management’s current expectations, estimates, projections and assumptions about the business. These statements are not guarantees of future performance, results, achievements or other events and are subject to certain risks, uncertainties and other factors, some of which are beyond the control of Kinesis or their representatives and are difficult to predict. Actual outcomes and results may differ materially from what is expressed, forecast or projected in such forward-looking statements. No representations, warranties or undertakings are made as to the accuracy or reasonableness of such expectations, estimates, projections and assumptions.

This information is provided for general information purposes only and does not constitute an offer of any form of security or investment product. You should consult with your own investment advisers and lawyers before determining whether you are legally entitled to invest in a product of this nature in future and whether it is right for your investment profile. Kinesis can not and does not provide legal or investment advice and disclaims all legal responsibility in relation to such matters.