



altindex

The first automated index fund of tokens

pág

1	1. INTRODUCTION
4	2. TOKEN ADEX
6	3. INVESTOR PROFILE AND FUNDS
7	4. THE IMPORTANCE OF A TOKENIZED INDEX FUND
9	5. INTELLIGENT SPECIFICATIONS OF THE CONTRACT
10	6. LIQUIDATION OPTION
10	7. DISTRIBUTION AND TOKEN STRUCTURE
12	8. PORTFOLIO CHARACTERISTICS
13	9. REBALANCE
15	10. TECNOLOGY AND SECURITY
16	11. OWN INDEX STRATEGY
17	12. AUTOMATION
18	13. MARKETING AND INVESTOR RELATIONS
18	14. USE OF ICO FUNDS
19	15. REPORTS
20	16. TIMELINE
21	17. CONCLUSION

1 INTRODUCTION



ALTINDEX is a token index fund that uses the transparency and low costs offered by the blockchain technology, the index fund automatically monitors the token market as a whole. ADEX is the token of ALTINDEX and its value is directly related to the value of the 20 best tokens of the moment by real market capitalization.

The peculiarity of ALTINDEX compared to other index funds is that it only tracks tokens. The word "token" in English defines objects similar to the coins that give the right to enjoy a certain property of goods or services, created by the distributor of said goods or services.

Automated index fund

The index fund will use the ICO funds to buy the 20 best tokens in the market by total capitalization. No intermediary fees, no minimum investment and a single exit rate of 1%.

Performance

ALTINDEX provides a way to track the performance of the crypto market as a whole by centralizing the total value in a single token. Index funds have consistently exceeded the managed funds on average since its inception, which makes renewing this form of investment a positive development for the future.

Simple and complete

There are thousands of tokens to choose from, the need to find an ideal one to invest often adds cost and time, ALTINDEX simplifies it, eliminates all intermediaries that add unnecessary costs. In this way ALTINDEX goes directly to the final investor without advisory fees or minimum investment.

The ADEX tokens are directly linked to the 20 tokens that the fund holds at the moment with a revolutionary withdrawal option in the smart contract.

This new option protects the price of the ADEX token and guarantees that it can never fall below the value of the underlying assets.

The fund will be strongly promoted to institutional and retail investors and the only opportunity to buy the ADEX token after the ICO will come from you: the owner, since when the ICO finishes not further tokens will be minted or created.

The index will collect and weight the top 20 tokens by actual market capitalization.

The prices will be extracted from Lescovex, Bitfinex, Bitstamp, GDAX, Gamini, Kraken, Poloniex and Bittrex and will be weighted so that no token has a dominance bigger than 10%, preventing any token from having too much weight in the index fund, thus providing a diversified portfolio.

The fund will be rebalanced weekly.

Margin of growth and market opportunities:

There are everyday more tokens in the market, currently there are more than 5000 tokens, all with an open source platform, whether Ethereum, NEO or Waves among others.

With ALTINDEX you can diversify your portfolio by only acquiring a single crypto active, ADEX.

This would be a propitious way to keep investors solvency safe, ALTINDEX uses an algorithm that cape the 20 best tokens by real market capitalization, due to this, the index fund has greater stability.

Through the platform the ADEX owner will be able to make transactions with an Ethereum wallet quickly and transparently.

Through the platform the owner of ADEX could carry out transactions with a single Ethereum purse, quickly and transparently. ALTINDEX takes into account that the market for cryptocurrencies (and therefore tokens) as of today, still have a slight weight in the stock market, we believe that it has a lot of room for growth. Our platform, together with our ADEX token, covers the needs of investors who are looking for a index fund and a profit margin, but who do not know in what ICO can invest to benefit. ALTINDEX also offers a high value for a low risk, thus minimizing the losses that can generate with a single token.

The Token have had considerable growth upturns and we believe that the best way to take advantage of the slipstream of the market is by creating the index fund that we are presenting, the index is reliable because it does not need human intervention, it is an automated system which collects the values through an algorithm.

Get to invest in a comfortable, reliable and secure way in 20 tokens at the same time with a representative part of it, making it easier and more accessible for the investor.

Our team is convinced that time is gold, so that is why we created ALTINDEX an index that offers simplicity.

Management of funds in the phases:

97% of the collection of the ICO will go to buy the underlying assets, and the remaining 3% will go to operational expenses and security.

Characteristics of our index:

ALTINDEX just tracks the 20 tokens with higher capitalization that are created with open source platforms like Ethereum, NEO or Waves among others.

ALTINDEX has its own DAPP that consists of an automatic system of active crypto exchange at all times.

ALTINDEX uses a FTSE Russell algorithm that ponders (up to a maximum of 10%) the current crypto active with more capitalization of the market, offering the investor an investment alternative designed for the long term.

The index will use an automatic rebalancing that will be managed every week without having to consider the actual weighting of each token or given asset.

Methodology and phases of development:

The structuring of the development of the ICO will consist on several phases, which we will explain below:

-Presentation of the beta phase of the project, which will be subject to changes, in this phase we will do the "informal" presentation of ALTINDEX, accompanied by a web and its platforms in social networks.

-Formal presentation of the project, which will consist of a video presentation, in addition to opening the deadline to participate in the ICO. From this point onwards, the countdown begins.

-Partner's search with whom actively collaborate.

-Development of web applications, alpha phases and feasibility tests.

-Launch of the closed (limited) beta phase of the project on the web platform, study of possible rectifications.

-Advertising campaign and last phase of the ICO, we will collect enough endorsement before the end of the term.

-Development of special MasterCard cards for ADEX owners.

-Launch of ALTINDEX and publication of the use of funds to make it possible.

Post ICO phase:

-Launch of the wallet that will facilitate the use of transactions (own platform)

-Advertising campaign to lure investors

-Launch of special MasterCard cards for ADEX owners.

-Development of mobile applications, alpha phases and viability tests.

-Launch of more financial products under the ALTINDEX brand.

2 TOKEN ADEX

The ADEX token is designed to be safe and ideal as a means of exposure in the token market, designed for all those investors interested in having a diversified and transparent portfolio.

ADEX is directly related to the value of the underlying assets of the fund, that is, the 20 tokens that the fund has at that moment. Its value can exceed the value of the fund, by aggregate demand of potential investors interested in the investment mechanism offered by ALTINDEX.

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The smart contract of ALTINDEX allows to liquidate ADEX at any time from the platform, the settlement will be made automatically to the next update of the net value of the assets of the fund.

This withdrawal functionality imposes a lower price limit on the exchange value of the ADEX token. We directly link the value of the underlying asset of the fund to all tokens through regular price updates. All transactional information is handled by Metamask or an Ethereum customer of your choice.

Our smart contract will be available in our Github (ALT-INDEX).

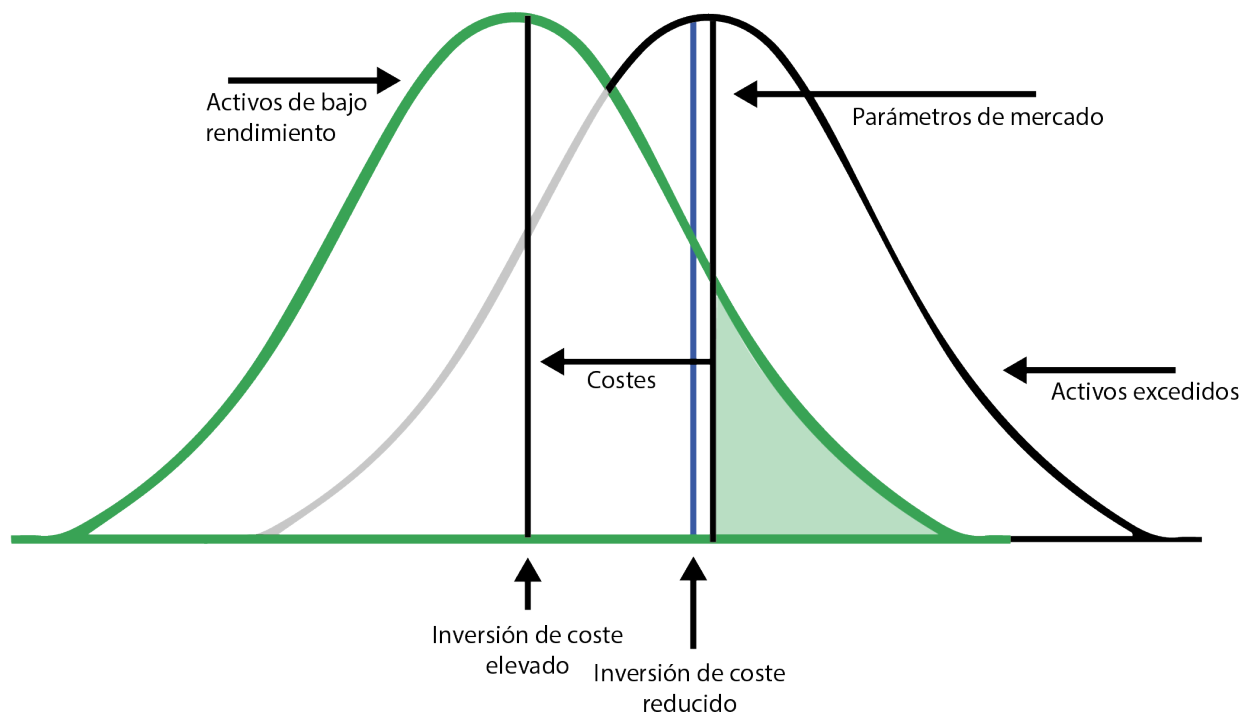
We use a 'forward pricing' methodology:

The forward pricing is based on a term price policy. It is the SEC's mandatory policy for processing orders to buy and sell open shares of mutual funds at the net asset value (NAV) as of the next market close (is not the most recent market close). In our case, the sale orders will be executed automatically once the next net asset value of the fund is published.

(EXAMPLE):

For example, let's say you place an order today to buy \$ X 100 XYZ units this morning. Yesterday evening, XYZ had a net asset value (NAV) of \$ 10 per share. Your transaction probably will not occur at the NAV price of \$ 10, because the mutual fund company must fulfill with the pricing rules. Due the net asset value of a mutual fund is recalculated after the market has closed for one day, you will end up buying the shares at the future price, or at the liquidation price on the day of the negotiation's end. Imagine that, after the market closes today, the NAV price of the mutual fund XYZ is recalculated and the new NAV price is \$ 8. The \$ 100 order you made today will end up buying 12.5 units at \$ 8 per Token instead of 10 units at \$ 10 per token.

3 INVESTOR PROFILE AND FUNDS



In the stock market indices the typical portfolio is a key component, with it you can understand which are the predilections of the investors, understanding in this way the need to create the stock index based on a token, fact that makes it indispensable and extremely attractive.

The management of funds will mainly give greater value to the token in question in the market, which we will call product of investment.

The legal structure that protects the product are:

Law 34/2002, on services of the information society and electronic commerce, is the regulatory norm of electronic trade and other Internet services when they are part of an economic activity

Other rules that regulate commercial activity on the Internet are:

Law 7/1996, of January 15th, on the Regulation of Retail Trade.

Law 7/1998, of April 13th, on General Contract Conditions.

Royal Legislative Decree 1/2007, of November 16, approving the revised text of the General Law for the Defense of Consumers and Users and other complementary laws.

In the case of a withdrawal of said token or product, the investor can avail himself of the Article 76 Return of sums received by the employer. When the consumer and user has exercised the withdrawal right, the employer is forced to return the sums paid by the consumer and user without withholding expenses.

The refund of these sums must be made without undue delay and, in any case, before 14 calendar days have elapsed from the date in which the decision of withdrawing the contract was informed by the consumer and user.

Likewise, but, we added that, the withdrawal would be effective according to the price of the product at that time. Being an investment product and high risk, we can not ensure a return or return of its effective amount, that will depend on market fluctuations, therefore, a withdrawal would leave the price of the product to chance, although the investor, legally can resort to it.

4 THE IMPORTANCE OF A TOKENIZED INDEX FUND

With the emergence of the Ethereum ecosystem (a chain of blocks inspired by Bitcoin, but with the aim of creating a universal language that would allow anyone to create self-executing applications within its blockchain), the possibility of creating tokens representing real rights was introduced, and / or fungible services that could be traded. And they could be materials such as gold bars, financial or real estate assets, or intangible as storage space on disk or software developments, and also on services. These tokens can be exchanged between wallets, subdivided into decimal units, and even bought and sold in organized markets.

Hence the revolution involved in the “tokenization” of the economy, also known as “tokenomics”, since goods and rights that by their intrinsic characteristics could not be traded, by dematerializing through tokens can be done with total freedom, and without more limitations than the legal ones inherent in these tokens.

There are also other platforms based on blockchains such as NXT, NEO, Waves or Omni (the latest built as a chain of side blocks or Bitcoin sidechain) have also allowed to create tokens. However, the vast majority of existing tokens today are made on the Ethereum blockchain using a standard known as ERC20. Currently the Ethereum developers are working on a more advanced standard known as ERC223.

At ALTINDEX, we believe it is vital to implement an index fund that successfully tracks the performance of the tokens as a whole, ADEX has been designed to complete that purpose.

Investment in indexes has experienced a great growth since the creation of the first mutual fund. This has proven to be a way successful investment, the low cost involved has allowed index funds to outperform most of the funds actively managed in the market.

Most funds managed with large capitalization did not exceed their benchmarks. Choosing a winning managed fund has a low probability: it has been shown that future performance is practically random.

An index fund allows investors to track in the index the underlying trend behind the selection of assets without being dependent on one. There is no active trade apart from the rebalancing of weekly assets. This allows the fund to constantly track the market, even if some of the original assets fall.

ALTINDEX's tokenized portfolio would be the first in the world to include a portfolio based on the best tokens of the market, the cryptoactives with more growth within the sector thanks to each of the projects that support them. The purpose of this investment fund is to provide the least risk to those investors who see too high a risk in investing in a particular cryptoactive / technology due to their volatility, in addition, it is intended to attract small investors.

ALTINDEX offers a diversified and weighted portfolio that reduces the exponential risk of the sudden change in the price of a single token in addition to offering lower fees. Every day the methods of payment of cryptoactive, increases, so that the ease of access to them is greater.

"The more complex societies become, and the more complex are the networks of interdependence within and outside the boundaries of communities and nations, a greater number of people will be interested in finding non-zero sum solutions. That is, profit-profit solutions instead of profit-loss solutions ... Because we discovered that the more our interdependence grows, we generally prosper when others also prosper" Bill Clinton, interview in Wired, December 2000

JUEGO SUMA CERO

		DISTINTAS	
		CARA	CRUZ
IGUALES	CARA	1 -1	-1 1
	CRUZ	-1 1	1 -1

		EMPRESA B	
		PRECIO 1000	PRECIO 2000
EMPRESA A	PRECIO 1000	50% 50%	100% 0
	PRECIO 2000	0 100%	25% 25%

The zero-sum game is the central concept underlying the case of the index fund, the investment is that of the zero-sum game itself.

This theory states that, at any given moment, the market consists of accumulated holdings of all investors, so the aggregate to market performance is equal to the weighted return on the assets of all market participants, since the market performance represents the average return of all investors.

For each position that exceeds the market, there must be a position that undermines the market by the same amount, so that, in aggregate, the excess return of all the assets invested is equal to zero. This zero sum around the weighted average market return means that for every profitable trade that an investor makes, another investor must do the opposite of that trade and incur a relative loss to the market. This is true regardless of whether the currency or cryptocurrent in question is correctly appraised or not, and for the same reason, the zero sum in game theory must apply regardless of the market direction.

The distribution of market returns will thus center around one-half - the ALTINDEX index aims to track it. Logically we have a token basket that we hope to capture in this average return - we expect to see some token yield less and others with a higher yield, the sum of the returns must provide the return of the average or the market / index.

5 INTELLIGENT SPECIFICATIONS OF THE CONTRACT

Reasons to choose the Ethereum Blockchain (ERC20):

- Solid and functional blockchain
- Personalization and development
- Transparent platform
- Versatility.

Ethereum offers the possibility of using a large number of portfolios that are compatible with ADEX.

The token-ether price relationship is adjusted dynamically during the presale depending on the current price of the token in each period.

Participants can send ethers to the contract directly or through the buy functions. The purchase amount in ethers is used to calculate the purchased tokens that are then added to the balance of the participant account. The participant account (the account that is loaded with tokens) is the account of the sender when using the purchase and backup function or the specified address when using the buyTo function.

In ALTINDEX we use two-level authorization to protect the fund against possible attacks, this allows blockchain development and automation of operations.

The 'withdrawalrequest' option provided by the intelligent contract of ALTINDEX completely removes the investment in active crypto. It allows to operate legally without depending on brokers or third companies that would reduce the final benefit for the investor.

At ALTINDEX we make sure to offer the investor a direct connection to the market of the tokens, without intermediaries and with a very competitive annual commission of only 0.5%.

6 LIQUIDATION OPTION

The withdrawal option used by ALTINDEX allows any investor to retire without the need for long waiting periods, it is a new system that offers investor security that the value of the ADEX token is never less than the net value of the assets (NAV). This system prevents the manipulation of the market on the value of the ADEX token. Even so, the value of the token may increase depending on the aggregate demand, that is, the number of investors interested in buying a share, in this case ADEX, of the index fund.

The ADEX tokens will be linked to the intelligent contract in order to automate the settlement option. More or less ETH will be added to the contract, to increase liquidity, depending on the settlement requests at the next update of the net asset value (NAV).

When an investor uses the settlement option, the ADEX tokens are transferred to the ALTINDEX managers, these tokens are subsequently sold to the exchanges at the highest market value.

7 DISTRIBUTION AND TOKEN STRUCTURE

The ADEX tokens will be offered to the public through pre-sale and ICO. Being an index fund, the product would be compromised if more tokens were mined or created once the ICO is finished, for that reason the ADEX tokens will be limited and all those that are not sold during the established period will be eliminated with the 'burn' function of the intelligent contract.

The tokens will be transferable to any portfolio that supports Ethereum tokens once the ICO period ends and the assets of the fund are acquired. This is done to avoid possible purchase / sales between third parties.

The investment can be made in ETH and the funds invested will be blocked at the time of the investment according to the market rates and considering the contribution of the participant.

Summary:

- 6.0% ALTINDEX Team
- 2.5% Advisory team
- 0.5% Marketing and investor relations
- 0.5 % Legal and audit post ICO
- 0.5% security - Systems and smart contract
- 90% of ICO participants

The ALTINDEX team tokens will be blocked for 1 year to ensure that the team incentives are aligned with the ICO participants. This is enabled through a public intelligent contract 'vault'.

Token type:

ADEX - Ethereum Blockchain

Maximum supply (Hard Cap): 12,000,000

Minimum contribution from ICO: 0.25 ETH

Price for token:

Presale (up to 150.000 tokens):

Presale first week: \$ 0.90

Presale second - third week: \$ 0.95

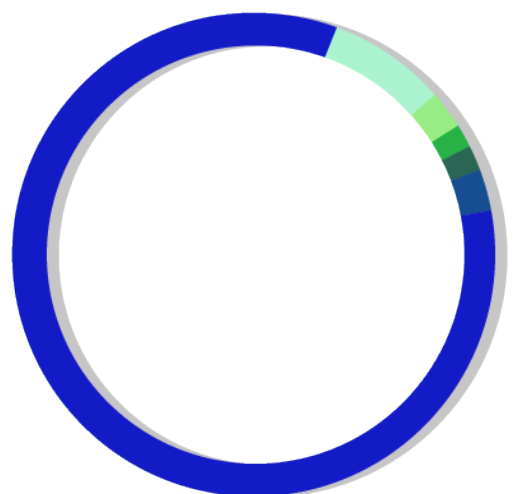
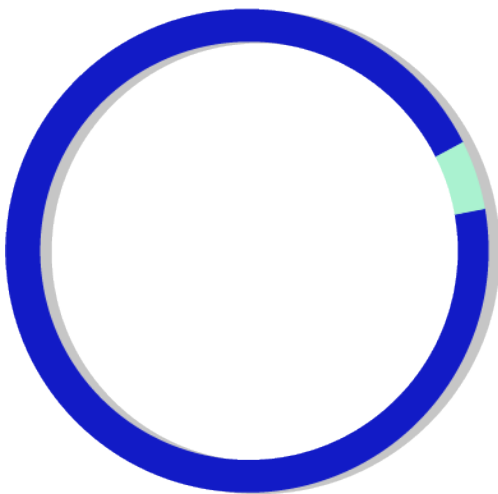
ICO

First 3 days of ICO: \$ 1.00

Fourth day to second week of ICO: \$ 1.05

Third week of ICO: \$ 1.10

Fourth week to sixth ICO: \$ 1.15



8 PORTFOLIO CHARACTERISTICS

Long-term:

Because the returns of cryptoactives are resolved and increasingly resemble the returns of an investment in the conventional market, the market becomes more efficient, causing the altcoins to relinquish dominance to the more dominant cryptoactives, so, exchange rates will become more significant as they grow with respect to earnings. Predicting the increase and fall of tokens is almost impossible, and remarkably difficult even in traditional markets.

An index strategy was agreed upon: now ALTINDEX focuses on diversifying market exposure, reducing costs and increasing the transparency of the consequent.

Development of the tests:

After several tests, it was concluded that an autonomous index fund that rebalanced each week and collected the best 20 tokens on the market was the best way to create a diversified, safe and reliable portfolio.

Step 1: Rebalancing

The rebalancing consists of adjusting a diversified portfolio over time, so that, thanks to this, there is a follow-up of the asset purchase and its composition.

An indexed fund that rebalances reduces risk and also increases the average return. We investigated several periods of rebalancing and we concluded that the weekly is the most optimal, because the daily rebalancing entailed an additional cost, and the monthly re-balances it. We also took into account the non-rebalancing, which was clearly ruled out.

Step 2: Weighting

The weighting of each asset is given by the capping of FTSE Russel, it will also have an automation system, although it is possible to adopt a hybrid model at the beginning, only to ensure that there are no undesirable anomalies in the system. The algorithm makes no token dominate the portfolio, thus allowing optimal diversification for the investor.

After several tests, we reached the conclusion that a maximum weight of 10% yielded much more than any other parameter, in fact, we use what is called "decreasing limit", that is, it is very likely that the tokens with more capitalization have a weight of 10% in our index and those with less capitalization reach 2%, however, it is what best fits the profile of reliability because it prevents large fluctuations in short periods of time.

Summary

A portfolio that uses a stand-alone index, the algorithm collects the top 20 tokens with maximum token weighting of 10% which provides the investor with a large exposure to the market with wide diversification, and a weekly rebalancing that keeps the fund updated. The weekly rebalancing provides reliability, low cost and the ability to more accurately track each of the underlying assets.

9 REBALANCE

ALTINDEX will be rebalanced using the capping methodology of FTSE Russel. The factors are given by the following parameters:

$$c_i = \frac{Z}{I \times (p_i \times s_i)} \sum_{j \in J} (p_j \times s_j)$$

Where,

- i denotes the weighted crypto
- j denotes the unweighted crypto
- J is the subset of crypts that are to be weighted
- p_k is the official closing price of the crypto k (th)
- s_k is the number of tokens in circulation of the crypto k (th)
- I is the percentage of the index represented by all the constituents without weighting
- Z is the weighting percentage limit (in our case, 10%)

The weight limit factor is calculated and applied to all assets whose weighting is above 10%. The weight of the assets without limitation are then calculated and if any cryptocurrency previously without a cache now has a weight greater than 10%, the limitation factor thereof is recalculated and included in this cryptography where limitation is required. This process is repeated until all the token do not weigh more than 10% previously mentioned.

Example table of rebalancing using AL-TINDEX

In which, "capping 3" would be the final result of the diversified portfolio of our index.

The cryptocurrencies chosen in this table are not ERC 20 and therefore should not be taken as reference, they are only shown by way of example.

Although in absolute values if that exemplifies in a precise way how is the weighting process.

A	B	C	D	E	F	G	H	I	J	K
Rank	Name	Symbol	Cap	Price	Supply	Weight	capping1	capping2	capping3	Target cap
1	Bitcoin	BTC	\$186,851,799,628	11177.75557	16716397	60.09%	10.00%	10.00%	10.00%	\$31,093,070,344
2	Ethereum	ETH	\$44,944,331,325	467.6758577	96101457	14.45%	10.00%	10.00%	10.00%	\$31,093,070,344
3	Bitcoin Cash	BCH	\$25,832,963,828	1534.473297	16835069	8.31%	26.12%	10.00%	10.00%	\$31,093,070,344
4	Ripple	XRP	\$9,850,343,117	0.2550391261	38622870411	3.17%	9.96%	12.94%	10.00%	\$31,093,070,344
5	Dash	DASH	\$6,002,924,814	777.045357	7725321	1.93%	6.07%	7.88%	8.29%	\$25,773,614,808
6	Litecoin	LTC	\$5,443,078,362	100.6085493	54101549	1.75%	5.50%	7.15%	7.52%	\$23,369,908,739
7	Bitcoin Gold	BTG	\$5,096,157,148	305.4289855	16685244	1.64%	5.15%	6.69%	7.04%	\$21,880,399,206
8	IOTA	MIOTA	\$4,123,969,793	1.483693061	2779530283	1.33%	4.17%	5.42%	5.69%	\$17,706,303,547
9	Cardano	ADA	\$3,391,457,491	0.1308075853	25927070538	1.09%	3.43%	4.45%	4.68%	\$14,561,255,008
10	Monero	XMR	\$3,121,065,702	202.2756866	15429762	1.00%	3.16%	4.10%	4.31%	\$13,400,325,289
11	Ethereum Classic	ETC	\$3,010,737,307	30.71321739	98027415	0.97%	3.04%	3.95%	4.16%	\$12,926,629,275
12	NEM	XEM	\$2,447,172,663	0.2719080737	8999999999	0.79%	2.47%	3.21%	3.38%	\$10,506,959,114
13	NEO	NEO	\$2,332,982,375	35.89203654	65000000	0.75%	2.36%	3.06%	3.22%	\$10,016,682,026
14	EOS	EOS	\$2,028,749,113	3.941483336	514717161	0.65%	2.05%	2.66%	2.80%	\$8,710,453,621
15	Stellar	XLM	\$1,650,120,853	0.09289708581	17762891469	0.53%	1.67%	2.17%	2.28%	\$7,084,809,584
16	BitConnect	BCC	\$1,029,944,649	323.3032726	3185692	0.33%	1.04%	1.35%	1.42%	\$4,422,077,151
17	OmiseGO	OMG	\$986,340,527	9.66597275	102042552	0.32%	1.00%	1.30%	1.36%	\$4,234,862,438
18	Qtum	QTUM	\$959,414,683	13.01848693	73696328	0.31%	0.97%	1.26%	1.32%	\$4,119,256,071
19	Lisk	LSK	\$917,524,660	7.941635164	115533469	0.30%	0.93%	1.20%	1.27%	\$3,939,400,858
20	Zcash	ZEC	\$909,625,405	330.5529066	2751830	0.29%	0.92%	1.19%	1.26%	\$3,905,485,332

10 TECNOLOGY AND SECURITY

ALTINDEX will have the reliability of having x509 signatures from the hand of Lescohex a contract that will store and verify the signatures of government certification bodies or other trusted ones, which will allow to create legally binding intelligent contracts or the KYC process without saving the user's data.

ALTINDEX also intends to implement the best security against cyber attacks. As well as security against DDOS and Sybil attacks, with a professional team in charge of managing and combating possible threats.

Strong identity verification and authentication procedures are being analyzed to ensure safe operations.

Transparency in the commercial activities of ALTINDEX and current holdings will be guaranteed through the use of viewonly API exchange, as well as through a reservation test for wallets without exchange.

ALTINDEX will bring with it the different quantities of the 20 best token that form the index, these tokens will be mostly stored cold, the portfolios with small percentages of each currency guarantee the automation facility, and add security to possible thefts.

If the rebalancing needs to move more tokens to these active portfolios this will be done manually to ensure the correct tracking of them.

The authorized portfolio managers of ALTINDEX will receive a notification with all withdrawal requests to insure it.

The weekly rebalancing is optimal to offer more than enough security in terms of the possible deterioration of the assets.

The operations will be executed in multiple exchanges in our weekly rebalancing system to mitigate possible delays.

A post-ICO public audit will confirm the presence and safe storage of the investments and will transparently facilitate their management.

11 OWN INDEX STRATEGY

Traditional indices are normally rebalanced every long period of time, quarterly or even annually, in ALTINDEX we are aware of the inherent volatility of the cryptocurrency market and that is why we opted for a weekly rebalancing that avoids long-term impairments in fund assets, and allows much more updated tracking.

The portfolio will be rebalanced according to the number of tokens that increase or decrease in value of the 20 best tokens per capitalization. Some index funds add or delete the actions previously and others do so on the same day of the change.

According to Finect in 2017, the funds with the greatest start-up are the following: "Bankia Fonduxo, the Bankia fund, had the most investment in the steel company at the end of 2016, with an exposure of close to 10 million euros, although the impact on the portfolio has been rather moderate, as it hardly represented a 2.76% weight "

We are talking about quite fortuitous growths if we compare them with the movements of the crypto actives.

"BBVA Bolsa would be the great beneficiary of the airline's flight at this start of the year, thanks to the nearly 9 million euros invested in the value, which meant a weight close to 4.7% in its portfolio.

A similar amount was in the Santander Small Caps Spain share, but with a lower relative exposure of 2.63% due to the smaller size of its fund. Among the sicavs, Cultura Economica stands out, managed by Bankinter, with a percentage of 7.5% invested in the value. "

As we can understand thanks to the data of FINECT, the traditional index funds today are still a plausible choice when investing large amounts, however it serves as a reference, since, the fact of creating a tokenized index fund has certain advantages over conventional funds, such as speed, low commissions, ease of use and transparency.

The tokens with the lowest weighting of the ALTINDEX portfolio would be approximately 2% of average AUM. The token with the lowest weight has an approximate daily volume of at least \$ 800,000.

The ALTINDEX team calculated the optimal purchase amount of each asset to ensure maximum reliability and we concluded that adding a token generally requires the purchase of between 1% -3% of the average daily trading volume as a maximum, while conventional market index funds have to deal with the purchase of 200-500% of the average daily trading volume so the margin is much higher in the tokenized index fund.

The token with the lowest market volume, at this moment is 'Marker', can comfortably support the purchase of more than 3% of the AUM in the rebalancing period with a displacement of only 1% of the highest price.

The investor could anticipate the income of the 20 tokens and have enough liquid capital to be able to move market rates.

Several strategies will be used to alleviate this risk:

1) The tokens will be sent to the exchange 1-48 hours before the operation so that the investors can not anticipate to know exactly when a purchase or sale will be made. A frequency of weekly rebalancing allows enough time to do it.

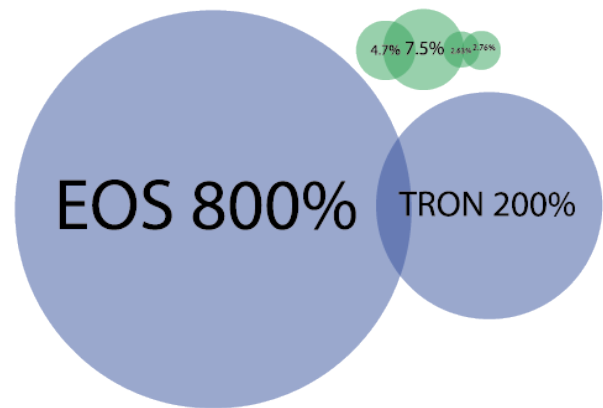
2) Transactions will be made in different exchanges.

3) Operations will run different times in our rebalancing system to avoid anticipation.

Bifurcation (hardfork): if a token were to fork, the token would be added as a regular portfolio asset and the rebalancing of the token would be done as custom in the next interval.

ETH exchange of base encryption which would not affect the commercial strategy of ALTINDEX. During rebalancing, the single-base exchanges most compatible with the specific token are used.

Fondos convencionales con mejor rendimiento durante 2017 vs Crecimiento de los tokens en 2017



12 AUTOMATION

ALTINDEX will be automated with a DAPP that will be able to interact in the purchase of underlying assets in Bitstamp, Bitfinex, BTER, Bittrex and Poloniex, among others.

The liquidation price of the tokens will be determined through the use of an exchange service of our development.

The automation of the prices before the liquidation is key for the correct behavior of the index, however, the automation can also expose the risks of security due to the need for private keys to be stored in the cloud. We avoid this risk by implementing a two-level signature system, with multiple addresses with different permits to fulfill a particular task, such as updating the price settlement.

This makes automation and mitigation to order in terms of risks since we do not store private keys in the cloud.

It is possible that at the beginning the prices will be updated in a hybrid way, that is, manually and automatically until the automation is adjusted in an appropriate way without affecting undesirable anomalies.

13 MARKETING AND INVESTOR RELATIONS

The ALTINDEX team will make an important contribution to the post-ICO commercialization directed to investors of the traditional or conventional financial sector, as well as to crypto investors already familiar with the topic. The clear information provided is done so that the investor in question understands in depth the purpose of the project together with its technology.

ADEX holders will be able to view detailed information about their acquired assets and the composition of the portfolio on the ALTINDEX website (www.alt-index.com).

ALTINDEX will focus marketing efforts only on unregulated markets. No promotion or request will be made where participation is prohibited or is likely to be prohibited in the near future so that, in this way, we do not violate local legislation at any time, and therefore we do not put the investor or the product at risk.

14. USE OF THE ICO FUNDS

97% of the ICO funds will go towards the purchase of the underlying assets.

A small allowance (0.5%) is made to finance the legal fees and ensure that ALTINDEX complies with the regulation at all times during the commercial exchange. In addition, a complete audit of the funds received by an important auditing firm.

ALTINDEX and its ADEX token will be strongly promoted to small investors and a 1.5% allocation is made to facilitate it. The remaining 1% will be used for operational, security and maintenance costs of our platform.

Any unused funds from the operating expense of 3% of the allocation will be used in a discretionary capacity once ALTINDEX begins to negotiate.

Under no circumstances should the ALTINDEX team or its advisors appropriate the investment of the contributors.

15 REPORTS

The current regulation of ICOs and cryptocurrencies is not very clear at present and some changes can be expected.

The International Accounting Standards Board (IASB) is in the process of regulating existing standards to address accounting for investments in intangible assets, in which cryptoactives are included.

The IASB could take years to develop and implement a new standard, ALTINDEX has investigated and will do everything possible to comply fully with existing legislation and the one that is to come.

ALTINDEX will publish quarterly reports of its accounts with the purpose of keeping the investor informed, thus giving security and confidence, in addition to being able to comply with the legislation at all times. Quarterly reports will include information on capitalization, the benefits of the portfolio itself, the performance of the index and possible future changes in legislation.

The financial reports will include the following:

- The total value of the investment portfolio.
- Revenue with the maximum possible transparency.
- A list of investments with the date so far.
- A statement of income of the team, advisors and / or counselors.
- Total quantities of purchases and sales of assets.
- The information will be available to the investor in the ALTINDEX web portal (www.alt-index.com) and the assets of ALTINDEX can be viewed at any time through the platform.

16 TIMELINE

-Investigación inicial y desarrollo. [Septiembre - Octubre 2017]

-Desarrollo del smart contract y el creación del sistema de trading [Octubre - Noviembre 2017]

-Finalización del smart contract y el protocolo de trading [Noviembre - Diciembre 2017]

-Test del sistema de trading con el fin de asegurar su correcto funcionamiento [Diciembre - Enero 2017]

ADEX pre-sale

-Marketing pre ICO

- Lanzamiento de la plataforma al público

ADEX token ICO

Venta de ADEX al público

Post-ICO

-Auditoría pública de los fondos de la ICO [Mayo - Junio 2018]

-Adquisición inicial de los 20 tokens principales y primer procedimiento de reequilibrio. [Mayo - Junio 2018]

-Marketing continuo y relaciones con inversionistas [Junio - Futuro]

- Lanzamiento público en otros exchanges [Junio - Futuro]

-(Extra) Lanzamiento de tarjetas MasterCard descentralizadas especiales para los poseedores de ADEX. [Junio 2018]

-Lanzamiento de nuevos productos financieros bajo la marca ALTINDEX.

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17 CONCLUSION

An autonomous weighted index fund that does not require an extensive human capital for its correct development, with a portfolio composed of the 20 main tokens by total capitalization and with weekly re-balancing produces a combination with ample exposure to the market and an acceptable billing without allowing one asset (and, for therefore, a single source of risk) dominates the others.

ALTINDEX is about to establish a new standard for investments in crypto actives, as a transparent, safe and directly linked to its assets. ALTINDEX aims to invest in tokens with low commission costs and a wide exposure to the market with its innovative offer of individualized tokens.

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