

CRYPTO A.M.

Our series on AI, Blockchain, Cryptocurrency and Tokenisation

PARTNER CONTENT

CITY A.M.'S CRYPTO INSIDER

JAMES BOWATER

There is that strong vibe of getting ready to go back to school in London Town at the moment and no one is quite ready to let go of the sun-dappled roof terraces and al fresco eateries. However, this past week I have caught up with most of the gang hearing their news. It was generally accepted that this August was a month those in Blockchain and Crypto are delighted to see the back of. Many ICOs have been adapted or postponed and much restructuring has also been going on. Why? While it is widely reported that Bitcoin has been having a bumpy ride mostly thanks to the SEC delays and/or rejections of Bitcoin ETFs, the mainstay of the ICO world, Ethereum, has been having terrible time value wise. Most ICOs are built on the Ethereum network and as such the token exchange is with Ether, which peaked in January at an all-time high of \$1,417, but is currently trading at \$290 – essentially an 80% fall.

It means that companies that have been conducting their ICOs over the spring and summer months as well as those that raised their money when cryptocurrency prices peaked are now feeling comparatively cash strapped. Essentially, they are not having an easy time exchanging their Ether, and of course when they do, or when the early investors diversifying their portfolios do, Ether just gets driven down even further.

Pretty much ever since I first became aware of cryptocurrency back in 2014, I have wondered about the whole idea of asset backing a token and there has recently been a lot of activity in this space. In fact today's 'Interview with' is with Thomas Coughlin of Kinesis who backed physical gold and silver. This week I also met with Robert Pyke, CEO of the Aziza Project. The Aziza Coin is an asset backed security token, which derives its value from the Aziza Project's 20 per cent stake in Africa New Energies. Africa New Energies has an oil and gas concession in Namibia the size of Wales and rejected an unsolicited bid of \$500m last year. Aziza is seeking to raise \$60m during its ICO starting in September 2018 to fund a 10-well drilling programme, which if successful, will create huge value.

Today I am writing from the World Blockchain Forum in the beautiful London building Old Billingsgate on the north bank of the Thames. There is a terrific line up of participants and I will be hoping to introduce some of them to you in the coming weeks. I would also like you to check your diaries for Thursday 18 October and save the date when 85 Crypto AM readers will be invited to attend our very exciting launch event.



City A.M.'s Crypto Insider met with Thomas Coughlin, CEO of Kinesis & ABX

A new cryptocurrency has been developed, presenting a unique way to digitalise two of the most stable stores of value through the use of blockchain technology. What makes money successful and sustainable is for it to be used as an efficient medium of exchange from one party to the next.

Kinesis has introduced yield-bearing digital currencies, based 1:1 on physical, allocated, gold and silver. When you purchase Kinesis currencies, you are simultaneously allocated real gold or silver stored securely in one of several third-party vaults around the world ensuring no counterparty risk. These digital coins (KAUs represents the gold-based coin and KAGs represents silver), can easily be spent at point of sale through the Kinesis debit card, allowing users to make fast and safe transactions. Holders of Kinesis currencies can redeem the coin and take delivery of the underlying physical precious metal guaranteeing intrinsic value with this cryptocurrency.

We caught-up with Thomas Coughlin, CEO of both Kinesis and strategic partner the Allocated Bullion Exchange (ABX), a public company in Australia, to learn more

about Kinesis. Coughlin spoke to us from South Korea, where he was taking part in press interviews and investor meetings in Seoul, where cryptocurrency is extremely popular and has even been adopted by the South Korean government; who've heavily invested in blockchain.

Coughlin explained; "What we have successfully been able to achieve is a merging of technologies from



Blockchain has allowed us to re-monetise gold

our existing institutional metals exchange ABX, leading online exchange platform for physical bullion, with deep expertise in the gold industry, and our bespoke Kinesis Blockchain Exchange, which was developed in-house. This has created the perfect rail system to deliver digitalised gold



Master what? is a common reaction from crypto investors when they first hear about Masternodes. Yet these new crypto assets, which provide a reliable passive income, have experienced tremendous growth and are set to become the underlying infrastructure of the crypto economy.

Last October there were just 30 cryptocurrencies that supported Masternodes, while today there are over 500, some producing returns exceeding 100,000 per cent. With such massive growth, it's no wonder that Fidelity – one of the world's largest asset management companies – recently entered the Masternode space. Fidelity announced it had taken a 15 per cent stake in Neptune Dash, a publicly listed fund that holds Dash Masternodes.

So what are Masternodes? Simply put, Masternodes are servers that receive a reward for verifying network transactions. Unlike traditional crypto mining, which requires powerful computers that consume enormous amounts of energy to decrypt each block, Masternodes offer the same level of security by requiring the owner to stake a substantial deposit in the native currency.

Masternodes offer further functions to their network and, for that service, they receive block rewards like miners. To simplify from an investment perspective, if you're a Masternode owner, then you will receive those rewards.

In the cryptocurrency space there aren't many passive income opportunities like Masternodes, so they represent a unique investment opportunity.

However gaining exposure to Masternodes can be quite difficult, since selecting which Masternode to own is not just about the highest ROI (Return on Investment). One also needs to consider the volatility of the currency that's staked.

A major issue therefore is data. One needs to 'spin up' a Masternode on every crypto network to gather the



Author:
INDX Capital ,
a Blockchain
investment
vehicle that
operates a
portfolio of the
best-performing
Masternodes

necessary data in order to understand the ROI and the true value of the Masternode.

Added to this, investors need to have enough technical knowledge to understand the project and then the capability to configure and host their Masternode on a dedicated VPS server, often requiring knowledge of

Linux. So, for a lot of people, Masternodes are 'out-of-reach'.

But this is where it starts to get tricky... Masternode projects with the highest ROI are commonly small cap currencies with high volatility and low liquidity. This often results in Masternodes, which generate impressive ROIs, but the underlying staked

currency may crash in value. Worse still, when trying to exit your position, the liquidity levels may be so low that you sell at a significant loss.

There are definite risks and it takes clever planning to mitigate these and some impressive tech to manage it. Although this is achievable, building a portfolio of Masternodes pres-

ents even further challenges. The costs of Masternodes can be prohibitive for most investors, with some of the better projects requiring a staked deposit starting at \$10,000 and going as high as \$250,000.

Investors are therefore presented with a few options to gain exposure to Masternodes. The most obvious is

to do your homework, select your Masternode, configure the server and stake the deposit. Pool groups allow investors to stake collateral together, but they need to agree which Masternode to back and trust one person to distribute rewards. Like any asset class, the best way to invest is through a diversified and hedged portfolio that aims to dampen volatility while also achieving an out-performance ROI.

To help investors navigate this complicated landscape, INDX run every Masternode on the market to constantly stream ROI data. This is fed into their proprietary algorithm, which determines an optimum portfolio of Masternodes. INDX then use investors' funds to stake the Masternode portfolio, collect the rewards and return an Ethereum dividend directly into their investors' crypto wallets.

Through this kind of investment vehicle there is a very real opportunity for an investor to gain exposure to a consistent and reliable income stream in the crypto space without suffering such high volatility or having to manage the stress from mastering Masternodes.

As the crypto-market matures and regulation and custody become more prevalent, institutional investors are eyeing Masternodes as their entry point. The underlying stake can be insured, they generate exceptional returns, and if chosen selectively present lucrative digital assets.

It's anticipated there will be in excess of 1000 cryptocurrencies offering Masternodes by the end of 2018 and, as the landscape expands, expect to hear the term 'Masternodes' become mainstream, much like its predecessor mining did beforehand. Like mining, those who identify the opportunity early are those who will benefit the most.

IMPORTANT INFORMATION: THE VIEWS AND OPINIONS PROVIDED BY CITY A.M.'S CRYPTO INSIDER ARE OF THOSE NAMED IN THE ARTICLE AND SHOULD NOT BE TAKEN AS INVESTMENT ADVICE. THIS COMMUNICATION IS MARKETING MATERIAL.

ICO NEWS



Return of the (Crypto) Gold Standard?

Perhaps the biggest criticism, indeed difficulty, with cryptocurrencies and tokens is price volatility. So how about a return to the 'Gold Standard'? Enter asset-backed and 'StableCoins'.

One of the great promises of blockchain technology is the mobilisation of whole swathes of assets, from property through jewellery, fine art and luxury goods to commodities such as gold and silver. With the potential to bring much 'dead money' to life. The Holy Grail is perhaps the ability to retain use of your property while sharing them, as assets, with others.

Stable coins and asset backed tokens are distinct but overlapping categories. In that overlap are those that represent the value of a stable asset – one which can be confidently expected to remain stable or, in some cases, appreciate in value, such as fine wines. There are now dozens of tokens, coins and currencies that do just that.

Famously each 'Tether' coin (USDT) represents, and is backed by, \$1. But why bother? For one thing the ability to quickly, easily and cheaply transact across the globe. A small fee is charged on entry (0.1 per cent) and exit. Not only providing better means to move money around but also in and out of more volatile cryptocurrencies quickly

and easily. Compare that to Paypal or a bank's charges.

In other cases the underlying asset may be a parcel of land, a property, or a collection of them. Such as the St. Regis Aspen Resort, tokenised as securities and offered to US accredited investors by the Crowdfunding platform Indiegogo – so moving into Crowdfunding 3.0.

Or backed by a commodity such as gold or silver. Kinesis.Money is creating tokens backed by gold (a KAU token equals 1 gram of gold) and silver (KAG likewise).

They are, or course, almost infinitely divisible – so owning a tiny amount is no problem with the metals held in seven long established storage locations worldwide and managed by Australia's Allocated Bullion Exchange.

The really clever twist here, apart from better, faster cheaper transactions globally, is that attached to your Kinesis account is a debit card that allows you to, in effect, spend your gold or silver as sterling or dollars. You can buy anything from a cup of coffee to a golden retriever or a Porsche. This is no longer funny money... more like an amazingly flexible friend.

For more on listen at ICORadio or email questions to Barry.James@ICORad.io



The Tennis Ball

Saturday 10th November 2018
The London Hilton on Park Lane

TO BENEFIT
UNDERPIVILEGED
AND
DISADVANTAGED
CHILDREN

Buy Tickets: +44 (0)20 8946 4459

www.thetennisball.co.uk

The Tennis Ball was founded in 2009 to benefit two very worthwhile charitable tennis initiatives, Give It Your Max in the UK and IC Philanthropy overseas (the International Lawn Tennis Clubs Philanthropic Development Programme). The Tennis Ball is held every two or three years to help disadvantaged and disabled young people to enjoy better lives through tennis. Children without the means are introduced to tennis and exposed to values of fairness, fun and friendship as well as health and fitness - and a host of other life enhancing opportunities.

GIVE IT YOUR MAX

CITY A.M.
Media Partner

Philanthropy



look touch & feel®
www.looktouchfeel.io



JINBI
The Golden ICO

to be used as everyday currency. Our system is one of shared economic wealth, we're great proponents of fair, honesty and sound money. Bringing back a truly decentralized, digitalized asset, based on blockchain technology."

"This is the first time that allocated gold ownership has delivered this kind of non-debt-based yield, so Kinesis have a lot of interest from the \$15 trillion gold trading industry. Gold has been independently valued by ancient civilisations all around the world for thousands of years."

Currently on offer is the Kinesis Velocity Token (KVT), which is only running until the end of public sale, set to close by midnight on the 12th November.

The Kinesis Velocity Token (KVT) allows early adopters the opportunity to share in the success of the system from an early stage. Individuals are able to buy into an accumulative 20% share of all transaction fees, and top line revenue, of the entire system.

KVTs are limited to 300,000 only, with no chance of future dilution.

No need for complex byzantine systems of the past for managing our finances. Using the Kinesis Monetary System users will be able to make purchases, both large and small, to pay bills with ease and even manage international payments with lower transfer rates offered by banks and alternative international payment services.

Find out more at: www.kinesis.money

THE IMPORTANCE OF GENUINE INFLUENCERS



Rick O'Neill, founder of Look, Touch & Feel - a specialist digital marketing agency - pulls back the curtains on ICOs, and their marketing campaigns, to reveal the real indicators of potential success and failure.

Last week we looked at the ICO market right now - there's no doubt it's a difficult time out there if you are running, or investing in, ICOs. This week I want to talk about the importance of (credible) influencers in the ICO space.

At the time of writing, the crypto currency markets are still looking concerning. But there are some incredible projects out there, which will disrupt huge markets and deliver great returns post-ICO. At this time when everyone is waiting for everyone else to make moves and predictions, it's important to align with credible experts and influencers in the space.

Always DYOR - do your own research - as with any investment, but also take heed from credible experts and influencers in the space. Look at those that have been around in the blockchain space for years, and those that know the ICO market well. Don't be fooled by how many Youtube subscribers they have, most of those could be bought subscribers and the number has no bearing at all on their expertise.

Some of the most knowledgeable and connected people I know in the blockchain world have just a few hundred followers on Twitter. Take Dr Stuart Haber, for example (who some believe could be Satoshi himself!), he co-invented what we

now call blockchain yet he has a very low level presence on social media. But if you get the chance to hear him speak or get involved in any of the projects he endorses, you would be looking in the right places.

Thomas Power, another influencer in the world of crypto, is always a step ahead in market shifts and patterns amongst the community, so also worth following and listening to. He doesn't buy into hype or FOMO, and tells it like it really is.

Align yourself with REAL experts, not Hypers and self-styled gurus, and you could be steered to safety in troublesome waters.