

# Smarter Than Crypto

The First Tokenized SMARTER THAN  
BETA Cryptocurrency Portfolio

## WHITE PAPER



You should consult with your legal, financial,  
tax and other professional advisor(s) before taking  
any action in connection with this whitepaper.



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## EXECUTIVE SUMMARY

### Why Smarter Than Crypto?

Cryptocurrencies have grown exponentially since their creation in 2009, with the total cryptocurrency market capitalization standing at over \$650 billion in its peak. While growth has been strong, the market capitalization of cryptocurrencies as a whole is still only a fraction of that of Gold or US Equities - which is itself only a fraction of the global stock investment market.

There is still room for considerable growth.

There are now thousands of cryptocurrencies to choose from, with more appearing each day. Choice paralyzes - choice adds cost, complexity and the need for advice. High risk, extreme volatility and practical difficulty compound to render buying and safely storing an effective and diverse portfolio of coins (cryptocurrencies) a complex problem.

SMARTER THAN CRYPTO ("STC") is the world's first cryptocurrency-only SMARTER THAN BETA tokenized portfolio, and aims to provide a solution to this problem. The portfolio will autonomously maintain a diverse portfolio of up to the top 20 cryptocurrencies by market capitalization. The SMARTER THAN BETA strategy can outperform any index in any asset class by 40% more return and 40% less risk. In order to continue to have an efficient portfolio in regards to return and risk over time, SMARTER THAN CRYPTO's asset portfolio is adjusted regularly in a process called rebalancing.

SMARTER THAN CRYPTO is not a platform nor is it a fund, it is a fully functioning product in the form of a Comingled Managed Account ("CMA"). SMARTER THAN CRYPTO cuts out the middleman and is thus able to offer the lowest fees in the industry.



Salus Alpha's SMARTER THAN BETA strategy has consistently outperformed indexes and their passive index trackers. For the last ten years investors poured significant amounts into index tracker funds, while actively managed funds experienced outflows during the same period. One reason why index funds outperform actively managed funds is due to their low annual fees.

SMARTER THAN CRYPTO has an annual fee of only 0% whereas competing crypto offerings have fees of 3% per year. All crypto offerings built on one of the many recently launched fund platforms will apply their fees over and above those of the platform. SMARTER THAN CRYPTO can offer such low fees because it is independent and automated. Index strategies are a set of rules that an algorithm can act on with no human intervention required.

SMARTER THAN CRYPTO is a utility token that is representative of a portion of the total value of the Crix -Crypto index. The initial tokens can only be acquired during the token offering process which is a one off, closed cap offering. The tokens provided will represent a participant's share of the portfolio. 100% of the total amount contributed during the offering will go directly towards buying the underlying cryptocurrencies. SMARTER THAN CRYPTO is an ERC20 token based upon the Ethereum blockchain. Operating on the blockchain allows for global accessibility, 24/7 trading, transparency, public verification of SMARTER THAN CRYPTO's holdings and no expensive legacy banking fees.

The tokens value is linked directly to the underlying cryptocurrency assets of up to 20 top coins by market capitalization held by SMARTER THAN CRYPTO via the innovative price floor mechanism implemented in our smart contract. The smart contract allows participants to cash out for their share of the underlying assets at any time. This means that SMARTER THAN



CRYPTO's value on exchange will be protected - it will be irrational to sell at a price lower than the tokens share of the underlying assets if a higher price is offered via the smart contract.

Token holders are free to sell or exchange their tokens at any time and pay no exit fees, broker fees or advice fees.

The only opportunity for future participants to buy these tokens post-ICO will be from ICO participants on exchange – no further tokens will be sold or minted. 100% of the ICO funds will go towards purchasing the underlying assets. A full breakdown of funds utilization and token distribution is available in the respective sections.

The optimal parameters for the portfolio and rebalancing methodology were carefully determined via a structured data science approach. A trading strategy was put in place to mitigate the risk of front-running and a viability study was conducted to confirm that a portfolio at the maximum raise size would be able to effectively acquire sufficient coins without paying a large premium. The minimum effective portfolio size is \$2m and if this is not achieved eighty seven percent of all investor funds will be returned. A maximum component weight of 20% was selected to prevent any single asset from dominating the index.

Security is extremely important and the smart contract code was audited by an independent third party. Expert advisors were consulted, best practices implemented and strong identity verification procedures put in place to prevent Sybil attacks and bad actors from compromising SMARTER THAN CRYPTO. SMARTER THAN CRYPTO's holdings will be audited and the audit report made public post-ICO. A full list of the team and advisors is available on the SMARTER THAN CRYPTO website and in the appendix.





SMARTER THAN CRYPTO will use the ICO contributions to acquire assets and test rebalancing as the coin is expected to be listed on the exchange.

The SMARTER THAN BETA strategy is intellectual property of the fully regulated and licensed investment manager Salus Alpha Capital. The SMARTER THAN BETA portfolio optimization technology is in production since 14 years on hedge fund strategies and will be used for disrupting the ETF market. The SMARTER THAN BETA portfolio optimization technology is able to outperform any index in any asset class by delivering 40% more return with 40% less risk. We call this products "SMARTER THAN BETA" whereby we are not referring to SMART BETA products which are simply a linear scaling of returns and risk proportionally by doing factor extraction.

Salus Alpha Capital has stored all relevant cryptocurrency data since mid 2013. After approximately six months of trading this deep dataset will be utilized to optimize rebalancing and produce trading strategies for future SMARTER THEN BETA token issuance. SMARTER THAN CRYPTO ICO participants will have priority access to other SMARTER THAN BETA products and the SMARTER THAN CRYPTO token will be convertible.

In conclusion, SMARTER THAN CRYPTO is a closed-cap, tokenized cryptocurrency portfolio that autonomously tracks up to the top 20 cryptocurrencies with weekly rebalancing to a maximum component weight of 20%.

Instantly owning a diverse cryptocurrency portfolio is now as easy as holding a single token.



## INTRODUCTION

The benefits are simple and many: convenience, no broker fees, no exit fees, full transparency, full control and a lower price bound. There is no need to keep your SMARTER THAN CRYPTO tokens on a centralized platform and you are free to sell or exchange your tokens without restriction. Automation allows SMARTER THAN CRYPTO to operate with fees of 0% management fee p.a. as opposed to the market average of 3% p.a.

No trust is required in the ability of human fund administrators/traders – an autonomous strategy does not require any discretion or judgment, just adherence to a method determined via quantitative research. The number of tokens, rebalancing frequency and asset weightings were carefully determined and our approach is detailed in this White Paper.

The ICO funds will be used to buy the underlying assets. Tokens can be liquidated through the SMARTER THAN CRYPTO smart contract for their share of the portfolio's net asset value (NAV). This protects the token price as it would not be rational to sell at a lower value on exchange when tokens can be directly liquidated for a highervalue.

Funds with stellar performance attract substantial amounts of new money. Closed- end structures will therefore be traded with a premium to intrinsic value (NAV) on





exchanges and the ICO participant will profit from this. This is the motivation for issuing no further tokens post-ICO.

The total global volume in ETFs is approximately 36 trillion while the entire combined cryptocurrency market capitalization is only a fraction (approximately 1.8%) of this. There is thus still significant potential to introduce retail investors into the crypto market.

Exposure to crypto returns with a broad, limited risk profile offers a compelling case to both crypto and fiat investors. SMARTER THAN CRYPTO's value proposition (diversification by holding a single token) will be heavily promoted via marketing and investor outreach. The only opportunity to purchase these tokens post-ICO will be on exchange from ICO participants – highlighting the real demand for reduced risk crypto investments whilst simultaneously creating value for participants.

SMARTER THAN CRYPTO will be of benefit to the community as a whole – market transparency and liquidity will increase as a result of our trading activity. As a professional investment manager we will bring fresh support, funding, and understanding to the community. Conventional Investors who were uncertain about investing in a single technology or system will now have an option to support the emerging cryptocurrency market through SMARTER THAN CRYPTO.



## TYPICAL PORTFOLIO & FUND STRUCTURES

### Definitions:

#### Open-end mutual fund:

An open-end fund is a mutual fund issuing unlimited shares of investments in stocks and/or bonds. Investing creates more shares, whereas selling shares takes them out of circulation. Shares are bought and sold on demand at their net asset value, which is based on the value of the fund's underlying securities and is calculated at the end of the trading day. When a large number of shares are redeemed, the fund may sell some of its investments to pay the investor. Shares are bought directly from the fund administrators.

#### Exchange-traded fund (ETF):

An exchange-traded fund is like an open-end mutual fund but instead trades as a common stock on a stock exchange. It is not purchased directly from fund administrators. An ETF may trade at a premium or discount to the NAV but this is often very short-lived due to arbitrage by institutional investors.



### Closed-end fund (CEF):

A closed-end fund is seeded once-off via an IPO and then traded on exchange thereafter. No further shares are issued and CEFs may trade above net asset value as buying and selling the shares on exchange has no effect on the underlying assets.

The structure of SMARTER THAN CRYPTO is a closed-end comingled managed account:

- Post-ICO, investors will only be able to purchase the SMARTER THAN CRYPTO tokens on exchange. No further tokens will be sold directly. Buying and selling tokens on an exchange does not affect the underlying NAV and SMARTER THAN CRYPTO is able to trade at a premium depending on market forces.
- A price floor is created via the liquidation option in the smart contract, effectively ensuring that the token is not able to trade at a discount.



## **RATIONALE BEHIND A SMARTER THAN CRYPTO STRATEGY**

Index tracker funds and SMART BETA strategies have seen exponential growth among investors since the first index mutual fund was launched in 1976. This has proven to be a successful form of investment as the low-cost involved has allowed index funds to outperform the majority of active managers across market and asset styles.

Due to their low fees and enhanced index strategies Salus Alpha's SMARTER THAN BETA strategies consistently outperform their benchmark index. The odds of picking a long term winning cryptocurrency by investors themselves are very low: studies show that regardless of past performance, future performance is virtually random and in the period February 2014 till January 2015 Bitcoin lost over 80% of its value.

A SMARTER THAN BETA strategy allows investors to outperform the index and – and to track the underlying trend behind the selection of assets without being reliant on a particular one. This allows the portfolio to consistently perform better than the mean market performance especially if some of the original assets fall out of favor.

The SMARTER THAN CRYPTO tokenized portfolio would be the first of its kind – it is



bought with crypto and holds only cryptocurrencies. It will bring stability and old- economy money into the ecosystem, which will boost liquidity and provide a stable instrument for those who previously thought it was too risky to invest in a single technology.

The number of exchanges, services and payment methods available to purchase cryptocurrencies is increasing exponentially but it is difficult for retail investors to purchase cryptocurrencies.

This lack of mass adoption may be due to the fact that no such product has previously been available, communicated effectively in plain non-technical language and actively marketed to this sector. There is a distinction between 'high risk' and 'unacceptable risk' in the minds of many investors – cryptocurrencies have traditionally been seen as the latter. SMARTER THAN CRYPTO aims to bring the risk as defined by max drawdown / loss to an acceptable level for allocation to a retail investor's portfolio but keeping the immense upside potential.

### Zero Sum Game and the Unskilled Investor

The central concept underlying the case for index-fund investing is that of the zero-sum game. This theory states that, at any given time, the market consists of the cumulative holdings of all investors, and that the aggregate market return is equal to the asset-weighted return of all market participants. Since the market



return (beta) represents the average return of all investors, for each position that outperforms the market, there must be a position that underperforms the market by the same amount, such that, in aggregate, the excess return (alpha) of all invested assets equals zero before costs.

It is a misconception that investing is a zero sum game whereas poker is a zero sum game since winner takes all. The 'beta' delivered by the market goes to passive managers as well as active investors it is the 'alpha-chasing' part of active investment that is a zero sum game due to the fact that active but unskilled investors "pay" the market outperformance (alpha) to the active but skilled active investor and costs further reduce the potential outperformance.

The distribution of market returns will thus be centered around a mean - an index aims to track. By holding a basket of coins from the index universe determined through portfolio optimization we expect to avoid coins with a return below the mean and therefore underperform and hold a few that overperform, the sum of the returns will provide a better return with less risk than the market/index return especially since we deliver that portfolio with 0% management fee as all Salus Alpha SMARTER THAN BETA products are priced.

SMARTER THAN CRYPTO token therefore solves this problem by not charging a management fee and through a scientifically proven and consistent quantitative





approach that is able pick consistently the winners from the index and to achieve an outperformance of 40% more return with 40% less risk in any index in any asset class.

### **Low-fee Fund Benefits**

The case for indexing doesn't mean that indexing beats all active management, all the time. It means that indexing—and in particular low-cost indexing—gains an advantage because costs associated with it tend to be lower than the costs associated with active management, so by that notion low-cost indexing is designed to outperform the average active manager over longer periods of time. In the crypto space we have seen active manager fees being around 6 times higher than an index fund (3% p.a. compared to 0.5% p.a.). The effect of fees makes outperformance of active management compared to a SMARTER THAN BETA index strategy less likely.

A position as a large player in the crypto markets will afford SMARTER THAN CRYPTO access to lower exchange fees and none of the legacy banking costs. Fiat investors looking for crypto returns with a broad exposure and limited risk profile will be drawn to SMARTER THAN CRYPTO.



## SMART CONTRACT SPECIFICATIONS

### Reasons for Choosing the Ethereum Blockchain:

- Security and predictability (as opposed to, for example, having to run a separate blockchain),
- Use of robust and well-supported clients (Ethereum based tokens can be managed with official Ethereum clients),
- High liquidity (transferable for ether),
- Easier listing on exchanges with infrastructure already in place,
- Ethereum smart contracts enable a very transparent way of offering a liquidation option.

The smart contract complies with the ERC20 token standard and can be used from any compatible Ethereum wallet. The contract code facilitates an ICO crowd sale by specifying a start date and end date so as to restrict certain functions during the ICO period. The token to ether price ratio is adjusted dynamically throughout the sale such that token price tracks \$1 (the bonus structure is then applied on top of this).

Participants can send ether to the contract directly or via the buy or buyTo functions. The ether purchase amount is used to calculate the tokens bought which are then added to the balance of the participant account. The participant account



the account that is debited with tokens) is the sender account when using the buy and fallback function or the specified address when using the buyTo function and passing an address as an argument.

The smart contract has a two-tier control functionality which gives two controlling wallets different levels of authority. This allows future blockchain development and full on-chain automation without sacrificing the control of fund managers.

The withdraw function automatically calculates the ether amount to send to the participant account based on a forward pricing policy which uses the asset based NAV price of the tokens less a 1% trading fee. This trading fee is not a fee for the benefit of the manager but for the benefit of the remaining investors of the closed-cap structure. The price will be updated regularly to accurately reflect the value of the underlying cryptoassets.

## **LIQUIDATION OPTION**

High-volume traders may seek to exploit pricing to the detriment of the community by initiating sell-offs that cascade and result in flash crashes so that they can purchase the cheap tokens. The liquidation option offers a price floor protection – this ensures the price never drops below that of the underlying assets because of



market manipulation. Prices are, however, free to increase as speculative value is created by the high demand for a low-cost, diversified and automated cryptocurrency portfolio that can be held as a single token.

A small, dynamically allocated percentage of SMARTER THAN CRYPTO's assets will be held by the smart contract (in ether) to facilitate the **liquidation option**. This amount will be controlled automatically as usage demands. The vast majority of other cryptocurrency assets will be held in various cold storage wallets.

During a withdrawal, the SMARTER THAN CRYPTO tokens are transferred back to SMARTER THAN CRYPTO's wallets. These tokens are then resold on exchange at the current NAV per token or market price, whichever is higher. This ensures that the underlying assets can be re-bought in the event that an investor uses the liquidation option – which would be unlikely due to the market price floor explained above.

## TOKEN DISTRIBUTION AND STRUCTURE

There will be no token creation, minting or mining after the ICO period. Tokens will be transferable and tradable once the ICO is successfully completed and the underlying assets have been acquired. Investment can be made in ETH, BTC or LTC. The USD equivalent amount of any ETH, BTC or LTC invested will be locked in at the time of investment according to market rates and considered the



participant's contribution.

### **Token Type: ERC20 SMARTER THAN CRYPTO – Ethereum Blockchain**

<b>Maximum Supply (Hard Cap):</b>	<b>25 000 000</b>
<b>Available for Purchase:</b>	<b>21 750 000</b>
<b>Minimum ICO Contribution:</b>	<b>0.04 ETH</b>
<b>Minimum Raise:</b>	<b>\$2 000 000</b>

### **Price per token:**

#### **Main ICO Sale Period**

<b>Pre-sale (up to 10 000 000 tokens):</b>	<b>\$0.90</b>
<b>First 48 hours of ICO:</b>	<b>\$0.95</b>
<b>48 hrs to Week 2 of ICO:</b>	<b>\$1.00</b>
<b>Week 2-till end of ICO:</b>	<b>\$1.05</b>



## **Summary:**

- 8.5% SMARTER THAN CRYPTO Team**
- 1.5% Marketing and Investor Relations**
- 1.5% Operations**
- 0.5% Advisors**
- 1.0% Bounty Program**
- 87% ICO Participants**

The SMARTER THAN CRYPTO team tokens will vest over two years to ensure that team incentives are aligned with ICO participants. This is enabled via a public smart contract 'vault'.

The STCDR (Smarter Than Crypto Drawing Right) token will allow you to purchase the Smarter Than Crypto (STC) token at a 5% discount.

In total 1,000.000.000 are available.





## PORTFOLIO PARAMETERS

### **Future-proofing:**

Eventually crypto returns will likely settle and resemble real-world investment returns as the market becomes more efficient, and as altcoins reduce bitcoin market capitalization dominance. Exchange fees will then be more relevant as they become larger with respect to profits.

The rationale behind a SMARTER THAN BETA index strategy was previously established – we will now focus on increasing market exposure and decreasing the costs of running such a system.

### **Test Assumptions and Conditions:**

It is apparent that weighting based on market capitalization is uncorrelated to the fact that a bigger index component reverts back to the mean more likely than a smaller index component. Therefore to eliminate the effect of weighting we propose an equal weight system to determine the portfolio parameters in regards to rebalancing frequency.



Back-tests for portfolio value were carried out over the period 31<sup>st</sup> May 2013 – 6<sup>th</sup> December 2017 and from 31<sup>st</sup> July 2014 – 6<sup>th</sup> December 2017. To neutralize the distortion of market capitalization weighting equal weight portfolios with weekly and monthly rebalancing were constructed.

Blockchain forks were treated as anomalies and any new coins created were simply ignored for the purpose of these tests. Discrete values were chosen for analysis to prevent overfitting to the limited data. Tests of the various parameters were performed simultaneously but are presented in ordered sections for clarity.

#### 1 Section A: Zero Sum Game and the Unskilled Investor

We are constructing a historic S&P100 time series holding all historic index components as the S&P100 does but with the difference that all index components are equal weighted. Since there are 100 stocks in the S&P100 each stock receives a weighting of 1%. We call this index S&P100 EW We are then splitting the S&P100 into two equal slices of 50 stocks each 2% weighted and calling them S&P1-50 EW and S&P51-100 EW.



## Hypotheses:

A1: Eliminating the effect of weights in the S&P100 EW index by equal weighting the index members should result in a better performance than the market capitalization weighted S&P100. It is therefore to be concluded that market capitalization weightings are inefficient in regards to risk/return characteristics.

A2: As the alpha component of investing i.e. active investing is a zero sum game it can be shown that either S&P1-50 EW or S&P51-100 EW is the skilled investor outperforming the market whereas the other index represents the unskilled investor underperforming the market and paying outperformance (alpha) to the skilled investor.

## Tests:

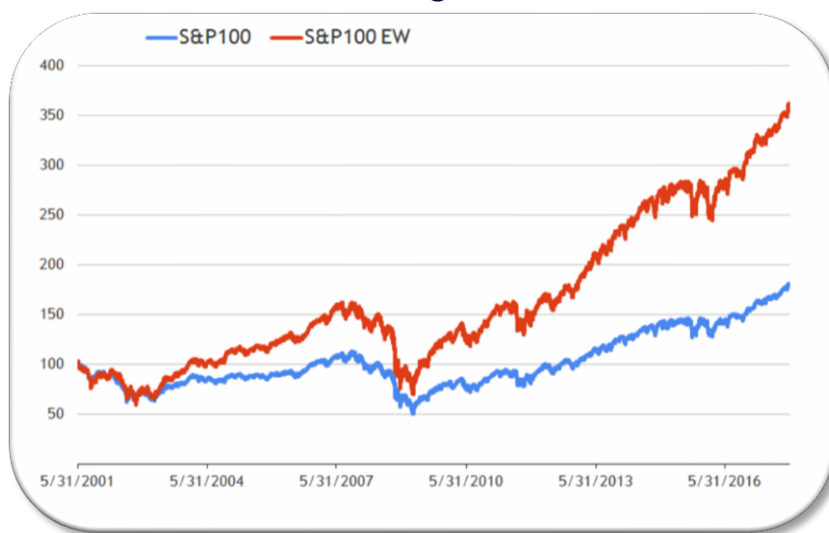
A back-test of S&P100 EW, S&P1-50 EW and S&P51-100 EW with monthly rebalancing frequency was performed

## Analysis and Conclusion:

A1: Figure 1 below shows that the S&P100 EW has a better performance than the S&P100 in regards to return as well as risk.



Figure 1



A2: Figure 2 below shows that the S&P51-100 EW did outperform the S&P100 EW and did outperform the S&P1-50 EW. It therefore has been proven that for active investors it is a zero sum game but the market can be outperformed through skill. It has also been shown that the unskilled investor underperforms the market and pays the outperformance versus the market (alpha) to the skilled investor.



**Figure 2**

### Section B: Number of Tracked Coins Hypotheses:

B1: It is hypothesized that returns are correlated with the number of coins held in the portfolio.



## Tests:

A back-test of portfolio value with number of coins {10, 20, 30, 40} with a weekly/monthly rebalancing frequency and a equal weighting for the period 5/31/2013-12/6/2017 was performed.

Figure 3-4 below illustrates that the bigger the number of coins the greater the value at the end of each testing window.

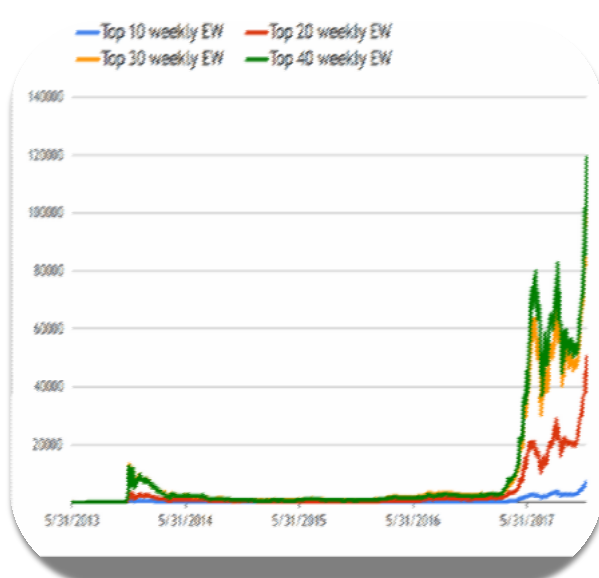


Figure 3

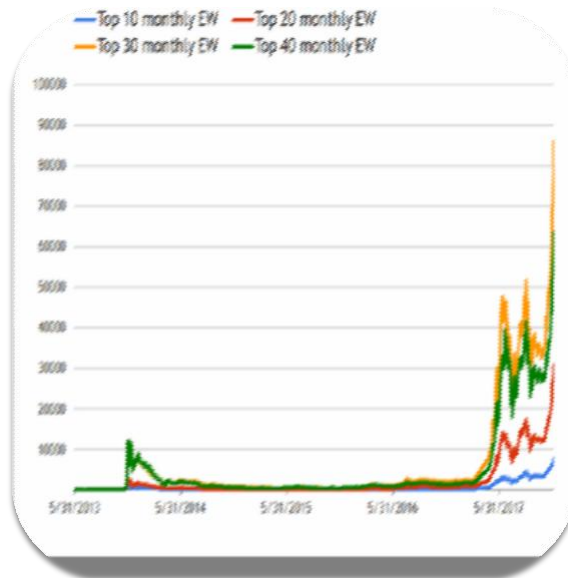


Figure 4





	Top 10 weekly EW	Top 20 weekly EW	Top 30 weekly EW	Top 40 weekly EW
Return p.a.	153.41%	288.90%	367.31%	369.73%
Volatility p.a.	536.60%	1277.81%	2667.16%	2667.42%

	Top 10 monthly EW	Top 20 monthly EW	Top 30 monthly EW	Top 40 monthly EW
Return p.a.	162.16%	254.86%	345.80%	315.38%
Volatility p.a.	543.95%	1126.15%	3670.80%	3671.06%

## Analysis and Conclusions:

B1: The number of coins seem to be correlated to the portfolio's return and risk. The number of outperformance and risk is substantially higher for 30-40 coins selected when compared to the alternatives above. However since risk doubles moving from 20 to 30 or from 20 to 40 coins. We select 20 coins as the optimum portfolio size as this seem to be the sweet spot harvesting the returns under “acceptable” risk.

## 3 Section C: Rebalancing Frequency



Rebalancing is the act of periodically adjusting a portfolio such that its asset composition reflects the index it aims to track. Rebalancing a portfolio not only reduces risk but also increases the median return. Weekly and monthly rebalancing periods were investigated. Daily rebalancing due to operational issues in the crypto space and transaction costs has been rejected. No-rebalancing has been rejected as the benchmark index itself also rebalances.

#### Hypotheses:

C1: It is hypothesized that a weekly rebalanced portfolio is likely to provide a greater median return and less risk than a monthly rebalanced portfolio. This means that a weekly rebalanced portfolio is likely to outperform a monthly rebalanced portfolio.

#### Tests:

A back-test of portfolio value for varying rebalancing frequencies for tracking an index of the top {10,20,30,40} coins by market capitalization was performed and weekly versus monthly rebalancing was compared

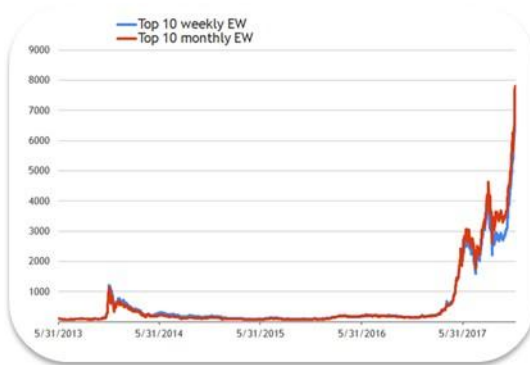


Figure 5

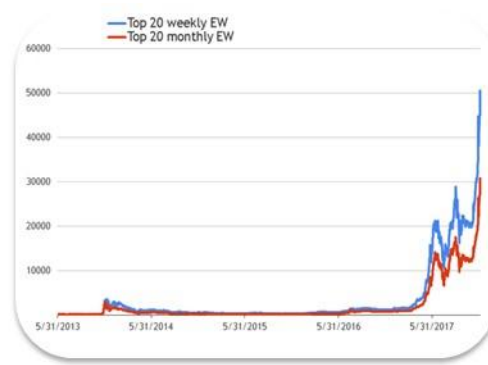


Figure 6

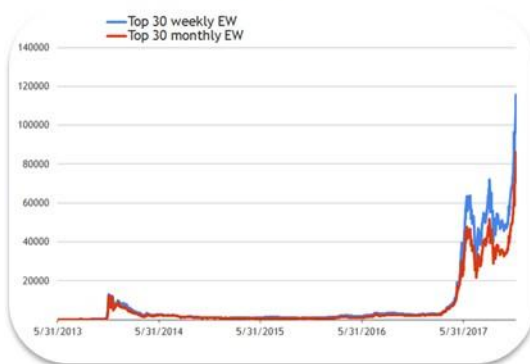


Figure 7

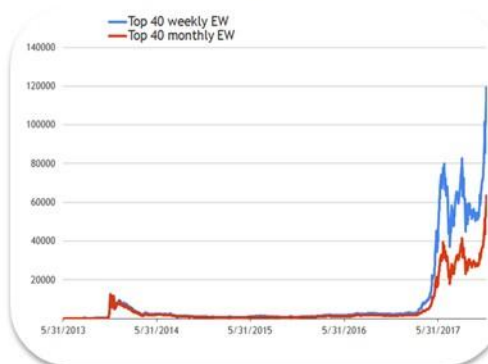


Figure 8

As can be seen in Figure 5-8 above, weekly rebalancing seems to achieve the greatest portfolio value most often compared to monthly rebalancing frequencies. As the rebalancing frequency increases from weekly to daily there would be dramatic increase in expenses. This is undesirable.

<sup>1</sup>Note that the test results shown for each of the hypotheses presented below do not constitute the entirety of the data analyzed to reach their respective conclusions. A large test space was simultaneously analyzed and only the most relevant graphs are presented here.



## **Analysis and Conclusion:**

C1: In Figure X it can be noted that weekly rebalancing outperforms monthly rebalancing across the majority of observations in terms of value. A weekly rebalancing strategy is thus selected.

## **4 Section D: Smarter Than Crypto**

D1: It is hypothesized that the optimized SMARTER THAN CRYPTO portfolio holding up to top 20 coins by market capitalization with a cap of 20% per component can produce 40% more return with 40% less risk while not applying a full investment constraint.

## **Tests:**

A back-test of portfolio for the period 5/31/2013-12/6/2017 comparing the weekly optimized SMARTER THAN CRYPTO portfolio with a 20% cap weighting investing into the top 20 coins by market capitalization was created and compared with a portfolio representing the Top 20 coins by market capitalization being weekly Equal Weighted.

Another back-test of portfolio for the period 7/31/2014-12/6/2017 comparing

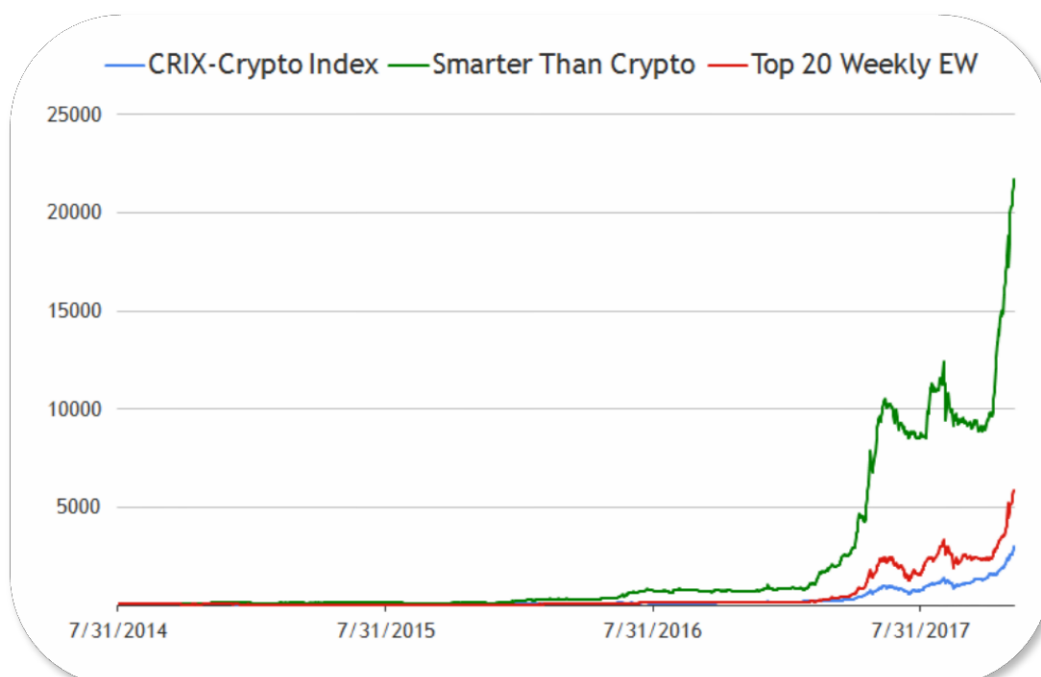


the weekly optimized SMARTER THAN CRYPTO portfolio with a 20% cap weighting investing into the top 20 coins by market capitalization was created and compared with the CRIX-Crypto Index representing a market capitalization cryptocurrency index of the top 75 coins by market capitalization.

### Analysis and Conclusion:

D1: In Figure 9 below can be noted that weekly optimized Smarter Than Crypto portfolio holding up to top 20 coins by market capitalization with a cap of 20% per component is outperforming the Top 20 weekly Equal Weighted portfolio as well as the Crix-Crypto Index by huge margin in regards to absolute performance but also in regards to risk

**Figure 9**





7/31/2014-12/6/2017

	<b>Smarter Than Crypto</b>	<b>Top 20 weekly EW</b>	<b>CRIX- Crypto Index</b>
Return p.a.	397.43%	237.30%	176.77%
Volatility p.a.	136.16%	146.98%	95.17%
Mod. Sharpe	2.92	1.61	1.86
Max Drawdown	-36.24%	-71.78%	-59.08%

## Parameter Summary

A portfolio utilizing a SMARTER THAN BETA index strategy investing into the top 20 coins by market capitalization with a 20% cap weighting provides broad market exposure with acceptable turnover and mitigates risk efficiently. The cap also assists in future-proofing the portfolio because a single asset, and thus single source of risk, is not allowed to dominate. A weekly rebalancing frequency offers an acceptable balance between portfolio turnover and the ability to outperform the benchmark index and mitigate risk at the same time.





## SECURITY & TRANSPARENCY

SMARTER THAN CRYPTO has implemented security industry best practices for defense against Sybil attacks and bad actors in co-operation with our team of expert advisors. Strong identity verification and authentication procedures are in place to ensure secure operations.

The smart contract code has been thoroughly audited for vulnerabilities, confirmation of operation as described in this White Paper, static and manual analysis of the smart contract, gas analysis and verification of the deployment procedure.

Transparency in SMARTER THAN CRYPTO's trading activities and current holdings will be ensured through the use of view-only exchange APIs as well as through proof of reserve for non-exchange wallets (this includes both hot and cold wallets).

SMARTER THAN CRYPTO will at any stage hold varying amounts of up to the top 20 coins by market capitalization. The majority of each of these cryptocurrencies will be stored in cold wallets with a small percentage of each currency stored in a wallet on our servers so as to facilitate automatic rebalancing. If rebalancing



necessitates moving more of the cryptocurrency to these hot wallets this will be done manually via interfacing with various cold wallets – SMARTER THAN CRYPTO's portfolio manager will be notified ahead of time so as to accommodate this. The weekly rebalancing period affords more than sufficient time for this purpose.

Trades will be executed over multiple exchanges at varying times within our weekly rebalancing window to mitigate the risk of front-running. The following section, TRADING STRATEGY, contains a quantitative analysis on liquidity and front-running.

Ledger Nano Ss will be used for the storage of all cryptocurrencies it supports. For all cryptocurrencies not supported, encrypted USB drives will be utilized. These storage devices will be held in secure safe deposit boxes with back-up paper- wallets stored at separate secure locations. Locations are undisclosed for security consideration. A public audit post-ICO will confirm the presence of before described security strategies to ICO participants.

Wallet interactions with SMARTER THAN CRYPTO will be facilitated through light clients running within their own containerized services. See the AUTOMATION section for additional detail.



## TRADING STRATEGY

As SMARTER THAN CRYPTO's strategy is unknown and a full investment constrained is not forced, front runners will have no information to anticipate portfolio re-allocations. Additionally several strategies will be employed to mitigate this risk:

- 1) Cryptocurrencies will be sent to the exchange 1-24hrs in advance of the trade so that traders cannot follow the hot-wallet to know exactly when a purchase or sale will be made. A weekly rebalancing window affords sufficient time to do this.
- 2) Trades will be executed over multiple exchanges.
- 3) Trades will be executed at varying times within the rebalancing window to prevent predictability.

### Anomalies and Responses

Forking: If a cryptocurrency were to fork, the forked currency would be added as a regular portfolio asset. Rebalancing would be performed as per usual at the next interval.

Crypto base BTC-ETH swap: A BTC-ETH swap does not affect SMARTER THAN CRYPTO's trading strategy. During rebalancing, the most supported single-base



exchange pairs are used agnostic to the specific crypto.

## **AUTOMATION**

SMARTER THAN CRYPTO will be automated via API integration with multiple exchanges, possibly including but not limited to: Bitstamp, Bitfinex, BTER, Bittrex and Poloniex. The full list of exchanges utilized will be available on our website when trading begins. Additional exchanges will be added when vetted and APIs with the minimum sufficient functionality are made available.

The liquidation price of the SMARTER THAN CRYPTO tokens will be determined through the use of an exchange service developed by SMARTER THAN CRYPTO. Automation of liquidation price updates are an essential part of smooth business operation, however, automation can also expose security risks due to the necessity of online private key storage. We circumvent this risk by implementing a two-tier permissions system, with multiple addresses allocated only the necessary permissions to fulfill a particular task, such as updating the liquidation price. This strategy enables risk-mitigating automation without having to store crucial private keys online.

Backend calls to exchange API services will be used to find optimum routes for different trading pairs so as to obtain best possible prices on trades. This



ethod will ensure underlying assets are always bought at the most competitive rates and exchange fees.

## **MARKETING AND INVESTOR RELATIONS**

The SMARTER THAN CRYPTO team will invest significant time and effort into post-ICO marketing targeted towards investors in the traditional financial sector via the production of information sheets, explainer videos and planning documents that are easily understandable. Token holders will be able to view detailed information on their holdings and portfolio composition on the SMARTER THAN CRYPTO website. SMARTER THAN CRYPTO will focus marketing efforts solely on non-regulated markets. No promotion or solicitation will be performed where participation is forbidden or likely to be forbidden in the near future in order to remain compliant with local legislation.

## **ICO FUNDS UTILIZATION**

The SMARTER THAN CRYPTO team has completed the development of the trading system. The ICO funds will go towards purchasing the underlying assets. A small allocation (1.5%) for operating expenses is made for Post-ICO Audit, legal fees etc. to ensure that SMARTER THAN CRYPTO is compliant with regulation upon



commencement of exchange trading and a complete audit of received funds by a major auditing firm. Any unused funds from the 2% operating expense allocation will be utilized in a discretionary capacity once SMARTER THAN CRYPTO has commenced on-going trading.

- **8.5% SMARTER THAN CRYPTO Team**
- **1.5% Marketing and Investor Relations**
- **1.5% Operations**
- **0.5% Advisors**
- **1.0% Bounty Program**
- **87% ICO Participants**

## **REPORTING**

Accounting standards for cryptocurrencies remain unclear. The International Accounting Standards Board (IASB) will either create a new standard or change existing standards to address accounting for investments in intangible assets, including digital currencies. They are known to set standards based on successful businesses leading the way in how to account for their investments, for example in the case of commodity broker-traders. The IASB might take years to develop and



implement a new standard – considering all possibilities early might enable SMARTER THAN CRYPTO to pioneer a standard and give tokens credibility as an alternative investment vehicle.

SMARTER THAN CRYPTO has conducted an analysis into the audit and accounts requirements in order to provide best effort in complying with existing legislation. SMARTER THAN CRYPTO will operate on a half yearly reporting basis with annual accounts. The half yearly reports will include information on governmental risk and legislation, risk/return analysis, portfolio performance.

Financial reports will include the following:

- A balance sheet and a statement of the portfolio's total investment value
- An income statement for the period covered
- A list of the portfolios amounts and values on the date the balance sheet was issued
- A statement of salaries or any other monies paid to the directors, advisory board and officers
- Total amounts of crypto purchases and sales

The information will be made available on the investor portal of the SMARTER



THAN CRYPTO website and SMARTER THAN CRYPTO's assets will be viewable at any time with a blockchain explorer.

## PROJECT TIMELINE

### Initial Research and Development

- June 2017 – Developed the team and concept; conducted thorough backtests to determine if Salus Alpha's SMARTER THAN BETA strategy can be applied to cryptocurrency portfolios.

### Develop Smart Contract and Autonomous Trading System

- September 2017 – Developed innovative SMARTER THAN CRYPTO smart contract to best practice specifications; developed back-end for multi-exchange trading.

### Finalize Smart Contract and Trading Protocol

- November 2017 – Complete smart contract to audit-ready state. Optimized autonomous trading algorithm to mitigate front-running and slippage. Consultation with industry expert advisors.

### Test Trading System; Security Audit

- July - December 2017 – Security audit and code review process. Trading system tested and completed.





## SMARTER THAN CRYPTO Token Pre-Sale

10% Bonus for first 10,000,000 SMARTER THAN CRYPTO Tokens

## SMARTER THAN CRYPTO Token ICO

5% Bonus for first 48 hours of ICO. Public auditing from audit SMARTER THAN CRYPTO ICO release statement verifying holdings.

- 3Q 2018

Initial Top 20 coin acquisition and First Rebalancing Procedure

Initial coin holdings acquired, final information sheets and reporting structures released to retail investors. First portfolio rebalance is performed and monitored.

- 4Q 2018 – 1Q 2019

Public Launch on Exchange; Regular Operation

SMARTER THAN CRYPTO Token is listed for trade on exchange. Dataset will be used for future development SMARTER THAN BETA funds.

SMARTER THAN CRYPTO ICO participants will have priority acceptance into these very limited SMARTER THAN BETA funds and SMARTER THAN CRYPTO Tokens will be transferable into these funds.



## CONCLUSION

A SMARTER THAN BETA strategy weighted (20% max cap) index outperformance strategy consisting of the top 20 coins by market capitalization, with weekly rebalancing produces 40% more return with 40% lower risk than the benchmark index without allowing a single asset (and thus a single source of risk) to dominate.

SMARTER THAN BETA and especially SMARTER THAN CRYPTO is poised to set a new standard for cryptocurrency investments. As a transparent, secure and directly asset linked 'token-as-a-portfolio', SMARTER THAN CRYPTO aims to bring 0% management fee, broad market exposure crypto investment to the mainstream with its innovative single token offering.



**hello@SMARTER THAN CRYPTO.com**

**<https://www.smarterthancrypto.com>**





## ABSTRACT

SMARTER THAN CRYPTO is an autonomous cryptocurrency-only portfolio composed by utilizing a portfolio optimization technology called SMARTER THAN BETA. The token sale funding will be used to buy the underlying cryptocurrency assets and SMARTER THAN CRYPTO will hold up to the top 20 cryptocurrencies by market capitalization. SMARTER THAN CRYPTO cuts out the middleman, the platform, and is thus able to offer significantly lower fees. SMARTER THAN BETA strategies have consistently beaten Index funds and the average managed fund.

SMARTER THAN CRYPTO is not a platform, it is a fully functioning product and its token value is not based on speculation but rather the product benefits and net asset value of up to the 20 market capitalization cryptocurrencies. There are no broker fees, advice fees or exit fees. SMARTER THAN CRYPTO's utility token is called SMARTER THAN CRYPTO. It can be traded at any time, holdings are fully transparent and there are no legacy banking fees or expensive fund managers.

SMARTER THAN CRYPTO tokens are directly tied to the underlying assets with a novel liquidation option that can be exercised via the smart contract. This function ensures a floor on the market value of all SMARTER THAN CRYPTO tokens.



SMARTER THAN CRYPTO allows for access to a diverse cryptocurrency portfolio by holding a single token. The tokens will be tradable on exchange post-ICO and no further tokens will be issued. The top 20 cryptocurrencies by market capitalization change, and so will SMARTER THAN CRYPTO's holdings. This rebalancing process allows for tracking of the cryptocurrency market index and is an effective risk mitigation strategy.

A cryptocurrency portfolio consisting of the top 20 coins by market capitalization, with weekly rebalancing and a component cap of 20% produces a combination that has broad market exposure and acceptable turnover without allowing a single asset, and thus single source of risk, to dominate. This paper seeks to structure and justify our hypotheses and conclusions.



## LEGAL DISCLAIMER:

1. Prospective ICO Participants should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile, and place of business with respect to the acquisition, holding or disposal of the Tokens, and any foreign exchange restrictions that may be relevant thereto. The distribution of this White Paper and the offer and sale of the Tokens in certain jurisdictions may be restricted by law. This White Paper does not constitute an offer to sell or the solicitation of an offer to buy to any person for whom it is unlawful to make such offer or solicitation.
2. SMARTER THAN CRYPTO is not providing you legal, business, financial or tax advice about any matter. You may not legally be able to participate in this private, unregistered offering. You should consult with your own attorney, accountant and other advisors about those matters (including determining whether you may legally participate in this ICO). You should contact us with any questions about this ICO or the Tokens.
3. It is the responsibility of any persons wishing to acquire the Tokens to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions. Prospective ICO Participants should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of the Tokens, and any restrictions that may be relevant thereto.
4. This White Paper constitutes an offer of Tokens only in those jurisdictions and to those persons where and to whom they lawfully may be offered for sale. This White Paper does not constitute an offer to subscribe for securities in any jurisdiction.
5. Nothing in this White Paper is intended to create a contract for investment into SMARTER THAN CRYPTO, and each potential ICO Participant acknowledges that SMARTER THAN CRYPTO will rely on this assertion of an ICO Participant's statements with respect to compliance with the laws of the jurisdiction in which the ICO Participant is legally domiciled.

### AN IMPORTANT NOTE FROM OUR LAWYERS:

SMARTER THAN CRYPTO is incorporated in the British Virgin Islands. Its company registration number is [to be announced soon].

This document should not be construed as an offer or solicitation of an offer for the sale of tokens.

The individuals listed in this document are not and will not be selling tokens and have drafted this document on behalf of the legal entity that will be conducting the relevant token sale.

Consider the English language version of all SMARTER THAN CRYPTO communications, media and documentation to be the only official version.

## LEGAL NOTICE

PLEASE READ THIS SECTION AND THE SECTIONS AT THE END OF THIS WHITE PAPER ENTITLED DISCLAIMER OF LIABILITY, NO REPRESENTATIONS AND WARRANTIES, REPRESENTATIONS AND WARRANTIES BY YOU, CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS, MARKET AND INDUSTRY INFORMATION AND NO CONSENT OF OTHER PERSONS, NO ADVICE, NO FURTHER INFORMATION OR UPDATE, RESTRICTIONS ON DISTRIBUTION AND DISSEMINATION, NO OFFER OF SECURITIES OR REGISTRATION AND RISKS AND UNCERTAINTIES CAREFULLY.

The tokens described in this White Paper are not intended to constitute securities in any jurisdiction. This White Paper does not constitute a prospectus or offer document of any sort and is not intended to constitute an offer of securities or a solicitation for investment in securities in any jurisdiction.



**This White Paper does not constitute or form part of any opinion on any advice to sell, or any solicitation of any offer by SMARTER THAN CRYPTO, an exempted company registered under the laws of the British Virgin Islands (the Company) to purchase any tokens (SMARTER THAN CRYPTO) nor shall it or any part of it, nor the fact of its presentation, form the basis of, or be relied upon in connection with, any contract or investment decision.**

**The Company will deploy the proceeds of sale of the SMARTER THAN CRYPTOs to fund the project, businesses and operations, as outlined in this White Paper.**

**Any agreement between the Company and you as a purchaser, and in relation to any sale and purchase, of SMARTER THAN CRYPTOs is to be governed by only a separate document provided by the Company's Terms & Conditions (the T&C). The T&C will set out the terms and conditions of such agreement. In the event of any inconsistencies between the T&Cs and this White Paper, the T&C shall prevail.**

**This White Paper has been prepared in multiple languages. In the event of any inconsistencies between one version and another, the English language version shall prevail.**

**You are not eligible and you are not to purchase any SMARTER THAN CRYPTOs in the SMARTER THAN CRYPTO token sale (as referred to in this White Paper) if you are a citizen, resident (tax or otherwise) or green card holder of the United States of America, or a citizen or resident of the British Virgin Islands.**

**No regulatory authority has examined or approved of any of the information set out in this White Paper. No such action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction. The publication, distribution or dissemination of this White Paper does not imply that the applicable laws, regulatory requirements or rules have been complied with.**

**There are risks and uncertainties associated with the Company and its business and operations, the SMARTER THAN CRYPTOs, the SMARTER THAN CRYPTO token sale and the underlying assets, as described below.**

**This White Paper, any part thereof and any copy thereof must not be taken or transmitted to any country where distribution or dissemination of this White Paper is prohibited or restricted. No part of this White Paper is to be reproduced, distributed or disseminated without including this section and the following sections entitled Disclaimer of Liability, No Representations and Warranties, Representations and Warranties By You, Cautionary Note On Forward-Looking Statements, Market and Industry Information and No Consent of Other Persons, Terms Used, No Advice, No Further Information or Update, Restrictions On Distribution and Dissemination, No Offer of Securities Or Registration and Risks and Uncertainties.**





## DISCLAIMER OF LIABILITY

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS. CRYPTOCURRENCIES TRADING INVOLVES RISK. THERE IS A RISK OF LOSS IN CRYPTOCURRENCIES TRADING. PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

To the maximum extent permitted by the applicable laws, regulations and rules, neither the Company nor the SMARTER THAN CRYPTO Team shall be liable for any indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection with any acceptance of or reliance on this White Paper or any part thereof by you.

### NO REPRESENTATIONS AND WARRANTIES

The Company does not make or purport to make, and hereby disclaims, any representation, warranty or undertaking in any form whatsoever to any entity or person, including any representation, warranty or undertaking in relation to the truth, accuracy and completeness of any of the information set out in this White Paper.

### REPRESENTATIONS AND WARRANTIES BY YOU

By accessing and/or accepting possession of any information in this White Paper or such part thereof (as the case may be), you represent and warrant to the Company as follows:

(a) you agree and acknowledge that the SMARTER THAN CRYPTO tokens do not constitute securities in any form in any jurisdiction;

(b) you agree and acknowledge that this White Paper does not constitute a prospectus or offer document of any sort and is not intended to constitute an offer of securities in any jurisdiction or a solicitation for investment in securities and you are not bound to enter into any contract or binding legal commitment and no cryptocurrency or other form of payment is to be accepted on the basis of this White Paper;

(c) you agree and acknowledge that no regulatory authority has examined or approved of the information set out in this White Paper, no action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction and the publication, distribution or dissemination of this White Paper to you





does not imply that the applicable laws, regulatory requirements or rules have been complied with;

(d) you agree and acknowledge that this White Paper, the undertaking and/or the completion of the SMARTER THAN CRYPTO token sale, or future trading of the SMARTER THAN CRYPTO tokens on any cryptocurrency exchange, shall not be construed, interpreted or deemed by you as an indication of the merits of the Company, the SMARTER THAN CRYPTO tokens, the SMARTER THAN CRYPTO token sale and the underlying assets (each as referred to in this White Paper);

(e) the distribution or dissemination of this White Paper, any part thereof or any copy thereof, or acceptance of the same by you, is not prohibited or restricted by the applicable laws, regulations or rules in your jurisdiction, and where any restrictions in relation to possession are applicable, you have observed and complied with all such restrictions at your own expense and without liability to the Company;

(f) you agree and acknowledge that in the case where you wish to purchase any SMARTER THAN CRYPTO tokens, the SMARTER THAN CRYPTO tokens are not to be construed, interpreted, classified or treated as:

(i) any kind of currency other than cryptocurrency;

(ii) debentures, stocks or shares issued by any person or entity;

(i) rights, options or derivatives in respect of such debentures, stocks or shares;

(ii) rights under a contract for differences or under any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss;

(iii) units in a collective investment scheme;

(iv) units in a business trust;

(v) derivatives of units in a business trust; or

(vi) any other security or class of securities.

(g) you are fully aware of and understand that you are not eligible to purchase any SMARTER THAN CRYPTO tokens if you are a citizen, resident (tax or otherwise) or green card holder of the United States of America or a citizen or resident of the British Virgin Islands;

(h) you have a basic degree of understanding of the operation, functionality, usage, storage, transmission mechanisms and other material characteristics of cryptocurrencies, blockchain-based software systems, cryptocurrency wallets or other related token storage mechanisms, blockchain technology and smart contract technology;

(i) you are fully aware and understand that in the case where you wish to purchase any SMARTER THAN CRYPTO tokens, there are risks associated with the Company and its respective business and operations, the SMARTER THAN CRYPTO tokens, SMARTER THAN CRYPTO token sale and the underlying assets (each as referred to in the White Paper);

(j) you agree and acknowledge that the Company or any of the SMARTER THAN CRYPTO Team is not liable



or any indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection with any acceptance of or reliance on this White Paper or any part thereof by you; and

(k) all of the above representations and warranties are true, complete, accurate and non-misleading from the time of your access to and/or acceptance of possession this White Paper or such part thereof (as the case may be).

#### **CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS**

All statements contained in this White Paper, statements made in press releases or in any place accessible by the public and oral statements that may be made by the Company or any of the SMARTER THAN CRYPTO Team on behalf of the Company, that are not statements of historical fact, constitute forward-looking statements. Some of these statements can be identified by forward-looking terms such as aim, target, anticipate, believe, could, estimate, expect, if, intend, may, plan, possible, probable, project, should, would, will or other similar terms. However, these terms are not the exclusive means of identifying forward-looking statements. All statements regarding the Company's financial position, business strategies, plans and prospects and the future prospects of the industry which the Company is in are forward-looking statements. These forward-looking statements, including but not limited to statements as to the Company's revenue and profitability, prospects, future plans, other expected industry trends and other matters discussed in this White Paper regarding SMARTER THAN CRYPTO are matters that are not historic facts, but only predictions.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual future results, performance or achievements of funds, cryptocurrencies, or the Company to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. These factors include, amongst others:

- (a) changes in political, social, economic and stock or cryptocurrency market conditions, and the regulatory environment in the countries in which the Company conducts its respective businesses and operations;
- (b) the risk that the Company may be unable to execute or implement their respective business strategies and future plans;
- (c) changes in interest rates and exchange rates of fiat currencies and cryptocurrencies;
- (d) changes in the anticipated growth strategies and expected internal growth of the Company;
- (e) changes in the availability and fees payable to the Company in connection with their respective businesses and operations;
- (f) changes in the availability and salaries of employees who are required by the Company to operate their respective businesses and operations;
- (g) changes in preferences of customers of the Company;
- (h) changes in competitive conditions under which the Company operate, and the ability of the Company to compete under such conditions;
- (i) changes in the future capital needs of the Company and the availability of financing and capital to fund such needs;



- (j) war or acts of international or domestic terrorism;
- (k) occurrences of catastrophic events, natural disasters and acts of God that affect the businesses and/or operations of the Company;
- (l) other factors beyond the control of the Company; and
- (m) any risk and uncertainties associated with the Company and its business and operations, the SMARTER THAN CRYPTO tokens, the SMARTER THAN CRYPTO token sale and the underlying assets (each as referred to in the White Paper).

All forward-looking statements made by or attributable to the Company and of the SMARTER THAN CRYPTO Team or other persons acting on behalf of the Company are expressly qualified in their entirety by such factors. Given that risks and uncertainties that may cause the actual future results, performance or achievements of the Company to be materially different from that expected, expressed or implied by the forward-looking statements in this White Paper, undue reliance must not be placed on these statements. These forward-looking statements are applicable only as of the date of this White Paper.

Neither the Company nor any other person represents, warrants and/or undertakes that the actual future results, performance or achievements of the Company will be as discussed in those forward-looking statements. The actual results, performance or achievements of SMARTER THAN CRYPTO may differ materially from those anticipated in these forward-looking statements.

Nothing contained in this White Paper is or may be relied upon as a promise, representation or undertaking as to the future performance or policies of the Company.

Further, the Company disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future.

#### **MARKET AND INDUSTRY INFORMATION AND NO CONSENT OF OTHER PERSONS:**

This White Paper includes market and industry information and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Such surveys, reports, studies, market research, publicly available information and publications generally state that the information that they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information.

Save for the Company and its respective directors, executive officers and employees, no person has provided his or her consent to the inclusion of his or her name and/or other information attributed or perceived to be attributed to such person in connection therewith in this White Paper and no representation, warranty or undertaking is or purported to be provided as to the accuracy or completeness of such information by such person and such persons shall not be obliged to provide any updates on the same.

Neither the Company nor any of the SMARTER THAN CRYPTO Team has conducted any independent review of the information extracted from third party sources, verified the accuracy or completeness of such



information or ascertained the underlying economic assumptions relied upon therein. Consequently, neither SMARTER THAN CRYPTO nor its directors, executive officers and employees acting on its behalf makes any representation or warranty as to the accuracy or completeness of such information and shall not be obliged to provide any updates on the same.

#### **TERMS USED**

To facilitate a better understanding of the SMARTER THAN CRYPTO tokens being offered for purchase by the Company, and the businesses and operations of the Company, certain technical terms and abbreviations, as well as, in certain instances, their described options, have been used in this White Paper. These descriptions and assigned meanings should not be treated as being definitive of their meanings and may not correspond to standard industry meanings or usage.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

#### **NO ADVICE**

No information in this White Paper should be considered to be business, legal, financial or tax advice regarding the Company, the SMARTER THAN CRYPTO tokens and SMARTER THAN CRYPTO token sale and the underlying assets (each as referred to in the White Paper). You should consult your own legal, financial, tax or other professional adviser regarding the Company and its business and operations, the SMARTER THAN CRYPTO tokens, the SMARTER THAN CRYPTO token sale and the underlying assets (each as referred to in the White Paper). You should be aware that you may be required to bear the financial risk of any purchase of SMARTER THAN CRYPTO tokens for an indefinite period of time.

#### **NO FURTHER INFORMATION OR UPDATE**

No person has been or is authorised to give any information or representation not contained in this White Paper in connection with the Company and its business and operations, the SMARTER THAN CRYPTO tokens, the SMARTER THAN CRYPTO token sale and the underlying assets (each as referred to in the White Paper) and, if given, such information or representation must not be relied upon as having been authorised by or on behalf of the Company. SMARTER THAN CRYPTO token sale (as referred to in the White Paper) shall not, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change, or development reasonably likely to involve a material change in the affairs, conditions and prospects of SMARTER THAN CRYPTO or in any statement of fact or information contained in this White Paper since the date hereof.

#### **A. RESTRICTIONS ON DISTRIBUTION AND DISSEMINATION**

The distribution or dissemination of this White Paper or any part thereof may be prohibited or restricted by the laws, regulatory requirements and rules of any jurisdiction. In the case where any restriction applies, you are to inform yourself about, and to observe, any restrictions which are applicable to your possession of this White Paper or such part thereof (as the case may be) at your own expense and without liability to the Company or any member of the SMARTER THAN CRYPTO Team.

Persons to whom a copy of this White Paper has been distributed or disseminated, provided access to or who otherwise have the White Paper in their possession shall not circulate it to any other persons,



reproduce or otherwise distribute this White Paper or any information contained herein for any purpose whatsoever nor permit or cause the same to occur.

#### **NO OFFER OF SECURITIES OR REGISTRATION**

This White Paper does not constitute a prospectus or offer document of any sort and is not intended to constitute an offer of securities or a solicitation for investment in securities in any jurisdiction. No person is bound to enter into any contract or binding legal commitment and no cryptocurrency or other form of payment is to be accepted on the basis of this White Paper. Any agreement in relation to any sale and purchase of SMARTER THAN CRYPTO tokens (as referred to in this White Paper) is to be governed by only the T&Cs of such agreement and no other document. In the event of any inconsistencies between the T&Cs and this White Paper, the former shall prevail.

No regulatory authority has examined or approved of any of the information set out in this White Paper. No such action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction. The publication, distribution or dissemination of this White Paper does not imply that the applicable laws, regulatory requirements or rules have been complied with.

#### **RISKS AND UNCERTAINTIES**

Prospective purchasers of SMARTER THAN CRYPTO tokens (as referred to in this White Paper) should carefully consider and evaluate all risks and uncertainties associated with the Company and its business and operations, the SMARTER THAN CRYPTO tokens, the SMARTER THAN CRYPTO token sale and the underlying assets (each as referred to in the White Paper), all information set out in this White Paper and the T&Cs prior to any purchase of SMARTER THAN CRYPTO tokens. If any of such risks and uncertainties develops into actual events, the business, financial condition, results of operations and prospects of the Company could be materially and adversely affected. In such cases, you may lose all or part of the value of the SMARTER THAN CRYPTO tokens

