



FIDESCAPITAL

ASSET MANAGEMENT PORTFOLIO

2019

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Fidescapital Asset Management facilitates the broad use of cryptocurrencies in the real economy and allows crypto holders to diversify their portfolio through the inclusion of alternate investments by getting access to tokens linked to the price of real assets.

We will guide you to ensure you follow the right path to financial freedom by providing

Client Support

Whether you're a bitcoin trader or new to the market, you can buy, sell, and trade cryptocurrency with AUD, USD, and other major currencies. We service clients globally, including Australia, the United States, Singapore, Canada, New Zealand, and Europe

Security & Setup

We ensure you are provided with the most secured method to hold your digital assets as well create secret token to secure your assets across multiple cypto-market. Master your trading skills.

Education

We provide tailored training sessions, group seminars, and crypto-savvy advisors. You get real experience with diversifying your investment portfolio, as cryptocurrency price is mainly determined by market sentiment, demand and supply

Cryptocurrency Tax Consultancy

Take out the complication of sorting out your crypto tax, call us now. We service individuals, trusts, companies, and Self-Managed Super Funds (SMSF). Your first consultation with us is always free.

How it works?

Getting started with Fidescapital platform is extremely simple.

Get Started

Fidescapital is a full-featured spot trading exchange for the most popular crypto currencies such as Bitcoin, Litecoin, Ethereum, Ripple and others. To get started, you'll need to register your own free account. Second, you'll need to make a deposit (cryptocurrency). Once we receive your funding (which is a matter of seconds most of the times) we will credit your Fidescapital account and then you can start buying and selling Bitcoin, Litecoin, Ethereum, Ripple right away.

Start trading crypto currency markets today.

Sign up for free

OPEN YOUR ACCOUNT

Register your Fidescapital account for free. No credit card, no account information needed.

MAKE A DEPOSIT

Fund your account in a matter of seconds. Flexible deposit options available.

TRADE AND WITHDRAW

Buy and sell crypto currencies with just one click. Instant withdrawal of funds.



EXECUTIVE SUMMARY

Fidescapital is a blockchain platform for trading asset tokens. We enable asset owners to unlock the value of assets by creating and selling their asset tokens. As a result, cryptocurrency and blockchain technology would be widely used and applied in the real economy as a stabilization of our diverse investment options and portfolios based on investments and development of luxury real estate.

The Platform enhances liquidity and transparency of assets, as well as reduces transaction costs. It provides investors with transparent price discovery and diversification across multiple asset classes as it allows the creation or listing of third party asset tokens compliant with Fidescapital disclosure and legal. Our business model is based on a profitable home equity marketplace and a back office for hedge funds founded by Laurent Foehl. The Fidescapital team has a strong track record in hedge fund management, development of marketplaces, trading terminals and have worked at companies such as Avega Capital, Prasos (Finland) McKinsey and Caleb and Brown (Australia).

We adhere to the principles of sustainable growth, integrity and good governance, which is why we sell a small share of tokens in order to have a strong incentive to develop the product and grow capitalization of Fidescapital (this is not the case when most tokens are sold, and full cash is received in advance without the product in place).

Bitcoin (BTC) is the main currency for trading asset tokens as it is used for market making and liquidity enhancement by the Fides liquidity fund. Thus, the demand for Fides correlates with trading volume on the Fides platform.

The total value of asset cryptocurrencies could reach \$4 trillion by 2025 with global trading volume exceeding \$47trillion. The value of asset cryptocurrency traded on the Fides Platform could reach \$1.2 trillion by 2025 with trading 2 volume exceeding \$14 trillion.



2.1 EXPOSURE TO THE PRICE OF REAL ASSETS FOR CRYPTO-HOLDERS.

At Fidescapital Asset Management, investors can benefit from being exposed to the price of a host of various real assets real-time. These include; equity, debt consolidation, gold, luxury real estate investments through profit sharing, commodities, artwork. The value of these assets total \$517 trillion and investors can purchase tokens linked to their price on the Fides Platform with low transaction costs and maximum transparency and security.



In addition to trading tokens linked to the price of liquid assets (e.g. shares, commodities, bonds). Fides offers a unique opportunity for cryptoholders to gain exposure to the value of illiquid assets accessible only to large investors (such as real estate and artwork) and thus increase their ROI and diversify their portfolio.



The Fides Platform makes trading safer with blockchain the application of Blockchain technology and faster with AI underwriting. Investors can buy and sell asset tokens on the Fides Platform and manage their portfolios.

It provides a trading function, access to credible asset performance and trend interpretation stored on blockchain, social following, and portfolio analysis tools, while all relevant information on traded token is available and visible to every client registered on the Fides Platform.



2.2 UNLOCKING ASSET VALUE BY DISRUPTIVE REDUCTION OF TRANSACTION COSTS

Fides allows assets owners to unlock the value of their assets and gain instant liquidity by creating asset tokens and selling them through the trading platform with minimal transaction costs.

EQUITY

Public companies also have to spend over \$100k per annum as remuneration to an Independent Executive Director (IED) and audit committee. Listing preparation takes around 6months, assuming the company is IPO-ready. Broker commission costs of trading equity average 1% for retail investors. with negligible costs and preparations taking up to one week.

REAL ESTATE

High transaction costs make both commercial and residential real estate markets illiquid locking their asset value.

On the average, home sellers pay their listing agents a commission of about 6-8% of the price. Other transaction costs amount to approx. 5% and include escrow costs and recording costs upon sale, Proceeds from a real estate sale are taxed at a rate of up to 20%.

Fidescapital enables real estate owners to gain instant liquidity linked to the market price of their property with minimum transaction costs in a timely manner - less than one week. This is done through the application of algorithms monitoring property values and offering trend correlation. Profits are shared according to investor contributions to the property pool.



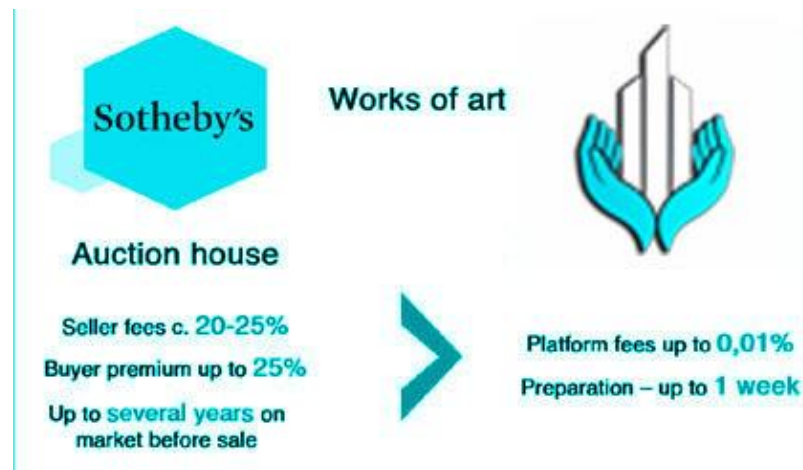
ARTWORK

The highly inefficient artwork market associated with high transaction costs is another space for development of the Fides Platform and a great opportunity for clients to earn residual income. A few other platforms lead the way with these kind of investments but we assure a seamless and profitable process nonetheless.

As per the example below seller fees associated with an artwork sale are 20-25% of the sale price (hammer price) while a buyer's premium is charged up to 25% (according to sotheby's commission

structure). Thus, buyers overpay a significant amount over the hammer price, while sellers receive far less than the auction price.

Fides offers indirect exposure to the value of artwork eliminating the middlemen (e.g., dealers and auction houses), dramatically reducing transaction costs and providing fair market valuation and liquidity.



2.3 ELIMINATION OF INFORMATION ASYMMETRY AND FRAUD

The issue of information asymmetry between asset owners and buyers is leading to a significant erosion in the market itself; low-quality assets become more profitable to sell than high-quality assets. Fraud is yet another issue troubling the financial sector.

There have been numerous legal proceedings arising from fraudulent mortgage-backed securities (MBS) after the 2008 crisis. In 2016, the largest private loan marketplace (lending club) lost 80% of its capitalization after investors recognized they could not trust its loan records because of the detected fraudulent records in its loan portfolio database.

Leading private UK P2P Website Funding Knight filed for bankruptcy in the same year after it ran out of cash due to its non-transparent activities.

Even with all the financial fortifications in place and armies of back-office employees monitoring the movement of money, fraud is still a significant issue in the financial sector due to several isolated databases and hard copy data prevailing across the banking sector.

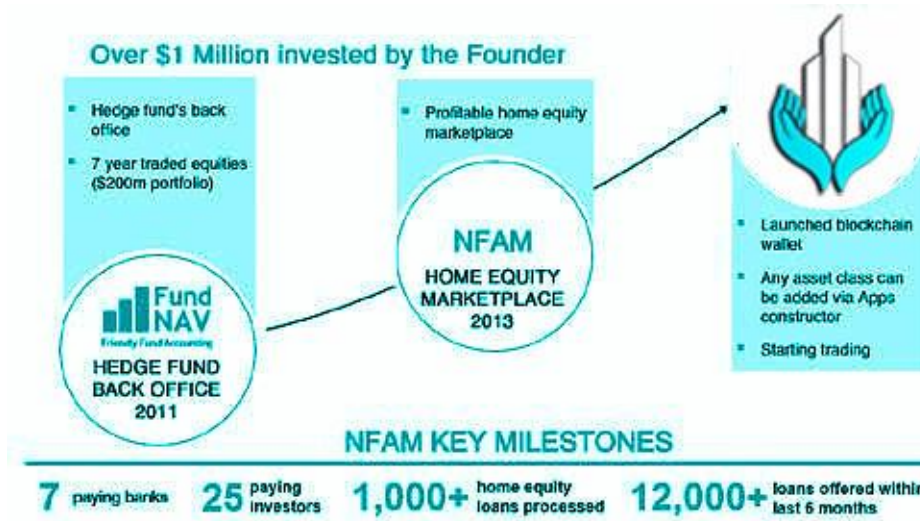
Blockchain technology and investments makes trustworthy data available to both parties prior to the transaction and thus provide greater certainty of its worthiness, thereby reducing risks associated with asymmetric information and fraud.



3.1 BASED ON EXISTING PROFITABLE BUSINESS

The predecessor of Fides is the Zalogo (non-blockchain) financial platform, created by the same founder Valentine Preobrazhenskiy. Its principal business was to provide private borrowers with bank loans backed by the value of their real estate assets. The home equity lending marketplace facilitated 12,000 home equity offers from seven banks and 25 investors in 1H 2017 and its operations are profitable.

Prior to that Valentine Preobrazhenskiy gained an extensive expertise in financial markets by creating a back office for two hedge funds and managing equity portfolios for seven years. In total, the founder invested appropriately \$1 million of his own funds in back-office and marketplace infrastructure and development.



3.2 ALREADY OPERATIONAL PLATFORM

The Fides Platform infrastructure includes Fides wallet, Fides marketplace, trading terminals and back office.

There are many blockchain projects offering tokenization of different asset classes from real estate to equity. However, most of them are in the concept stage. Only our platform boasts of having a working business with the market place and the back office in place.

	Concept	MVP	Blockchain functioning	Working business	Marketplace	Established back office
Bitbond					✓	✓
Digix						
Proof					✓	
Zr Coin						
Atlant						
Real						
SmartRE						
Brickblock						
Maecenas						



Few projects are already in the working business stage. Bit-bond is a peer-to-peer lending platform. Despite its blockchain functionality, it does not provide a secondary market for debt.

Digix is about to launch tokens DGX backed by 1gram of gold each. After ICO in 2016, capitalization of the company's token DGD increased to more than \$160 million. However, it is impossible to get gold-backed DGX so far as the market is not in operation yet.

Some projects created an MVP, allowing trading tokens of a single asset. Proof (company) provides a market place for trading tokens of real estate properties; currently it allows trading of four properties in the test mode.

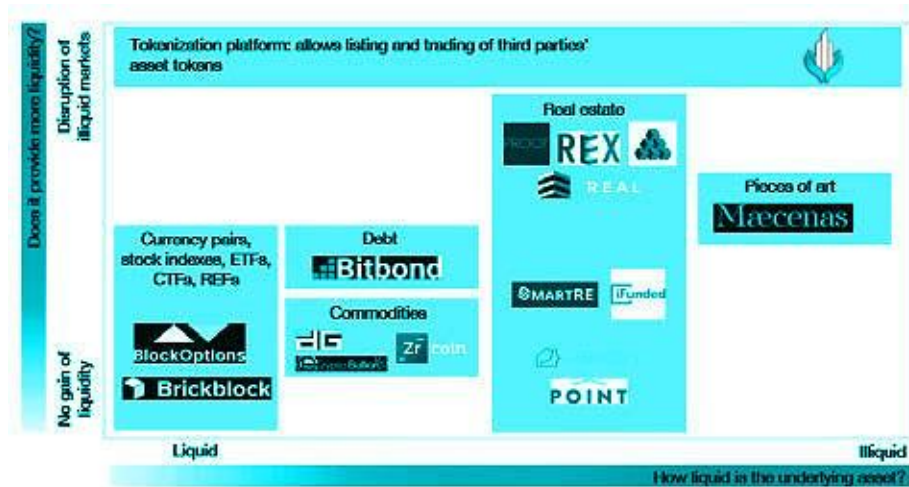
Blockoptions adds blockchain functionality to binary options market and already offers binary options on BTC price movements as an MVP. Zrcoin is a cryptocurrency backed by shares of zirconium mining company.

3.3 WIDE DIVERSIFICATION OPTION ACROSS MAJOR ASSET CLASSES

Such projects as brickblock and Digix work on markets that are already relatively liquid (ETFs, REFs, commodities). These projects involve only part of the problem solved by Fidescapital; seamless transactions and better securities for funds, thanks to blockchain functionality.

Some projects ease transactions in one of the illiquid asset classes, such as real estate and peer-to-peer debt, by breaking them into chunks. Very few (e.g. Proof) of these projects enable trading on the secondary market. No competitor allows trading across different asset classes.

At the same time, Fidescapital allows investors to diversify across all major asset classes ensuring single compliance and disclosure standards. Other asset tokens may also be traded on the Fides platform if they meet compliance standards.



4.1 TRADING OF TOKENS LINKED TO LIQUID ASSET PRICE

Publicly traded equity, debt and commodities trade

On the Fides platform, cryptoholders can buy tokens linked to the price of publicly traded assets (shares, bonds and commodities). The process is as follows:

- Fides issues tokens linked to the price of publicly traded assets (e.g. an Apple share)
- Investors buy asset tokens at an auction on the Fides Platform using cryptocurrency
- On a pre-determined settlement date, Fides buys back asset tokens from cryptoholders at the current market price of the underlying asset (e.g. current market price of an Apple share on the NASDAQ)

This is very similar to purchasing a forward contract on a Stock Exchange. The advantage is that, due to much lower transaction costs on the Fides platform, even small retail cryptocurrency investors can benefit from the upside potential of stocks, bonds and commodities without converting cryptocurrency to fiat currency e.g. the USD

4.2 TRADING OF TOKENS LINKED TO ILLIQUID ASSET PRICE

Yet another advantage of Fides Platform is that it allows asset owners and investors to easily create and trade tokens linked to the price of previously

Yet another advantage of Fides Platform is that it allows asset owners and investors to easily create and trade tokens linked to the price of previously illiquid assets, such as real estate investors and artwork. The general process of the asset token creation and sale on the Fides Platform consists of 4 steps:

- Asset owner signs an agreement with a Fides-Certified Trustee transferring ownership rights to the Trustee
- The Trustee issues tokens linked to the price of the asset and sells them to clients/investors on the Fides Platform.
- Investors may sell asset tokens on a secondary market
- The asset owner buys back asset tokens on the settlement date or the Trustee sells the asset at a fiat auction

However, there are specific details depending on asset class. Cases of real estate and artwork tokenization are provided below to illustrate these details.

REAL ESTATE TOKENIZATION

Step 1. Qualification Check

Filling out a short questionnaire, an asset owner provides basic information about the real estate property, the share they want to tokenize (maximum share is 80%), settlement date, and their household finances. On the basis of this information, Fides pre-approves or rejects the application for tokenization.

In pre-approved cases, the asset owner receives an indicative non-binding estimate of his property's value. Then, he is asked to provide a full package of documentation and complete an application.

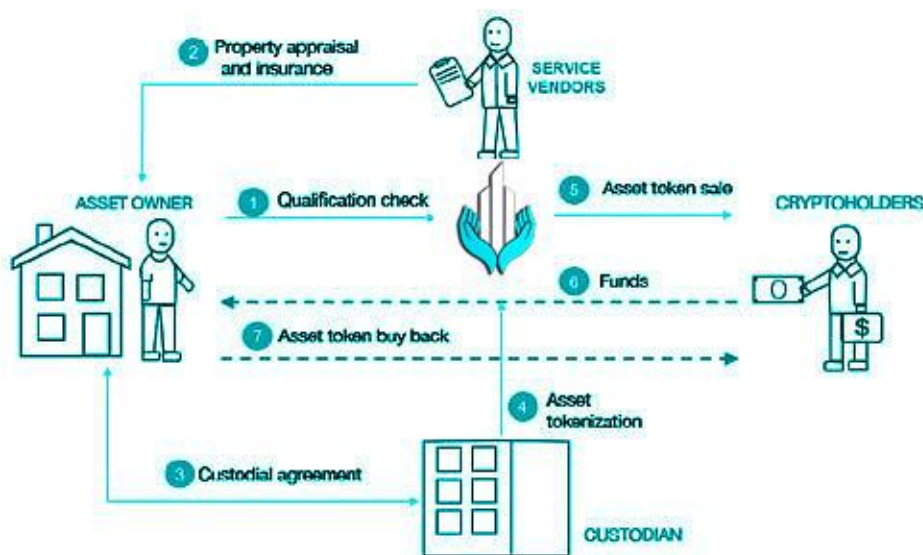


Step 2. Property appraisal and insurance

An independent vendor (selected by the asset owner from a list of Fides certified appraisal firms) conducts an on-site appraisal of the property. The appraisal report is shared with the homeowner upon completion. The property must be insured by the asset owner prior to tokenization.

Step 3. Custodial agreement

A Fides-certified Trustee receives documents preserving the right to exercise the sale of the property in case it is not bought out (in the US: promissory note, deed of trust and memorandum of option from a property owner)



Step 4. Asset tokenization

After the custodial agreement is made, the homeowner can create tokens linked to the value of the tokenized part of their property.

Steps 5-6. Asset token sale and transfer of funds as a return on investment (ROI)

Asset tokens are sold at an auction on the Fides Platform to investors and position holders. Proceeds are transferred to the asset owner.

Step 7. Asset token buy-back

A homeowner can buy back asset tokens on a pre-determined settlement date or before.

The buyback price will be determined based on the property's second appraisal, conducted prior to the settlement date. The buyback price is determined in USD value and then converted to BTC or any preferred cryptocurrency at the current exchange rate.

Thus, the buyback price may be higher or lower than the initial sale price. If the property depreciates, the cost to buy back the asset token will be proportionally and the asset tokens are eliminated.

If a homeowner decides not to buy back asset tokens, the Trustee will sell the real estate via fiat currency auction. Auction proceeds will be distributed among asset token holders in crypto or fiat currency as is subject to their decision.



The homeowner does not incur penalties for early redemption. Once asset tokens are bought back, a deed of reconveyance is issued to the homeowner less than the initially originated amount.

ARTWORK TOKENIZATION

Step 1. Application for sale

The owner of the artwork fills in a form on the Fides Platform for artwork tokenization, providing basic asset information, results of previous appraisals (if available), share of asset to be tokenized, and ownership rights.

Step 2. Asset appraisal

Prior to artwork tokenization, it is subject to tests for authenticity, appraisal, and insurance by Fides-Certified vendors.

Step 3. Custodial agreement

A Fides-Certified Trustee and applicant sign a binding agreement for mandatory future open fiat auction sale of the asset by the settlement date.

Step 4. Asset tokenization

When all legal issues are settled, tokens linked to the value of the artwork are issued on the Fides Platform and become available for cryptoholders. All raised funds are transferred to the asset owner (excluding Fides's commission fees).

Step 5. Asset token buy back

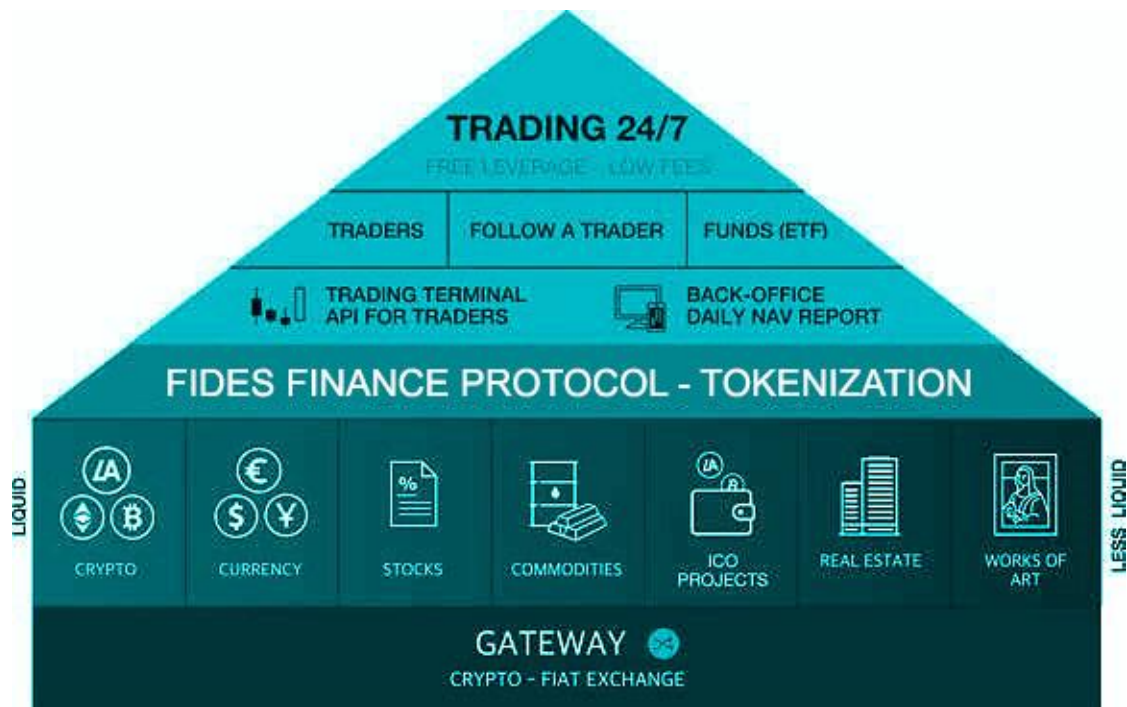
By the settlement date, the applicant must sell his artwork at a fiat auction and distribute the proceeds among the asset token holders in Fides token platform at the current exchange rate. If he fails to do this, the asset will be sold

4.3 SERVICE VENDORS

The asset tokenization process at Fides platform will be facilitated by independent service vendors: appraisal firms, insurance companies, trustees, law firms. To be registered on the platform through our numerous service portals/channels, clients will have to meet strict admission criteria ensuring their reliability and quality of service. Asset owners may select a service vendor of their choosing or from the list of registered providers.



The Fides Platform is the heart of the financial blockchain-powered ecosystem. Key elements of the Fides Platform are Fides wallet, Asset token constructor, Fides marketplace, trading terminal, and ico listing



6.1 EQUITY MARKET

World market cap of listed domestic companies as of 2016 is ~\$65tn with global annual stock turnover of ~\$86tn. Although listed companies are among the most liquid asset classes, liquidity varies greatly across stock markets and individual stocks. Stock market turnover varies across countries from 0.2% in Luxembourg to 480% in China.

Listed stocks might be inaccessible for investors abroad due to the high cost of listing on international exchanges. With blockchain technology stocks can expand the investor base and significantly increase turnover. Times are changing and we must make necessary accommodations for maximum profits per share. This presents an excellent way to achieve this.

Less than 0.1% of 5.7 million companies with employees in the USA are publicly traded companies. Even among firms with more than 500 employees, 86.4% are privately held. Private companies generate 59% of revenue and make 53% of investments in USA. It means that companies that make up major part of the economy are currently cut off from the wide equity investor base.

6.2 DEBT MARKET

Global debt market value grew by \$7.6trillion to more than \$215 trillion in 2016 with a total trading value of \$52 trillion annually. Transaction costs of trading debt are currently estimated at \$150 billion.

6.3 REAL ESTATE MARKET

Until now, to get exposure to real estate one had to buy the whole property or buy shares of real estate funds (REFS). High transaction costs and a very limited choice of REF investment opportunities led to a reality where turnover is significantly lower, despite the fact that real estate has nearly the same total asset value as the stock market.

The size of the global real estate market has reached \$217 trillion and residential property makes up about 75% of the total value.

While annual real estate trading volume totals around \$16 trillion with estimated trade transaction costs of ~ \$100 billion, we see a growing trend and a chance to seize the opportunity offered by tokenization to unlock the value of real estate assets.

6.4 COMMODITIES MARKET

Commodities are typically traded on futures and options markets, while spot market turnover is significantly lower. Four major segments of physical commodities account for 35% of total futures trading volume on exchanges: agriculture, energy, industrial metals and precious metals. Trading of futures has been growing very rapidly over the past 10 years.

From 2007 to 2016, the number of contracts traded in the agricultural, energy and industrial metals categories rose from 1.16 billion to 5.77 billion, with a total nominal value of more than \$100 billion.

Liquidity and trading volumes vary greatly across traded commodities. The most traded include: crude oil, natural gas, heating oil, RBOB gasoline, gold, sugar, corn, wheat, soybeans, copper, soybean oil, silver, cotton, cocoa. Purely financial transactions in the most popular commodities are outnumbering physical trades by a factor of more than 200.

For example, average daily traded volume in crude oil futures exceeded \$100 billion with 2.2 billion barrels of oil traded daily in Q2 2017, while daily production volume was 8.9 million barrels. Transaction



fees for liquid contracts vary from below 0.01% to about 0.1% of contract nominal value may enjoy high liquidity. Many others are not, including high volume commodities, such as steel of different grades, titanium, rare earth, different alloys, some precious metals, gems, chemicals, several types of coal. Investors willing to be exposed to these commodities should either sign OTC contracts, buy commodities physically and store them or buy shares of publicly traded mining companies. Some of these commodities are particularly interesting for investors, e.g. electronics producers who want to hedge from rising rare earth.

6.5 ARTWORK MARKET

Global artwork holdings amount to around \$3 trillion, while worldwide auction and private sales in 2016 raised more than \$50 billion. Given high auction house commissions-which average around 20-25% of the sale price- we see the potential to eliminate the middle man, thereby reducing commission costs.

The pledge services market of artwork is currently underdeveloped. Overall value of current loans secured by artwork amounted to more than \$8 billion. About 8% of global collectors used the strategy of securitization of artwork, and only 22% of banks provide such services.

Reportedly, more than 30% of banks have plans to get art work securitization underway through the application of tokenization and blockchain technology. Given the demon stable demand of global collectors and low penetration, we expect Fidescapital to be a driver of market growth and accelerated development of artwork tokenization services.

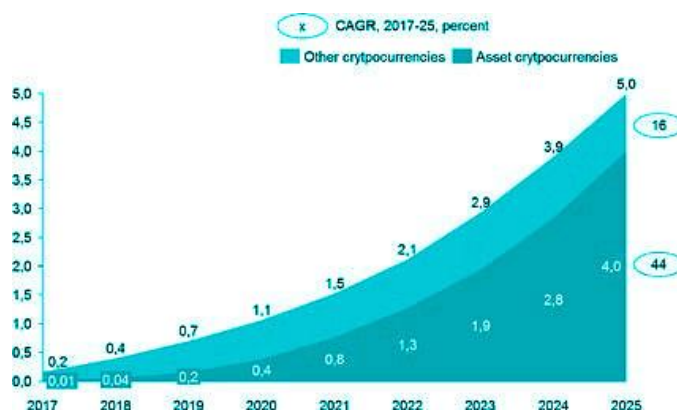


7.1 GENERAL OVERVIEW

Total market cap of cryptocurrencies reached \$165 bn in August 2017. In 2018, 1% of internet users will already own cryptocurrency wallets. The adoption rate of cryptocurrencies may be as high as that of cell phones and broadband internet due to the advantages the blockchain provides, such as ease of cross-border transactions, low transaction costs and security.

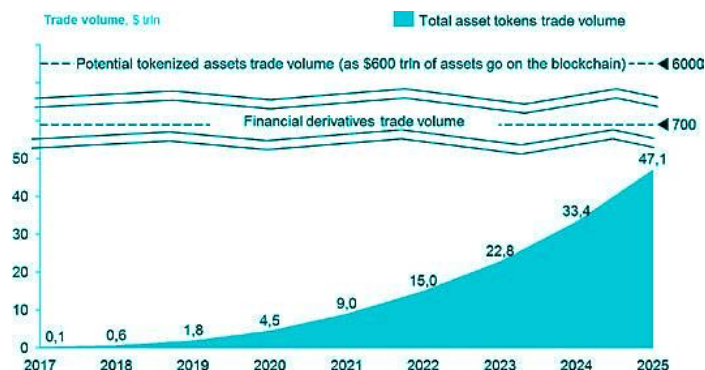
By 2025, the total capitalization of cryptocurrencies may exceed \$5 trillion as crypto wallet penetration exceeds 5% of the world's population and asset cryptocurrencies pave the way for trading asset tokens.

The total capitalization of asset cryptocurrencies (the value of which is linked to specific asset prices) could account for at least 80% of the total market share by 2025, as they have benefits of traditional cryptocurrencies, lower volatility and opportunities for portfolio optimization.



Transaction costs of trading on the blockchain could drop below 0.001% of the asset value in less than a decade due to technological advancements and increasing computational power. We expect that Lower transaction costs could significantly drive up the trading volume of asset cryptocurrencies.

Tokenization of previously illiquid assets increases their market value by 10-40% as illiquidity costs vanish. Trading volume of asset cryptocurrencies linked to real world asset prices (e.g. Equity, debt, commodities, real estate) can exceed the capitalization of these assets by more than 10 times. According to our estimates, trading volume of these asset cryptocurrencies could exceed \$40 trillion by 2025.



The current overall value of the major asset classes (e.g. equity, debt, commodities, real estate) is \$600tn, and thus the trading volume potential of asset cryptocurrencies drops, they relocate funds from their portfolios into fiat and real assets.



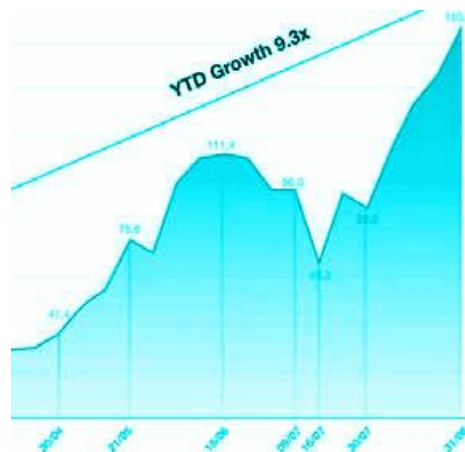
Asset cryptocurrency is an attractive alternative investment to real assets, as it provides the same exposure to real asset prices while saving cost of conversion from crypto to fiat. Asset crypto value is driven by the price of the underlying real asset and thus does not depend much on fluctuations of the cryptomarket.

Therefore, asset crypto can be regarded as countercyclical to traditional cryptocurrencies, making it indispensable for a well-balanced crypto trading portfolio.

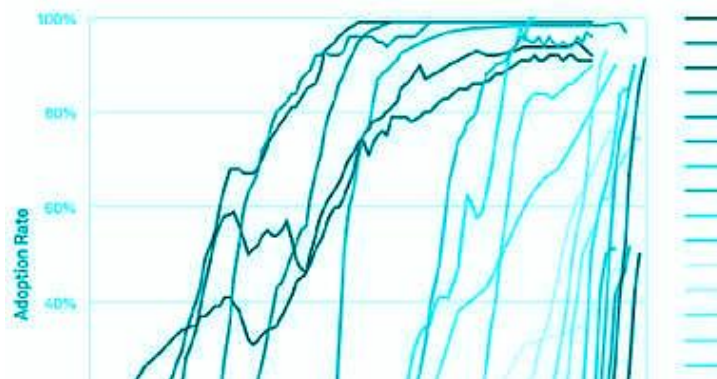
7.2 \$5 TRILLION CRYPTOCURRENCY CAPITALIZATION BY 2025

Overall Cryptomarket Dynamics and Projection

The total market cap of all cryptocurrencies surged by 830% in one year from August 2016 to August 2017, reaching \$165 billion. The market cap plummeted by more than 40% in July 2017 due to concerns that the market is over inflated and uncertainty over the bitcoin technology roadmap. The market quickly recovered and started to grow rapidly again after a successful Bitcoin split.



Adoption rates of new technologies significantly accelerated in the beginning of the 21st century. Penetration of smartphones and social media in the USA increased from 5% to 90% in less than 5 years.



Blockchain provides multiple benefits to cryptocurrency users, including disintermediation and trustees exchange, process integrity, reliability and longevity of the network, faster transactions and lower costs.

Cryptocurrencies are protected against optimistic actions of central banks, since emission follows strict rules ensured by smart contracts, such as proof of work protocol and proof of stake protocol. A distributed ledger stores information on thousands of computers, cannot be fabricated or interfered with by a third party, and is protected against unwarranted interference.

Benefits of blockchain technology

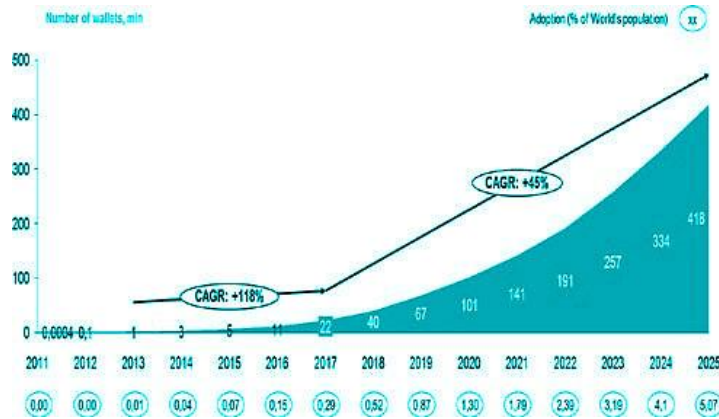
Disintermediation & trustless exchange	Two parties are able to make an exchange without the oversight or intermediation of a third party, significantly reducing or even eliminating counterparty risk
Empowered users	Users are in control of all their information and transactions
High quality data	Blockchain data is complete, consistent, timely, accurate, and widely available
Durability, reliability and longevity	Due to the decentralized networks, blockchain does not have a central point of failure and is better able to withstand malicious attacks
Process integrity	Users can trust that transactions will be executed exactly as the protocol commands, removing the need for a trusted third party
Transparency and immutability	Changes in public blockchains are publicly viewable by all parties, thus creating transparency, and all transactions are immutable, meaning they cannot be altered or deleted
Ecosystem simplification	Adding all transactions to a single public ledger reduces the clutter and complications of multiple ledgers
Faster transactions	Interbank transactions can potentially take days for clearing and final settlement, especially outside of working hours. Blockchain transactions can reduce transaction times to minutes and are processed 24/7
Lower transaction costs	By eliminating third party intermediaries and overhead costs for exchanging assets, blockchains have the potential to greatly reduce transaction fees

Source: Deloitte19

An increase in the number of crypto holders depends on the number of vendors and merchants that accepts cryptocurrencies as a means of payment. Whereas at the beginning of 2015 about 100,000 merchants accepted crypto as payment, in the summer of 2017 more than 260,000 stores in Japan started accepting cryptocurrency for exchange for a host of services.

As cryptocurrency acceptance increases, it becomes even more attractive to users due to the networking effect and referral potential. Businesses all over the world recognize the benefits of person to person marketing and We are no different.





The number of cryptocurrency wallets has doubled every year since 2013. Demand for cryptocurrency would be driven by the emergence of less volatile asset currencies. If it continues to double, the adoption rate could reach 75% by 2025. However; considering the obstacles imposed by some governments, we should expect a slow down with an average annual growth rate of 45%. In that case, the adoption rate will be above 5% by 2025.

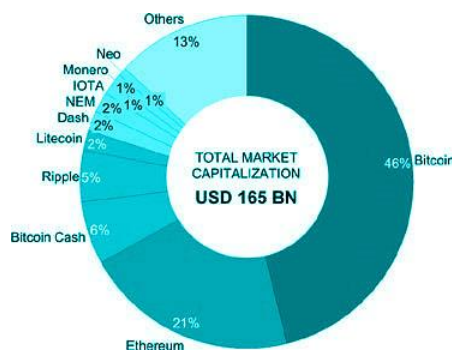
At present, 19% of \$16.5 million blockchain wallets have more than \$100 in the wallet, while 7% have more than \$1000. The average wallet size is \$9,835. We expect that by 2025 the average wallet size will exceed \$12,000. Thus, we expect that total cryptocurrency capitalization will exceed \$5 trillion by 2025.

This is still a conservative estimate compared to some market forecasts. For example, Peter Smith, the CEO and Co-founder of blockchain, and Jeremy Liew, the first investor in Snapchat, expect that bitcoin price may explode to \$500,000 by 2030.

They assume that Bitcoin penetration could reach 5% of the global population by 2025, the average value of Bitcoin held per user will hit \$25,000, and the supply of bitcoins will be about 20 million, bringing the market capitalization of Bitcoin to \$10 trillion.

Evolution of cryptocurrency

Bitcoin is the first and still the most popular cryptocurrency. Meanwhile, market capitalization of alternative cryptocurrencies exceeded that of Bitcoin for the first time in May 2017, as innovation increase their utility and make them more technical functionality.



Limitations of the initial design of Bitcoin has been consecutively overcome by followers. Litecoin was the first alternative to Bitcoin with an improved technical functionality.

Ethereum was initially released in 2014 and gained a significant market share due to its smart contract functionality, which powered most ICO's of 2017.

As ICO's become more and more popular, new currencies will continue to emerge, with some of them challenging the dominance of the leaders and gaining significant market shares.

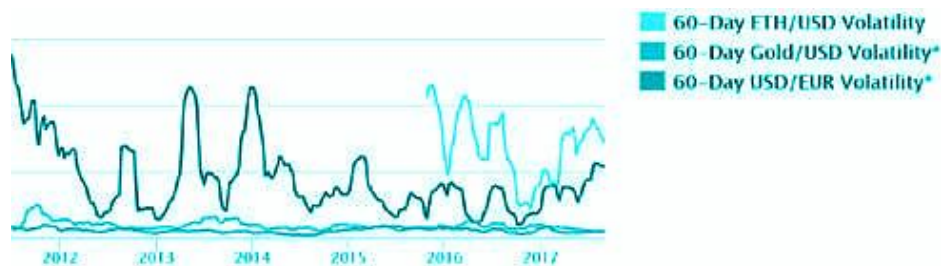
At the same time, incumbent cryptocurrencies will attract users with their well-developed infrastructure, higher liquidity and lower volatility. At the end of the day, we should expect that cryptocurrencies offering the highest utility to their users will hold the dominant market positions.

Capitalization of asset cryptocurrencies could surpass \$4trillion

Most of the cryptocurrencies can be used as a medium of exchange that is superior to fiat due to disintermediation and trustless exchange, better security and lower transaction costs. Traditional cryptocurrencies, such as bitcoin, Ethereum and Litecoin, may become a store of value only in case of strict commitment to low supply growth credibly backed by the network's distributed protocol and wide adoption, ensuring high liquidity.

At the same time, these traditional cryptocurrencies are inherently too volatile to be used as a unit of account outside of the ecosystem where cryptocurrencies dominate, such as ICO services.

The volatility index for traditional cryptocurrencies exceed that of real assets, such as gold fiat currencies, by a factor of 5-10. For example, current 60-day BTC volatility is 5.38%, while 60-day gold volatility just 0.53%.



Asset cryptocurrencies, which have a value linked to real-world assets, such as equities, commodities or fiat money, have an advantage over traditional cryptocurrencies. They have the benefits of traditional crypto, such as low transaction costs, security, trustless exchange and smart contracts functionality.

At the same time, they are a good store of value by design, since their volatility is lower. A diversified portfolio of asset cryptocurrencies is a better option from the risk management point of view than investing in one or several traditional cryptocurrencies. Asset crypto also has an advantage over real world assets, since there are no costs associated with conversion from crypto to fiat.

Market capitalization of asset cryptocurrencies is around \$10 bn, as opposed to \$160 bn market capitalization of all cryptocurrencies. These are numbers that institutional investors can obviously no longer ignore. A few highlights in the media, such as business insider, Bloomberg and Fortune, confirm that interest in asset cryptocurrencies is currently rising.



Notable examples of asset crypto are crypto-coins linked to fiat currencies, such as Tether (linked to USD), crypto-coins linked to precious metals, such as Digix, and many others (linked to gold). There are crypto assets linked to shares of blue chips.

Tokens of Apple and other popular equities, as well as popular commodities and real estate ETFs, are currently traded on the Fides Platform. Several companies are planning to create tokens of real estate assets tradeable on the blockchain (Atlant, REX, proof and some others).

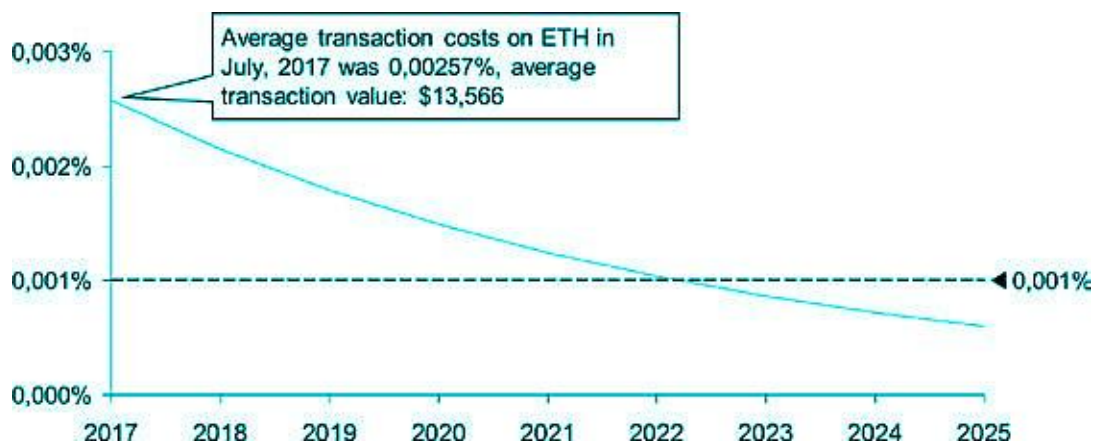
Due to the disadvantages of asset cryptocurrencies, such as lower volatility and transaction costs, we expect that they could account for at least 80% of total cryptocurrency capitalization with a value exceeding \$4 TN by 2025.

7.3 \$6 QUADRILLION TRADING VOLUME POTENTIAL ON THE BLOCKCHAIN

Disruption of trading transaction costs on the blockchain

Transaction costs on the blockchain are significantly lower than those imposed by centralized institutions in the traditional economy.

For example, in the United States, the acquiring fee averages appropriately 2% of transaction value. Average transaction costs of Ethereum were 0.00257% for a typical transaction value of \$13,566 in July 2017.



Meanwhile, we should keep in mind that transaction volume grows fast, and transaction costs inflates as they compete for limited computational power. Since cryptocurrency transaction costs are fundamentally driven by blockchain technology design and computational power, we believe that they will eventually go down as technology Improves and computational power increases.

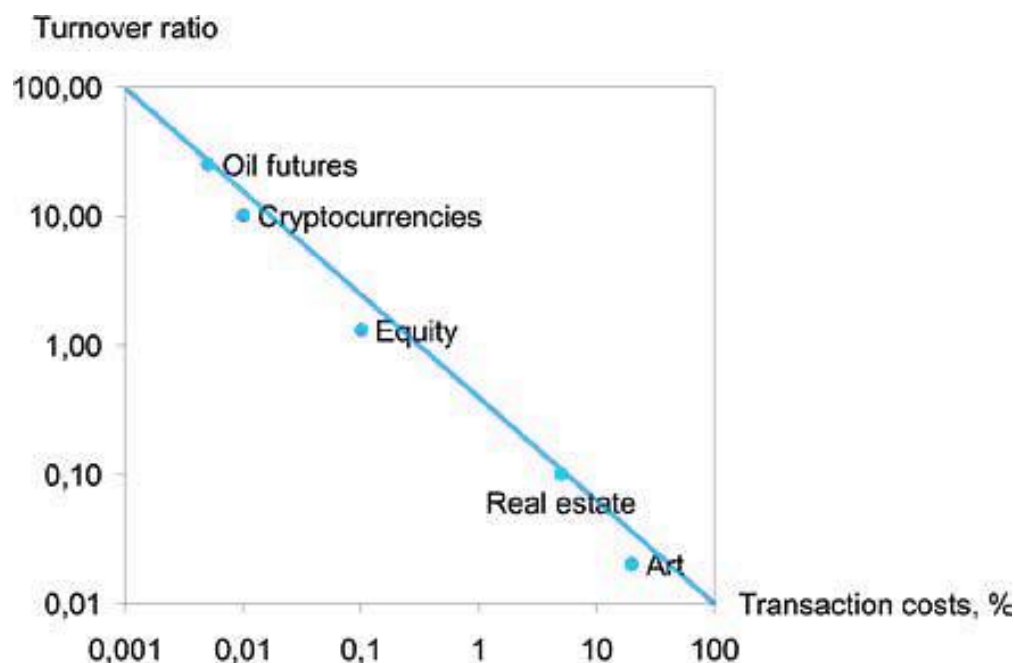
According to Moore's law, the number of transistors per square inch on integrated circuits doubles every 2 years. Although it has slowed in recent years, computational power is still increasing quickly.

According to FT, Brian Krzanich, CEO of Intel, estimated that over the last two technology transitions, cadence was closer to two and a half years than two. This implies at least a 20% cost decline per year. Hashing algorithm improvements should also reduce computational complexity.



We expect that transaction costs on the blockchain will fall below 0.001% for transactions above \$5,000 by 2025. This is nearly ten times lower than the best transaction fees of stock brokers for the most liquid equities in the US (such as Apple, Google, etc.). Furthermore, the minimum transaction volume on the stock market is usually high for small retail investors, as stocks trade in blocks of 100 shares (about \$16,000 for Apple).

The higher the trading transaction costs for the asset class, the lower its trading volume. Typical transaction costs of an art trade are 20%, and the annual turnover does not exceed 2% of the total value (\$64 bln Vs \$3 TN of total holdings). Typical transaction costs of trading public equity are about 0.1% with trading volume of around 1.3 times market capitalization (total market cap of traded equities was \$64.82 trn in 2016, while trading volume in 2016 was \$85.71 trn).



Transaction fees of leading futures brokers for oil futures are in the range of \$0.85 to \$3.50 per contract or 0.002%-0.007% at current prices. Total trading volume in 2016 was about 2 m contracts per day (2 bln barrels per day) for two main oil futures contracts: NYMEX WTI and ICE Brent. Total production averaged 80.5 m barrels per day, which is 25 times lower than the average transaction volume.

As shown in Figure 7, as transaction costs decrease by 10 times, trading volume typically increases by nearly 10 times. Therefore, we should expect higher turnover and liquidity on crypto exchanges than other traditional exchanges.

Cryptocurrency trading transaction costs are currently below 0.01%, which is why their transaction volume significantly exceeds their capitalization. Turnover is 9.3% for Bitcoin and 11.5% for Ethereum. Some of the other cryptocurrencies have lower transaction costs; therefore, their turnover is higher. Tether looks like an outlier here. It's daily turnover is more than 30% of the market cap due to high market making activity.



Figure 8. Typical trading transaction costs and turnover ratio for different types of assets

Cryptocoin	Capitalization, bln \$	Volume (30d), bln \$	Annualized volume, bln \$	Turnover ratio, times
Bitcoin	72,3	56,1	673,0	9,3
Ethereum	31,7	30,3	363,8	11,5
Bitcoin Cash	10,2	16,1	193,3	18,9
Ripple	7,8	8,1	96,9	12,5
Litecoin	3,3	5,6	67,1	20,6
Tether	0,3	4,1	48,9	152,7
NEO	1,9	3,9	47,2	25,1
Ethereum Classic	1,5	2,2	26,7	17,8
OmiseGo	0,8	1,9	23,3	29,2
Dash	2,7	1,7	20,9	7,6
Qtum	0,9	1,5	18,0	20,0
Monero	1,9	1,3	15,6	8,1
Total	135,3	132,9	1594,7	11,8

Source: <https://coinmarketcap.com/currencies/volume/monthly/>

Trading volume tokens of \$4 TN for asset crypto could reach \$40 TN by 2025. Total capitalization of 4 major asset classes (real estate, equity, debt and commodities) could exceed \$600 trn. Tokenization allows trading with transaction costs of 0.01% or less. This should increase transaction volume to more than 10 times their asset value. Thus, total transaction volume potential is at least \$6 quadrillion

Asset owners will strive for tokenization to get a 10-40% liquidity premium

Owners of illiquid assets cannot significant amounts of assets in a short period of time when they need to raise capital. According to many studies, typical illiquidity costs are in the range of 10-40% of the asset value.

That is, restricted securities, securities issued by a company that can be sold through private placements to investors, but cannot be resold in the open market for a certain period, trade at significant discounts of 7-35% according to research. Thus, we should expect that tokenization of illiquid assets will increase their valuation by at least 10%.

High illiquidity costs make asset tokenization a very attractive opportunity for asset owners as long as the asset owner's total tokenization costs are significantly lower than 10%. As soon as tokenization technology goes online, and demand reaches scale, tokenization becomes too attractive for asset owners to ignore.

Asset cryptocurrencies are a safe haven for cryptocurrency investors

As a large number of asset cryptocurrencies go online and transaction costs of trading across different classes of asset cryptocurrencies drops, they will be used in crypto portfolios to minimize risks. Currently, when the confidence of crypto owners in traditional cryptocurrencies drops, they reallocate funds from their portfolios into fiat, traditional financial and real assets.



In contrast to traditional assets, frictions of buying assets cryptocurrency are significantly lower for crypto owners. At the same time, their value is linked to that of real assets. This makes asset cryptocurrencies a much more convenient alternative to traditional assets for crypto holders, especially if they don't want to escape the blockchain ecosystem. This, asset cryptocurrencies are countercyclical to traditional cryptocurrencies. This makes them an indisputable part of a good crypto portfolio.



8.1 OVERVIEW

Most popular cryptocurrencies, including Bitcoin, Ethereum and Litecoin, were pioneers of the blockchain technology.

They were robust and innovative, but had very limited functionality as they were not scaled to handle thousands of transactions per second and transaction fees were high on public networks. Then, the new word in the blockchain industry was Ethereum, which introduced the power of smart contracts to the world.

This technology created new demand on the market for "intelligent blockchains" with the ability to run decentralized applications. However, major problems with these protocols, including slow transaction speed (e.g. 1 hour for Bitcoin) and impossibility of reacting (by smart contracts) to external (non-blockchain) events, makes them almost unusable for real-world challenges.

The next-gen Graphene-based blockchains based on DPOS mechanism solved the problems with transaction speed and added a lot of fresh, new ideas to the blockchain world. But they were still not powerful enough to fit our needs: to process millions of transactions extremely fast, to store terabytes of asset-related files, to run many high-performance operations such as OCR of documents, patterns recognition, and AI neural networks.

8.2 CORE FUNCTIONALITIES

The Fides transactions Blockchain is based on the EOS vision of DPOS technology with 10-second blocks, TaPoS - technology that exposes the status of every user through their transactions and offers direct internal references with asset Blockchain objects.

The Fides Asset Blockchain is based on the Steemit (Graphene) blockchain to store a large number of objects, including assets, holders and file references. It uses the Eternity idea of Decentralized Oracles to provide trustworthy connections with real world existing systems containing information about certain type of assets.

Fides will store encrypted data via systems based on Bit Torrent technology with highly advanced improvements: sharing (node holder is not required to store the whole file, they can only store parts of it) and encryption (user cannot decrypt a certain file until permitted by other participants).

Fides will use distributed computing systems based on technologies similar to Apache Hadoop, adopted in the blockchain world, with a highly decentralized structure that allows the system to process complex high-end performance operations, such as text recognition, decentralized neural networks training and execution, as well as fog computing, on shared hardware.

Normally technology is developed based on proven concepts and best practices with the goal of providing the best-quality financial services to billions of users all over the world. The main advantage of Fides is its low costs and very fast transaction speed.



9.1 TRADING AUTHORIZATION AND ESTABLISHMENT OF ACCOUNTS:

Investor hereby constitutes and appoints Fidescapital Asset Management as Its true and lawful agent for the selection of securities to be bought and sold and the amount of securities to be bought and sold that Fidescapital financial deems, in its sole and unrestricted discretion and judgment, to be consistent with investor's investment policy and to take all actions necessary for the execution of any purchase or sale of securities.

Fidescapital Is granted authority to collect advisory fees from Investor's account, remit checks, wire funds, and otherwise make disbursements of funds held in Investor's account to 1) banks, other broker-dealers, investment companies, or financial institutions to or for credit to an account of identical registration; or 2) to Investor at their address of record.

Risk Acknowledgement:

Fidescapital Asset Management acknowledges the high level of volatility which become characteristic of the modern day financial markets. Investor also acknowledges that investments have varying degrees of financial risk and that Fidescapital being chosen to fulfill the role of portfolio management, which would provide returns periodically as stated against each Investment package according to investor preference (weekly, monthly or through the application of compound interest for better results).

Fidescapital also ensures that payouts of profits are made as at when due to the 91.2 percentile and an investment rebate of 99% of invested equity in the event of a total and complete loss of funds.

Service to other Clients:

Investor understands and agrees that Fidescapital provides investment advisory services for other investors. Investor agrees that Fidescapital may give advice or take action in the performance of its duties with respect to any of its other clients, or for Fidescapital and/or its employees' own accounts, which may differ from advice given to or action taken on behalf of Investor. Fidescapital is not obligated to buy, sell or recommend for Investor. any security or other investment that Fidescapital or Its employees may buy, sell or recommend for any other client or for their own accounts.

Liability of Fidescapital:

Investor agrees that Fidescapital will not be liable for any recommendation, act or omission, including but not limited to any error in judgment, with respect to the managed investment portfolio, so long as such recommendation, act or omission does not constitute a breach of fiduciary duty to Investor.

Nothing contained herein shall in any way constitute a waiver or limitation of any rights which Investor may have under applicable federal or state securities laws. Fidescapital shall not be liable for complying with any directive or instruction of the Investor that is received verbally. Fidescapital shall not be liable for any act or omission of any Custodian, broker or other third party with respect to the managed investment portfolio.

Confidentiality:

Except as otherwise agreed in writing or as required by law, Fidescapital will exercise the highest degree of due diligence and care with respect to keeping confidential all Investor information.

However, by signing this Agreement, Investor authorizes Fidescapital to give a copy of this Agreement to any broker, dealer or other party to a transaction for the account, or Custodian as evidence of Fidescapital limited power of attorney and authority to act on Investor's behalf.



In addition, Investor grants Manager authority to discuss, disclose and provide confidential Investor information to outside attorneys, auditors, consultants and any other professional advisors retained by Fidescapital to assist in the management of this Agreement and Investor's account.

It is Fidescapital's policy to make available investors' account information to Investor's spouse. An Investor may restrict such availability to his/her spouse by notifying Fidescapital in writing.



10.1 ASSET TOKENS AND THE FIDES PLATFORM

Asset tokens are tokens created on the Fides Platform and linked to prices of associated assets. Asset tokens can be issued on our own blockchain platform or on the Ethereum platform by a third party Trustee who will hold the actual asset and retain the asset owner's option to buy back asset tokens from asset token. If the asset refuses to exercise the option, the asset will be sold at fiat auction by the Trustee and asset-linked token holders are entitled to receive their corresponding share of the proceeds.

The customer hereby expressly disclaims its liability, and shall in no case be liable to any person, for Fides being classified or treated by any government, quasi-government, authority or public body as a kind of currency, securities, commercial paper, negotiable instrument, investment or otherwise that may be banned, regulated or subject to certain legal restrictions.

10.2 LEGAL IMPLICATIONS OF SMART CONTRACTS EXECUTION

As discussed above, Fides are issued on the basis of a smart contract via a blockchain platform. A smart contract is a way to discharge obligations by means of the algorithm input into the respective program code. As such, smart contracts shall fully comply with the laws applicable to them, in particular, they shall ensure compliance with confidential information legal requirements.

10.3 DATA PROTECTION

Sales and purchase of Asset-linked tokens on the Fides Platform may require personal data. Personal data is information that identifies an individual. Examples of personal data collected may include names, addresses, email addresses, phone numbers, fax numbers. Personal data may be obtained in number of ways, including application via our website, correspondence, telephone and fax and email. We ensure personal data protection by accepting an internal privacy policy and complying with terms of use.

Generally, an individual is entitled to require a bank where he/she made any transaction to remove any data regarding such transaction from the banking system.

Blockchain does not allow deleting data about any transactions concluded. As such, any user conducting transactions via blockchain connected with purchase and/or disposal of Fides and asset tokens shall represent and warrant that they realize the above and shall provide a waiver renouncing their right to require removal of any such data from blockchain.

We put a significant emphasis on managing possible legal and regulatory risks and works in close partnership with a very reputable international law firm to protect its users.

10.4 KYC AND ANTI-FRAUD

Due to our role as a major international business, we pay serious attention to know-your-client and anti-fraud issues in order to provide our customers and clients with a transparent business model that is safe with minimal risk.

In order to ensure that our services are not utilized by unwanted and illegal elements to further their illegal motives, we intend to facilitate our operations by means of:

1. obtaining sufficient information about our clients and verifying customer identity;
2. Conducting ongoing due diligence of assets tradable on the Fides Platform
3. Highlighting suspicious customers and operations.



10.5 TAX

Each customer shall declare, bear and pay all. Such taxes, duties, imposts, levies, tariffs and surcharges that might be imposed by the laws and regulations of any jurisdiction as a result of or in connection with the receipt, holding, use, purchase, appreciation, trading or divestment of Fidescapital.

Each customer shall be solely liable for all such penalties, claims, fines, punishments, liabilities or otherwise arising from his/her non-payment, underpayment, undue payment or belated payment of any applicable tax.

The company gives no advice and makes no representation as to any applicable tax. The company 10 gives no advice and makes no representation as to the tax implication of any customer's decision to purchase Fidescapital.





FIDESCAPITAL
Strategic hedging with options

THANK YOU!



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