Crypto investing for everyone

Whitepaper
Disclaimer regarding forward-looking statements

Certain information set forth in this whitepaper contains “forward-looking information”, including “future oriented financial information” and “financial outlook”, under applicable securities laws (collectively referred to herein as forward-looking statements). Except for statements of historical fact, information contained herein constitutes forward-looking statements and includes, but is not limited to: (i) the expected development of business, investments and projects of coinbundle (the “company”); (ii) the execution of the company’s vision and growth strategy; (iii) the completion of the company’s projects that are currently underway, in development or otherwise under consideration; (iv) projected financial performance of the company; (v) the completion of, and the use of proceeds from the potential sale of securities; and (vi) future liquidity, working capital and capital requirements. Forward-looking statements are provided to allow potential investors the opportunity to understand management’s beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment.

These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking statements.

Although forward-looking statements contained in this whitepaper are based upon what management of the company believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The company undertakes no obligation to update forward-looking statements if circumstances or management’s estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

Confidential and proprietary

Information contained in this draft confidential whitepaper is subject to completion or amendment. Any tokens described in this whitepaper may not be sold prior to delivery of a final whitepaper. This draft whitepaper shall not constitute an offer to sell or the solicitation of any offer to buy the tokens nor shall there be any sale of such tokens in any jurisdiction in which such offer, solicitation or sale would be unlawful. This draft whitepaper supersedes in its entirety any other prior marketing materials or other communications. Any person receiving this draft whitepaper should keep its content confidential until informed otherwise by the Company.
Table of contents

1. Mission 4
   1A. Growth of the crypto investing market 4
   1B. Demand for passive investments in crypto markets 5
   1C. Passive investment opportunities democratizing access 7
2. Emerging Providers 7
3. CoinBundle’s Solution 8
   3A. Bundles Explained 8
   3B. Future Bundles 9
   3C. Platform overview and features 10
   3D. User Experience and Features 10
   3E. Execution and custody 12
   3F. KYC/AML Procedures 13
   3G. Additional Features 13
   3GI. BundleRewards 13
   3GII. BundleMarket 14
4. The CoinBundle Token (BNDL) 15
5. Monetization 17
6. Short Term Feature Roadmap 17
7. Token Distribution and Use of Funds 18
8. Team 18
9. Conclusion 19
Appendix: Bundle Compositions 20
1. Mission

CoinBundle will make investing in cryptocurrencies simple and accessible to everyone.

Traditionally, the best performing asset classes (e.g., stocks, real estate portfolios) have only been available to the wealthy in developed markets, and gated by large financial institutions. This has contributed to growing global income inequality. Cryptocurrencies are set to change that, creating the opportunity for anyone, anywhere in the world to save and invest in high return investments.

CoinBundle will be the go-to source for millions of people with a need to diversify their portfolio with exposure to cryptocurrencies, as well as for the next billion people who will want to start saving and investing for the first time. We will achieve this goal by being the default and definitive source for getting exposure to a diversified set of cryptocurrencies easily, an approach that defines a significant part of the traditional finance industry, and is certain to be the next frontier in investing.

1A. Growth of the crypto investing market

The cryptocurrency market has grown at a tremendous pace over the last few years, clocking in at over $750 billion in market capitalization and $50 billion in daily traded volume in 2018. Yet, only 8% of Americans\(^1\) and less than 1% of people globally\(^2\) own cryptocurrencies.

Much of the growth in crypto has been driven by the advent and increasing adoption of blockchain technology, fueled by the utilization of tokens. Blockchain technology has the potential to grow and emerge as a development as revolutionary and widespread as the internet itself. We are still in the early stages of the adoption curve of the technology and much of the exponential growth lies ahead of us.

As the adoption of blockchain technology increases aggressively over the next ten years, so will the total market capitalization of the cryptocurrency market. In fact, according to some leading investors, it might not be unreasonable to assume that the total cryptocurrency market capitalization will reach $40 trillion\(^3\) eventually. This will happen as more people come to own cryptocurrencies due to increased adoption, as well as existing investors increasing the percentage of their savings invested in crypto as the asset class becomes less volatile. For example, technology and investment leaders have advocated that everyone should put 1% of their net worth in cryptocurrencies\(^4\).


Traditional assets have been revolutionized by two intertwined trends: the growth of passive management (index funds) and the rise of Exchange Traded Funds (ETFs).

Passive management has been shown to outperform active strategies hands down, particularly net of fees. Bundled asset funds with this strategy generate a higher return than those run by investment experts, as demonstrated perhaps most obviously by a now famous bet between Warren Buffett and several top hedge fund managers.

The creation of ETFs, which are transparent, liquid and tradeable on major exchanges has made index strategies easily accessible to people in developed markets.

As a result, passively managed bundled investment products such as ETFs have recently emerged as reliable and low-cost means for retail investors to obtain exposure to a diverse portfolio of stocks (and other asset classes). These are powerful products for investors who do not have sufficient time to analyze investments and/or want to diversify their portfolio without picking out every single stock in their basket. These instruments also give retail investors access to strategies that are not otherwise available, such as the ability to track the S&P 500 without having to directly own shares in individual companies.

---

Given this ease of investment and favorable performance, investments in ETFs have been growing at a tremendous rate over the past few years, with greater than $5 trillion in assets currently invested in them as of May 31, 2018 according to First Bridge Data. In addition, another $17 trillion is invested in mutual funds, which ETFs have been competing to displace. Mutual funds run by managers who make decisions around the assets to include in each cycle, while ETFs can be traded freely through most traditional brokerage platforms, and increasingly through consumer facing apps such as E-Trade. Mutual Funds and ETFs are currently structured by large providers, such as Vanguard and State Street, and regulated by the Securities and Exchange Commission.

Despite their high adoption, these products are still limited largely to certain economies, mostly purchased by people who are knowledgeable in investing and live in developed countries. Large parts of the world, in particular several emerging markets, don’t even have access to this class of investment given they don’t have access to US markets and the local financial instruments haven’t evolved to include ETF like products. Limiting banking, savings and investment opportunities affects upward mobility, disabling those stuck in the lower tier of society from generating sufficient savings to move upward and improve their standard of living.

---

1C. Passive investment opportunities democratizing access

As crypto markets mature and attract more investors, ETFs and ETF-like products will become a popular way of investing for most retail investors, or those lacking sufficient expertise and/or time to manage a portfolio actively.

Furthermore, cryptocurrencies present a unique opportunity to level the playing field across the investment space, such that access to the most promising investment opportunities will not be limited to seasoned investors in developed markets, but be available to anyone in the world, regardless of their income level. This will create a unique opportunity for people who have never invested before to be participants in one of the highest-potential asset classes in history. This participation should contribute to both individual wealth growth and to the macroeconomic development of societies and countries as a whole.

In fact, the decentralized nature of cryptocurrencies and the ability to create smart contracts on blockchains create yet another unique opportunity, to not just bring ETFs to cryptocurrencies, but reinvent them altogether for the future.

2. Emerging Providers

Given that we are in the early stages of the cryptocurrency adoption curve, crypto exchanges are also relatively new and currently only allow buying and selling of individual cryptocurrencies. These exchanges are primarily designed for expert traders, and are often too complex for the average individual to build a balanced investment strategy in crypto. A few bundled assets solutions have started to emerge, but are limited to either accredited investors who have to invest large sums of money (e.g., Bitwise Investments), or offer a fixed distribution of funds through a single instrument (e.g., Crypto20). Both these types of solutions, while useful in giving investors broad exposure to cryptocurrencies, still retain aspects of the centralized nature of the traditional finance industry, i.e., by restricting access to the privileged few, or prescribing the nature of diversification, respectively. Thus they do not utilize the full potential offered by the blockchain economy.

In addition, they charge management fees which not only matches but exceeds that charged by traditional financial institutions. These management fees significantly reduce the potential for an investor to build long term savings, often resulting in 25%7 or less savings in their account over an extended period of time compared to investing with lower or no-fee options.

---

3. CoinBundle’s Solution

CoinBundle aims to solve the difficulty in obtaining exposure to diversified portfolio of crypto assets by becoming the easiest way for anyone to invest in cryptocurrencies using a decentralized ETF-like approach.

CoinBundle will launch with our core product with three bundles created by our in-house research team, and then add two in-platform marketplace features called BundleMarket and BundleRewards. These will maximize utility from the platform and deliver a truly unique value proposition for investors. The BundleMarket will deliver a range of investment opportunities to bundle purchasers, while the BundleRewards platform will allow exchange of BNDL tokens in return for key investment and promotion tasks.

3A. Our core Product

CoinBundle allows users to choose from ‘bundles’ of coins. Each bundle comprises a set of pre-selected cryptocurrencies that are weighted within the bundle based on criteria unique to it (e.g., market capitalization, volatility, technology stack). At its inception, each unit of a bundle will be based on underlying asset price of US$100, which will allow us to easily calculate the initial quantities of each of the coins in the bundle. After the bundle composition is set, the value of the bundle will change in accordance with the price fluctuations of the underlying coins, similar to ETFs.

CoinBundle will initially launch with three premade bundles, which our finance team has created and optimized based on market demand from early investors. These are the Conservative Bundle, the Aggressive Bundle and the Emerging Bundle.
3B. Bundles Explained

The three initial bundles were designed with risk tolerance based criteria in mind.

The ‘Conservative Bundle’ (CON2) is designed to be the least volatile bundle, best suited for first time cryptocurrency buyers. This bundle allows investors to get exposure to Bitcoin (BTC) and Ethereum (ETH), the two most tried-and-tested coins, which have also performed relatively well over the last 12 months. Collectively, they comprise up to over 60% of the total crypto market capitalization. Having access to the two largest coins will allow the buyer to have broad market exposure, while reducing some volatility relative to owning just one coin. The weighting of BTC and ETH within the bundle will be set at 50% of each upon launch.

The ‘Aggressive Bundle’ (AGR10) has 10 alternative coins with medium to low market cap, anchored with a number of high market cap coins for reducing volatility. The custom weighting model in this bundle is designed to allow it to take a more aggressive view on the market while still managing risk prudently. Starting with relative market caps, multipliers are applied to adjust weighting of coins in the bundle. Higher market cap coins within the bundle get a lower multiplier to the medium to low market cap coins, to enable more exposure to lower market cap coins. Projects with upcoming main-net and other releases are given a higher multiplier.

The ‘Emerging Bundle’ (EMG10) has 10 coins that have promising technology behind them. The coins are chosen based on an assessment of underlying potential behind the projects as determined by fundamental research by our in-house investment experts as well as our network of investors and advisors. The relative weighting of the coins is then determined on further research on the teams, their technology and their whitepaper. The projects and teams are scored on six main indicators as part of the analysis, and this research is published periodically.

The six indicators are as follows:

- Team and advisory board
- Whitepaper
- Progress on building the project, including Github repo - code review
- Token metrics
- Hype/traction
- Positive/negative news

The ‘Emerging Bundle’ will be re-evaluated periodically, with the composition and weightage of the coins adjusted based on their changing fundamentals.
3C. Future Bundles

After the first three bundles are launched and operational, CoinBundle will construct additional proprietary bundles, and release them over time based on market demand. These bundles would be anchored along different criteria, such as specific use cases (e.g., CurrencyBundle, PrivacyBundle, UtilityBundle), or well known investors who have publicly declared their holdings in certain projects (e.g., Tuesday Capital Bundle, Initialized Capital Bundle, Switch Ventures Bundle).

In addition, we will also follow the ETF playbook and release bundles that allow users to invest based on their beliefs or preferences. This could include, for example:

- Eco-friendly Bundle: A group of tokens that are environmentally friendly and do not require extensive electricity for mining
- Halal Bundle: Tokens that are complaint according to the rules of Islamic finance
- Geographic Bundles: Tokens that allow people to get exposure to the best projects coming out of certain technology forward markets (e.g., Singapore, India, Nigeria).

Eventually, we will open up the ability for anyone to create their own unique bundles, either to purchase for themselves, or to promote them to their family, friends and followers. The mechanics for this are outlined in more detail in the next section.

3D. User Experience and Features

CoinBundle will be as intuitive to use as Wealthfront or Coinbase, yet bring the back-end execution sophistication of the best trading tools in the market. Our mission is to enable the broader global community to take advantage of, and grow their wealth through, crypto investing and our platform is designed with this singular focus. At the same time, we want to remove the rent-seeking behind finance companies that dominate and control the world of ETFs and mutual funds as middlemen, as we transition to an era of commonplace crypto investing.

We expect to see two types of users on the platform. The majority of the users will solely be Bundle Buyers, while some ‘power’ users will also be Bundle Creators.
A typical user will go through the following journey: fund account, buy bundles, track performance.

**Funding account:**

- User connects credit or debit card and loads USD/other fiat
- Fiat holdings are then available on the CoinBundle portal to allow a user to be able to instantly buy new bundles.
- If desired, user can set up automatic funding to allocate a certain amount into CoinBundle Cash account on a recurring basis (e.g., weekly or monthly).

**Purchasing bundles:**

- User chooses a bundle from a variety of bundles by filtering choices based on personal investment preferences (e.g., level of risk sought)
- User enters local currency amount of the selected bundle to be purchased.
- Purchased amount of bundles instantly appear in the user's account. Purchase bonuses given to users based on their CoinBundle Token holdings.
- Bundles can then be sold or traded for other bundles seamlessly. User can also request to convert bundle back to fiat by triggering withdrawal

**Tracking performance:**

- User can review and manage their portfolio of bundles within a simple interface.
- Users will be rewarded with CoinBundle Tokens for favorable investing behavior such as long term holding, dollar cost averaging, etc.
3E. Execution and custody

Initially, CoinBundle will execute bundle purchases directly through partner exchanges through integration with their APIs. We will deploy our custom algorithms to pick the best prices available across the market, and construct the bundles accordingly, giving users the easiest way to get invested in a diversified portfolio.

Over time, as trading volume across multiple bundles builds up on both sides (i.e., buy and sell), we expect users to be able to exchange bundles directly on CoinBundle. A central platform will manage the creation and disintermediation of the bundles, with any overflow being managed through trading partners.
Digital assets will be stored securely through our partnership with Kingdom Trust\(^1\), the leading global crypto custody provider, enabling CoinBundle to execute faster while maintaining utmost transparency, accountability and regulatory compliance.

**3F. KYC/AML Procedures**

At CoinBundle, we consider regulation and compliance to be a key asset towards our successful execution. We are offering a best in class KYC/AML infrastructure in partnership with one of the most reliable providers in the space. We have access to 20+ identity data verification vendors and will be running multiple identity checks, from name and address verification through to ID document verification. Our partners leverage machine learning to not only build identity verification analyses but to also analyze them for the most accurate reputation score (risk profile) possible.

This level of KYC/AML is critical for the long-term success of CoinBundle and to ensure the best experience for our users.

**3G. Additional Features:**

**3G1. BundleRewards**

The BundleRewards platform will allow CoinBundle users to earn tokens in return for micro-tasks, governance participation, and activities on and off the platform. In the first instance, these activities will be hand picked by CoinBundle to incentivize responsible investing behavior and promoting financial literacy amongst our user base in line with our ethos. Users can earn BNDL, for example, for providing evidence of completing basic financial literacy courses developed by us, or for routinely saving and investing a proportion of their earnings every month.

Eventually, BNDL token holders, will be able to reward other users in return for micro-tasks as well. These could include, for example, promoting custom bundles created by bundle creators on a range of platforms.

---

The BundleMarket will be a dynamic marketplace of all available and upcoming bundles on the platform. This marketplace will truly utilize the power of cryptocurrencies to democratize investing in the same way Web 1.0 democratized content creation. Just like a blogger in London can reach millions of viewers in New York without any permission from newspapers, the BundleMarket will allow any investor to share their investment strategies with the market without relying on large financial institutions.

CoinBundle will let anyone create and purchase their own bundles, without having to pay high fees to obtain their desired exposure. In addition, we will let other users purchase bundles created by others, thereby removing the centralized rent-seeking party. Bundle creators develop bundles, list them on an open marketplace and get people to invest in them, earning BNDL tokens as a reward. This will allow them to build a track record that could eventually enable them to raise money from institutional investors as well. Bundles will be tracked over a blockchain creating a transparent trail of performance. Investors, on the other hand, will have access to a universe of bundle options and investment strategies, allowing them to pick the ones that best fit their needs.
4. The CoinBundle Token (BNDL)

The CoinBundle Token (BNDL) is an ERC20 token with core utility on the platform. The token ecosystem will contribute to the overall success of the business:

- Wide distribution of BNDL tokens across millions of users will help strengthen the support base.
- Rewards will incentivize these users to hold on to and grow their BNDL tokens over a long period of time.
- Fixed supply of tokens will result in the value of individual tokens being directly proportional to the assets under management at CoinBundle, rising with the growth of the company.

Our core product will use our tokens to reward good investing behavior. Our additional features like BundleRewards and BundleMarket will also enhance the use our token in different yet complementary ways.

1. BNDL Bonus for Good Investing Behavior:

CoinBundle strives to help people invest responsibly and practice good investment principles that are recommended by experts. BNDL tokens will be the mechanism to encourage that, making token holders eligible for 1-2% bonuses in tokens whenever they purchase and add investments to bundles over an extended period of time. These bonuses are designed to reward favorable investing behavior from CoinBundle users. It will also enable our users to both understand and utilize the power of compound gains, a core principle in responsible portfolio based investing. Total bonuses will be capped according to the value of BNDL tokens held, enabling everyone to earn bonuses proportional to their investment capacity. Granting of bonuses will also utilize / burn BNDL tokens back into the platform to keep the bonus distributions within manageable levels and to maintain equilibrium as the assets under management on the platform increase.

The structure for bonuses will be as follows:

<table>
<thead>
<tr>
<th>Action</th>
<th>BNDL Token to Customer</th>
<th>BNDL Token Automatically Utilized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase a bundle</td>
<td>Up to 0.5% of purchase amount</td>
<td>Up to 0.1% of purchase amount</td>
</tr>
<tr>
<td>Monthly Auto Investing</td>
<td>Up to 1% of monthly auto investment</td>
<td>Up to 0.2% of monthly auto investment</td>
</tr>
<tr>
<td>Holding a bundle</td>
<td>Up to 0.5% per year</td>
<td>Up to 0.1% per year</td>
</tr>
</tbody>
</table>
2. BNDL tokens to Incentivize Tasks and Earn Commissions

BNDL tokens will be used as the medium of exchange on the BundleRewards platform, allowing users to earn or spend tokens as reward for tasks and activities on and off the platform.

a. Earning tokens:

- Users can initially earn tokens by conducting certain financially responsible activities (e.g., taking financial literacy courses, saving and investing regularly).
- Users can also earn tokens as origination bonuses/commissions for promoting Proprietary Bundles to institutions and other investors. Upto 1% in value of bundle sales originated by users will be rewarded in equivalent value of BNDL.
- Over time, users can earn tokens by conducting micro-tasks set forth by other users and projects.

b. Spending Tokens:

Token holders can spend tokens to incentivize other users to conduct certain tasks for them, for example promoting custom bundles and projects in distribution channels.

An early version of our BundleRewards platform will be used for marketing, beta testing and to incentivize early user adoption of the core CoinBundle product.

3. BNDL Tokens give Access to Power Features:

Token holders will get access to power features on BundleMarket allowing them to invest even more effectively. These will include:

- Recommending Themes for new proprietary bundles: While we will launch with three bundles, additional official bundles will be crowdsourced from our community based on their demands. Token holders will be able to propose new bundles (e.g., “The Eco-Friendly Bundle”), while others will be able to up-vote proposals based on the amount of BNDL tokens held by them. The most popular bundles will be shown on the CoinBundle platform.
- Early access to new bundles: New bundles will be rolled out to investors gradually in order to maintain efficiency in the marketplace. Token holders will be the first to get access to new bundles based on their holding levels, enabling them to get a head start in investing.
- Featuring your Custom Bundles: Users will be able to create and market their own bundles upon launch of the BundleMarket. Token holders will be able to utilize BNDL tokens to get special marketing privileges on the platform such as featuring their custom bundle on the home page.
5. Monetization

By providing a valuable service to early investors, we will build a lasting relationship with them which will allow CoinBundle to be sustainable and grow alongside our assets under management. The company plans to monetize in the following ways:

- Getting the best prices from across multiple exchanges and averaging them in the bundles, giving the platform a small spread when buying and selling the underlying tokens.
- Value-added and educational services (e.g., personal finance and investment advice).
- Actively managed bundles with have fund managers trading on behalf of users.
- Power features for bundle creators (e.g., promotion, marketing)
- Providing CoinBundle’s underlying infrastructure assets as value add service to traditional investment companies and platforms (e.g., asset managers, registered investment advisors).
- Providing collateral based lending services.
- Value-added and educational services (e.g., personal finance and investment advice).

CoinBundle is also considering funding operations in perpetuity through a company reserve, similar to a university endowment.

6. Short Term Feature Roadmap

CoinBundle will be a truly global product; available to investors in all parts of the world, subject to any legal or regulatory restrictions. We’re building the legal infrastructure to allow us to execute this vision, and have already established presences in several jurisdictions. We foresee the product being launched in non-US markets initially, followed by launching for US accredited investors.

Features will be rolled out to beta testers periodically followed by broader rollout across markets according to our legal framework. The latest product roadmap can be reviewed on the CoinBundle website. We’re already implementing the following features in the short term:

- Monitoring prices of bundles and building sample investment portfolios
- Purchasing the Conservative, Aggressive and Emerging Bundles using fiat
- Auto-purchasing and portfolio rebalancing
- Capabilities to allow investments via retirement funds (e.g., 401K, IRA)
- Offering CoinBundle infrastructure to financial companies and investment advisors.
- Purchasing additional bundles based on investing themes and preferences
- Creating and purchasing your own bundles
- Deploying and selling bundles on the CoinBundle Marketplace available for anyone else to buy.
7. Token Distribution and Use of Funds

1 Billion BNLD tokens will be pre-mined. The distribution of the token will be the following:

- 25%: Early adopters, partnerships and strategic marketing
- 45%: Token sale
- 15%: Team
- 15%: Advisors and company reserves

Tokens given to the team will vest over four years with a one year cliff.

Utilization of the funds will be as follows:

- 50%: Platform development
- 20%: Legal and licensing fees
- 20%: Marketing and adoption
- 10%: Team salaries

8. Team

The CoinBundle team has over 50 years of technology, finance and policy experience, which uniquely positions us to create this opportunity for investors around the world. We are also thrilled to be back by some of the leading investors in Silicon Valley, such as YCombinator, Initialized Capital, Tuesday Capital, Switch Ventures, Liquid2 Ventures, Ami-no Capital and Funder’s Club.

As we’re a fast growing company, to get a full list of our team, investors and advisors please visit our website at www.coinbundle.com/team
9. Conclusion

At CoinBundle, we’re excited to open up the world of responsible investing in cryptocurrencies to millions of new users globally and we’d love to have your support in our mission. Please feel free to sign-up to the platform or get in touch directly with us for specific opportunities:

Investor relations: investors@coinbundle.com
Partnerships: partnerships@coinbundle.com
Appendix: Bundle Compositions

Conservative 2 Bundle

- BTC 50%
- ETH 50%

Aggressive 10 Bundle

- BTC 20%
- ETH 15%
- XRP 15%
- BCH 15%
- LTC 10%
- XMR 5%
- DASH 5%
- ETC 5%
- XLM 5%
- XEM 5%

Emerging 10 Bundle

- BTC 10%
- ETH 10%
- SNT 4%
- BAT 10%
- ZEC 10%
- OMG 15%
- LSK 5%
- POWR 10%
- ADA 12%
- NEO 14%