Top 50 Crypto Smart Index

A sensible approach

Crypto is a young and emergent asset class

SwissOne CAPITAL

SwissOne Capital AG
FINMA Licensed for Fund Distribution in Switzerland
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SwissOne Capital is an alternative investment advisor, we create sensible investment products and specialise in Crypto Assets

Our flagship product, the Smart Index Crypto Fund, delivers uncorrelated returns that track the broader crypto market. A secure diversified portfolio, passively managed and operating in a regulated environment gives our investors peace of mind.

Our investment overview

01. A 2% allocation to Crypto Assets provides a potential 5-20%+ performance above global benchmarks in a balanced portfolio over the next 5 years – for an effective 2% worst case risk premium.

02. Enhanced Portfolio Diversification: The Crypto ecosystem is completely uncorrelated to traditional assets.

03. Strong Return vs Risk Profile: The potential for growth far exceeds the investment risk. Significantly higher Sortino ratio compared to traditional assets with a highly asymmetric risk/return payoff profile.

04. Global trends signal a fundamental NEED for this new asset class:

- Inflationary global fiat currencies create a natural increasing demand for alternative stores of value over time;
- the global population using the internet has increased to 62% from 35% (in 2013) while more than half the population remain unbanked.

Performance*

Asset	1m	3m	YTD	Inception
SwissOne Top 50	54.7%	35.3%	382.6%	646.4%
Bitcoin	11.7%	32.1%	62.6%	412.7%
S&P	2.9%	7.6%	20.4%	48.9%

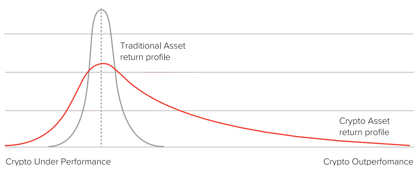
* Performance data as at 31 August 2021

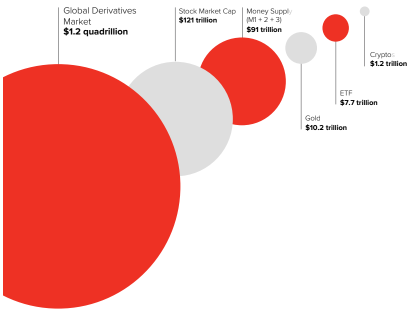
Smart Index Crypto Fund

A Top 50 index fund to capture crypto's vast return potential

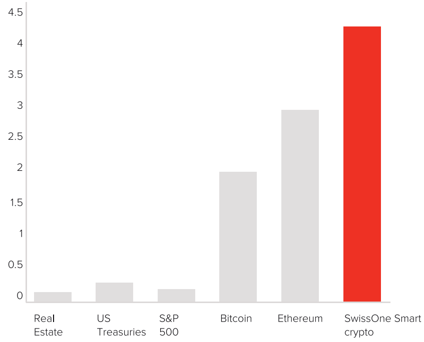
PORTFOLIO OBJECTIVE	A Caymans licensed fund with a broad exposure to the cryptocurrency market with institutional grade security of assets
INVESTMENT HORIZON	Long term investment > 5 years
UNDERLYING ASSETS	Top 50 by market cap Cryptocurrencies and tokens, equally weighted
PORTFOLIO RISK	High Risk
FEES	2.0% annual fee 20% performance fee
LIQUIDITY	Monthly No liquidity limits
EXPECTED FUND SIZE	The Fund can accommodate \$100- \$200 mill (based on current market size)
FUND INCEPTION	1 November 2019
MINIMUM CONTRIBUTION	€100,000 (Certificate: €1,000)
SECURITY	Institutional grade custody, Cold Storage / Exchange Storage / Multi-Sig Transactions
FUND LEGAL STRUCTURE	Registered Cayman Islands Mutual fund
ADVISORS	SwissOne Capital
ISIN	KYG8624B1234

Making sense of crypto investing





SORTINO RATIO FOR DIFFERENT ASSET CLASSES



Enhanced Portfolio Diversification
Crypto is a completely uncorrelated to traditional assets.

Massive Growth Potential
Crypto Market Cap could grow over 10x and still be valued at a fraction of total traditional assets.

Excellent Return vs Risk
The potential for growth far exceeds the investment risk. Significantly higher Sortino ratio (4.5x) with a highly asymmetric risk/return payoff profile.

Crypto can no longer be ignored

Even though there are risks associated with the asset class, the diversification, uncorrelated behaviour and asymmetrical return characteristics make it an invaluable inclusion in a multi asset portfolio. Even a small weighting in crypto assets will create material upside, with negligible portfolio downside risks.

+383%

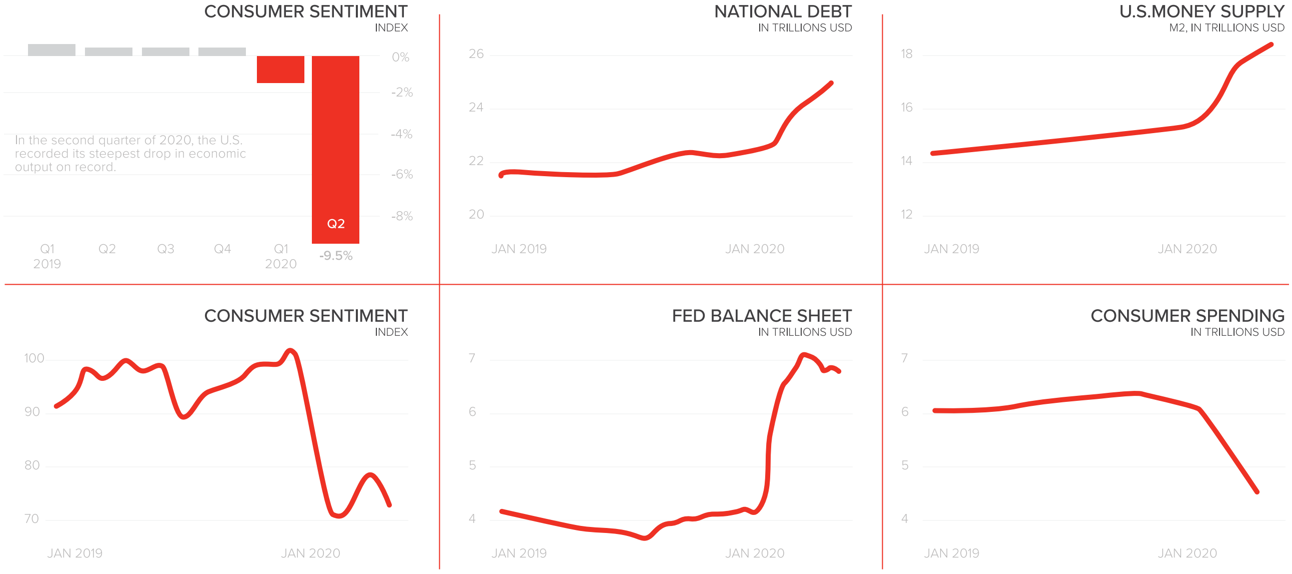
SwissOne Index

Performance year to date

Data as at 31 Aug 2021

Traditional finance is broken

Alternative solutions are inevitable



$3 trillion printed since start of COVID-19 against limited supply of deflationary Bitcoin

Crypto vs traditional assets

+63% YTD

Bitcoin

+20% YTD

S&P 500

-3% YTD

Bond ETF

-9% YTD

Gold per ounce (USD)

Source: SwissOne Capital. Bloomberg, Coinmarketcap. Data as at 31 Aug 2021

Technology behind Crypto Assets offers uncorrelated growth

In the wake of the gold rush, large new infrastructure was built to support the ever-growing demand for Gold. New innovative tools were developed for more effective mining. A leap forward in underground construction and architecture was achieved. Exchange houses and trusted network of operators were developed. Security industries and routes for delivering commodity safely were established. The list goes on.

While the price of gold increased exponentially in the early years, the growth shown in these support products and services industries were in many cases performed 10x that of the Gold price and in some cases 100x.

The Top 10 or even 20 Crypto Assets do not encompass the depth of the ecosystem

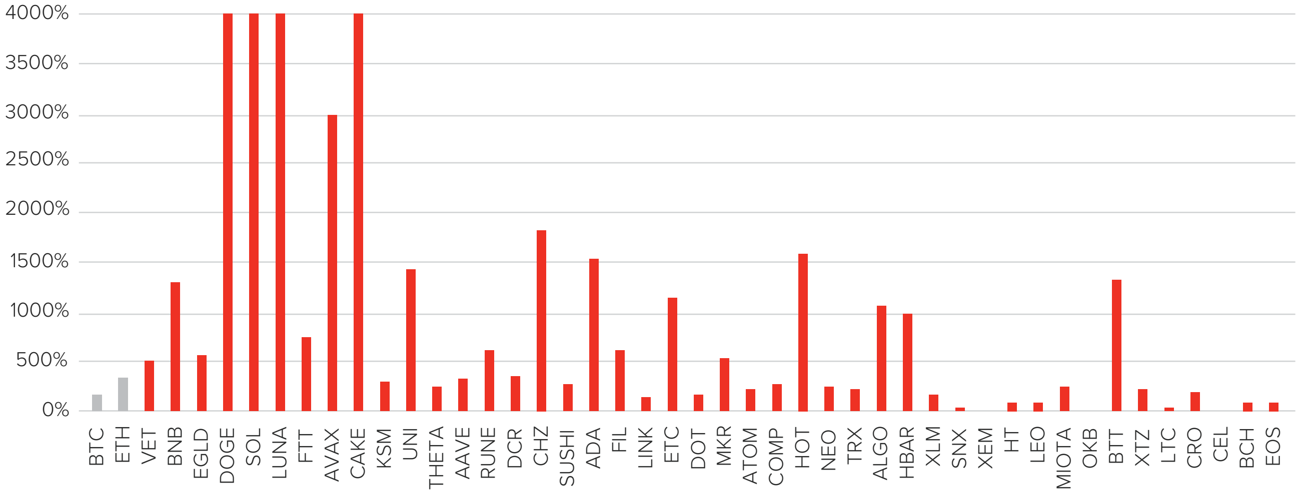
Crypto comprises of different broad asset classes within the crypto class. Only a large basket will give this diversification. Decentralised Finance ("DeFi") is seen as the next emerging asset class within cryptos.
As Defi grows the products and services required to support the entire ecosystem creates greater growth opportunities forming part of the "Digital Gold Rush".

Asset Class	Top 10	Top 20	Top 50
Currency	50%	35%	20%
Exchange	10%	5%	9%
Platform	40%	35%	39%
Other	0%	25%	28%

50% of Top 10 made up of currencies

Top 50 encompasses larger growth potential

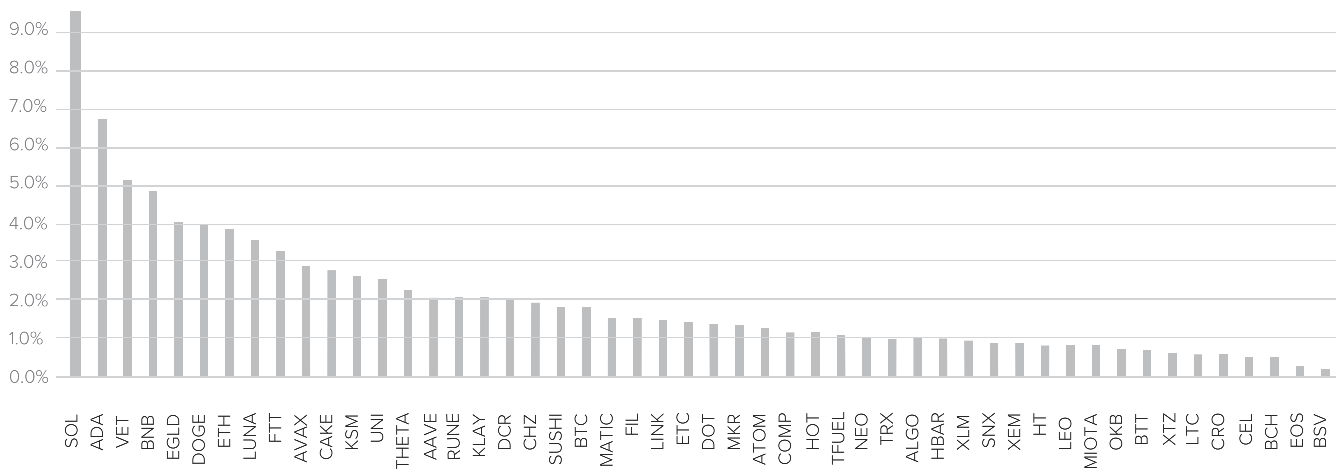
Top 50 crypto asset performance year-to-date



Source: Coingecko

Therefore, sufficient depth and diversification is the solution

Swissone Capital Top 50 index exposure breakdown



Data as at 31 August 2021

An experienced & forward thinking team

Non-executives

Michael Pawlowski
Founder

Antony Turner
Founder

Hugo Van Veen
CIO

Cees Jan Quirijns
Board Member & Advisor

Tyron Birkmeir
Board Member & Advisor

Executives

Steffen Bassler
CEO

Kenny Hearn
Fund Manager &
Head of Research

Coin Focus Research

Aave (AAVE)

Why

Fundamental to any monetary system is the ability to borrow and lend assets or funds encumbered by those assets that are not currently required by the owner. The benefits are twofold: (1) owners can earn a return while the assets are not being used, and (2), value can be transferred across the system and used to create more value elsewhere. In traditional monetary environments, banks are used for these purposes. In the DeFi system, decentralised, open source and non-custodial protocols are used.

What

Aave is a decentralized non-custodial money market protocol where users can participate as depositors or borrowers. Depositors provide liquidity to the market to earn a passive income, while borrowers are able to borrow in an over-collateralized (perpetually) or under-collateralized (one-block liquidity) fashion.
The Aave protocol has been audited and secured. The protocol is completely open source, which allows anyone to interact with the user interface client, API or directly with the smart contracts on the Ethereum network. Being open source means that developers are able to build any third-party service or application to interact with the protocol thereby enriching the product offering.

How

In order to use the service, users simply deposit the preferred asset and amount. After depositing, users earn passive income based on the market borrowing demand. Additionally, depositing assets allow users to borrow by utilizing deposited assets as a collateral. Any interest earned by depositing funds helps to offset the interest rate accumulated by borrowing.
The platform earns 2 types of income streams. From borrowers, a 0.00001% of the loan amount is collected on loan origination, from which 20% is used for referral integrators and 80% is swapped to the LEND token and burned (similar to a share buy-back). From Flash Loans, a 0.09% is collected from the loan amount, from which 70% is redirected as extra income for depositors of the protocol and 30% is split using the same 20%/80% model of the origination fee.

CARDANO (ADA)

Why

Unlike successful protocols such as TCP/IP, there is a lack of layering in the design of many cryptocurrencies. On many protocols there is a tendency to preserve a single notion of consensus around facts and events recorded in a single ledger, regardless of whether it makes sense. Many projects lack appreciation for prior results in mainstream cryptographic research. In many cryptocurrencies' effort for anonymity and take out central actors these projects discarded the need for stable ID's, metadata and reputation in commercial transactions. Cardano seeks to bring a blockchain to the market that overcome these challenges.

What

Cardano's multi layer protocol performs advanced functions, and has at its foundation a settlement layer that is elegantly linked to a control layer. The settlement layer will have a unit of account, while the control layer will run smart contracts. The control layer will be programmed to recognise identity, assisting compliance and allowing blacklisting for instance.

How

As a whole, the protocol's design is geared towards protecting privacy rights of users, while also taking into account the needs of regulators. In doing so, Cardano is the first protocol with a primary goal to balance these requirements in a nuanced and effective way for cryptocurrencies.Completely open source and patent-free, Cardano was built in a spirit of collaboration.

Compound (COMP)

Why

The market for cryptocurrencies and digital blockchain assets has developed into a vibrant ecosystem of investors, speculators, and traders, exchanging thousands of blockchain assets. Unfortunately, the sophistication of financial markets has not followed: participants have little capability of trading the time value of assets. For blockchain assets, two major flaws exist today:

- Borrowing mechanisms are extremely limited, which contributes to mispriced assets (e.g. “scamcoins” with unfathomable valuations, because there’s no way to short them)
- Blockchain assets have negative yield, resulting from significant storage costs and risks (both on-exchange and off-exchange), without natural interest rates to offset those costs. This contributes to volatility, as holding is disincentivized.
- Centralised exchanges provide for the trading of assets on margin but are limited to certain customers and mainstream assets.
- Current peer-to-peer protocols that facilitate loans force significant costs and frictions onto users.

What

Compound introduces a decentralized system for the frictionless borrowing of Ethereum tokens without the flaws of existing approaches, enabling proper money markets to function, and creating a safe positive-yield approach to storing assets. Compound is a protocol on the Ethereum blockchain that establishes money markets, which are pools of assets with algorithmically derived interest rates, based on the supply and demand for the asset.

Each money market has interest rates that are determined by the supply and demand of the underlying asset; when demand to borrow an asset grows, or when supply is removed, interest rates increase, incentivizing additional liquidity

How

Suppliers (and borrowers) of an asset interact directly with the protocol, earning (and paying) a floating interest rate, without having to negotiate terms such as maturity, interest rate, or collateral with a peer or counter party. Individuals with long-term investments in Ether and tokens (“HODLers”) can use a Compound money market as a source of additional returns on their investment. For example, a user that owns Augur can supply their tokens to the Compound protocol, and earn interest (denominated in Augur) without having to manage their asset, fulfil loan requests or take speculative risks.

Cosmos (ATOM)

Why

Blockchains are currently siloed and unable to communicate with each other. Blockains are extremely challenging to build from scratch and many face scalability challenges when processing large amounts of transactions. Cosmos solves these problems with a new technical vision.

What

The vision of Cosmos is to make it easy for developers to build blockchains and break the barriers between block-chains by allowing them to transact with each other. The end goal is to create an Internet of Blockchains, a network of blockchains able to communicate with each other in a decentralized way. With Cosmos, blockchains can maintain sovereignty, process transactions quickly and communicate with other blockchains in the ecosystem, making it optimal for a variety of use cases.

How

This vision is achieved through a set of open source tools like Tendermint (reduces the development time of a blockchain from years to weeks), the Cosmos SDK (generalized framework that simplifies the process of building secure blockchain applications) and IBC (inter-blockchain communication protocol that leverages the instant finality property of Tendermint consensus) designed to let people build custom, secure, scalable and interoperable blockchain applications quickly.

Crypto.com (CRO)

Why

Crypto.com is on a mission to accelerate the world's transition to the use of cryptocurrency through all means necessary in every way possible. Crypto.com has taken a clear view that the world needs to make use of cryptocurrency and that mass adoption is inevitable.

What

The Crypto.com current core offering is its exchange that is still in its Beta version and offers 90 days trading free of any fees. It offers Visa metal cards in relevant jurisdictions for payments services while offering tiered levels of cards based on numbers of coins staked which also translates into rewards with service providers such as Spotify, Netflix, Amazon, Airbnb and more. It offers the ability to earn rewards for the staking of a variety of assets on its platform. It offers crypto credit facilities on deposits it receives into its platform. It has a merchant API and platform for ecommerce sites to receive payments via crypto. Finally, it is a crypto wallet provider.

How

Crypto.com has over 360 employees worldwide with it headquarters in Hong Kong. Clearly its relationship with Visa is a critical differentiating product in the Crypto industry. It continues to develop and build strong commercial relationships with the top traditional tech companies around the globe. This is contributing to the acceleration of mass adoption of Crypto globally.

Kyber Network (KNC)

Why

Kyber Network is an on-chain exchange that allows instant trading and conversion of cryptocurrencies and tokens with high liquidity. It does so by aggregating liquidity from a wide range of reserves. KNC is an Ethereum token that fuels operations on the decentralized exchange (DEX).

What

Kyber Network is connecting the fragmented tokenized world by enabling instant and seamless transactions between platforms, ecosystems and other use cases.

How

Kyber is an on-chain liquidity protocol that anyone can tap into for a wide variety of inter-token use cases. For example, vendors are able to accept payments in multiple tokens on their e-commerce platforms yet receiving in their preferred token. In addition, dApps can allow users who are not their token holders to utilize their platform and services with other tokens, and decentralized financial projects have the means to rebalance their portfolio instantly.

FTX Token (FTT)

Why

Before launching its exchange, FTX had been one of the largest crypto futures traders in the 2 years leading up to its launch. It found many problems with top futures exchanges including: clawbacks from other accounts to cover loss, tedious collateral requirements and poor liquidity. The team at FTX wrote a number of whitepapers with significant feedback and suggestions to the existing exchanges to no avail.

What

FTX is a cryptocurrency exchange built by traders, for traders. FTX offers innovative products including industry-first derivatives, options, volatility products and leveraged tokens. It strives to develop a platform robust enough for professional trading firms and intuitive enough for first-time users. FTT token holders are rewarded through token burns (token “buy-backs”) and dividends from revenues generated from exchange fees generated on the platform.

How

FTX differentiates itself by providing:

- Clawback prevention: significant amounts of customer funds on other derivatives exchanges has been claimed by socialized losses. FTX significantly reduces the likelihood of clawbacks ever occurring by using a three-tiered liquidation model.
- Centralized Collateral Pool + Universal Stablecoin Settlement: With existing futures exchanges, collateral is fragmented across many separate tokens and margin wallets. This makes it difficult for traders to rebalance and prevent positions from getting liquidated. To solve these issues, FTX derivatives are stablecoin-settled and require only one universal margin wallet.
- Innovative New Products: Leveraged Tokens - These tokens allow traders to put on short or leveraged positions without having to margin trade. For instance, a trader who wants to 3x short Bitcoin can simply buy a 3x short Bitcoin leveraged token on FTX.

Monero (XMR)

Why

Based on blockchain technology, most cryptocurrencies have an open and public ledger. While this is required for these systems to work, it comes with a significant downside: Privacy is often quite limited. There are quite simple ways to analyze the public blockchains and peer-to-peer networks of cryptocurrencies like Bitcoin, to cluster addresses and tie them to IP addresses or other identifying information. Dissatisfied with Bitcoin's privacy features, Monero was born (forked out of Bytecoin) with the specific goal to improve on these features over the years.

What

Monero is a privacy-focused cryptocurrency and one of the first "altcoins" not based on Bitcoin's codebase (rather CryptoNote protocol). It differs from Bitcoin in several ways. For example, Monero does not have a limited supply; instead, it has an emission schedule that will slightly inflate the money supply forever. Monero rolls out scheduled hard forks about twice a year, and its latest version also has an ASIC-resistant, proof-of-work algorithm, meaning the cryptocurrency is mined by GPUs and CPUs only.

Monero has privacy embedded in its protocol. Where Bitcoin and other coins offer privacy features as an option, Monero is one of few cryptocurrencies where privacy is both default and required.

How

Monero achieves its privacy in two ways:

Most notably, Monero achieves privacy through a clever trick called "Ring Confidential Transactions" (RingCT). Using ring signatures, completely different coins can be added to the same transaction as "decoys" without revealing which one was really signed. On top of this, a cryptographic trick called the Pedersen commitment, anyone can still perform math on the blinded amounts. Secondly, Monero uses stealth addresses, In short, using a stealth address, the sender of a transaction can generate a new Monero address to send XMR to, with some additional data. This additional data can, in turn, be used by the owner of the stealth address (and only the owner of the stealth address) to generate the corresponding private key and access these funds. Importantly, no one but the sender and receiver know that the stealth address and the actual Monero address match. And because every sender would generate a new and unique receiving address, Monero users can post their stealth address anywhere, without worrying that corresponding transactions on the blockchain can be linked to them.

OMG Network (OMG)

Why

The OMG Network's catch phrase: "We scale Ethereum" really says it all. The Ethereum Blockchain like most permissionless Blockchain platforms face scaling challenges at the first layer of the architecture. Currently, there is a race to solve these challenges on the Ethereum platform given the high payoff potential. Some of these solutions include Plasma and Sharding which enable a significant increment of performance by partitioning the data, and, ultimately, unlocking parallel execution of the transactions.

What

The OMG Network is a trustless, non-custodial, Layer-2 scaling solution for transferring value on Ethereum. The OMG Network's Enterprise Plasma solution enables the transfer of ETH and ERC20 tokens at a throughput of thousands of transactions per second; reduces costs for businesses or projects operating on the Ethereum Network by at least 1/3; Ethereum-level security supported by decentralised watcher network and smart contract adjudicators; reduces electricity usage.

How

The OMG Network is currently the only production-ready scaling solution for the Ethereum blockchain. Their implementation partners provide a complete Enterprise Plasma solution. The Network consists of a ecosystem of integration partners provide end-to-end business solutions. Developers can integrate with the OMG Network to build efficient applications on top of the Ethereum Network.

OMG Network users must buy OMG cryptocurrency to pay for work completed by the blockchain. This means every time a party uses an OMG contract, it must pay in OMG, which is then distributed to nodes on the network that enforce contracts according to the rules.

Bitfinex recently employed the OMG Network solutions for its USDt integration.

Polkadot (DOT)

Why

While blockchains have demonstrated great promise in several fields—Internet of Things (IoT), finance, governance, identity management, web decentralization, and asset-tracking to name a few—design limitations in previous systems have largely hindered large-scale adoption. Polkadot's design offers several distinct advantages over existing and legacy networks, including heterogeneous sharding, scalability, upgradeability, transparent governance and cross-chain composability.

What

Polkadot is a next-generation blockchain protocol that unites an entire network of purpose-built blockchains, allowing them to operate seamlessly together at scale. Because Polkadot allows any type of data to be sent between any type of blockchain, it unlocks a wide range of real-world use cases. By bringing together the best features from multiple specialized blockchains, Polkadot paves the way for new decentralized marketplaces to emerge, offering fairer ways to access services through a variety of apps and providers.

How

All blockchains make different tradeoffs to support specific features and use cases, and as chain specialization increases, the need to transact between them will only increase over time. Polkadot is a sharded blockchain, meaning it connects several chains together in a single network, allowing them to process transactions in parallel and exchange data between chains with security guarantees. Polkadot's unique heterogeneous sharding model, allows each chain in the network to be optimized for a specific use case rather than being forced to adapt to a one-size-fits-all model. More chains and more specialization means more possibilities for innovation.

In the midst of Ethereum's extremely inefficient network challenges, Polkadot entered the frame at an advantageous moment for the blockchain community as it solves many of these challenges. As always the key now is community adoption by developer networks.

Ripple (XRP)

Why

The current global payments infrastructure does not meet today's business or consumer demands. Ripply unlocks the power of blockchain and digital asset technology, financial institutions can dramatically improve the speed, cost and reliability of how people transact around the world. This new era in global finance takes shape in the Internet of Value (IoV)—a world where money moves like information does today. Like the internet's impact on information sharing and communication, the IoV will serve as an explosive catalyst for value exchange: spawning a new chapter in globalization, redefining entire industries and giving rise to new ones.

What

Ripple is both a platform and a currency. The Ripple platform is an open source protocol which is designed to allow fast and cheap transactions. RippleNet is a network of institutional payment-providers such as banks and money services businesses that use solutions developed by Ripple to provide a frictionless experience to send money globally. XRP is a token used for representing the transfer of value across the Ripple Network. The main purpose of XRP is to be a mediator for other - both cryptocurrencies and fiat - exchanges. The best way to describe XRP is a 'Joker' in a pack of playing cards relative to other currencies and crytpos.

How

Unlike Bitcoin or Ethereum, Ripple does not have a block-chain. A cryptocurrency without a Blockchain is unusual - if it doesn't have a Blockchain, how does it verify transactions and perform tasks? For these purposes, Ripple has developed its own patented technology: the Ripple protocol consensus algorithm (RPCA). This technology uses an iterative consensus ledger and validating consensus servers network. Ripple provides for: (1) Low commission currency exchange, (2) Fast international transactions: Average transaction time is 4 seconds versus Bitcoin of c.10mins, (3) Payment ecosystem across diverse asset classes.

Theta Network (THETA)

Why

Today, in many parts of the world, Content Delivery Networks ("CDN's") lack reach which causes video re-buffering and high load times. Furthermore, users are demanding 4k, 8k, and higher quality streams that create infrastructure bottlenecks. The current centralised nature of CDN's results in less revenue flowing back to content creators and platforms.

What

The Theta blockchain is an end-to-end infrastructure for peer-to-peer decentralized video streaming and delivery that provides both technical and economic solutions and/or alternatives to current CDN's that rewards all users in the ecosystem for their participation.

How

The network is powered by the users. Viewers are rewarded through participation in the network by sharing excess bandwidth and resources. The Theta team believes it has the technology through its peer-to-peer network can provide higher quality, smoother video streaming more efficiently than CDN's globally. Therefore, video platforms no longer need to build expensive infrastructure resulting in more innovation and unique business models. Content creators and platforms can therefore earn more with lower streaming costs.

Waves (WAVES)

Why

Waves Tech is a powerful blockchain-agnostic ecosystem focused on inter-chain DeFi, it focuses on technological freedom for blockchain-based finance.
The blockchain industry consists of various isolated mini-ecosystems, all serving different but overlapping purposes. Solving this fragmentation and interconnecting the cumulative functionality of the industry is one of Waves' key points of focus.

What

Rather than to try and squeeze everything in one chain, Waves brings a solution with inter-chain interaction that is blockchain-agnostic, without a new native token, but with its tokenomics based on the respective economies of participating chains.
Waves is currently working on 3 protocols: Waves, Gravity and Neutrino in order to achieve its goals. Waves is an all-encompassing gateway blockchain protocol. Gravity is a decentralized cross-chain and oracle network based on a blockchain-agnostic protocol for communication between blockchains and with the outside world, working with native token economies. Neutrino protocol is a multi-assetization protocol, crypto-collateralized, powered by Waves and acting as an interchain toolkit enabling frictionless DeFi on demand.

How

Gravity provides multi-purpose cross-chain interaction, but without introducing a new Gravity token. The blockchain agnostic no-token approach creates a more inclusive, open ecosystem, while addressing future scaling/stability issues. Gravity empowers all elements of Waves' ecosystem but, more importantly, it acts as a two-way portal between Waves.tech and the entire open finance ecosystem.

VeChain (VET)

Why

Back in 2015, as Blockchain technology and its use cases began to move from pipe dream global trade, healthcare, logistics and many more efficiencies to real world implementation, VeChain was at the centre of this development. The inefficiencies inherent in our current global system of trade and finance can be improve by linking a sophisticated network, the Internet-of-Things (IOT), into organised decentralised Blockchain ecosystems. VeChain focuses on building a trust-free and distributed business ecosystem to enable transparent information flow, efficient collaboration and high-speed value transfer.

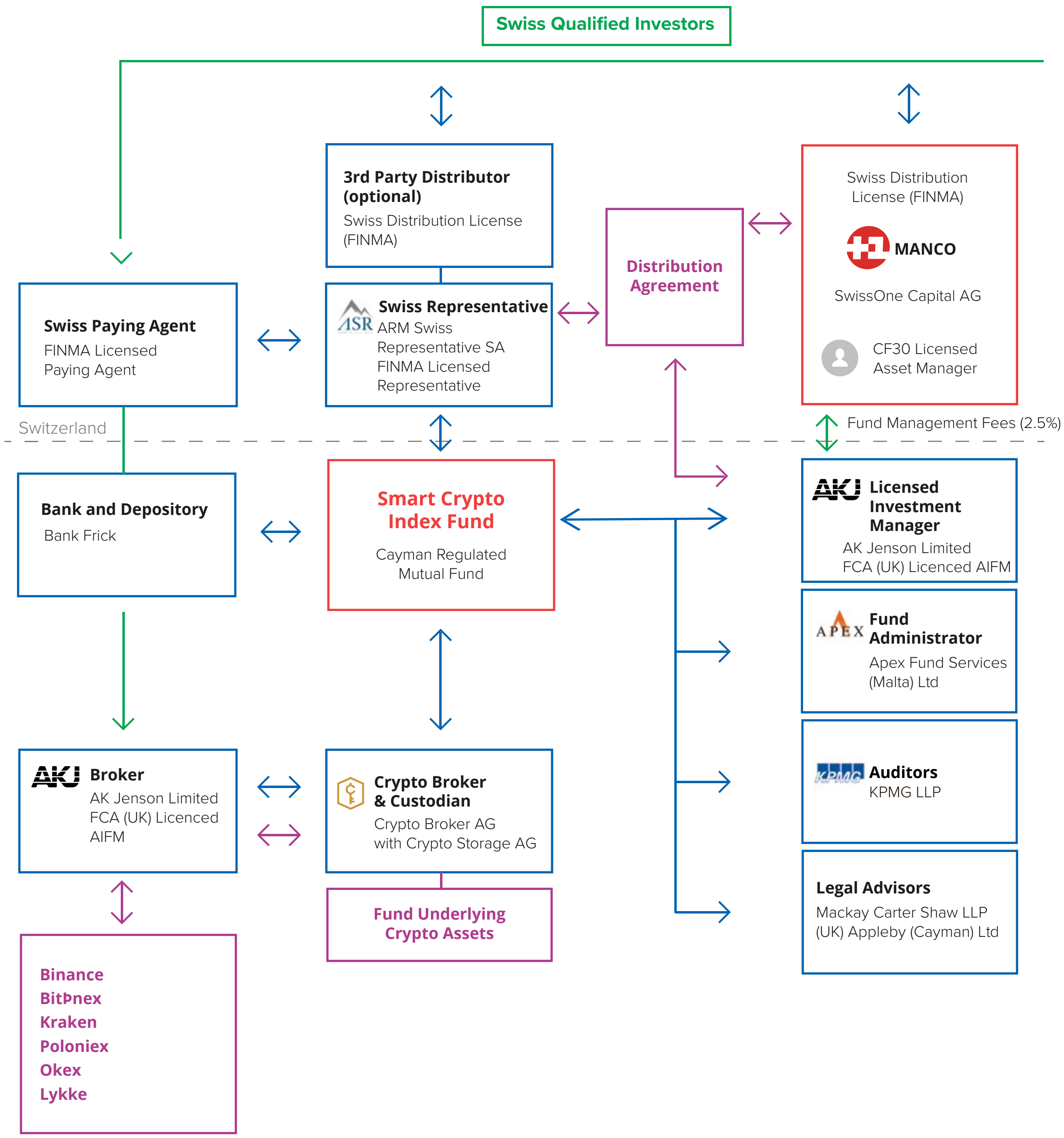
What

VeChain's Blockchain-as-a-Service ("BaaS") platform is called ToolChain. ToolChain is a comprehensive blockchain platform offering diverse services including: product lifecycle management, supply chain process control, data deposit, data certification, and process certification. With ToolChain, any sized business, no matter how large or small, can utilize blockchain technology to further enhance brand perception and value as well as to expand into new business models using immutable data.

How

VeChain has supported digital business transformation use cases for blockchain solutions in industries as diverse as fashion, wine, automobile, food safety, carbon emission reduction and agriculture. It supports robust and secure blockchain infrastructure featuring turnkey solutions with both software and hardware for faster implementation for enterprises and developers.

Your capital is secured through traditional structures



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