



bincentive

Premium Strategies
Version 1.0

Premium Strategies

INTRODUCTION

Bincentive aims to connect any investing party to the traders and strategies that best fit their needs. Our Mirror Trading strategies tailored to our members provide a wide range of preferences with little to no limits on the amount traded. Members are allowed to manage and access their assets, find and select preferred trading strategies, and assess the validity of those trading activities at any given time. In short, members own the controllability, profitability, and transparency of their assets under our DAM (Decentralized Asset Management system).

For members who would like access to trading portfolios managed by Crypto Hedge Funds, we offer invite-only premium strategies.



Premier Investors

Bincentive provides the trust and track record desired by both investors and traders. Matchmaking between both parties is however complex. While investors have varying needs and preferences, different traders are accustomed to managing different amounts of assets. These differing amounts impact trading performance, particularly in the Crypto Hedge Funds group. Bincentive categorizes investors and traders into groups as shown in Figure 1.



Figure 1: Tier Matching Solution

Under investors, there are Tier-One, VIP, and General Investors. Under traders, there are Tier-One Hedge Funds, Professional Trading Teams, and Individual Traders. These groups are mainly differentiated by their desired investments or trading volumes.

All Bincentive members gain access to our Mirror Trading platform. Our platform, at this

level, connects members with Professional Trading Teams and Individual Traders. Crypto Hedge Funds, like traditional Hedge Funds, require a larger defined amount of funds in order to make impactful trades. Tier-One or VIP Investors who wish to trade in larger volumes may qualify as **Premier**. Premier members enjoy the benefits of being a member with additional access to Tier-One Hedge Funds.



The Exclusive Offer

With Mirror Trading, VIP Investors may be forced to overlook trading strategies with better performance ran by Professional Trading Teams when VIP Investors lack the funds to diversify or reach the minimum investment amount required. With the new exclusive premium strategies, VIP Investors may pool their assets together to reach the requirements specified by Tier-One Hedge Funds or Professional Trading Teams.

Tier-One Investors who already meet the specified requirements may choose to have their assets managed by Tier-One Hedge Funds directly under the new premium strategies.



How Premium Strategies Work

Premier members begin the investment process with their exclusive access to the Premium Strategy Portal. Here premier members will be presented with Tier-One Hedge Funds and their respective track records. Upon selecting the Tier-One strategy of choice, premier members will need to collectively reach the soft cap specified by the Tier-One Hedge Fund in order for the smart contract to complete and move forward. A hard cap will also be introduced for the ease of portfolio management.

On the premier members' end, BCNT stake would enter the **Premium Strategy Smart Contract**. On the traders' end, trading terms would enter. Refer to Figure 2 below.

The Project Manager may sometimes refer to the Tier-One Hedge Fund depending on the premier member's selection. In this case, investment funds are managed directly by the Tier-One Hedge Fund so profit shares are processed on the go. In other cases where there's a **managed account**, premier members' investment funds are placed outside of the trader's direct management. An additional trading smart contract will be formed to ensure that the trading party receives its profit shares.

Unlike Mirror Trading, where members are allowed to terminate a smart contract at any given time, a premium strategy locks in investment funds until the term ends in order for the contract to stay functional. For instance,

if four VIP investors were to put 250k USD each into the premium strategy that requires 1M as the minimum investment, one VIP investor's pulling out should not be able to halt or dissolve the contract completely. For this reason, Bincentive introduces the **BCNT Fund**.

The **BCNT Fund** will be an insurance reserve used when a premier member terminates a Premium Strategy Smart Contract prior to its end of term. An equivalent amount of BCNT to the premier member's initial investment will be given to the premier member in exchange for Bincentive's rights to his investments. The

premier member may choose to exit the Premium Strategy Smart Contract when performance does not meet expectations or when BCNT gains supersede the trader's performance. Bincentive defines the exchange of rights to the investments as an **optional collateral swap**. For more on the swap and its benefits, read the following section **A Win-Win Situation**.

Premier members must stake BCNT as they enter a Premium Strategy Smart Contract. Those who wish to sell their BCNT stake must, therefore, terminate the smart contract as a whole.

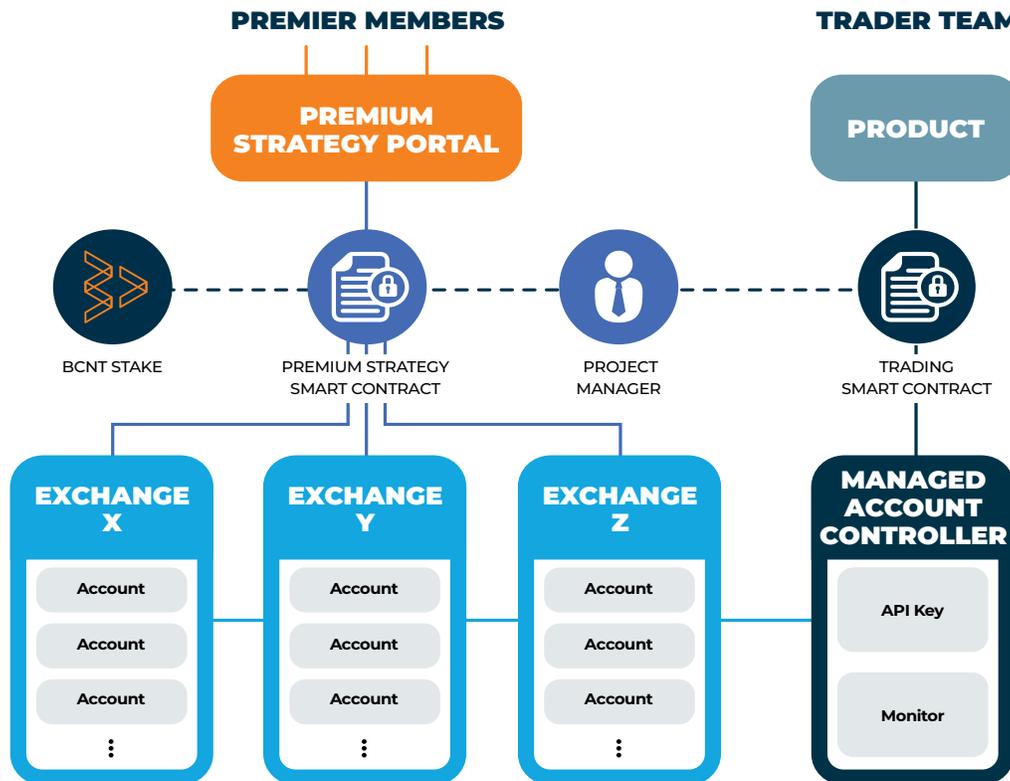


Figure 2: Premium Strategy Model

A Win-Win Situation

The premium strategy model creates a win-win situation for both premier members and Tier-One Hedge Funds. Premier members are given more options while Tier-One Hedge Funds gain access to a larger market of investors and funds.

Premier members' benefits do not end here, however. Given that Bincentive, using Bincentive's own BCNT Fund as insurance, provides the option to terminate the Premium Strategy Smart Contract prior to the contract's end of term, premier members now have an additional method to make profits. Traditionally, members only profit when the strategies they have selected also profit. Now, BCNT may gain value during the runtime of the smart contract. Two further outcomes may occur. First, BCNT gains may be greater than the strategies' ROI. In this case, premier members may choose to utilize the **optional collateral swap** and end the contract early, exiting with BCNT while Bincentive receives the premier members' rights to the ongoing investment. Secondly, BCNT gains may be less than the strategies' ROI. In this case, premier members may choose to hold on to the contract.

Assuming that the profitabilities of strategies and BCNT values are the same, Bincentive's premium strategy platform increases the premier members' profitability by 25%. This value may vary as profitabilities shift in percentage. However, the **optional collateral**

swap mechanism creates this new window for profits. See Figure 3 for reference.

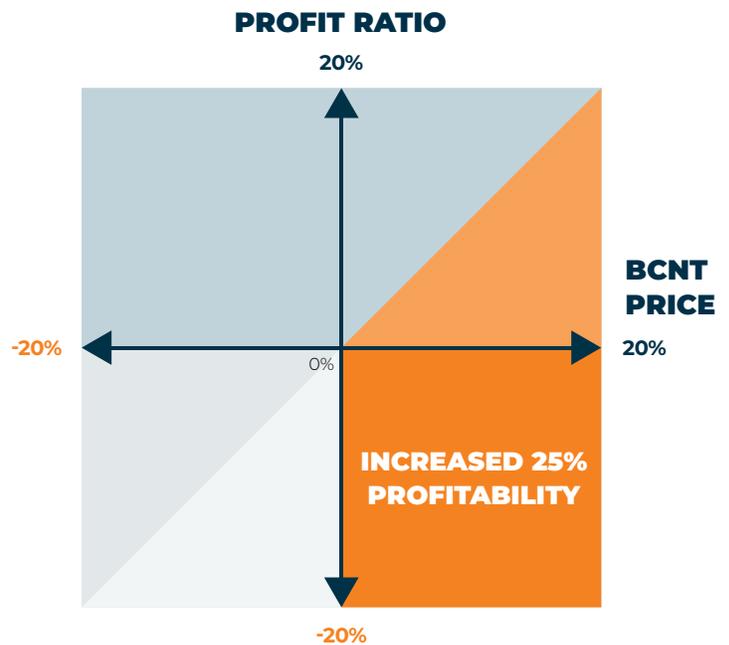


Figure 3: Profitability Chart

Trade Smart with Premium Strategies

With reduced risks, increased profitability, and expanded diversification, premium strategies provide an appealing investment opportunity compared to traditional investments, or even trading methods in the same space. This premier feature employs intuitively designed mechanisms to minimize the risks associated with high rewards. Promptly get in touch with Bincentive to enroll or find out more.

