



Target Coin - White Paper  
6th April, 2017

## **World's first bonus paying Crypto Fund**

### **Abstract**

TGTCoin introduces a new and innovative business model which allows investors to capitalize on the rise of the blockchain technology and generate risk adjusted returns on an array of diverse crypto currencies.

TGTCoin makes it easier for the investors to invest in the blockchain technology without dealing with the risks, technical barriers, transferring, owning and trading on their own. TGTCoin is open for investments only during the different rounds of ICOs. TGTCoin is a close-ended fund built using smart contracts that makes use of Machine Learning, Technical Analysis and Big Data to invest and trade in the blockchain technology while giving full transparency to the investors.

TGTCoin issues tokens built on a profit-sharing, ETH based, smart contract.

The smart contract allows token owners to collect 75% of quarterly profits. TGTCoin will reinvest 10% of the profits back into the fund to grow the capital pool.

Depending on the investor demand, TGTCoin plans to raise additional capital as and when it deems necessary. This will be beneficial in order to increase market liquidity and market dominance.

TGTCoin allows Net Asset Value of a token to increase over time depending on the performance of the fund. In its essence, TGTCoin eliminates the barriers to entry and allows investors to subscribe to the fund's income flow.

We are also in the process of building a portfolio monitoring tool that allows investors to conveniently check the trading history and validate the portfolio performance in real time.

Our vision is to deliver risk adjusted returns on both upside and downside in the market using innovative technology and spearheaded strategy.

## **TGTCoin Model :**

1. Fully transparent profit sharing smart contract
2. Token as a service business model
3. Use of Technical Analysis, Machine learning and Artificial Intelligence models to invest and trade crypto currency tokens

## **1. Introduction**

In June 2016, IMF published a report in their quarterly magazine calling Blockchain the internet of trust and how it will disrupt the internet, financial services industry and have its lasting impact on mankind.

The ICO market has boomed since then and private companies have raised more than \$300 Mn since then, through ICOs. The Crypto Currency market cap has grown from \$18 Bn on 1st January, 2017 to more than \$110 Bn on 14th June, 2017. On an average every \$1 invested in the crypto currency token has resulted in a gain of over \$5 - a stunning 500% return in a mere 5 months period.

The blockchain industry is still in its nascent stage and is expected to grow exponentially in the future. The goal of this paper is to examine the problems faced during investing in the blockchain space for an individual investor and to introduce a solution to minimize the risk and maximize the returns using innovative technology and management expertise.

TGTCoin is built to change the process of investing in the blockchain and crypto currency space and minimize the risk for individual investors through professional risk management, money management and cutting-edge technology.

## **2. Process**

TGTCoin offers a completely new and comprehensive approach to raising capital, managing the fund and auditing through a transparent and innovative process.

### **Business Model:**

TGTCoin is a close-ended fund, (CEF). A closed end fund offers its tokens to the public and utilizes the capital raised to invest and trade other new and innovative blockchain tokens. TGTCoin is all set to launch its ICO on 15th July, 2017 which will last till 31st August, 2017.

TGTCoin's model is built to reward its investors every quarter with 75% of the profits while reinvesting 10% of the profits back into the fund to grow its capital pool.

## **Profit Distribution:**

A smart contract is designed to distribute 75% of quarterly fund profits back to the investors. Profits will be equally spread out over the number of outstanding tokens to the investors. A minimum bonus of 0.75% per quarter will be credited to the ICO investors. The investors with a large share of tokens will collect a higher profit. In the event of quarterly loss, smart contract will remain inactive and will allow investors to withdraw their capital based on Net Asset Value at the end of the quarter. To avoid a bankruptcy situation, TGTCoin will hold a minimum portfolio amount.

If losses continue beyond a certain limit, TGTCoin will pause the profit sharing program until balance surpasses minimum safe limit again. TGTCoin will not get involved in trading or diluting its own tokens.

## **Audit:**

100% transparency with the investors is our priority. We will track, record and timestamp all trading activity. The aim is to record and distribute profits made proportionately.

Inflow and outflow of funds is transparent and the company will make the funds data available to all investors. TGTCoin's audit tools will help investors do the due-diligence, which will help the investors have better control on their investments and on the use of the proceeds.

## **Hedging the market risk :**

There are over 800 crypto currencies present in the market today and they are often correlated, but TGTCoin aims to diversify the risk over a number of different coins and build long and short positions in their portfolio which will minimize the risk. We use technical analysis and a number of other algorithmic indicators to switch between long and short positions to make profits on both price rise and price fall.

## **Reserve Fund :**

TGTCoin plans to keep 5% of its fund value as reserves. 75% of profits will be shared back with the ICO investors every quarter and 10% will be retained into the fund to increase the net asset value, (NAV). Investors can redeem their quarterly profits through a smart contract and get their returns in BTC/ ETH terms. A minimum bonus of 0.75% per quarter will be credited to the ICO investors.

**TGTCoin is the first and only one of its kind Close-Ended Fund to offer a continuous return on ICO investment to the investors, built on an Ethereum Smart Contract.** Our approach is different from other conventional crypto currency tokens, which refuse to share profits with the investors of the token. Unlike with other tokens, which are mainly an instrument to speculate and unrelated to the company's performance, TGTCoin promises to disburse profits with its esteemed investors.

**Close-Ended Fund:**

TGTCoin will be a close ended fund. Which means it plans to issue tokens only during the token-sale period (ICO) and remain closed otherwise. Tokens will yield a higher return over a longer term from of the power of compounding.

**Exit or Redemption of TGTCoins:**

Redemption of TGTCoins will take place at any time after the expiry of the Lock-in period of 1 quarter (3 months from the date of the end of ICO). This redemption process can be done through intimation by the investor, at least 15 days in advance. A corresponding amount will be credited to the address provided by the investor in BTC/ ETH terms.

**3. Investment Method**

Number of coins issued and value per coin gives us the value of market capitalization. Market cap is a great tool to understand the size and future potential of the coin relative to other coins.

A number of crypto currency tokens are designed in a way that their supply grows at a certain rate over a period of time. A number of tokens have a locked supply available to the investors to control the demand and inflate the prices of the tokens, misleading many retail investors. For a number of tokens a handful of people control the prices and manipulate the market prices.

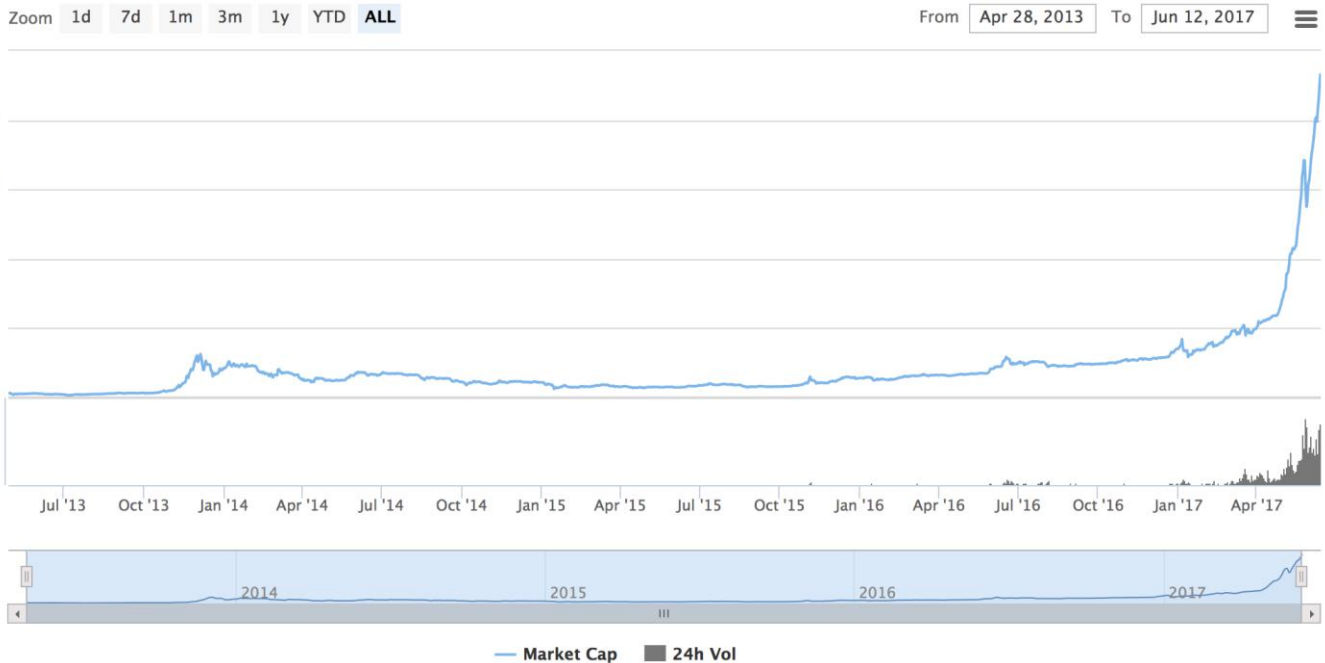
In the case of TGTCoin, we stay transparent and declare that the management team does not own any tokens issued whatsoever. During the past 2 years, Bitcoin has outperformed



the DOW Jones by more than 700%.

Since July, 2013 the market cap of crypto currencies has increased from just \$1.5 Bn to a staggering \$114 Bn as of 12th June, 2017. An astounding 7500% returns on an average. The total market cap of crypto currencies is expected to reach about \$1 Trillion over a short period of a few years. This poses a large opportunity to jump in this flourishing market.

## Total Market Capitalization



Source - [coinmarketcap.com](http://coinmarketcap.com)

**We plan to diversify risk using multiple strategies and generate best risk adjusted returns.**

### **Professional Money Management and Risk Management :**

Professional Money Management and Risk Management are of key importance in a young and volatile market. We analyze historical price patterns and technical analysis to predict future market behavior and sentiment.

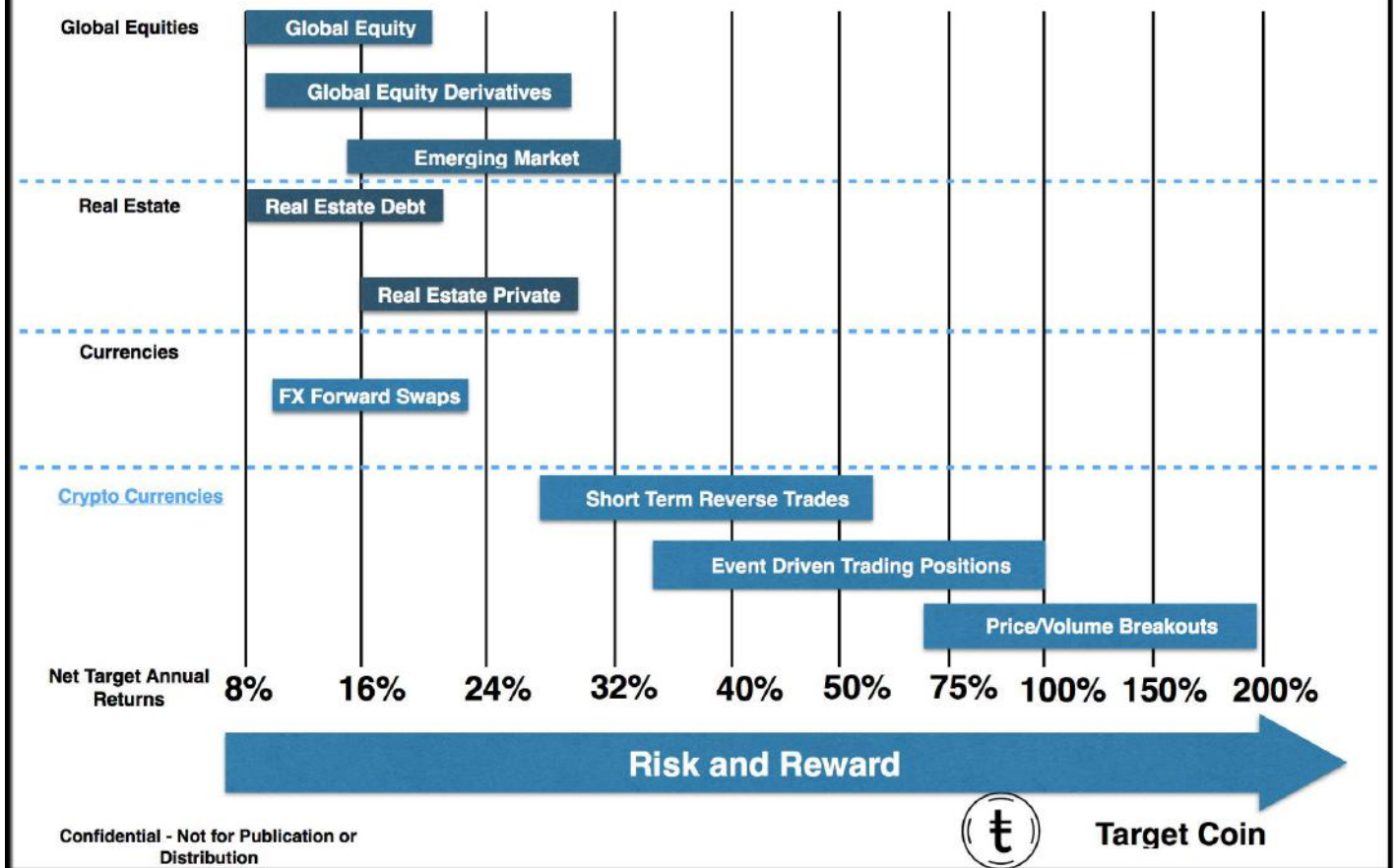
TGTCoin team has a professional money management experience in traditional financial markets for more than 15 years and take credit for having more than 3 years of experience with trading and investing crypto currencies.

Today's infrastructure makes Bitcoin and USDT a base currency for investment in the majority of alt coins.

As compared to Global Equities Markets, Equity Derivatives Markets, Real Estate Debt Markets, FX Forward Swaps Markets which generates 8-30% returns, TGTCoin plans to generate 100%-200% risk adjusted returns.

## Our Strategy

### Wide Range of Alternative Strategies Across The Risk-Reward Spectrum



We plan to keep reserves in USDT and hedge the risk in the bear crypto currency markets. During unstable times, it is only logical to keep the majority of the fund in USDT to hedge the risk during the downfall of other cryptos and take a short position.

## 4. TargetX -

The TGTCoin team is in the process of building an in-house intelligent software system for the investors. This software solution will provide the investors with real time data, intelligent briefings, trade signals and research articles.

We will be making use of quantitative models, technical analysis and historical patterns along with risk management models. Our team plans to publish all this information on our platform.

Here is the brief overview of our

### 1) Market Research:

Our team will analyze news, reports, opinions and market data across the industry. We keep a keen eye on the upcoming ICOs and crypto currencies with a good growth

potential. For each crypto currency we have specified quantitative methods to analyze and track the said crypto currency.

**2) Analytics:**

- a. We do technical analysis to understand the historical chart patterns.
- b. We use machine learning and artificial intelligence to constantly understand and learn these chart patterns.

**3) Optimal Risk Management:**

TargetX is made to understand and analyze historical volatility levels through standard deviation to minimize the portfolio's Value at Risk (VaR) in numerous market environments.

**4) Backtesting:**

We can backtest different strategies with virtual currency before making actual trades.

## **4. Cryptographic Audit**

TGTCoin offers full transparency to the investors. We use cryptographic audit and proof of membership for complete transparency and authenticity with our token holders.

All the profits made by the fund during its operation are effectively recorded and made public. Investor capital does not go out of company accounts and the company is in complete possession of all declared funds.

## **5. ICO Details**

TGTCoin plans to launch the ICO on 15th July, 2017.

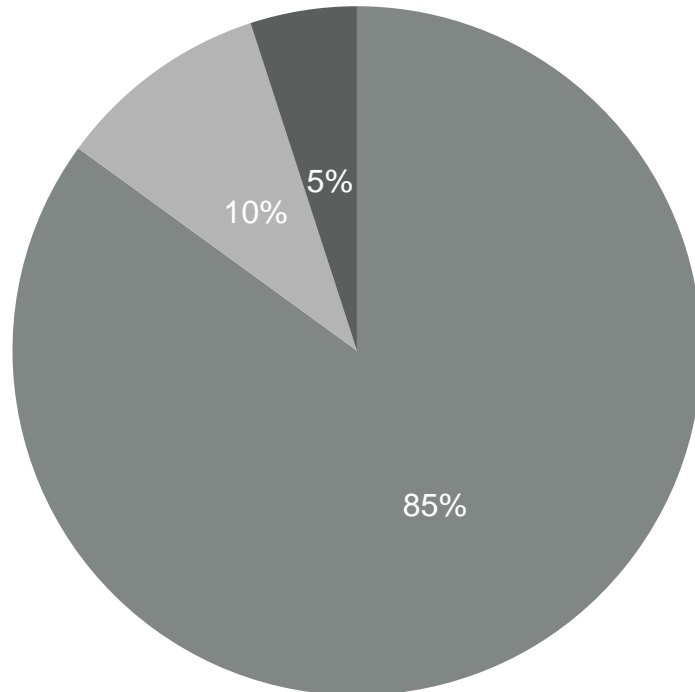
10% of the ICO money will be used for the operations and 5% will be kept aside as a reserve fund. 85% of the fund will be used to build the portfolio.

TGTCoin plans to carry out 10 rounds during its ICO and issue 2 Bn coins. The TGTCoin price in all the rounds will be - \$ 0.025.

A minimum bonus of 0.75% per quarter will be credited to the ICO investors.



■ Portfolio   ■ Operations   ■ Reserve Fund



## 6. Long Term View

Target Coin's aim and mission as a close-ended crypto fund is to generate the highest risk adjusted returns in the crypto currencies market. Target Coin is already set to become a leading crypto asset fund with more than \$500 Mn assets under management by the year 2019.

TargetX - Our trademarked intelligent financial platform provides intelligent briefing, reports, news, analytics and trade signals to our loyal investors.

With TargetX, TGTCoin aspires to become an industry leader.

**Be a part of this journey.**

**TGTcoin.com**