



Target Coin - White Paper
September 30, 2017

World's first bonus paying Crypto Fund

1. Abstract

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

TGTCoin makes it easier for the investors to invest in the blockchain technology without dealing with the risks, technical barriers, transferring, owning and trading different cryptocurrencies on their own. TGTCoin is open for investments only during the ICO period. TGTCoin is a closed-end fund built using Ethereum smart contract that uses Machine Learning, Technical Analysis and Big Data to invest and trade cryptocurrency tokens and gives full transparency to the investors.

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

A smart contract is designed to share 85% of the profits with the investors by buying back tokens in the open market.

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

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

TGTCoin is one of its kind Closed-End Fund offering a continuous return to the investors, built on an Ethereum Smart Contract. Our approach is different from other cryptocurrency tokens, which are not sharing profits with the investors in the token. Unlike with other tokens, which are mainly used to speculate and are unrelated to the company performance, we plan to share profits with the token holders by buying back TGTCoins or TGT tokens in the open market.

1.1 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 cryptocurrency tokens

2. 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 impact on the mankind.

The Initial Coin Offerings - ICO market has boomed since then and private companies have raised more than \$300 Mn since then through ICOs. The CryptoCurrency market cap has grown from \$18 Bn on 15th January, 2017 to more than \$110 Bn on 14th June, 2017. On an average every \$1 invested in the cryptocurrency token has resulted in a gain of over \$5 - a stunning 500% return in a 5 months period.

The blockchain industry is still in its nascent stage and is expected to grow more in future. The goal of this paper is to examine the problems investing in the blockchain space for an individual investor and to introduce a solution to minimise the risk and maximise the returns using innovative technology.

TGTCoin is built to change the process of investing in the blockchain and cryptocurrency space and minimise the risk for individual investors through professional risk management, money management and technology.

3. Process

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

3.1 Business Model :

TGTCoin is a closed-end fund (CEF). A closed end fund offers its shares to public and utilise that money to invest and in the other new innovative blockchain tokens. TGTCoin will launch its ICO on 15th July 2017 and will end on 31st August 2017.

TGTCoin's model rewards its investors every quarter 85% of the net profits by sending out the same in ETH terms to the wallet addresses that hold TGT, allowing the token value to increase.

3.2 Operations fee

TGTCoin will charge an upfront annual operations fee of 10% of the money raised during the ICO. TGTCoin will charge a quarterly performance of 15% on the net profits made. Further, 10% annual operations fees will be charged every time after the end of every four quarters.

3.3 Profit Distribution or Sharing :

The smart contract is designed to distribute 85% of quarterly fund's net profits. The profits shall be distributed in the following manner:

The Profits generated on quarterly basis will be distributed to the token or coin holders over a period of twelve weeks. There shall be a cut off date every Wednesday (6.30 A.M. GMT) after the end of the First Quarter. The process of the same is illustrated below:

For Instance if Profit of 1000ETH is generated during a quarter, then the same shall be distributed on weekly basis i.e. 83.33 ETH will be distributed each week to the token or coin holders proportionate to the coins or tokens held on the cut off date in each week. The investors who hold the tokens or coins on the cut off date of that week will be eligible to receive the profits. **Note - For this purpose the token holders or coin holders must hold the said tokens or coins in an Ethereum Wallet (ERC20 Compatible Wallet) on the cut off date. Failure to do so will result in loss of eligibility for profits of that particular week. For the purpose of this clause the term or word 'holds' means coins or tokens held in an Ethereum Wallet (ERC20 Compatible Wallet) on the cut off date of that week. Profits shall not be distributed over the coins or tokens held by the Promoters and pre ICO Investor on the cut off date.** A performance fee of 15% will be charged on the profits of the portfolio..

A minimum bonus of 0.75% per quarter will be credited to the investors who took part in the ICO. In the event of quarterly loss, the smart contract will remain inactive.

3.5 Hedging the market risk :

There are over 800 cryptocurrencies in the market and they are often correlated but TGTCoin aims to diversify the risk over a number of different coins by building long and short positions. By building both long and short positions, TGTCoin aims to minimise the risk, portfolio volatility and downside. We use technical analysis and other algorithmic indicators to switch between long and short positions and plan to make money on both price rise and price fall. In a bear market/ market volatility, TGTCoin plans to convert its portfolio in USDT.

3.6 Closed-End Fund :

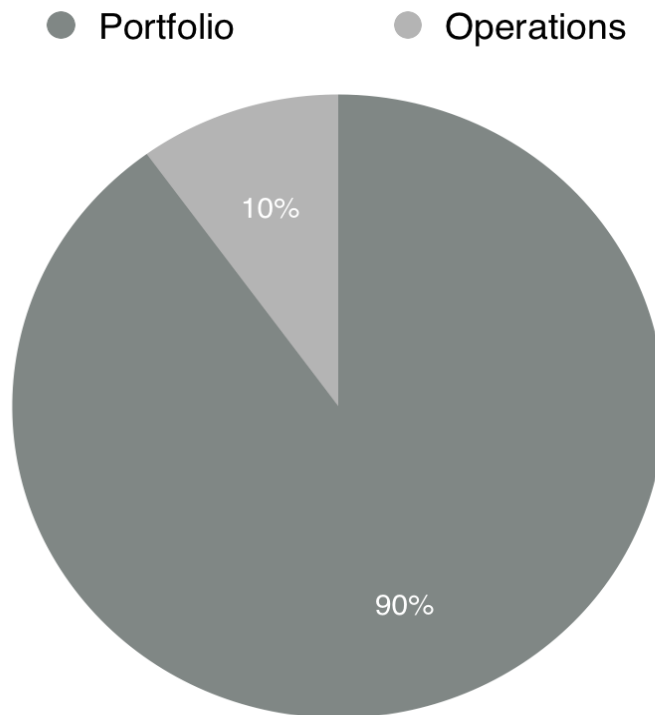
TGTCoin will remain a closed-end fund. It plans to issue tokens only during the token-sale period and plan to remain closed otherwise. As we will be listing the coins on multiple exchanges, the investors can transfer their coins in the open market and trade it. Tokens yield higher returns over a longer term because of the power of compounded interest.

4. ICO Details

TGTCoin plans to launch the ICO on 15th July, 2017 and the ICO will end on 31st August, 2017.

10% of the ICO money will be used for the operations of the fund and 90% of the fund will be used to build a portfolio.

TGTCoin plans to issue 2 Bn coins. 1.34 Bn coins are available to the public and 260 Mn coins are held by the management team and 400 Mn coins are held by the pre-ICO investors . On the ICO the TGTCoin price will be - ETH 0.000133(US \$ 0.04).



TGT Coin ICO ends on 31st August and the operations will begin on 10th September.

The first quarter will be from 10th September to 9th December. The 2nd quarter will be from 10th December, 2017 to 9th March, 2018. The 3rd quarter will be from 10th March, 2018 to 9th June, 2018. The 4th quarter will be from 10th June, 2018 to 9th September, 2018.

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

5. Investment Method

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

A number of cryptocurrency 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 in supply to control the supply 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.

5.1 Market Opportunity :

During the past 2 years, Bitcoin has outperformed return on DOW Jones Industrial Average by more than 700%.



Since July, 2013 market cap of crypto currencies has increased from \$1.5 Bn to \$114 Bn as of 12th June, 2017 - An astounding 7500% returns on an average. The total market cap of cryptocurrencies is expected to reach \$1 Trillion over a period of next few years and this represents a large market opportunity.

Total Market Capitalization

Zoom 1d 7d 1m 3m 1y YTD ALL

From Apr 28, 2013 To Jun 12, 2017



Source - coinmarketcap.com

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

5.2 Professional Money Management and Risk Management :

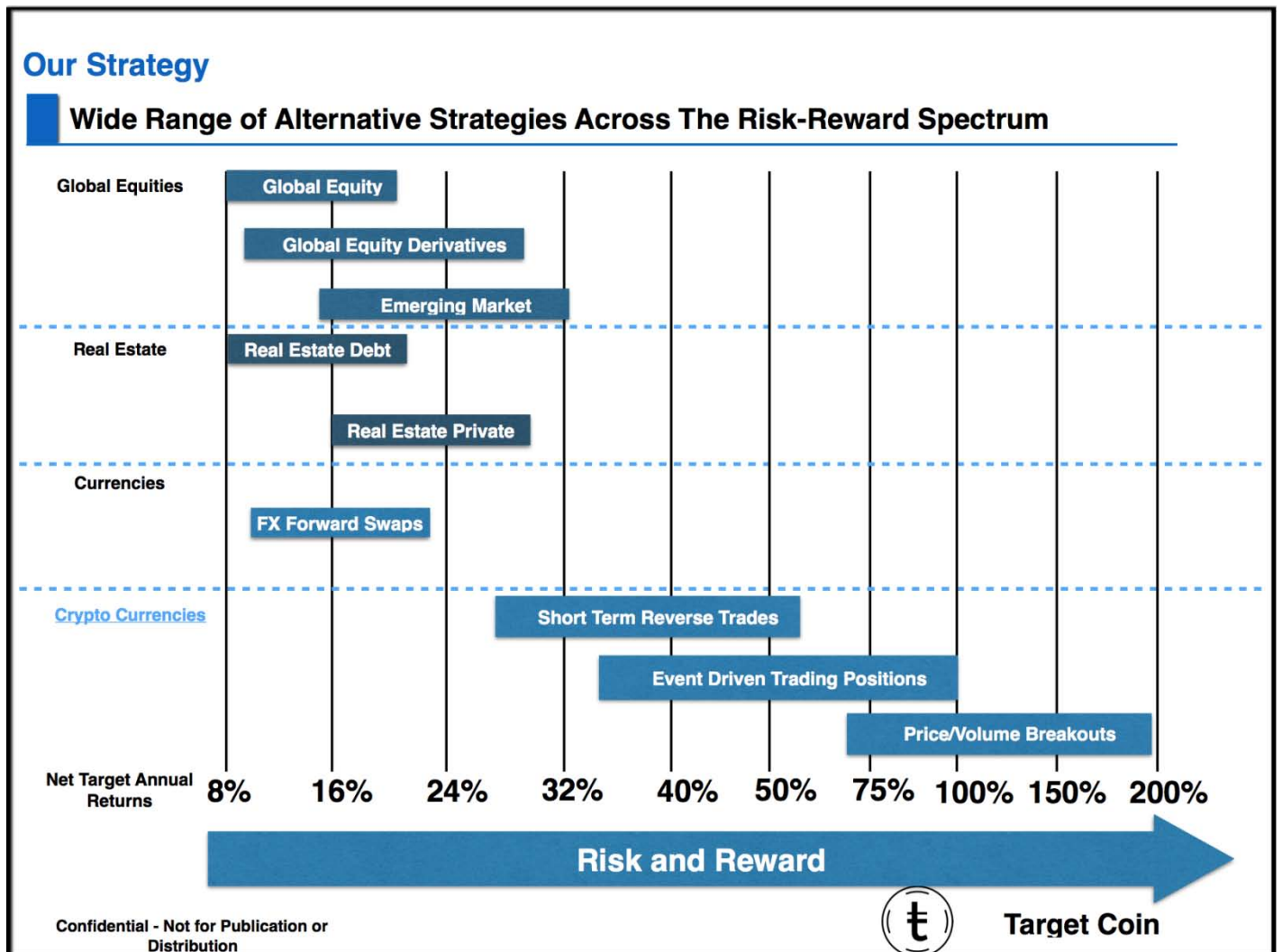
Professional Money and Risk Management are very important in a volatile and young market.

TGTCoin does fundamental analysis of different crypto currencies. Along with that, we analyse historical price patterns and technical analysis to predict the future market behaviour.

TGTCoin team has a professional money management experience in the traditional financial markets for than 6 years+

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

We plan to keep some reserves in USDT and hedge the market risk in a bear crypto market. During unstable times, it makes sense to keep the majority of the fund in USDT to hedge the risk during the downfall of other cryptos and take a short position.



5.3 Risk-Reward Spectrum and Risk Adjusted Returns :

As compared to Global Equities, Equity Derivatives, Real Estate Debt, FX Forward Swaps which generates 8-30% returns, TGTCoin aims to generate 70-200% risk adjusted returns on the portfolio.

We use advanced risk management techniques to minimise the portfolio volatility and minimise the downside on each trade.

6. Target X

We are building an in-house intelligent system for investors to get real time data, intelligent briefing, trade signals and research articles.

We use quantitative models, technical analysis, historical patterns along with risk management models and plan to publish it on our platform - TargetX.

Here is the brief overview of TargetX -

6.1 Market Research :

Our team will analyse news, reports, opinions, market data across the industry. We keep an eye on the upcoming ICOs and cryptos with a good growth potential. For each cryptocurrency we have quantitative methods to analyse and track it.

6.2 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 the chart patterns and market behavior.

6.3 Optimal Risk Management :

Target X will understand and analyse historical volatility levels through standard deviation and minimise portfolio's Value at Risk (VaR) in different market environments.

7. Long Term View

At Target Coin our aim and mission is to generate risk adjusted returns in the crypto currencies market. Target Coin is set to become a leading crypto asset fund with more than \$500 Mn assets under management by 2019.

TargetX - our intelligent platform provides intelligent briefing, reports, news, analytics and generate trade signals.

With Target X, TGTCoin aims to become an industry leader.

Join us and be a part of the journey.

TGTcoins.com