



INTRODUCING CRYPTO SMART BETA

- The crypto mutual fund of the people, for the people and by the people

Katula, founder of cryptosmartbeta.com





Insights

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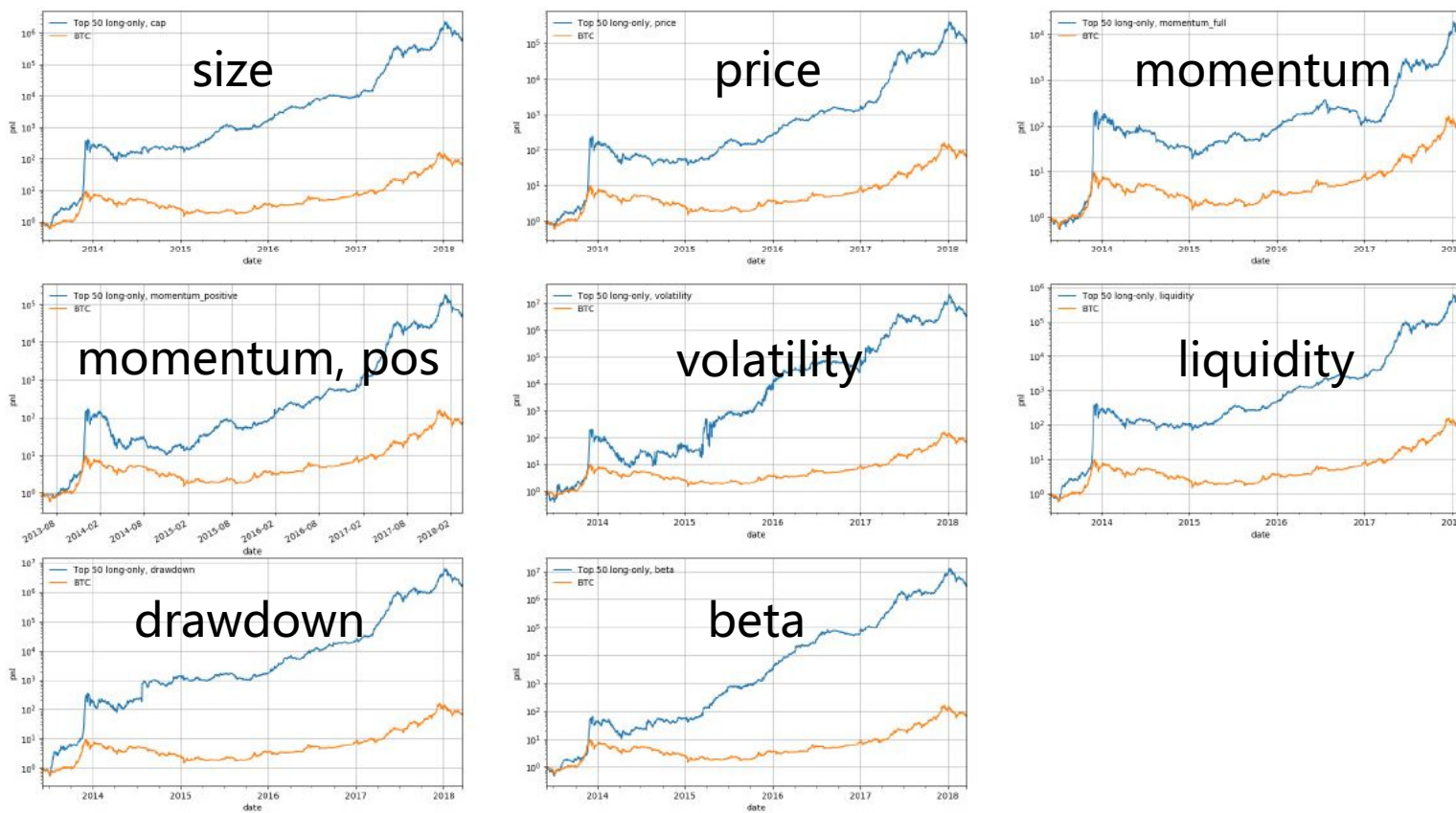
- **Passive investing and HODL-type strategies**
 - Does index investing offer a small cap premium as in the stock market? Can we improve the weights?
 - <https://cryptosmartbeta.com/passive-crypto-investing/>
- **Crypto factor overview**
 - First factor analysis (smart betas) on common cryptos reveals good historical performances
 - <https://cryptosmartbeta.com/overview-of-crypto-factors/>
- **Historical top cap crypto follow-up**
 - The decline and fall of angels. Did they beat US dollar, Bitcoin and Ethereum in their afterlife?
 - <https://cryptosmartbeta.com/fallen-angels/>
- **Common myths in quant research**
 - Symptoms and brief solutions to overfitting, forward-looking bias, selection bias, pitfalls in price reliability and tradability
 - <https://cryptosmartbeta.com/common-myths/>
- **Volatility analysis**
 - Is the recent regime (Q4 2017, Q1 2018) really a bear market?
 - <https://cryptosmartbeta.com/volatility-analysis/>
- **Drawdown statistics**
 - How to bottom-fish more elegantly, if possible at all?
 - <https://cryptosmartbeta.com/drawdown-statistics/>



Crypto Smart Betas

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top 50 long-only vs. BTC





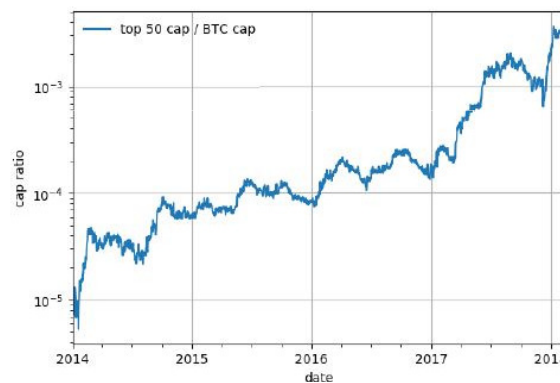
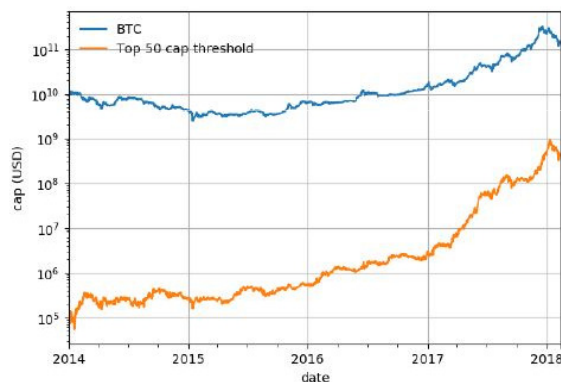
Insights

* Small cap premium prevails

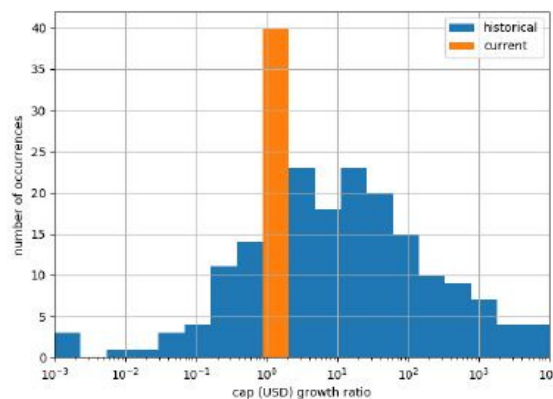
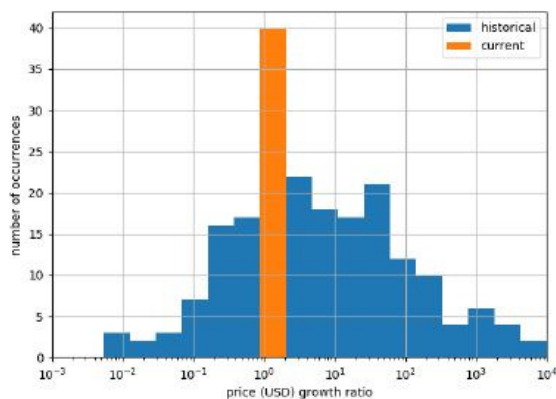
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strategy	IR	return	volatility	max drawdown
BTC	1.47	126%	85.7%	81.3%
ETF20 cap naive	1.55	130%	84%	84.9%
ETF20 cap	1.72	177%	103%	88.1%
ETF20 eqwt	1.84	218%	119%	89.9%
ETF50 eqwt	2.67	309%	116%	81.7%

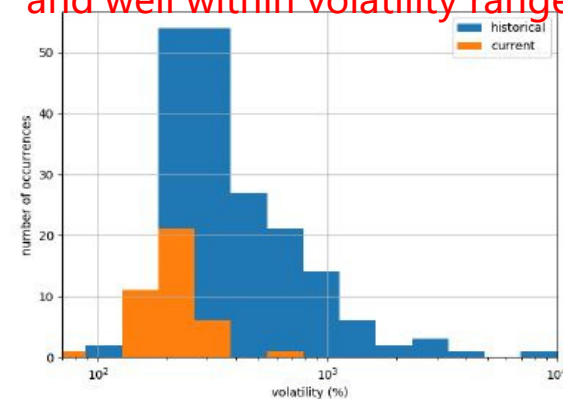
crypto	annual volatility	daily volatility
USDT	11.6%	0.607%
Dai	30.0%	1.57%
Bitcoin	86.1%	4.51%
Ethereum	138%	7.22%
Litecoin	147%	7.69%
Dogecoin	148%	7.75%
Monero	149%	7.80%
Waves	151%	7.90%
Dash	157%	8.22%
ZCash	157%	8.22%
ETC	158%	8.27%
Digixdao	163%	8.53%
Bitshares	165%	8.64%
Ripple	174%	9.11%



Top 50 crypto performance distributions, USD based



Recent drawdown is but a correction and well within volatility range





The Outline

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- Who is Crypto Smart Beta?
- Why Crypto Smart Beta?
- BETA Tokenomics
- Summary



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Team

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- **Founder: Katula**
 - Many years of alpha research experience in hedge funds
 - **Head of the market neutral equity arm in a quantitative hedge fund**
- **Partners:**
 - **Alan: quant researcher and trader in futures.** Years of research experience in renowned investment banks and hedge funds. Master in quantitative and computational finance. Bachelor in physics
 - **Xiaotian Zhang: experienced serial entrepreneur** and large BTC holder
 - **We are actively looking for more partners!** Let us know if you are interested
- **Advisors:**
 - **Yunpeng:** IT expert and senior management (CTO) of tech enterprises. Founder of <Yunpeng's Blockchain Academy>. **Spokesperson and delegate (gravity node) of EOS Gravity**, the world's largest EOS community



Fund Overview

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- **Crypto smart beta based quant mutual fund**
 - Our BETA token plays an important role in the subscription and asset allocation ecosystem
 - We reference publications on our website in most strategies and offer maximal transparency at **2% management fee** in the main book, no incentive or hidden fees
 - We **share a cut (up to 50%)** with all referenced authors
 - Our **25% repurchase program** endeavors to maximize the token Sharpe ratio. All repurchased tokens are donated for academic supports and open-source digital researches
- **Crypto publisher**
 - We publish peer-reviewed articles at both academic and pop science levels in three columns: **Beta for Pros, Beta for Fun and Crypto Insights**
 - We **compensate all contributions** assisting our publishing operations in tokens, including but not limited to article publishing, review, translation, editing and recommendation
 - We **share 50% subscription proceeds** with all published authors



The Outline

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The Blockchain as A Revolution of Production Relations

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- Crypto project valuation is essentially based on **the comparative advantage of the new production relation(s) over the old**
 - Application of the blockchain is optional in most crypto projects
 - However, token distribution results in a fundamental reform of production relations and promotes more massive and effective collaboration
 - Distribution of stakes in tokens offers fairer and more vibrant ecosystem for small business growth
- Fundraising is never easier, but it's a double-bladed sword. Regulation required



Status Quo of the Publishing and Crypto Asset Management industries

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- Journal publishing is overly centralized
 - Renowned traditional journals like Nature and Science are privately owned, pay not remunerations and make big profits from publications at minimal costs
- Crypto asset management is rising. Many are not quantitative
 - No whales or monopoly of any kind as in stocks or futures, hence more opportunities
 - Either secretive or index based. Most are effectively passive investing but charge high incentive fees
 - No smart beta based crypto fund whatsoever
- Both have room for improvements in production relations



Why Combine Publishing and Asset Management?

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- Cryptos are still hardly known in either academic or pop science domains
 - Lack of good education resources and knowledge base
 - Metcalfe's law: more users with consensus bring higher value to a telecommunication system
 - We are the first publishing agency of the kind
- Fame and a good history are keys to good AUM in the smart beta industry
 - Detailed knowledge base brings traffic
 - Original, peer-reviewed knowledge distribution brings respect and trust
 - Transparency and information are keystones for a successful smart beta fund
 - We are the first fund of the kind in crypto asset management



Roadmap

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- **Airdrop and campaign**
- **Content mining.** We purchase, publish articles and introduce crypto smart betas / alphas / analysis to the community and general public
 - We invite authors to submit original publications in three categories: research papers (Beta for Pros), quantitative crypto analysis (Beta for Fun), and non-quantitative insights (Crypto Insights)
 - A review committee with multiple experts is to be formed for peer review
 - Publish or perish! We publish 0-2 articles in each column daily
- **Website development**
 - Develop a **voting system** for readers to lock BETAs into prospective articles or strategies
 - Develop a **marketplace** for our readers and investors to buy quantitative signals or data
 - Develop **BETA and BTC allocation systems** for investors to pick strategies in production and invest
 - Develop a **programming platform** for quantitative strategy research, submission and profit sharing
 - Optional: develop a **lightweight marketplace for BETA and BTC conversion**
- **Fund launch.** We select articles with trustworthy and reproducible strategies, and trade them in our smart beta book. References will be offered to the corresponding publication(s) for fee sharing
- As the fund grows, we **repurchase our tokens with 25% of management fee per quarter**
 - Aimed to maximize the token Sharpe ratio
 - Donated to the foundation and devoted to academic research and open-source crypto study



The Outline

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- Who is Crypto Smart Beta?
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Use Cases for BETAs

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- **Subscriptions** to articles and data
- Indisputable **right to invest** in our strategies **at 1 BETA:\$0.01**
 - **Available to lock** in articles and/or strategies before and after production
 - Represent your **maximal investment amount** on that article or strategy
 - All strategies have **capacity limits**. Early BETA allocation guarantees your right to invest.
 - Hot strategies may apply a **book building** process and charge BETAs instead
- Locked tokens earn a percentage **interest rate**.
 - Determined by a professional, designated CryptoSmartBeta Open Market Committee (**COMC**)
 - **Rate contingent** on total, circulating supply, liquidity and many other factors
 - Endeavors to **maximize the long-term growth** of our ecosystem and token value.



Benefit Sharing

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- Published authors:
 - 50% subscription fee sharing
 - Contingent on the cumulative quality score from reviewers
- Data providers:
 - Subscription fee passes through after a 5% service charge
- Referenced authors in live strategies:
 - Choose either structure:
 - Up to 50% cut from management fee
 - Up to 100% cut from incentive fee (if applicable)
 - Contingent on the author's contribution

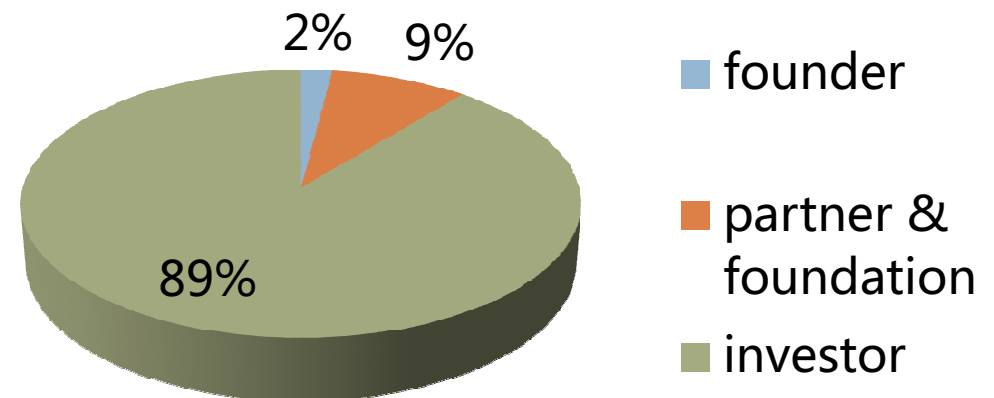


Token Distribution

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- Foundation pool available for mining
 - strategic partner searching
 - Content mining:
 - Article publishing
 - Review
 - Editing
 - Translation
 - Website construction
 - Administrative assistance
- 1:10 mining match between foundation and investor pools
 - Massive airdrops and interest paid by both pools
- Difficulty doubled every time 50% is mined
- Founder and partner's tokens locked for 5 years, to be released 20% a year

**BETA total supply:
100 billion**





Our Columns

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- Our publication area offers high-quality and original crypto analysis purchased from the authors upon peer review
 - **Beta for Pros:** heavyweight research papers intended for professionals with advanced quantitative backgrounds. The scope of the paper covers smart beta / alpha investigation, factor /risk premium analysis, ETF construction, pair arbitrage, statistical arbitrage, exchange arbitrage, high frequency trading, risk management, automatic investment, market making, and the applications of portfolio management techniques that improve simple trading methods.
 - **Beta for Fun:** quantitative and fun crypto analysis, tokenomics and philosophies. Most topics in "Beta for Pros" are covered too except intended for generic readers.
 - **Crypto Insights:** non-quantitative articles in the blockchain domain including crypto overviews, insights, token mechanism / algorithm, macro visions, blockchain techniques, etc. They serve as educational resource and crypto knowledge base.



Content Mining

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- Long-term:

Column	Publish	Bonus	Review	Edit	Translation
Beta for Pros	400k	2.5%	100k	100k	100k
Beta for Fun	250k	1.5%	60k	60k	100k
Crypto Insights	150k	1%	40k	40k	100k

- The nature of compensation
 - Aims to purchase the right to publish and advertise articles in our website and social media accounts
 - We will always include author's name or the original link to the publication on our site.
- Publication **Bonus**
 - Every publication offers the right to increase your publication bonus by a percentage
 - New bonus tier effective every time 5% stacked, starting 0, 5%, 10%, ...
 - Permanent for 'Beta for Pros' authors. 1 submission required every two months to maintain the bonus match for other columns, otherwise it will be canceled
 - Effective for a year and subject to change
 - Locked for 5 years and release 20% every year



Content Mining, con'd

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- Short-term:

Column	Quality Content Award	Article Support Plan
Beta for Pros	160k	130k
Beta for Fun	100k	80k
Crypto Insights	60k	50k

- Quality Content Award

- We award BETAs to selected, unpublished article submissions with high quality
- You are welcome to publish your work anywhere, as long as it states 'This article received the Quality Content Award from cryptosmartbeta.com.' at the beginning

- Article Support Plan

- We endorse BETAs to unpublished articles with high quality from invited authors
- You are welcome to publish your work anywhere, as long as it states 'This article is supported by cryptosmartbeta.com.' at the beginning



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Summary

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- Crypto Smart Beta boasts a **professional, quantitative team** in stock and futures markets.
- We see **abundant investment opportunities** in the crypto market by conventional research tools
- We seek to **optimize the production relations** in two highly centralized areas: peer-reviewed publishing and crypto asset management. Together with fund performance, they provide the basis for project valuation
- We designed **rich tokenomics** for our BETA token. Multiple use cases offer fundamental support to the token value



Thank you!

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Our website :
cryptosmartbeta



WeChat Official Account



Twitter



Telegram

