



WHITE PAPER

Cryptocurrency investment company
Version October, 2021

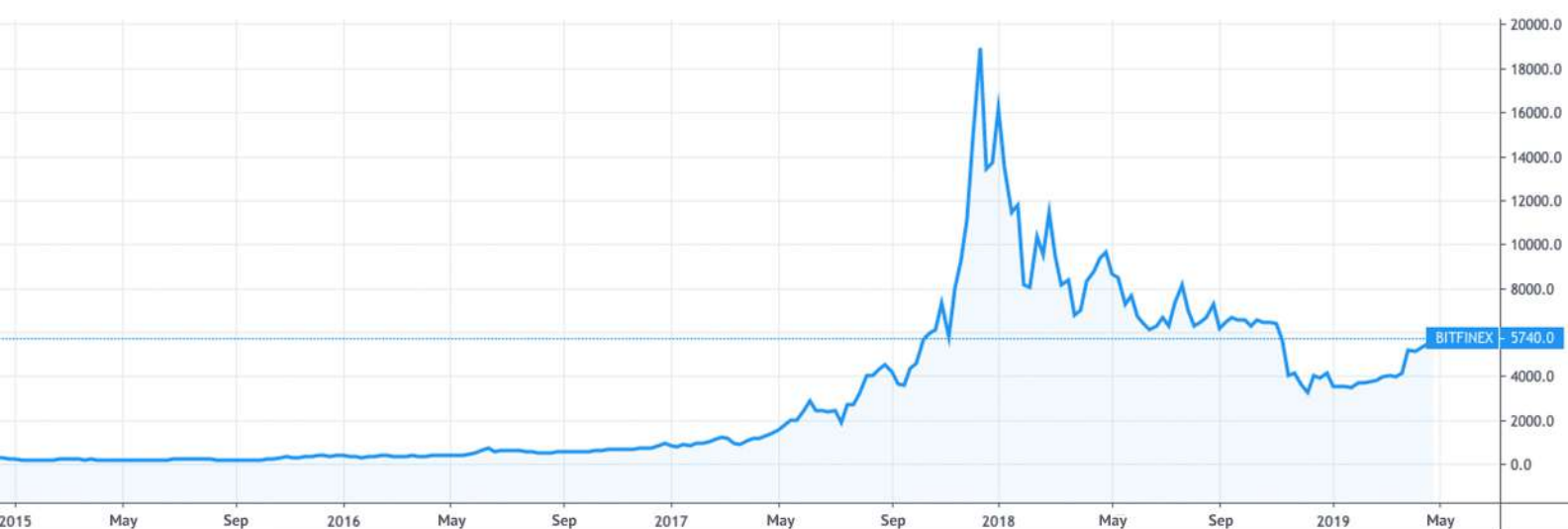
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INTRODUCTION.

A lot of digital architecture platforms that exist today in the cryptocurrency industry are very similar to the international stock markets, thus most of the mechanics of asset exchange between participants are identical to the traditional principles of satisfying supply and demand electronically. This allows using manual and algorithmic methods of asset management in a relatively new environment.

This is one of the key factors which once promoted the emergence of various financial institutions which today apply their expertise from the traditional markets in managing cryptocurrency assets.



OCEANS CAPITAL LIMITED FUND.

The Oceanscapital (hereinafter - "OCL" or "the fund") was established by a group of independent experts in algorithmic and manual methods of asset management, together with acknowledged specialists in the field of development and administration of electronic systems with extensive experience from the traditional financial markets.

The core mission of fund's operations is to provide retail investors with an efficient way to invest cryptocurrency assets in order to generate a stable income.

OCEANS CAPITAL LIMITED GOALS.

1. Raising capital in the amount sufficient for large-scale profitable operations inaccessible to the retail customers of exchanges;
2. Constant minimization of trading and operational risks, strong compliance with existing and the development of new financial security protocols;
3. Maintaining and enhancing existing algorithmic and manual methods of asset management, as well as developing and implementing the new ones;
4. Maintaining strong compliance with industry regulations under the selected jurisdiction of the fund;

KEY FEATURES OF OCEANS CAPITAL LIMITED.

Performance and Competence

Algorithmic and manual trading methods aligned with the fund's strict risk management policy allow to achieve high efficiency from short-term operations with cryptocurrency assets.

Security

Providing the highest level of security of the clients' assets is one of the top priorities of OCL. To achieve that, the fund had implemented an electronic security system, insurance smart contract, and restricted the access to the fund's data by its personnel through multilevel access protocols.

Legality

The fund was established in strong compliance with existing legal regulations. The fund closely monitors important announcements and changes implemented by the global regulators and is always ready to obtain additional permits and licenses, according to the business practices.

OCEANS CAPITAL LIMITED TEAM.

Our philosophy is that people are what matter most in business. Behind every successful organisation is a group of incredible, passionate, and hard-working individuals and OCL is no different. Every day acknowledged professionals in their fields work in strong synergy with each other to deliver possibly one of the best investment solutions in the cryptocurrency market.

OCL SENIOR EXECUTIVE TEAM.

RICCARDO SPINAZZOLA. **CEO**

High-performing operation-management. A skilled strategist who transforms strategic plans into workable solutions and benchmarks performance against key operational targets/goals. An extensive scope of responsibility, proven success, and track record of delivering optimal results.

ITALY

CARL SCHULZ. **CTO**

Outstanding Chief Technology Officer (Technical Director) and Senior Information Technology Manager, with extensive experience in program management, software development, project management and design. Examination of project management in the field of software development, information systems, telecommunications, customer service, finance and production environment.

GERMANY

OCL ADVISORS.

BERNARD OLSEN. FUND ADVISOR

The founder of the Wild West Crypto Show, the Globalboost Bitcoin Blockchain, entered the world's top 20 most influential people in the industry of blockchain in 2017.

USA

LUIGI DI STEFANO. FUND ADVISOR

The acknowledged expert in financial consulting and portfolio management services. Strategist and consultant on corporate work with banks and counterparties.

ITALY

HANS KIEFER. FUND ADVISOR

The founder of Cryto Consulting and investments LTD. Blockchain ICO Consultant/Adviser.

GERMANY

OCL ADVISORS.

CHRIS DERMOT. FUND ADVISOR

The founder of Cryptocurrency consultant, digital strategist, ICO expert, the host of the Coin Chat.

ENGLAND

UWE WERNER. FUND ADVISOR

Reuben has worked in sales, business development, finance and operations roles for major multinationals and start-ups in the tech, telecoms and pharmaceutical industries globally. Advisor to numerous successful ICOs. Co-founder of the Blockchain Association of England and the Irish Chamber of Commerce in Slovakia.

GERMANY

FLAVIO ROSSETTI. FUND ADVISOR

Thomas is a Co-Founder, an ICO Bench Expert, ICO Investor and a Blockchain Advisor. Head of Payments & Finance at KuBitX Exchange, a Blockchain Advisor to ENDO Blockchain Protocol, Advisor at Beatrix AG, Advisor to RAYS Network. Member of the Board of Directors at International Decentralized Association of Cryptocurrency and Blockchain - IDACB. Country Manager, European Chamber of Distributed Ledger Technologies and Cryptocurrencies - EUCC. Member, IMMO High1000.

ITALY

OCEANS CAPITAL LIMITED

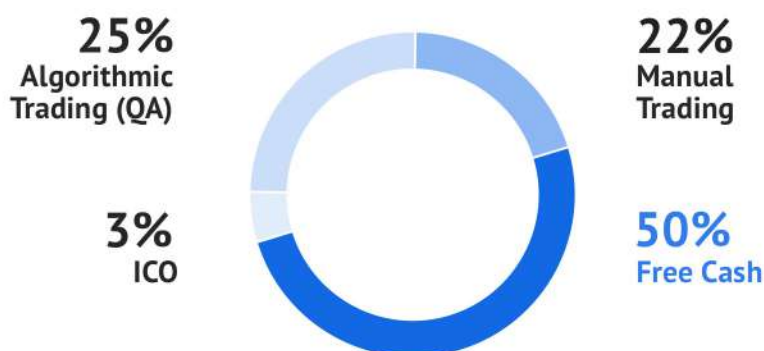
CORPORATE STRUCTURE

1. Department of Algorithmic Asset Management: develops, upgrades, tests, and implements algorithmic systems as part of the QA algorithmic complex.
2. Department of Traditional Asset Management: unit responsible for the implementation of manual methods of cryptocurrency assets management.
3. Risk Management Department: ensures compliance of algorithmic and traditional departments' operations with the fund's risk management policy.
4. Analytical Department: develops financial and quantitative models of market data analysis, applies traditional methods of market data analysis, conducts fundamental assessments of specific projects and the digital economy as a whole.
5. Financial Department: performs financial documents workflow (accounting), interacts with counterparties, ensures fund's stable operating workflow (transactions).
6. Legal Department: maintains fund's operations compliance with industry regulations, closely monitors important announcements and changes implemented by the global regulators.
7. Marketing Department: supervises agent program development, develops and implements long-term marketing communication strategy, carries out SEO and SMM improvements and optimizations;
8. Security Department: ensures corporate and operational security of the fund.
9. Technical Support Department: provides technical and informational support to the fund's clients and partners.

OCL MANAGEMENT STRATEGY.

The cryptocurrency market is still in its active development stage and is capable of delivering a potential profit above 500% annually until 2023 for those who invested in digital assets. However, high profits are usually accompanied by high risks.

OCL uses a hybrid approach towards assets management process reducing the potential risks through the levels of capital diversifications:



The choice of specific investment instruments is carried out by continuous automated and manual analysis of the effectiveness of both evaluated assets and the cryptocurrency market as a whole.

The Fund uses Bitfinex and Bitmex exchange platforms for the trading operations as these platforms offer high liquidity, reliable customer service and high levels of security, as well as the ability to improve the efficiency of the investment decision making process by providing the compatibility with the fund's software systems.

Every two weeks, the fund's clients receive a report on the profitability of operations performed for the reporting period.

THE OCL ALGORITHMIC ASSET MANAGEMENT METHOD.

Over the last 15 years of evolution of traditional financial markets, algorithmic trading demonstrated significant advantages over classical trading strategies in various trading situations.

OCL is among the first cryptocurrency investment actively introducing algorithmic trading methods based on quantitative and qualitative analysis. All the existing and newly developed algorithmic systems are being intergrated into the QA complex system.

Unlike most of the traditional exchanges, cryptocurrency exchanges operate 24/7. Under such conditions, trading robots can perform operations non-stop without sacrificing the decision effectiveness, which can occur due to the trader's basic needs for rest and sleep. The unstable performance of certain algorithmic systems is balanced through the profitable operations of the other ones in the same period of time. Based on the management efficiency KPIs, the trading volume dynamically shifts towards more profitable strategies. The use of a large number of various algorithms makes it possible to maximize the portfolio's diversification and therefore to achieve a more stable and predictable result in comparison with traditional approaches to the investment process.

Before going live on the actual market, each QA algorithmic complex system undergoes thorough testing and optimization process:

1. Backtesting an algorithmic system using historical data;
2. Post-test data analysis;
3. Defining operating parameters for the real market environment and acceptable managed volume;
4. Additional testing using historical data;
5. Final adjustment of strategy parameters;
6. Adding new algorithmic system to the QA complex followed by its launch on the actual market.

Neither of QA algorithmic complex systems have access to more than 5% of the total asset pool allocated for algorithmic trading, additionally each system operates from a separate subaccount.

The operations of QA algorithmic complex are controlled by the Department of Algorithmic Asset Management.

THE OCL MANUAL ASSET MANAGEMENT METHOD.

Despite the obvious advantages of algorithmic trading methods, their effectiveness is still limited to certain conditions. To improve overall fund's profitability and additionally diversify the investment portfolio, OCL also uses traditional investment strategies implemented by a team of professional traders.

But even such investment operations are made using a set of analytical tools that utilize the Big Data analysis, as well as the traditional recommendations from the analytical department.

Every trader at OCL has more than ten years of successful trading background in stock markets, including trading experience with the use of borrowed capital. Moreover, every trader has the experience of managing digital assets for at least three years.

The fund is always on the lookout for the new talents and is constantly hiring the best specialists on the market. After passing thorough evaluation that involves the mandatory check by the security department of the fund as well as meeting all the required performance indicators and professional background, traders are granted access to the additional analytical tools and financial resources to perform trading at a full-scale.

The efficiency of traders' every investment decision stays under permanent automated and human control, such workflow allows to minimize the risks of losses and to maximize potential profitability.

The in-house technical analysis department closely monitors the state of the cryptocurrency market in the real-time and analyzes all the fundamental changes. Traders are timely provided with analytical reports to help carry out the most efficient investment strategies and make qualified investment decisions.

OCL's ICO INVESTMENT PRINCIPLES.

The fund constantly analyzes both open and closed ICOs and holds personal meetings with the founders of the most promising projects. Every project has to undergo due diligence procedures conducted by the fund, followed by the top management's close-up evaluation. The fund participates only in the most profitable ICOs with minimal investment risks.

For the sake of additional differentiation, the fund also evaluates both SAFE (Simple Agreement for Future Equity) and SAFT (Simple Agreement for Future Token) financial instruments as a potential substitute for the unregulated market of the ICOs. Both SAFE and SAFT proved themselves as reliable tools and are accredited by the government regulators. The fund carefully studies such public offers and only invests in those that have the acceptable return to risk ratio.

OCL QUANTITATIVE AND QUALITATIVE DATA ANALYSIS.

OCL focuses on using the latest technology trends, statistics and large-scale databases to carry out rational trading decisions.

The fund creates profitable trading models using econometrics and then develops computerized solutions to evaluate the model applicability based on historical market data. The model gets modified and optimized throughout its development process, and once it shows the positive results it gets to work with real assets.

However, quantitative trading has several limitations. The financial markets are extremely dynamic; thus quantitative trading strategies must be constantly improved to remain efficient. Usually, the applicability of developed models is limited in time as most of them are only profitable in the conditions they were designed for.

The fund's analytical department constantly monitors, analyses the efficiency and adjusts the developed financial models to correspond to the changing conditions of the financial market.

In the scope of the quantitative investments, the fund actively uses several analytical models to comprehensively assess the attractiveness of any potential asset and to develop a multi-factor investment model and determine its effectiveness.

To assess the investment attractiveness of a certain asset and decide on its inclusion in the portfolio, the fund uses the **Capital Asset Pricing Model (CAPM)**.

The model addresses the correlation between systematic risk and expected return on an asset. CAPM is widely used among all the financial institutions to assess risky assets, calculate the expected return based on risk and its value by using following the formula:

$$r_a = r_f + \beta_a (r_m - r_f)$$

r_f = Risk free rate

β_f = Beta of the security

r_m = Expected market return

The fund also uses a three-factor Fama-French model to address the complex analysis of assets. The model serves as a base for finding prerequisites to test hypotheses using regression analysis which is the core of quantitative analysis and takes into consideration the following factors:

- Market capitalization;
- Assessed value vs market value;
- Regular price appreciation / depreciation phases.

Taking into consideration the described factors, the model adapts to the trend making it possible to forecast the changes in market dynamics more accurately.

To develop specific investment strategies, the fund uses a **multifactor model** to more accurately assess some particular asset or portfolio as a whole. The final indicators of the analysis efficiency are achieved by comparing several variables against the resulting performance.

$$r_i = b_{i1} \times F_1 + \dots + b_{ik} \times F_k + a_i + e_i$$

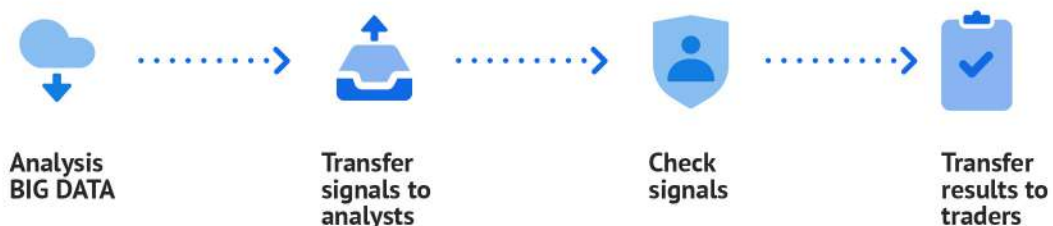
$b_{i1} \times F_1 + \dots + b_{ik} \times F_k$ Market return

$+a_i + e_i$ Abnormal return

Using regression analysis method to assess the effectiveness of a multifactor model allows to find correlations within the asset price dynamics and demonstrates the significance of this correlation, also known as “beta”.

Betta indicates the quote correlation of one asset against another. The analysis also includes the use of statistical indicators of mean-square deviation and dispersion.

The complex approach towards gathering and analyzing the data allows to improve the efficiency of the asset management decisions taken. Measures preventing trading risks help to significantly improve the fund’s profitability in the long run.



RISK MANAGEMENT.

Maintaining high-efficiency management of assets requires the framework of acceptable risks to be defined and applied to the operations of both QA algorithmic complex and manual trading department.

All the funds used in active trading turnover are distributed across sub-accounts. The volume of assets put under the management of different QA algorithmic complex robots and traders is carried out by evaluating core KPIs on assets management's efficiency.

The fund uses its own proprietary software systems to remotely manage and monitor trading strategies across all the sub-accounts and blocks any operations with cryptocurrency assets in critical circumstances. This solution allows the chief risk manager and the risk management team to execute quick and efficient decisions on trading permits and limits for the entire trading system of the fund ensuring the strict compliance with risk management protocols at any time.

OCEANS CAPITAL LIMITED SOFTWARE.

The fund develops, acquires, tests and upgrades a large number of trading robots, which are developed based on various models and algorithmic trading methods. All these robots operate under permanent real-time control and compete with each other for the fund's resources. The fund's proprietary software system provides the redistribution of assets among the fund's various trading tools and strategies to ensure maximum profitability at controllable risks.

More than thirty-six robots of more than six types: trend, flat, indicator, mathematical, pattern-based, arbitrage, and others together form the OCL QA algorithmic complex.

In addition to the algorithmic trading tools, the fund has developed and is constantly works on improvements for its proprietary software package:

1. "My Account": grants access to the information on the invested funds and provides detailed log on your investment profitability, as well as convenient instruments for depositing and withdrawing of funds;
2. Partner's personal account: provides a set of tools to attract new clients and monitor agents' performance;
3. Trader's terminal: provides traders with convenient, efficient and secure environment to perform trading operations;
4. Portfolio management terminal: allows to quickly assess the performance of the QA complex system's algorithms and promptly adjust their working parameters if needed;
5. Risk manager's terminal: allows to estimate the risk levels of both manual strategies and algorithmic systems.

The fund has all the exclusive rights for the use of described software solutions and invests a significant part of its operating profit to furtherly improve its software functionality and stability, emphasizing the development and testing of security systems preventing unauthorized access to any of the fund's systems. All the fund's accounts are protected from external threats and hacker attacks.



OCL TERMS OF CUSTOMER SERVICE.

The clients' cryptocurrency assets are transferred to the fund's balance under the trust management agreement.

OCL offers an exceptional solution on the efficient management of cryptocurrency assets to its clients and implies a conclusion of an investment contract for a period of 1 month and higher.

Upon expiration of the investment contract, the frozen funds are credited to the client's current account following the terms of the contract. Available funds can be reinvested in a new investment contract, or transferred to Blockchain wallet (in accordance with the conditions for verification of personal data).

Investment process



OCL ASSET STORAGE SECURITY.

The highest level of security for the clients' and fund's assets is ensured by strict compliance with the set of the following measures::

- 1.** Assets allocated for the day-to-day trading operations stored at the exchanges are under the direct protection of the security systems of counterparties and the risk management department. As an additional security measure, the assets are distributed among sub-accounts;
- 2.** Assets intended for medium-term and long-term investment strategies are deposited in the cold storage multi-signature wallets;
- 3.** Assets insurance through OCL smart insurance contract;

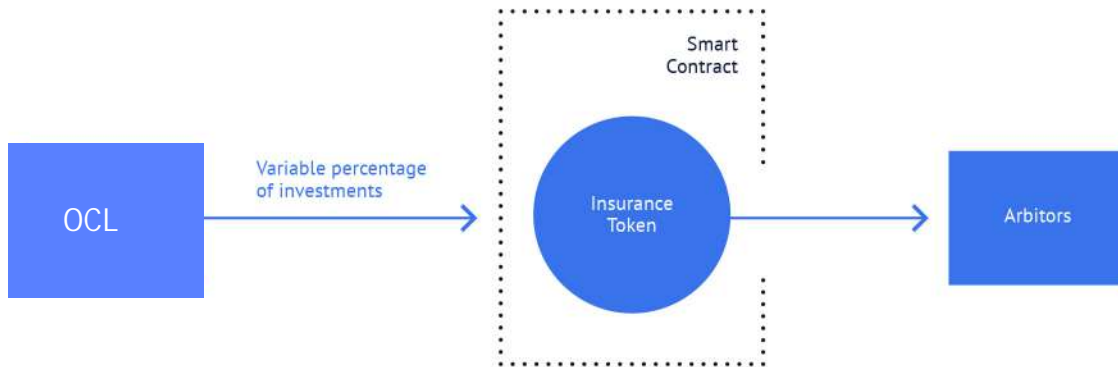
The security department protects investors' funds against any kind of traders' fraud actions, industrial espionage and other kinds of electronic and physical threats or attacks.

Due to the existing risks of physically accessing the cryptocurrency owner, and due to the possible threats to life and health of individuals with access to the trading wallets, the fund has developed, implemented and is constantly improving its physical security policy for the fund's traders and employees who have the access to the fund's assets. In particular, the trading operations are performed from the offices that are located in different locations around the world; the identity of team members and offices are kept in strict confidentiality.

OCL INSURANCE SMART CONTRACT.

The fund transfers 10% of the invested assets to the insurance wallet. The assets are transferred through major regional partners who obtain the arbiter status in the insurance smart contract and are credited with special tokens proportionally to the amount invested through the partner.

Token distribution:

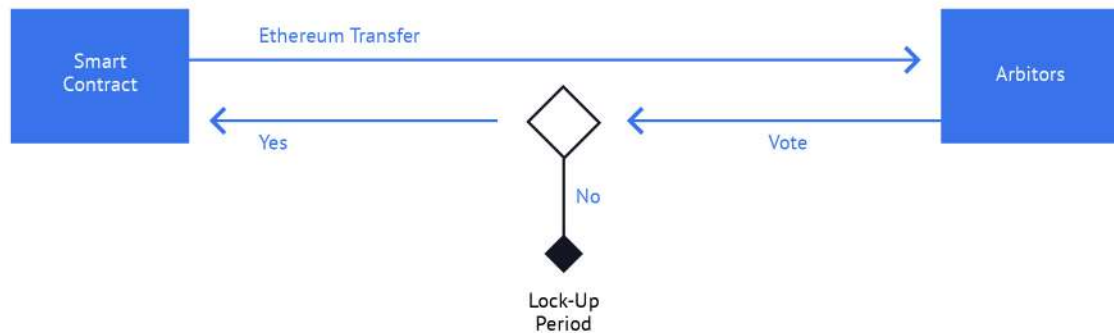


Every arbiter has the right to initiate the voting procedure at any time. Within 72 hours, the rest of the arbiters can either vote to save the contract or to activate it and distribute the stored assets between the arbiters.

If within 72 hours after voting procedure initiation less than 51% of the arbiters voted for the activation of the smart contract, the voting is tagged as unsuccessful, and the next voting procedure cannot be reinitiated earlier than in 30 days.

If within 72 hours after voting procedure initiation more than 51% of the arbiters voted for the distribution of assets stored in the insurance pool, then the assets are transferred after 30 days to the arbiters' wallets proportionally to the number of tokens per arbiter. The regional partners in their turn shall distribute the received assets among clients who have invested their assets through this partnership.

Voiting process:



Existing smart contract restrictions:

- The voting procedure can be initiated not earlier than after a minimum of six months after the contract registration date;
- Only the arbiter is able to initiate the voting procedure;
- The arbiter is only able to initiate the voting procedure if he holds 5 or more OCL token;
- The voting procedure lasts 72 hours;
- In case of successful voting procedure results the funds are transferred after 30 days;
- In case of unsuccessful voting procedure results the next voting procedure cannot be reinitiated earlier than in 30 days;
- To trigger the distribution of insurance pool funds the number of votes must be more than 51% from the total number of arbiters;
- The contract holder cannot own tokens;
- Arbiters cannot transfer their tokens to other arbiters;
- Only the contract owner can add accounts to register new arbiters;
- Only the arbiter's account can receive OCL token;
- The arbiter is restricted from changing credentials in his personal account;
- OCL does not take any responsibility for any cases of arbiters losing their private login information required to access the OCL insurance contract;

DEPOSIT AND WITHDRAWAL OF ASSETS.

The fund accepts investments in BTC by processing direct transfers of assets from clients to the fund's official wallets' requisites that can be found on the personal account page.

Assets withdrawal process is carried out through transactions to clients' BTC wallets. In compliance with FATF terms (Financial Action Task Force), all clients of the fund are required to undergo personal verification procedure according to the KYC rules.

For security reasons, OCL handles withdrawal requests manually on a daily basis.

The processing time for the withdrawal applications typically takes **from 3 hours up to 3 days**.

The fund does not charge any commission for the deposit or withdrawal of assets except for the commission charged by payment systems.

TAXATION.

It is within the fund's clients' sole responsibility lies the obligation to provide necessary reports to the regulatory authorities of the country of jurisdiction they are located, as well as independently pay all mandatory charges. In compliance with the terms of the FATF (Financial Action Task Force), in case of receiving a formal request from government agencies, the fund is obliged to provide information confirming the client's income.

RISK FACTORS.

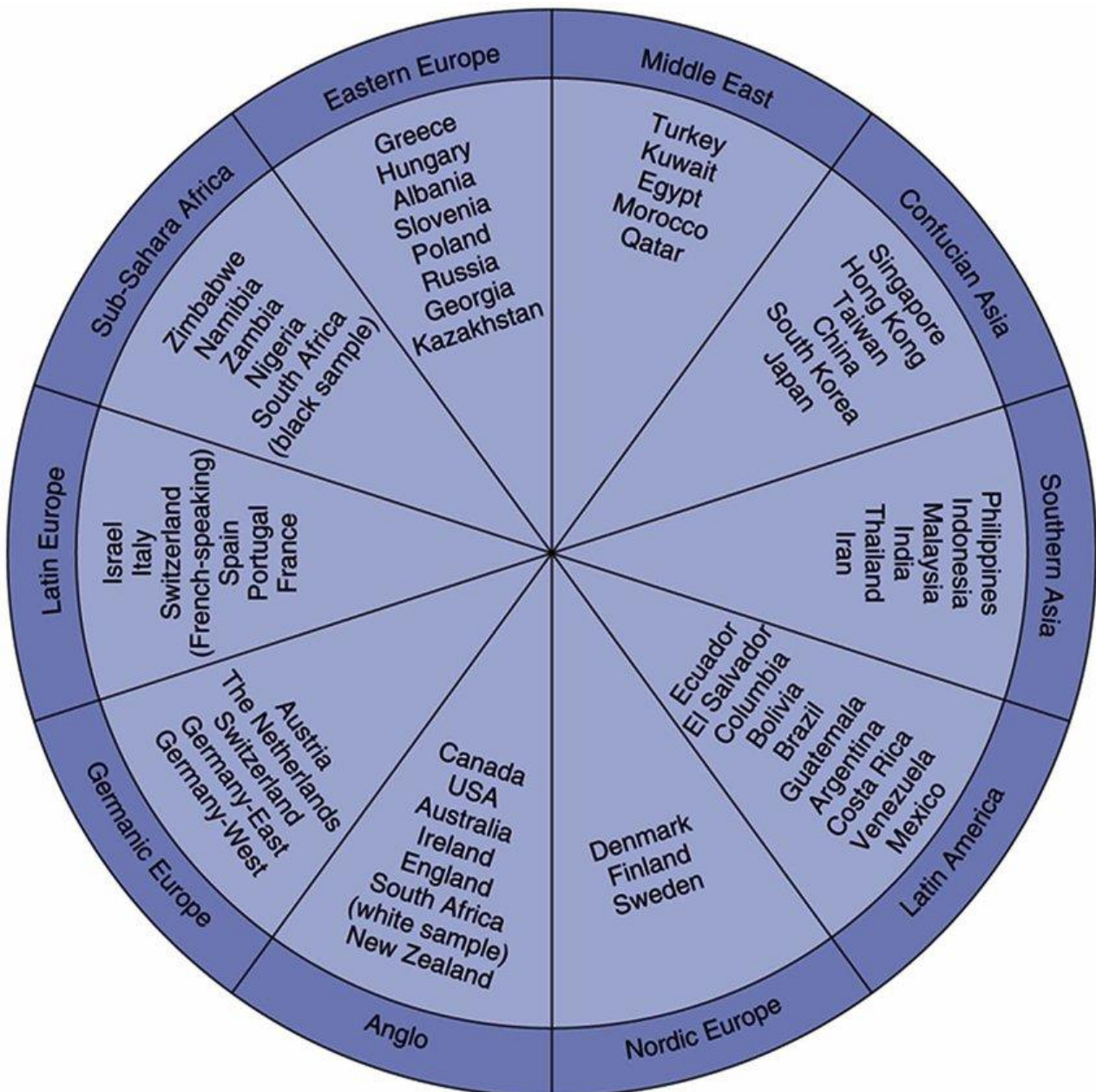
Risk is an inseparable part of any investment process, and even though OCL operates within strict risk management guidelines aimed at minimizing all the potential factors that can cause loss of assets, our clients must be aware of all the existing investment risks:

- inherent risk;
- the risk of asset depreciation;
- the risk of tightening the legal regulations on cryptocurrencies or restriction on fund's operations by the regulator;
- the risk of inefficiency or failure of the trading algorithm or the trading robot;
- the risk of insufficient qualification for market analysis and investment decision-making;
- the risk of unauthorized access to the fund's assets by the third parties;
- the risk of incompetent internal actions and processes;
- the risk of a sharp decline of the asset's investment value;

OCEANS CAPITAL LIMITED LOCATION.

The fund's head offices were established in Sweden. These jurisdictions offers relatively low levels of political, economic and regulatory volatility as well as clear conditions for the cryptocurrency fund to operate in full compliance with local laws and regulations.

Jakobsgatan 10 775 22, Stockholm, Sweden.



OCEANSCAPITALLIMITED (OCL)

Cryptocurrency investment company

www.oceanscapital.com