

TRKX - Trakx Token White Paper

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Evolution not revolution

When I started my career back in 2004, it was clear to me that finance was moving towards a world without borders. The internet's ability to overcome geographic constraints meant that cultural and economic barriers were being eroded. Countries were increasingly connected both in terms of trade and capital flows. The world, as they say, was flat.



While global financial institutions, like those I used to work for, were well suited to this environment, it struck me as incongruous that money, the base layer of tradfi, had not witnessed a similar innovation.

Perhaps that is why, when I first started hearing about something called Bitcoin (while it was in its infancy), rather than simply dismissing it as a tech plaything, I intuitively grasped its potential.

Of course, having potential is one thing, but what really mattered was whether the public would ever embrace such a radical idea as a cryptocurrency. This is crucial because for anything to have value, it must be widely accepted. The jury was still out on this question when I began sharing ideas with a small group of people who would eventually become co-founders of Traxx.

Even now, several years later, a common statement often heard in crypto circles is it's "still early". But equally in some tangible sense it is also "too late". Just like the genie, cryptocurrencies and blockchain technology cannot be put back in the bottle.

Evolution not revolution

The sector may still be young, but it's expanding rapidly as more people are coming to realize the inherent benefit of having digital money in a form that relies on the power of maths and code to maintain its integrity.

There have been setbacks along the way as 2022 demonstrated. However, this was entirely attributable to the dubious practices and behaviours of individuals, not to the technology. These bad actors are being ejected from the industry and governments are in the process of providing greater legal/regulatory clarity. This is something we at Trakx welcome because it is unambiguously good for the long-run health of the ecosystem.

My co-founders and I have taken time and great care to put together a fantastic team of employees, advisors and developers from all over the globe – each one a seasoned tradfi or tech professional – to develop a platform that puts our clients first. Trakx is on a mission to truly democratise access to crypto by providing everyone with seamless, safe and strictly compliant access to crypto-indices.

Crypto is not a revolution, it is just the next stage in the evolution of money.

I am excited by what comes next and hope that you will share the same bold vision for the future of digital markets as the team does!

Welcome to Trakx...

Lionel

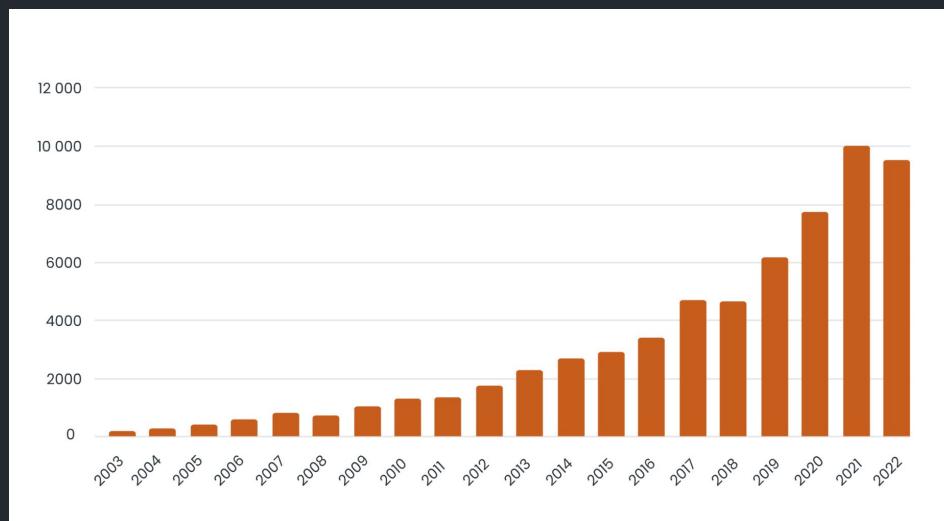


Market

Market observation

The ETF market has shown strong momentum with AUM reaching \$10 trillion from virtually zero 20 years ago

Development of assets of global exchange traded funds (ETFs) from 2003 to 2022 (in billion U.S. dollars)



Source: [Statista](#)

Historically, passive products have outperformed active products

Active vs Passive: Relative Performance Index



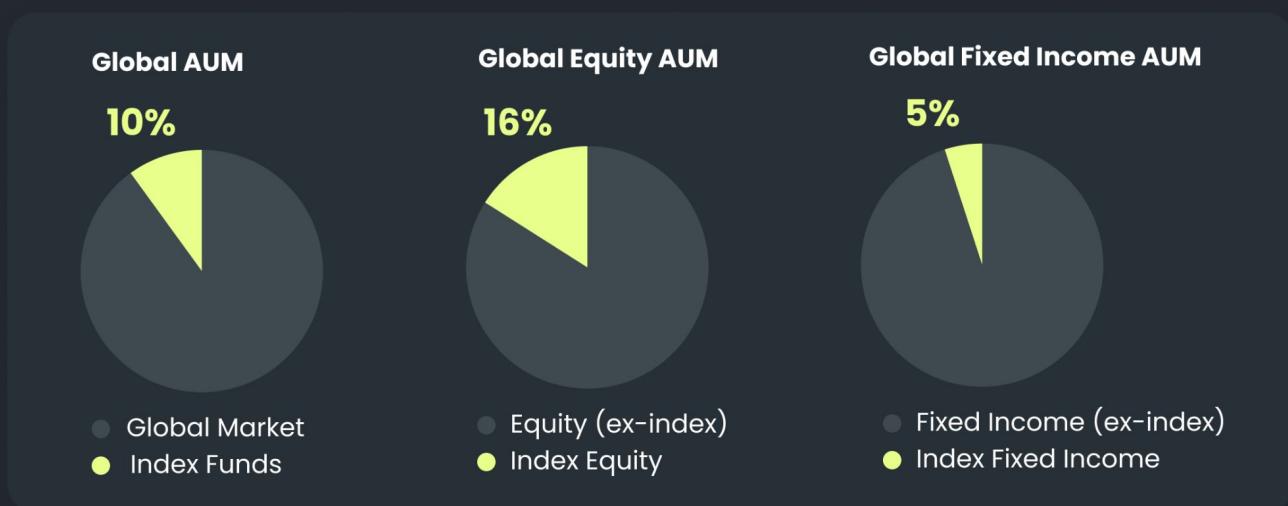
Source: Bloomberg, Morningstar

Passive products are becoming the instruments of choice for market exposure because of their outperformance versus active products, along with lower costs and higher liquidity

Sizeable market in crypto

- To put things in context, the Global equities ETFs now represent over 15% of total Global equity assets, from almost zero 20 years ago

Index funds as a percentage of the market



Source: <https://www.ishares.com/us/insights/all-about-etfs>

- Transposing this approach to crypto-assets implies **an addressable market for crypto indices of ~\$500bn**, assuming that only 5% of the crypto AUMs are allocated to indices

Global AUM set to hit \$150 trillion by 2025

Source: Pension and Investment

Crypto AuM could reach \$10 trillion

(~6% of Global AUM)

Source: Bloomberg Crypto Outlook

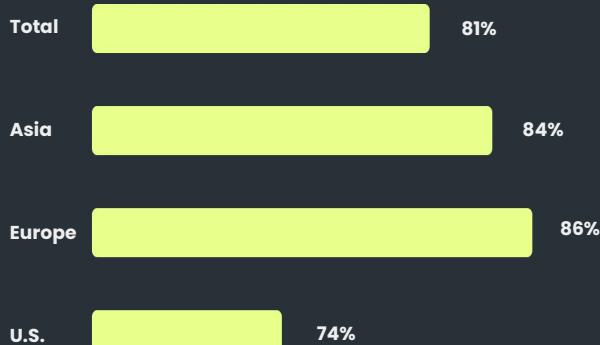
Crypto Index Products could reach \$500bn+

(~5% of Crypto AUM)

Digital assets perception

- Despite the bear market in 2022, digital assets continue to benefit from increased adoption, improved perception, and more investment in Europe and the US.
- The **strong potential** for growth, access to new technology, and diversification remain important decision factors.

In favour of crypto

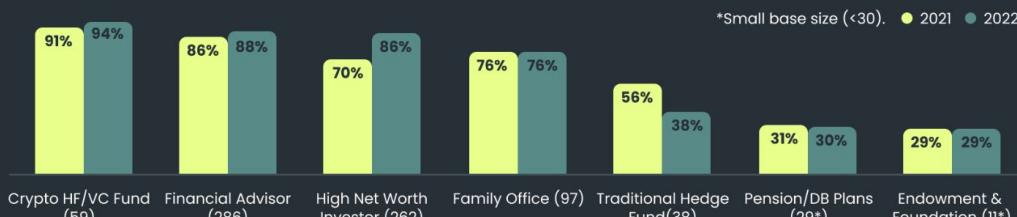


Source: Fidelity AssetsSM 2022 Institutional Investor Digital Assets Study

- Fidelity has made crypto investment accessible to all their clients
- Blackrock has partnered with Coinbase to offer access to and custody of crypto assets
- Invesco continues to expand its digital asset business and launch crypto ETFs
- Trakx has launched its first ETP on the Top 10 Blockchains index**

Private investors express their interest in buying crypto

Investors Expressing Future Preference to Buy Digital Assets



Numbers in parentheses indicate the 2022 base count. Source: Fidelity Digital AssetsSM 2022 Institutional Investor Digital Assets Study.

Digital assets adoption

Traditional brands coming to Web3 and NFTs



New use cases from the non-crypto space are creating more needs (tokenisation)

With around 10,000 active tokens and multiple use cases, we appreciate that navigating this new asset class can be overwhelming. **At Trakx we offer a straightforward way to invest in thematic crypto baskets.**

Trakx platform

CTIs- Making the difference

Our mission

- Trakx is the leading platform for crypto-index trading

Sophisticated & transparent index strategies

- Trakx offers an array of advanced proprietary tradable instruments called Crypto Tradable Indices (CTIs)
- CTIs track crypto asset indices that follow fixed and transparent rules and select the most liquid and relevant assets in each category
- Publication of CTI token holdings, their weights and NAV are live intra-day and published daily on external media

Permanent liquidity

- Trading flexibility, adapted to a fast moving environment (24/7/365)

Easy onboarding

- KYC, AML following strict regulatory guidelines (French AMF registered)

Accessibility

- CTIs are accessible through different channels, notably via Trakx's dedicated trading platform



Trakx – built for demanding investors

Regulation

Regulation and compliance have always been central to Trakx's ethos. Very early on, Trakx applied for and secured all the necessary regulatory approvals.

Trakx is registered with the French AMF & ACPR with the following licences:

- Exchange
- Custody
- Fiat ↔ Crypto
- Crypto ↔ Crypto



AUTORITÉ
DES MARCHÉS FINANCIERS



Crypto regulation is not static. New regulations will be introduced shortly (MiCA) and Trakx will ensure we remain compliant.

Low counterparty risk

The vast majority of assets are held by reputable crypto custodians, not by crypto exchanges

- Assets are properly segregated
- Strict rules to move assets
- No lending of assets

Trakx covers the whole value chain



- In-house index methodology and index management tool to offer only scalable products
- Proprietary index management tool to manage the whole lifecycle of our products: creation, launch, listing, re-balancing...
- Unbeatable time to market (a few hours to launch an index)
- Trading bots: to make markets, source the underlying assets, move the assets with reputable custodians, and offer deep liquidity at the best possible price 24/7/365
- Full control over the downstream: we can proactively test, launch, or retire CTIs to consistently stay current with market trends, ensuring that we always offer our clients the best market products
- Owning our ecosystem allows us to 1) directly onboard clients (via our trading platform), 2) connect to various digital intermediaries and end-clients via APIs and 3) centralise all the flows which go through our products and reduce dependencies

A tech first approach

Trakx's automation and disintermediation reduces reliance on third parties and is more cost competitive

Liquidity

- We apply a strict selection method to the underlying constituents for each of our CTIs (criteria based on market cap and daily volume)
- Our trading bots are providing liquidity for all the trading pairs on the platform, ensuring sufficient depth on both the buy and sell sides

Index creation and management

In-house index methodology, construction, and management are open to third parties for externally managed CTIs via a user-friendly web UI or via programmable API calls

Automated hedging tool for best execution and to mitigate counterparty risk

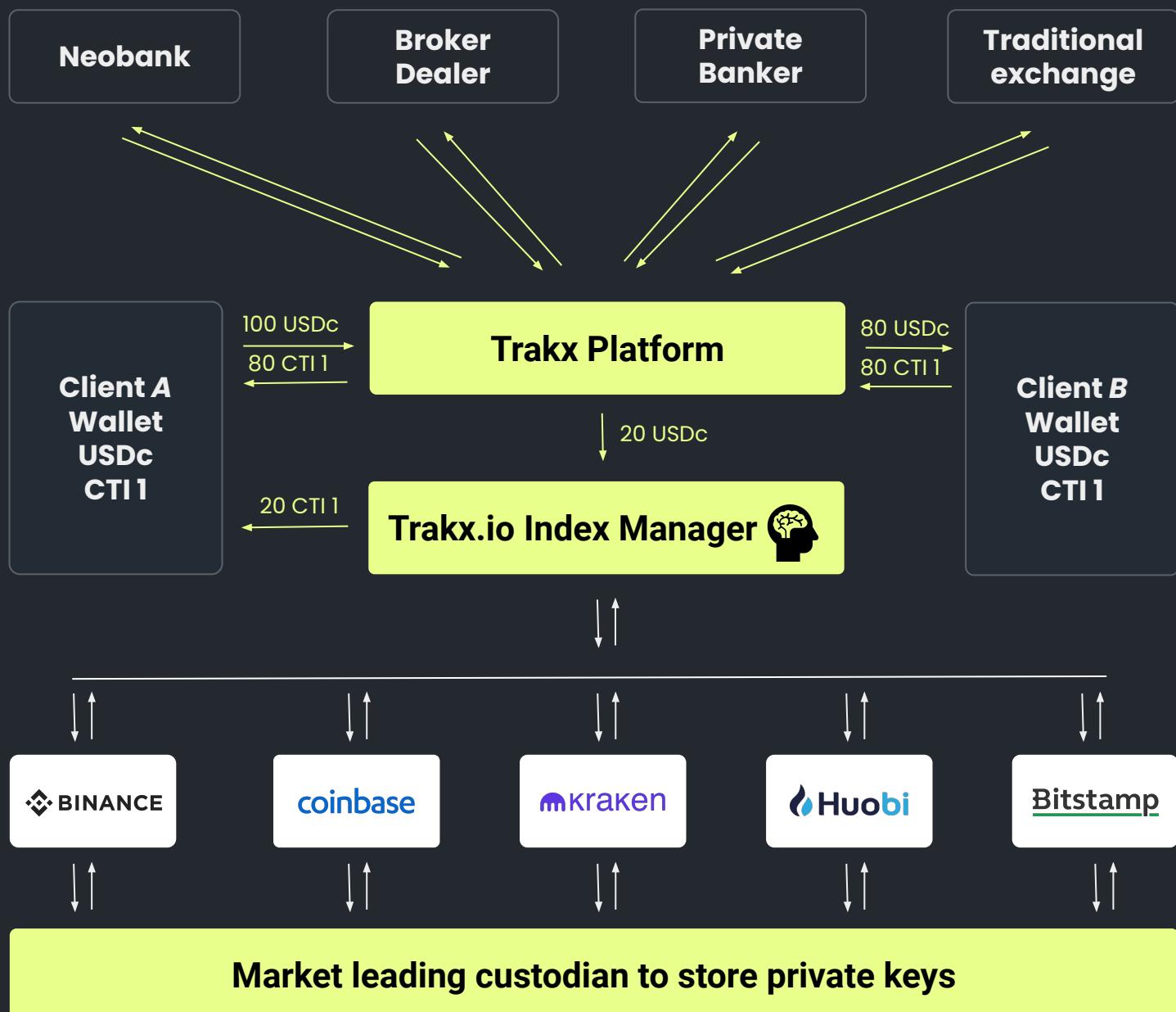
- Ability to move assets back and forth between exchanges and custodians
- Full Integration with crypto exchanges, such as Binance, Kucoin, Coinbase...
- Ability to customise default hedging behaviour and to hedge dynamic strategies automatically

Data quality

Data quality is crucial and our partnership with Kaiko ensures accurate and reliable live price data, with custom aggregation methods based on selected exchanges

Tech as-a-service solution is available through our white-labelling offering (please contact our sales team for details, sales@trakx.io)

Simplified flows



Trakx product range

Trakx offers CTIs for various investor profiles

Simple Access



Bitcoin



Bitcoin Ether
50/50



Top 10
Crypto

Thematic



ESG



Decentralised
Exchanges



Top 10 DeFi



Proof of Stake



NFT
Metaverse



Top
Blockchains



Centralised
Exchanges



Interoperability



Lending



Artificial
Intelligence



Memes



Real World
Assets

Trakx product range

Trakx offers CTIs for various investor profiles

Smart Investing



Bitcoin
Control 15



Digital Inflation
Hedge



Diversifier



Recovery



BTC
Momentum

Risk Profiled



Conservative



Balanced



Growth

Staked CTIs



Staked Matic

External CTIs

External indices and strategies are developed by third-parties and distributed on the Trakx platform

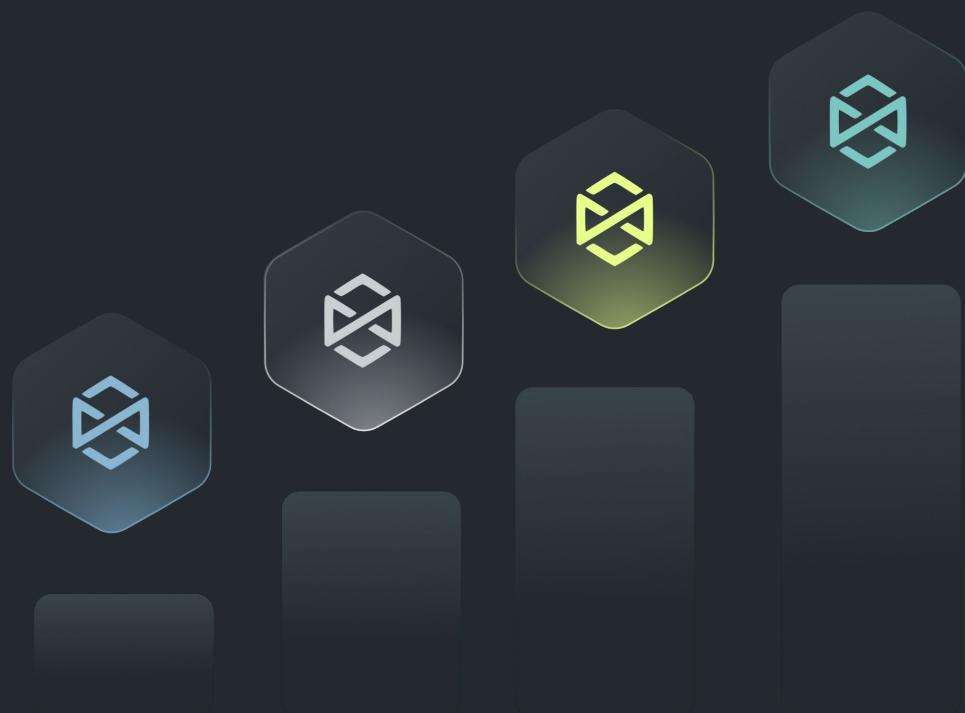
Trakx Token (TRKX)



Trakx token utility

The Trakx token, TRKX, is a key tool to grow the Trakx retail ecosystem. It will provide its users with access to a wide range of advantages and benefits, including:

- **Discount programs:** up to 50% discount on trading fees, depending upon the amount of TRKX tokens staked
- **Referral programs:** from 20% to 35% fees redistributed for referrals, depending upon the amount of TRKX tokens staked
- **Grant programs:** active community members will receive grants in TRKX tokens in exchange for specific actions & services (e.g. deposits and/or CTI purchases, trading competition...)
- **Governance:** our community will get the opportunity to play an important role in key decisions, such as grant programs
- **Buyback and burn programs:** 20% of the revenues derived from the retail trading business will be put in a vault and discretionarily used to buyback the TRKX tokens
- **Higher API trading rate**
- **Other perks:** priority access to new products (ie. alpha and bespoke products) & dedicated services (white glove, managed accounts...)



Discount on fees

- **The Trakx discount program** is composed of an eight tier system based on the Trakx token holdings and gives **up to 50% trading discount**.
- The fee schedule depends on the total of TRKX traded volume during the preceding 30-day period (in USD equivalent). Thus, the benefits start at the end of the 30-day holding period and recalibrate every 30 days.

Tier	TRKX staked (USD equivalent)*	Discount on Taker & Maker Fees
Regular 1	\$0	0%
Regular 2	> \$100	5%
Regular 3	> \$1,000	10%
Regular 4	> \$10,000	20%
Vip 1	> \$50,000	25%
VIP 2	> \$200,000	30%
VIP 3	> \$1,000,000	40%
VIP 4	> \$5,000,000	50%

❖ On the basis of 1 TRKX = 0.06 USD

Referral program

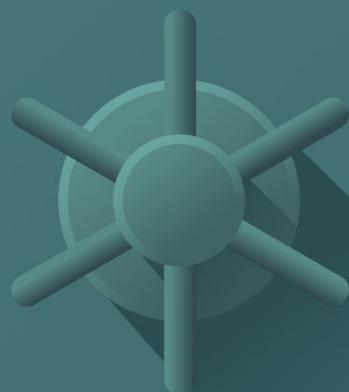
- **Up to 35% fee redistribution**
- If a new user registers via a unique referral code, the referrer will receive 20%–35% of their fees, and the referee will receive a 5% refund. The referee will benefit from the fee redistribution for one month only.

Level	TRKX staked (USD equivalent)*	Fee redistribution rates
Level 1	\$0	20%
Level 2	> \$250	22%
Level 3	> \$500	24%
Level 4	> \$1,000	26%
Level 5	> \$10,000	28%
Level 6	> \$50,000	30%
Level 7	> \$250,000	32%
Level 8	> \$1,000,000	35%

❖ On the basis of 1 TRKX=0.06 USD

Governance

- Along with economic benefits, the TRKX token will play an important role in the Trakx ecosystem governance.
- TRKX token holders will have the right to vote on key proposals, such as incentive programs, grant programs, allocation of TRKX tokens, allocation of fees generated by the platform.
- Holders will be able to delegate their tokens to the most active community members.



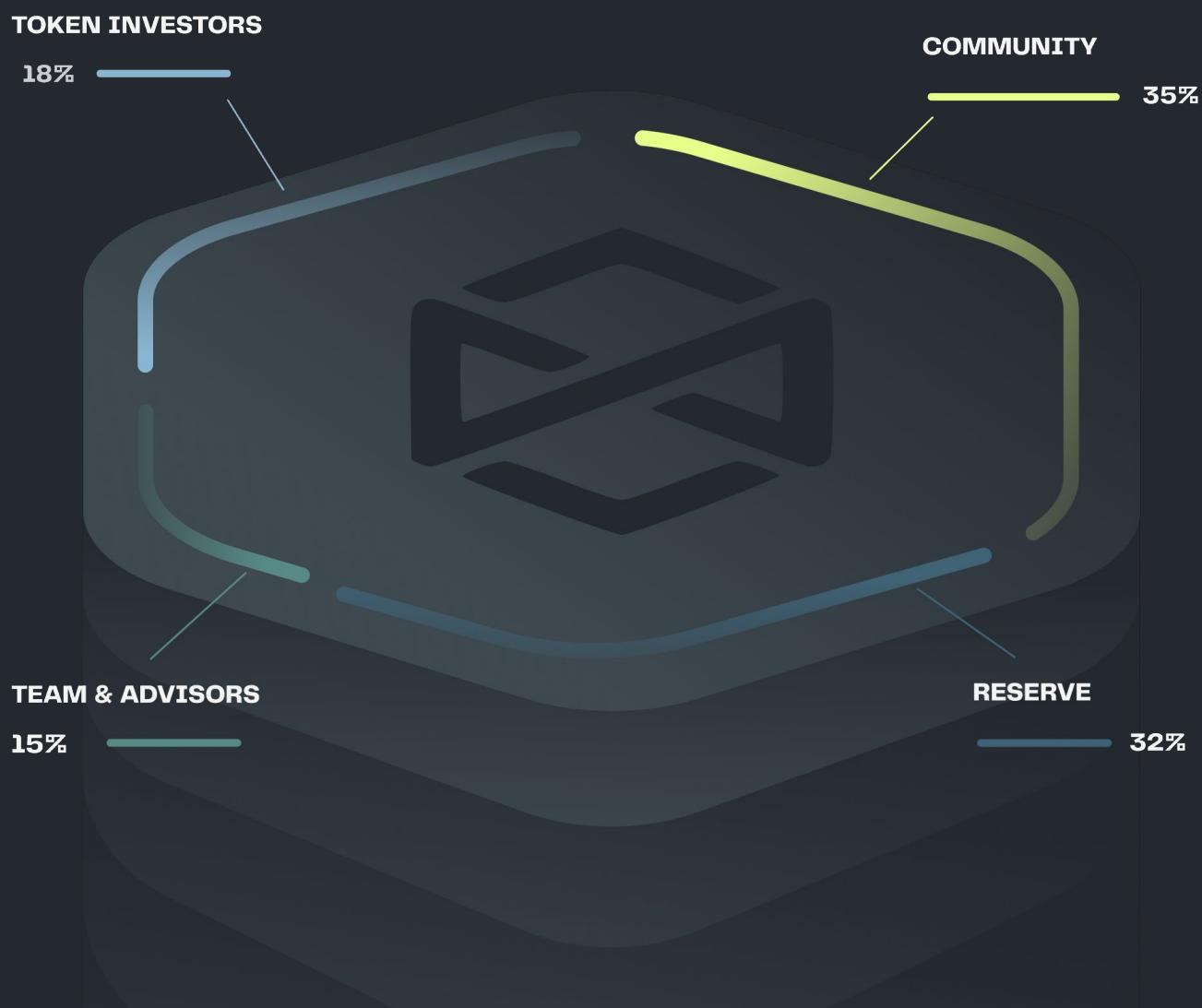
Buyback & burn program

Through our buyback and burn program, Trakx is committed to supporting both the value of its token and the project's long-term success.

- 20% of the revenue derived from the retail trading business will be transferred into a vault, comprising both stablecoins and TRKX tokens
- This vault will be used to buyback or sell TRKX tokens on the markets when required. This model aims at ensuring that the TRKX public price is in line with the value perceived by long-term TRKX holders
- Buyback programs will not occur on a recurring basis. Like for listed equities, internal research will be required to assess the value for long-term holders and the timing of buyback programs

TRKX distribution

- The TRKX token distribution follows industry best practices
- Our community will receive the largest share and will be incentivized and rewarded with targeted airdrops, discount & referral programs



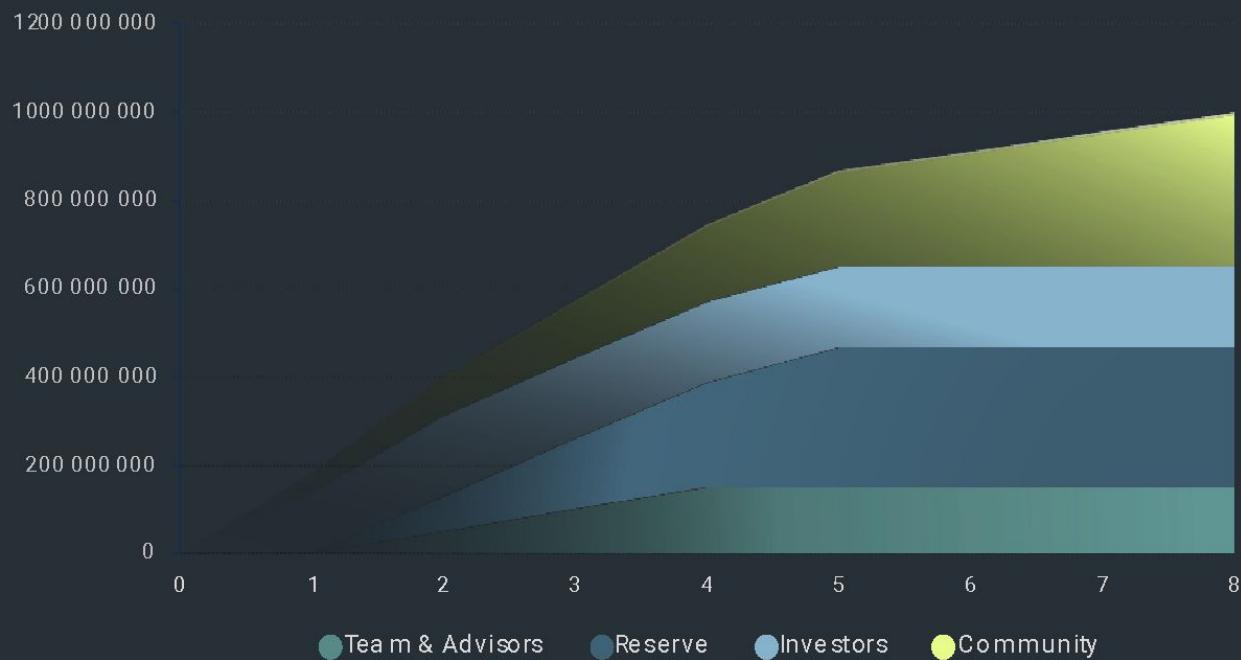
TRKX supply

Token Distribution							
Holders	Supply %	Token Supply	Lock-up (m)	Linear vesting (m)	Token Price (\$)	Valuation (\$)	Amount (\$)
Team & Advisors	15%	150,000,000	12	36			
Reserve	32%	322,546,073	12	48			
Investors private 1	12%	115,277,778	0	18	0.020	19,800,000	2,282,500
Investors private 2	3%	27,633,333	3	12	0.033	33,000,000	911,900
Investors private 3	0.4%	3,773,585	0	6	0.05-0.06	53,000,000	200,000
Public sale	3%	30,769,231	0	3	0.065+	65,000,000	2,000,000
Community	35%	350,000,000	0	96			
Total	100%	1,000,000,000					

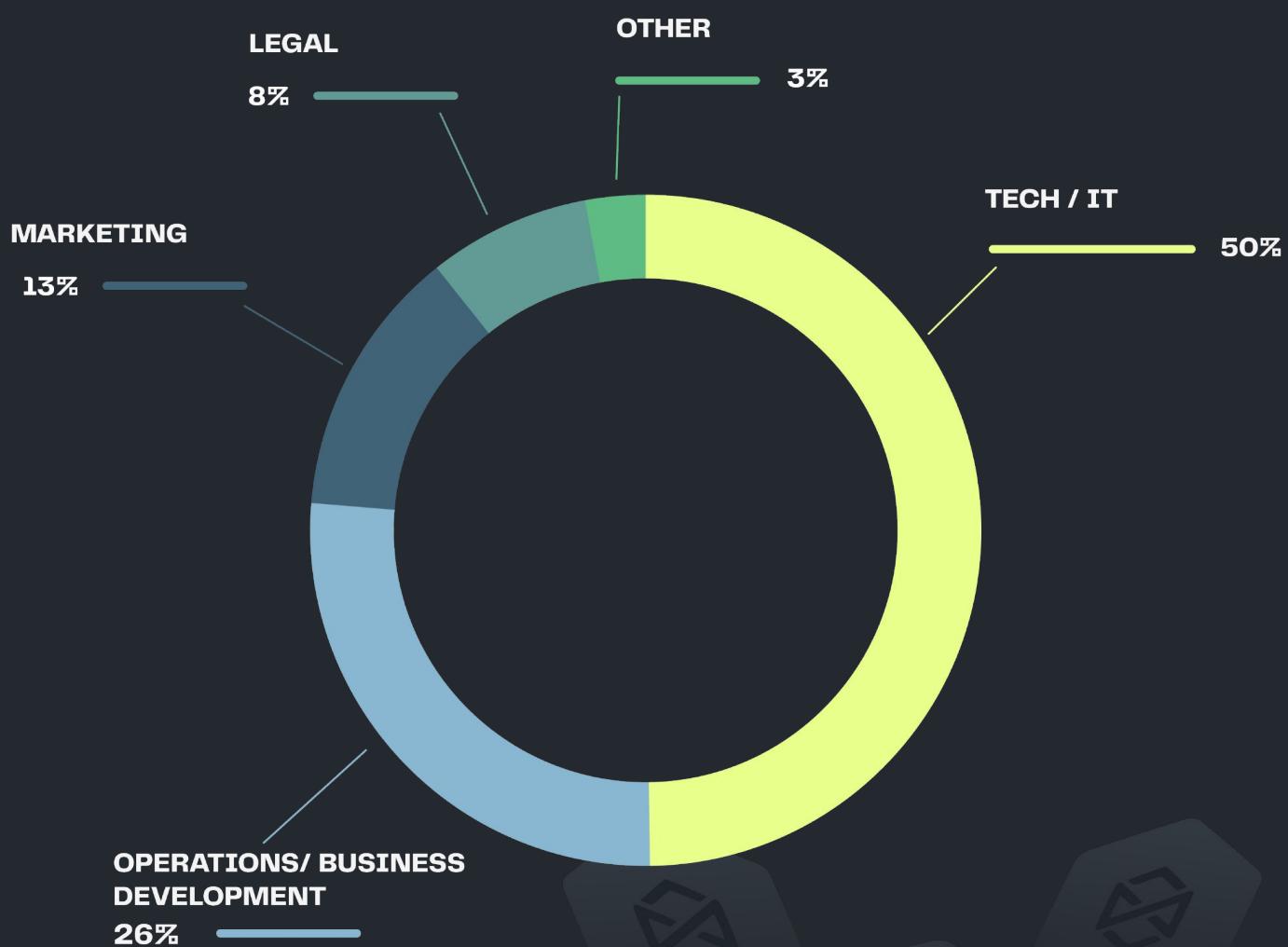
TRKX issuance schedule

- To align individual interests with the long term success of Trakx, our team members will undergo the longest vesting period of 36 months
- Vesting from investors in the private sale will range from 6 to 18 months
- Tokens will be gradually distributed to the community over 8 years, ensuring a smooth project decentralization

TRKX Issuance Schedule (years)



TRKX token sales use of proceeds



TRKX lifecycle

Trakx team is committed to offer a best-in-class token strategy through the TRKX lifecycle, in line with industry standards:

- **Listing:** making TRKX available on secondary markets (both centralized & decentralized exchanges) – talks already engaged with reputable centralized exchanges
- **OTC desk:** opening a dedicated desk for large over-the-counter trades
- **Market-making:** ensuring the TRKX token is liquid and spreads are low on secondary markets – talks already engaged with external market-makers
- **Buyback & burn Model:** 20% of trading fees will be transferred into a vault comprising both of stablecoins and TRKX tokens. This vault will be used to buyback or sell TRKX tokens on the market when required. This model will aim at ensuring that the TRKX public price is in line with the value perceived by long-term TRKX holders

Meet Trakx

Meet Trakx business experts

**Lionel Rebibo**

CEO – CO Founder

 in**Laurent Barocas**

Co-founder and Chief Client Officer

 in**Alexander Jansen**

Global Head of Sales

 in**Mohamed Yangui**

Head of Product Structuring

 in**Caroline Jacquard**

Marketing and Communication

 in**Gary Rebibo**

Co-founder and Chief Marketing Officer

 in**Ryan Shea**

Crypto economist

 in**Peter Stamas**

Head of US Operations and Business Development

 in**Yann Le Floch**

Digital Money Banker

 in

Meet the senior tech team



Matthieu Le Berre
Co-founder, CTO



João Pedro Vieira
Senior Developer



Gonen Eren
Senior Developer



Pavel Khalimov
Senior Developer



Pedro Silva
Senior Engineer in Test



Emanuel Gaspar
Senior Developer



Tiago Pereira
Senior Developer



Viktor Klymenko
Senior Developer

Meet Trakx advisors

Token Sale



Christophe Coutteau
Private Wealth manager



Christophe Barraud
Chief economist
@MarketSecurities



Gabriel Rebibo
Co-founder @Atka



Daniel Arroche
Lawyer @ d&a Partners

Trakx Strategic Committee



Jean-Marc Bonnefous
Partner CEO @ Tellurian
Ex BNP Trading



Laurent Seyer
Ex-COO MSCI
ex-CEO Lyxor



Didier Varlet
CEO Cartesia
founder Carr Futures



Didier Seillier
Dir. of Dauphine Incubator



Mathieu Amzallag
M&A @ FinancièreCambon



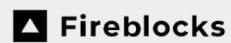
Stephane Daniel
Lawyer @ d&a Partners

Our ecosystem of partners

Accelerator and investors



Secured Custody



KYC / AML



Index Franchises

Trakx acts in an advisory capacity as an expert on the ongoing evolution of certain themes underlying certain of MSCI's indexes



Crypto Market Data



Fiat On-Ramp



Trakx timeline

2019

- Creation of Trakx SAS, incorporated in France
- Incubated at **Dauphine** University
- Seeded and accelerated by **ConsenSys**

2020

- Funding from BPI France and reputable Business Angels
- Constitution of the strategic committee
- Launch the first beta products on trakx.io, then a trading platform dedicated to professional traders

2021

- Granted VASP registration with the French Regulator (AMF)
- Launch the official web version of the platform
- Daily publication of Trakx CTI prices on **Lumrisk**
- Equity fund raising round
- Strengthened the core team

2022

- Daily publication of Trakx CTI prices on **Bloomberg**
- Partnership with **MSCI**
- Partnership with **Green Crypto Research**
- Partnership with **Vinter**, independent index calculator
- Multichannel approach, partnership with top broker dealers
- Launch our bespoke solution offering
- Two rounds of private token sale
- Team grew to 20+ total, including 5 new Senior Developers
- First certificate issued with Gentwo on Top Blockchains Index

2023

- Launch our new branding
- Implementation of the retail marketing plan
- Enabling retail investors to access Trakx CTIs
- Dedicated risk profile strategies
- Launched staked products
- New digital distribution channels

Trakx timeline

2024

- Launch more sophisticated products (Trakx BTC Momentum, Trakx USDC Earn, Yield & Staking CTIs)
- Push on bespoke solutions (dedicated CTI, certificate...)
- Develop tech-as-a service / white-labelling offering
- Allow listing some products only to selected user groups
- Further improvement of the UI/UX
- Build a responsive mobile app
- Add some gamification principles in the Exchange to enhance user engagement and retention through interactive features
- Fine tuning of the data mining and trading bots
- Offer DCA strategy (small regular investments) functionality
- Add new chains for deposits/withdrawals
- Prepare the transition to MiCA

2025+

- Dashboard for IFAs and Influencers
- Preparation of the transition to MiCA
- Introduce the capability for customers to stake Proof-of-Stake (POS) assets
- Create a notification center on the WebApp to keep users informed about relevant updates and events
- Add translations to the website and app
- Obtain SOC2 Type 2 Certification, industry-standard certifications to ensure compliance with security and data protection protocols
- Expand geographic footprint outside Europe
- Allow redemption in kind
- Use ZK Proofs for Proof of Fundings to enhance privacy and security
- Develop a conversational user interface (UI) to streamline user interactions and enhance user experience
- On Ramp solution - Implement an on-ramp solution to simplify the process of converting fiat currency to cryptocurrency, facilitating user onboarding and adoption
- Develop a non-custodial wallet solution to provide users with enhanced control over their digital assets

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