

# **CryptoNote Index Fund**

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The CryptoNote Index Fund will deploy the proceeds of sale of the CNIFs to fund the project, businesses and operations, as outlined in this White Paper.

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## Summary

There's no denying that cryptocurrency is in high demand and great success awaits this technology, as evidenced by the rapid development of crypto-asset markets. But at first, let's ask ourselves: why this market emerged? and do we need it? Inventors of cryptocurrency aimed to create a decentralized payment system with the ability to quickly send anonymous and untraceable transactions with a low commission and limited emission. We distinguish CryptoNote technology among other algorithms for encrypting transactions and currency accounts for the advantages mentioned above. Projects built on CryptoNote technology have not yet reached widespread use thanks to truly unique characteristics. We can assume that the chosen field, although still developing, has a huge potential to increase market capitalization and the number of users. Since there are a lot of CryptoNote based projects varying in risk degree and development speed, we want to take a job of creating a CryptoNote currency portfolio. Although the encryption technology fascinates us, we are aware of a large number of fraudsters who create cryptocurrency to enrich themselves. Therefore, it's important to diversify your assets. Creating a balanced CryptoNote portfolio ensures the stability of investments. The CryptoNote currency index is an important indicator of market dynamics for the cryptocurrency ecosystem. Thanks to which any person interested in cryptocurrency, not even being our investor, can track the market situation. During the fundraising for the CryptoNote Index Fund, each participant will receive its fund share in the form of CNIF tokens. Once ICO campaign ends, no new tokens will be issued and the only possibility to get CNIF is on cryptocurrency exchanges. All funds collected during the ICO will be converted into thirteen coins based on CryptoNote technology. Statistics NAV (Net Asset Value) displayed in real time on the Foundation Performance page.

Pre-sale (with -25% discount): from November 1 to December 1.

ICO token sale stage: from December 1 to January 12

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## **Portfolio**

A crypto fund's investment portfolio will consist of only CryptoNote coins. In total, there will be 13 coins, six of which will be chosen by the team while the rest will be selected by voting in social networks.

Fund managers will select coins by analyzing the following data:

- Active development of a cryptocurrency code
- Project age
- Promotional activity, popularity
- Community size and activity
- The trade volumes
- Currency usage and its uniqueness
- Problems that currency can solve
- Ease of operation (transaction speed, cross-platform)
- Capitalization
- Decentralization

Considering that the development team of CryptoNote projects is hidden, we missed this factor. Also, we neglected the number of exchanges, where coins are presented.

## **Fund Structure and Trading Strategy**

CryptoNote Fund structure is a closed-hybrid fund (CHF), which is a type of closed-end fund(CEF). The main difference is that CHF trades with an index strategy whereas CEF has been actively managed. - Post-ICO, the only chance to purchase CNIF tokens will be on the exchange. No further tokens will be sold directly. Tokens' demand and supply on an exchange do not affect the underlying NAV and CHFs can trade at a premium depending on market situation. With an Index fund, investors can track the index – the underlying trend backing the selection of assets without being reliant on a particular one. There is no active trading except the rebalancing of assets, which enables the fund to consistently track the mean market performance even if some of the original assets lose favor.

## **Security and Transparency**

View-only exchange APIs along with the View-only keys for non-exchange wallets (this includes both hot and cold wallets) will ensure the transparency of CryptoNote Fund trading activities and its current holdings. CryptoNote Index Fund will consist of 13 coins, the proportion of coins can change during the lifecycle. The majority of cryptocurrencies will be stored on cold wallets while the smaller part will be located on our servers for rebalancing.

## **Reporting**

Reports for CryptoNote Fund will be prepared on a quarterly basis with annual accounts. The quarterly reports will include information on risk/return analysis, portfolio performance and end of year predictive market analysis. Financial reports will consist of: - A balance sheet and a statement of the portfolio's total investment value - A list of the portfolio's amounts and values on the date the balance sheet was issued - An income statement for the period covered - Total amounts of crypto purchases and sales The information will be made available on the CryptoNote.Fund website.

## **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. Unsold coins will be destroyed. Investment can be made in ETH.

Token Type: ERC20 – Ethereum Blockchain

Maximum Supply: 1000 000 CNIF

Hard Cap: 937.5 ETH

Available for Purchase: 750 000 CNIF

Minimum Raise: 50 ETH

Price per token: Pre-sale 0.00100 ETH (limit 250 000 CNIF), ICO token sale: 0.00125 ETH

Token Distribution:

Available for purchase: 750 000 CNIF

Bounty - 50 000 CNIF

Team - 100 000 CNIF

EcoSystem - 100 000 CNIF

## Smart Contract Specifications

Reasons for Choosing the Ethereum Blockchain:

- Ethereum ERC-20 Contracts is a perfect way to build a transparent crowdsale. The source code is available on [GitHub](#) and verified on Etherscan (<https://etherscan.io/address/0xef9d61a0f2bfd4695faeb17dd61d85202bdc8e6e>)
- Well-supported clients (MyEtherWallet, MetaMask)
- High liquidity rate (transferable for ether)
- Simple listing on exchanges

Participants will receive CNIF tokens by sending ether to crowdsale contract directly. Depending on ether received, smart contract calculates the quantity of CNIF tokens sending to ICO participant. To display the CNIF tokens on the account, the participant should add a custom token address in his Ethereum Wallet.

CNIF Token Address: [0x1F9F9bC358dDC30763e81A0081B86A638E6277aB](#)

Token Symbol: CNIF

Decimals: 18

More about code. Crowdsale Contract is based on OpenZeppelin library and inherited from CappedCrowdsale, RefundableCrowdsale contracts. In case of unsuccessful fundraising (50 ETH will not be collected until January 12, 2019), the investments will be recouped to participants. The token contract is MintableToken. Token functions are typical (such as transferFrom(), approve(), allowance() ). Only the owner of the contract can mint tokens. During crowdsale, new tokens will be minted every time contract receive an ether. Further minted tokens will be transferred to the ether sender (ICO participant) After the crowdsale, finish() function will mint tokens for the team, bounty, and ecosystem. Unsold tokens will be minted as ecosystem fund, then destroyed.



## Project Timeline

Project formation. Discussing the idea of CryptoNote Index Fund in Bytecoin community. Considering the pros and cons for project launch on the market.

*12 September 2018*

Choosing the Ethereum platform for project construction. Start of ERC-20 Contracts development.

*13 September 2018*

The end of a token and crowdsale smart contract development on Ethereum Ropsten Test Network.

*15 September 2018*

Website Development. Work in Social Networks. First partnerships with CryptoNote coins representatives and communities.

*15-30 September 2018*

Start of marketing, promotion and bounty program.

*20 September - October 2018*

Community voting in social networks for considering coin a contender for adding to the fund index

*November 2018 - January 2019*

Pre ICO starts (with 25% Discount) until 1 December 2018

*1 November 2018*

Start of ICO until 12 January 2019

*1 December 2018*

ICO Ends. Fund Utilization.

*12-15 January 2019*

CNIF Token listing on partners' exchanges for trade. Bounty payments for active participants

*January 2019*

Collecting and analyzing data, report publishing

*April 2019 - Future*

## **Pre ICO and ICO details**

There will be two stages of sales: PreICO and ICO. For sale CryptoNote Index Fund have allocated 750 000 tokens. 250 000 will be available on Pre ICO. 500 000 tokens quantity can be purchased at ICO.

PreSale starts at Unix Timestamp: 1541030400

Human Readable Date GMT: Thursday, November 1, 2018 12:00:00 AM

PreSale 1 CNIF price: 0.00100 ETH

ICO token sale starts automatically after all PreSale tokens are sold or by the manual switch: 1 December 2018

ICO token sale 1 CNIF price: 0.00125 ETH

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(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 CNIF 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 Republic of South Africa or the Cayman 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 CNIF tokens, there are risks associated with the CryptoNote Index Fund and its respective business and operations, the CNIF tokens, CNIF token sale and the underlying assets (each as referred to in the White Paper);

(j) you agree and acknowledge that the CryptoNote Index Fund or any of the CNIF Team is not 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; and

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- (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 CryptoNote Index Fund;

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- (e) changes in the availability and fees payable to the CryptoNote Index Fund in connection with their respective businesses and operations;
- (f) changes in the availability and salaries of employees who are required by the CryptoNote Index Fund to operate their respective businesses and operations;
- (g) changes in preferences of customers of the CryptoNote Index Fund;
- (h) changes in competitive conditions under which the CryptoNote Index Fund operate, and the ability of the CryptoNote Index Fund to compete under such conditions;
- (i) changes in the future capital needs of the CryptoNote Index Fund 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 CryptoNote Index Fund;
- (l) other factors beyond the control of the CryptoNote Index Fund; and
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