

LUCRE TOKEN (LCR) WHITEPAPER

Don't HODL; Trade with LUCRE

Nov 2018

*Tokens backed by
Crypto Algorithmic
Trading
Performance*

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1. EXECUTIVE SUMMARY

To HODL or not to HODL - the age-old question, crypto-fied. HODL may have come up as a mistaken spelling of “Hold” but it was quickly embraced by the crypto community and, like many other things in the crypto world, took on a life of its own. From humorous beginnings to classic internet memes, HODL has swung back and forth in debates. Should you HODL crypto or should you trade it? In other words, should you keep your crypto as a long-term asset or you advantage of volatility in both directions?

Don't HODL; Trade! Holding a Cryptocurrency hasn't been the best way to increase your wealth lately. LUCRE has been building a trading algorithm (Algo) which tries to outperform the performance of just HODLing the Cryptocurrencies. The trading is done both ways long and short. Even when the market is going south the Algo attempts to make profit by shorting it.

LUCRE Token's value is not based on speculation but rather the product benefits and net asset value backed by the performance of an algorithmic Cryptocurrency trading with real funds. LUCRE's utility token is called LCR. It can be traded at any time, holdings are fully transparent.

LUCRE trading system is developed by a team with 8 years of algorithmic trading experience. The trading strategy utilizes complex quantitative models and algorithms.

LCR is a utility token which initially can only be acquired during the Token sale event which is a one off, closed cap offering. A 40% of the total crowdsale is allocated to the trading pool, and then awarded proportionally to the Token sale participants. 75% of profit generated by the algorithm will be distributed to the Token sale participants. During the time the Trading Pool has losses, participants simply receive no compensation. Profits will be paid as a quarterly fee in ETH to the participant's assigned wallet. The other 25% will be reinvested in the Trading Pool to increase the fund capital, and consequently increase the next benefits that are generated.

LCR tokens provide premium membership and limited access passes. Once you have these tokens, you are able to earn money combining several options.

LCR is an ERC20 token based upon the Ethereum blockchain. Operating on the blockchain allows for global accessibility, 24/7 trading, transparency, public verification of LUCRE's trading performance. The tokens value is linked directly to the underlying cryptocurrency trading performance.

A public Token sale event will be held from the 15th of Oct to the 28th of Feb 2019. LUCRE will use the Token sale contributions to trade Crypto currencies starting Q2 2019 and the coin is expected to be listed on exchange in Q2 2019.

The minimum raised money is \$1.6 million USD and if this is not achieved all contributed funds will be returned.

2. INTRODUCTION

LUCRE is an automated algorithmic trading system based on statistical analysis of data from last 5 years (for BTCUSD). Automated trading, allow to establish specific rules for both trade entries and exits that, once programmed, can be automatically executed via a computer. Once the rules have been established, the algorithm monitors the markets to find buy or sell opportunities based on the trading strategy specifications. Depending on the specific rules, as soon as a trade is entered, any orders for protective stop losses, trailing stops and profit targets will automatically be generated. In fast moving markets, this instantaneous order entry can mean the difference between a small loss and a catastrophic loss in the event the trade moves against the trader. There is a long list of advantages to having a computer monitor the markets for trading opportunities and execute the trades. Some of the advantages are listed below:

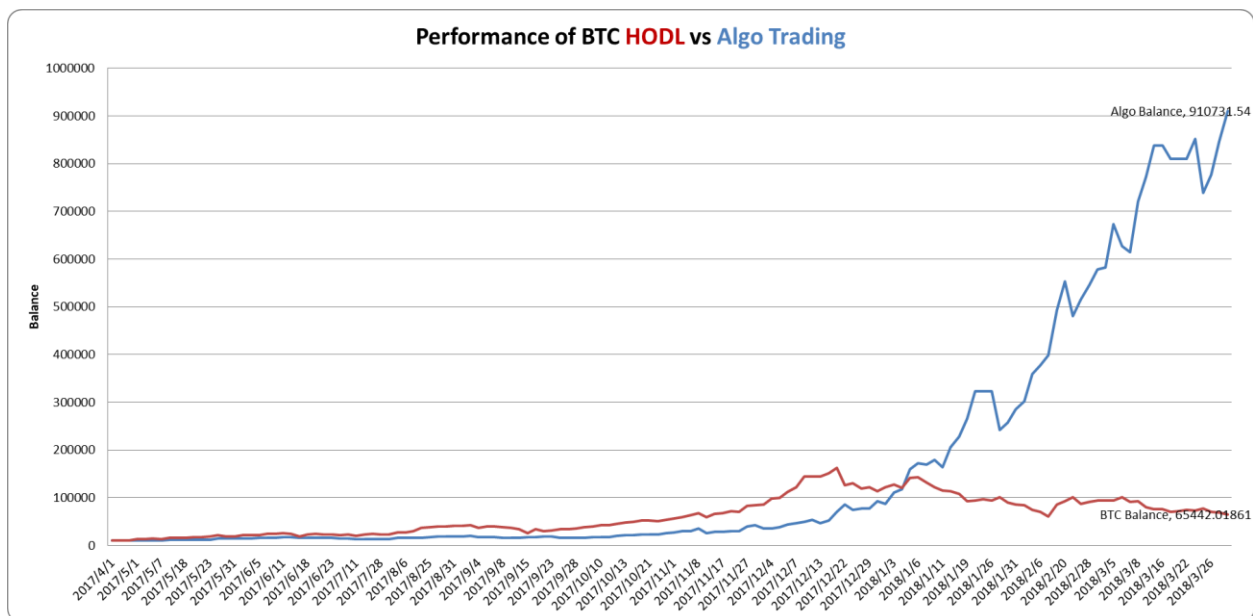
- **Minimize Emotions** - Automated trading systems minimize emotions throughout the trading process. Since trade orders are executed automatically once the trade rules have been met, traders will not be able to hesitate or question the trade. In addition to helping traders who are afraid to "pull the trigger", automated trading can curb those who are apt to overtrade – buying and selling at every perceived opportunity.
- **Ability to Backtest** - Backtesting applies trading rules to historical market data to determine the viability of the idea. Careful backtesting allows to evaluate and fine-tune a trading idea, and to determine the system's expectancy – the average amount that a trader can expect to win (or lose) per unit of risk.
- **Preserve Discipline** - Because the trade rules are established and trade execution is performed automatically, discipline is preserved even in volatile markets.
- **Achieve Consistency** - One of the biggest challenges in trading is to plan the trade and trade the plan. Even if a trading plan has the potential to be profitable, traders who ignore the rules are altering any expectancy the system would have had.
- **Improved Order Entry Speed** - Since computers respond immediately to changing market conditions, automated systems are able to generate orders as soon as trade criteria are met. Getting in or out of a trade a few seconds earlier can make a big difference in the trade's outcome. As soon as a position is entered, all other orders are automatically generated, including protective stop losses and profit targets.
- **24X7 Market** - as Crypto market is open 24X7 it is almost humanly impossible to trade every entry signal round the clock manually.

3. PRODUCT DEVELOPMENT STAGE

LUCRE trading algorithm is in Alpha stage. Testing for a core functionality of the product had been done over the period of 365 days from April 1, 2017 to March 31, 2018.

Currently LUCRE Trading Algo only trades BTCUSD (Bitcoin) derivative (CFD). Other Cryptocurrencies will be added in due course. Performance of just HODLing was great only in good times when market kept going up but it turned sour after peaking on Dec 18th 2017. However the Algo trading performance was unmatched.

The chart below gives a comparison of hypothetical trading performance of \$10,000 contributed on April 1st 2017 in both systems. One being an account holding BTC (in red) for the whole duration and the other contributed in LUCRE Algo trading (in blue). The Algo trading performance was trailing up until Jan 4th 2018 and then it overtook BTC HODL performance.



There is a distinction between 'high risk' and 'unacceptable risk' in the minds of many participants – cryptocurrencies have traditionally been seen as the latter. LUCRE aims to bring the risk to an acceptable level for allocation to retail participants.

The maximum drawdown of LUCRE Algo trading was 30% in the 1 year of trading test results. In comparison BTCUSD has been down 70% from the peak in December.

4. BACKTEST CONDITIONS

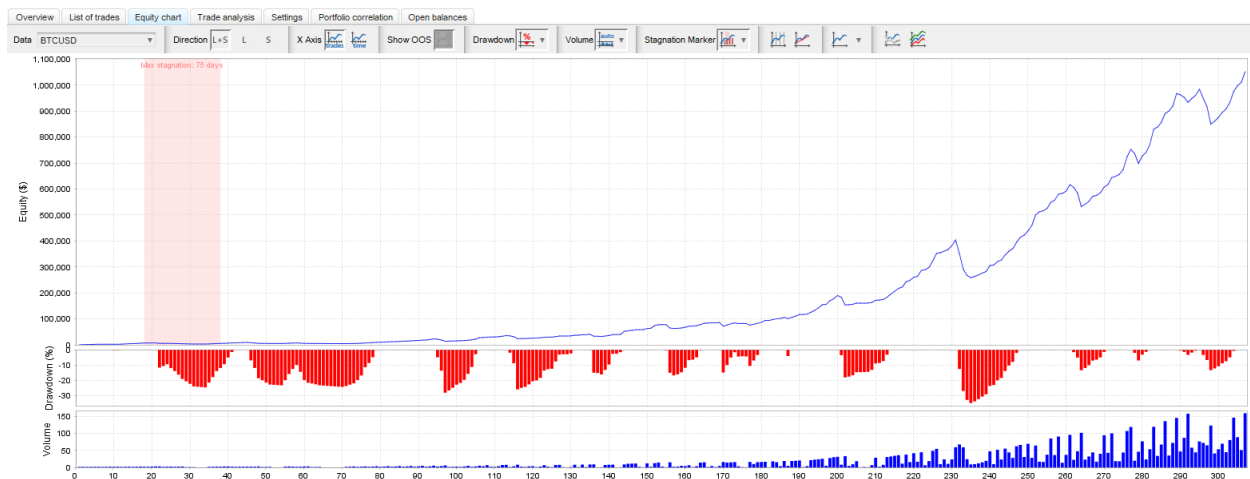
Back-tests of Algo trading were carried out for 365-days over the period 1st April, 2017 – 31st March, 2018 on the MetaTrader's Strategy Tester using high-quality tick data. The line graphs are used for clarity.

Trade related expenses are calculated as 1% over-market for every trade executed as spread and any swap (overnight interest) charged if the trade is kept open after 5:00PM EST.

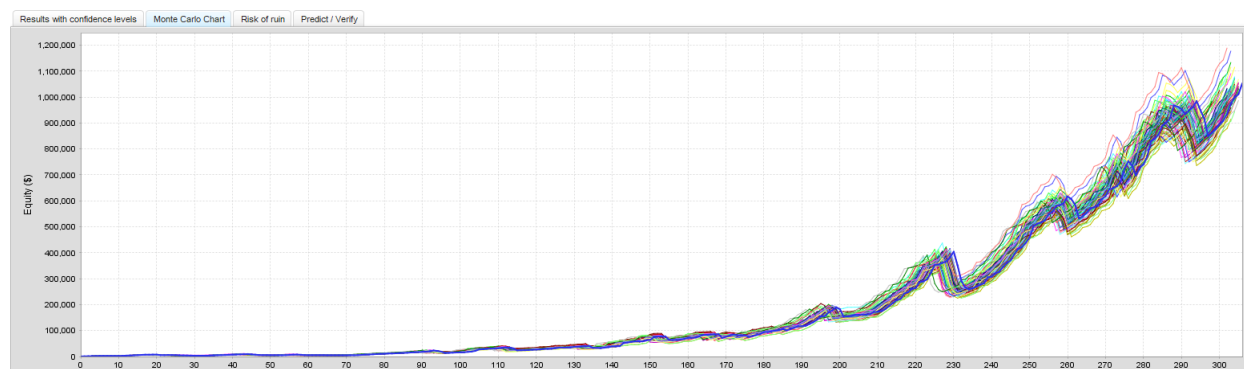
The optimization feature of MetaTrader is used to test thousands of combinations of Algo settings to find the most profitable settings for maximum profitability.

Backtest results were then also analyzed using the StrategyQuant Analyzer. Some results are shown below.

Equity Chart with Drawdowns and Volume:



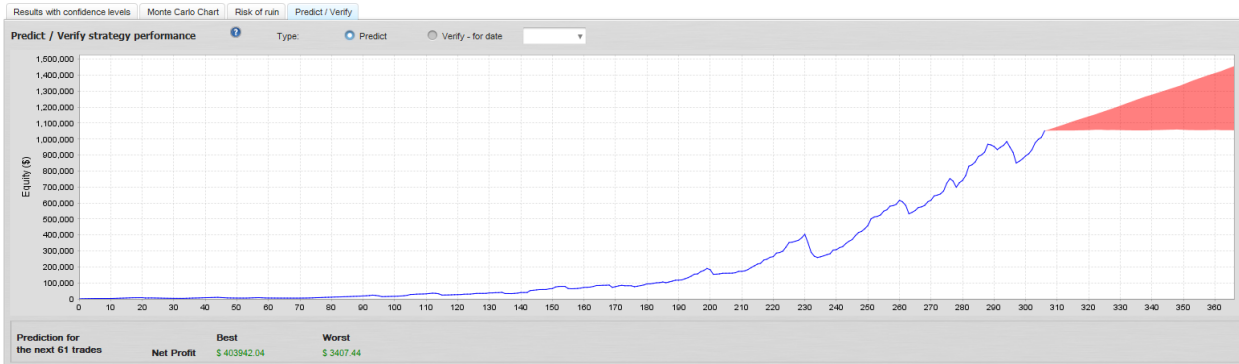
Monte Carlo Simulations (100):



Monte Carlo Results with Confidence Levels:

Confidence level	Net Profit	% Net Profit	Number of tra...	Max DD	Max % DD	Ret/DD	R Exp	AR %	Consecutive Losing Orders
Original	\$ 1051773.86	10517.74 %	307.0	\$ 145146.92	35.07 %	0.07	0.41 R	10516.37 %	12
60	\$ 1024444.65	10244.45 %	304.0	\$ 143265.59	35.17 %	0.07	0.41 R	10362.17 %	12
70	\$ 1015659.93	10156.59 %	304.0	\$ 144284.54	35.23 %	0.07	0.41 R	10245.95 %	12
80	\$ 1003865.25	10038.65 %	304.0	\$ 145127.02	35.28 %	0.07	0.41 R	10147.14 %	12
90	\$ 990487.6	9904.88 %	304.0	\$ 145146.92	35.43 %	0.07	0.41 R	10001.32 %	12
95	\$ 952213.54	9522.14 %	304.0	\$ 149313.6	35.64 %	0.07	0.4 R	9665.52 %	12
96	\$ 941088.94	9410.89 %	304.0	\$ 152955.85	35.65 %	0.07	0.4 R	9565.45 %	12
97	\$ 918614.22	9186.14 %	304.0	\$ 153508.96	35.72 %	0.07	0.39 R	9368.03 %	12
98	\$ 916809.02	9168.09 %	304.0	\$ 153803.69	35.81 %	0.07	0.39 R	9287.91 %	12
99	\$ 907153.15	9071.53 %	304.0	\$ 159905.63	35.86 %	0.07	0.39 R	9220.52 %	12
100	\$ 878831.98	8788.32 %	304.0	\$ 161608.48	35.9 %	0.07	0.38 R	8932.66 %	12

Predict / Verify strategy performance:



Trade Analysis:



5. WHY SHOULD I PARTICIPATE IN LUCRE TOKEN SALE?

LUCRE Token sale is a way to participate in a Crypto trading algorithm. The Token sale funds will be used for two main purposes:

1. Complete the development of the LUCRE Trading Algo (complete testing, add different crypto currencies, optimize performance. Also implement automated trading with varies Crypto broker's APIs when they are available and stable).
2. Use 40% of Token sale funds to trade Cryptocurrencies with the brokers and share profits with Token sale participants. A small leverage of maximum 3 times will be used. Trading will be done both ways long and short depending upon the market direction detected by the LUCRE Algo. Every order has a predefined soft and hard stop loss and take-profit value.

With the initial contribution you will receive LCR tokens which provide premium membership and limited access passes to the service. Once you have these tokens, you are able to earn money combining the different options detailed below. The tokens can also be sold to another participant.

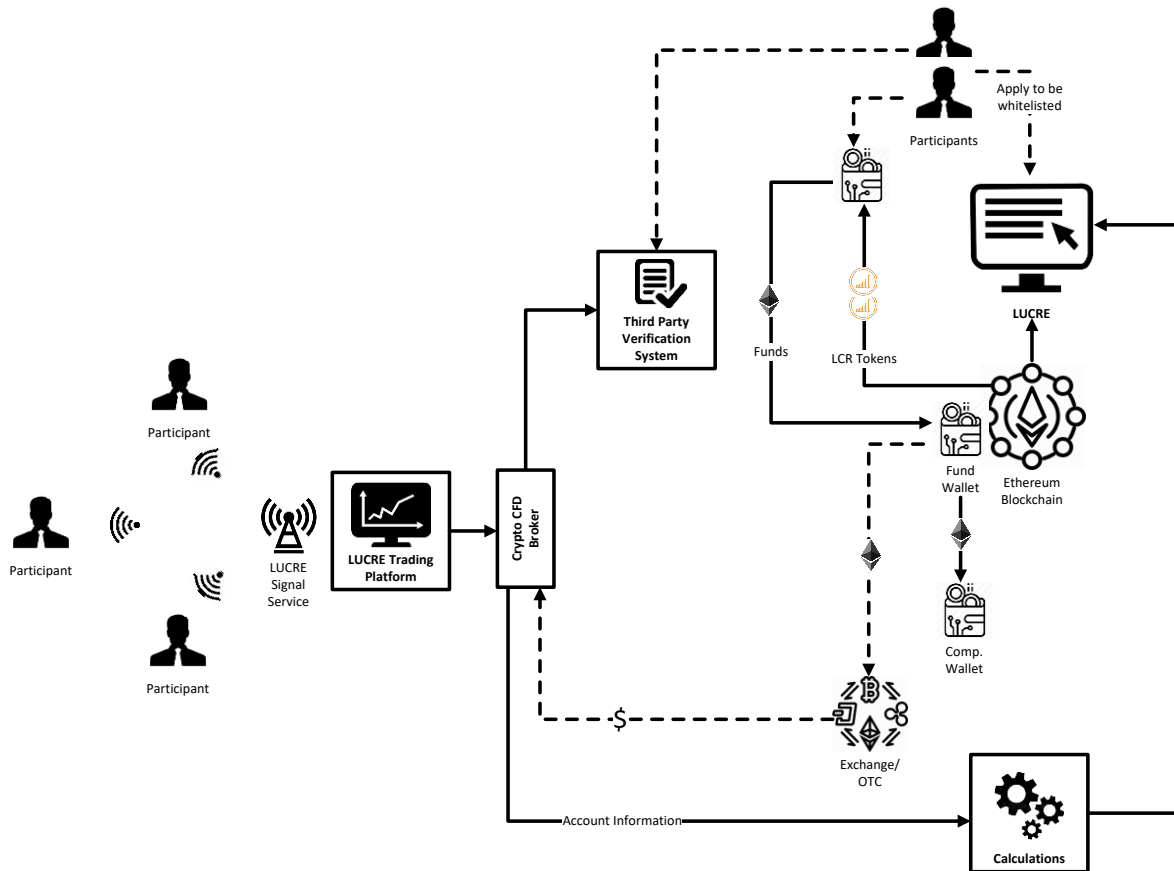
With LUCRE, Token sale participants are not required to contribute extra funds because they can profit from initial participation with the benefits of the algorithm. At the same time, the participants can use their funds to make additional trades guided by LUCRE trading signals. This way you can increase your profitability.

You can choose one of the following options or combine them to optimize your earnings.

1. Join during the Token sale event to receive a percentage of benefit, proportional to initial contribution, made by the algorithm on the Trading Pool.
2. Use the signals for trading: you will receive BUY/SELL signals for Cryptocurrencies that you can use for manual trading with your broker.
3. Use LUCRE Autotrading service. Users can use some of their Fiat funds with Autotrade algorithm, with all benefits going directly to the participants.

The only chance to acquire LUCRE token post-sale event will be on exchange from the Token sale participants. If the Algo is doing well it will increase the interest in buying and consequently drive the price higher for LCR tokens.

6. LUCRE PROCESS DETAILS



Participants apply for the LUCRE Token and gets whitelisted (KYC/AML). After receiving the confirmation of been whitelisted the participants then sends the funds (ETH) to the public address of the Token sale event. After receiving the funds, LUCRE smart contract automatically sends the LCR Tokens to the sender's wallet. Part of these funds is sent to the company reserve fund wallet.

At the end of the Token sale event, 40% of the received funds in ETH are liquidated and transferred to the LUCRE Derivatives Trading account where trades are executed by the LUCRE Algo. The trading account is also linked to a third party system where the performance of the Algo is verifiable 24X7.

For every trade executed by the LUCRE Algo, a signal will be sent out to every participant who has contributed more than 1ETH during the Token sale. These signals can be used on Metatrader terminals offered by CFD crypto brokers and in the future will be available for crypto exchanges as well.

Daily performance calculations will take place and posted on the LUCRE dashboard.

7. TOKEN PROFITABILITY

Based on the 8 years of experience in Foreign Exchange Algorithmic Trading, we have seen that the interest may rise once the algorithm is performing well and increased numbers of participants are going to be attracted to the project.

LUCRE is an exclusive platform because participants with access to the algorithm signals and autotrading are limited, this exclusivity being controlled by the number of tokens. If you want to receive the signals or utilize Autotrading, and you did not participate in the Token sale event, you will need to buy tokens from the original participants.

Trading algorithm will be taking long and short positions and bet in both the bull and bear markets thus diversifying and optimising the portfolio performance.

As a Token sale participant, you can decide to earn money selling the tokens, as the benefit of being an exclusive service and the results of the algorithm trading should see a rise in price or hold it and receive the ongoing profit tracking the performance of the trading algo.

8. SMART CONTRACT SPECIFICATIONS

The smart contract is built on the Ethereum Blockchain to provide trust, security, transparency, high liquidity and fast execution of transactions. Since there is no centralized authority, the contract is free from frauds, interference or speculation.

The smart contract complies with the ERC20 token standard and can be used from any compatible Ethereum wallet. A wallet should be created outside of any exchange and Ether should be sent from that wallet to the crowdsale contract. Participants should keep in mind that there is a risk of loss if they buy tokens using an exchange, as exchanges do not provide the ability to interact with crowdsales overall.

Participants can send ether to the contract directly or via buyTo function. The ether purchase amount is used to calculate the tokens bought which are then added to the balance of the participant account. The participant account (the account that is debited with tokens) is the sender account when using the buy and fallback function or the specified address when using the buyTo function and passing an address as an argument.

The smart contract has a two-tier control functionality which gives two controlling wallets different levels of authority. This allows future blockchain development and full on-chain automation without sacrificing the control of fund managers.

9. TOKEN DISTRIBUTION AND STRUCTURE

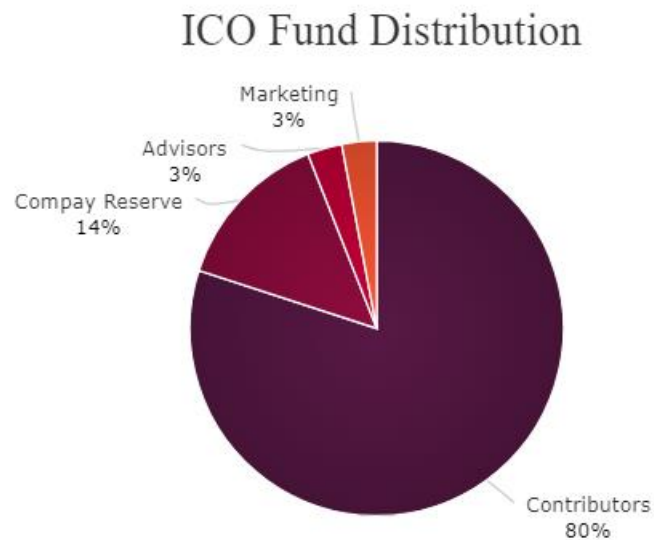
There will be a total supply of **12,500,000** LUCRE tokens, all of which will be issued during the distribution stages. This is the final amount of tokens, and no further tokens can be issued.

80% of the LCR tokens will be awarded for sale to public contributors during token Presale and Main sale.

14% of the LCR tokens will be allocated to the Company's reserve. This reserve will be a source of income for the organization and will be used to cover operations cost.

3% of the LCR tokens will be assigned to advisors.

3% of the LCR tokens will be distributed through our Bounty Program as a marketing initiative reward, bug report and advertisements.



10. TOKEN SALE FUNDS UTILIZATION

All the token sales income will be used to fund the product launch, ongoing platform development, and user acquisition:

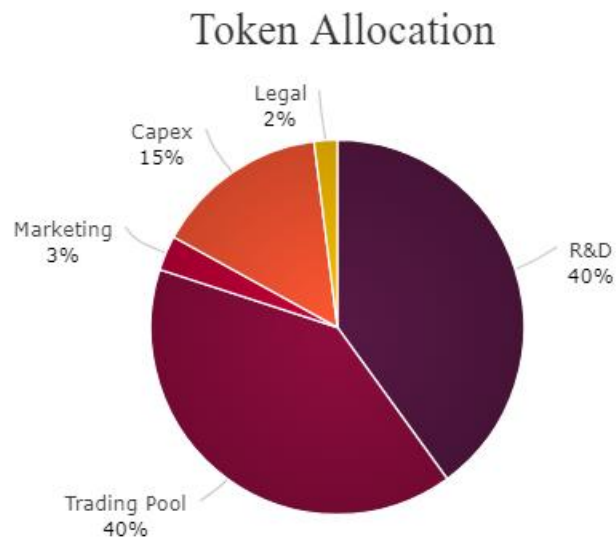
40% - R&D. It includes team development with about 5-7 engineers and programmers. Web dashboard development, robot algorithm improvement; signal broadcast service; smart phone application development and testing.

40% - Trading Pool. Contributions will be used to generate profit with the LUCRE Trading algorithm to return contribution to Token sale participants. This is not related to dividends in any way.

3% - Marketing expenses with ad campaigns, presentations etc.

15% - Capex, operational costs

2% - Legal and compliance fees



11. LCR PRICING

The token to ether price ratio is adjusted dynamically such that token price tracks \$1 (the bonus structure is then applied on top of this).

Token Presale: 15th Oct 2018

Token Main Sale: 1st Jan 2019

Token Type: ERC20 – Ethereum Blockchain

Maximum Supply (Hard Cap): 12 500 000 LCR

Available for Purchase: 10 000 000 LCR

Minimum Token Sale Contribution: 0.1ETH

Minimum Raise: \$1 600 000 USD

Maximum Raise: \$7 000 000 USD or 10 000 000 LCR Tokens (whichever happens earlier)

Price per token:

Pre-sale \$0.77 (30% Bonus)

Stage 1 of Main Token Sale: \$0.83 (20% Bonus)

Stage 2 of Main Token Sale: \$0.87 (15% Bonus)

Stage 3 of Main Token Sale: \$0.91 (10% Bonus)

Stage 4 of Main Token Sale: \$1.00 (No Bonus)

There will be a minimum cap of \$1,600,000 USD to develop this project. If this is not reached, all participants will have the full amount of their contributions returned to them, minus the transaction cost (GAS).

The LCR Token sale phase ends either on 28th February or when the maximum LCR tokens market cap has been reached.

12. SECURITY AND AUTOMATION

Contribution will be immediately converted to US Dollar on completion of Token sale event and transferred to the Derivatives trading account where the trades will be executed. Holding Derivative assets has no security concern.

LUCRE Trading is 100% automated. The full list of brokers utilized will be available on our website when trading begins. Additional exchanges will be added when vetted.

13. MARKETING AND PARTICIPANTS RELATIONS

The LUCRE team will invest significant time and effort into post Token sale marketing targeted towards participants in the traditional financial sector via the production of information sheets, explainer videos and planning documents that are easily understandable. LUCRE will focus marketing efforts solely on nonregulated markets. No promotion or solicitation will be performed where participation is forbidden or likely to be forbidden in the near future in order to remain compliant with local regulation.

14. PROJECT TIMELINE

Initial Research and Development

- Nov 2017 - March 2018 - Developed the trading algorithm and concept; conducted thorough backtests to determine trading parameters

Develop Smart Contract

- April – May 2018 – Developed LUCRE smart contract to best practice specifications

Finalize Smart Contract and Trading Protocol

- May – July 2018 – Complete smart contract, Whitepaper and LUCRE Website. Consultation with industry expert advisors.

LCR Whitelisting and Token Pre-Sale

- 28th August 2018 – Whitelisting Token sale participants; Bounty Program launch; Marketing
- 15th October – Token pre-sale.

LCR Token ICO Launch

- 1st January 2019 – Token main sale.

Public Launch on Exchanges

- Q2 2019 – LCR Token is listed for trade on exchanges.

Final development and improvement of trading platform

- Q2 2019 – Improve development of the Algo

Launch Autotrading Service (Beta)

- Q4 2019 – First version of the Algo and signal service released

Final version release

- Q1 2020 – Final Algo version and signal service will be released

Data Collection; Regular Operation

- Nov 2017 - Future – The data pulled regularly from the brokers and will be stored. This valuable deep dataset will be used to optimize the Algo. Research and Development of other Crypto algorithms.

15. CONCLUSION

LUCRE is poised to set a new standard for cryptocurrency participation. It aims to alter the tendency to HODL the crypto assets which doesn't always give high returns as we have seen since the peak in December 2017. Holding the LCR tokens gives access to the high performing trading Algo which takes aims to better perform than just HODLing it and hoping it will keep going up.

<mailto:support@lucretoken.com>

<https://www.lucretoken.com>

16. DISCLAIMER

This white paper does not constitute an offer or solicitation to sell securities or shares and is for informational purposes only. The LCR token is considered a utility tool built within blockchain technology. The LUCRE token (LCR) offering does not represent a stock or sale of securities; the LUCRE token does not grant equity or voting rights; the LUCRE token does not grant ownership rights directly or indirectly to the LUCRE company, its physical, virtual or intellectual properties; the LUCRE token does not grant a debt security and is not an instrument of debt; the LUCRE token does not pay a distribution, disbursement or interest payment to token holders. If any future offers become available they will be made through confidential and appropriate channels and follow all necessary legal requirements.

Notice to citizens and residents of the United States of America, Canada & Nevis: This website and the offering memorandum have not been filed with the Securities and Exchange Commission (SEC) as part of a registration statement. Accordingly, this website and the offering memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the LCR tokens may not be circulated or distributed, nor may the LCR tokens be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in the United States of America (USA).

You are not eligible to purchase any LCR in the LUCRE token sale if you are a citizen, resident (tax or otherwise) of Canada or Nevis.

No Advice: No information in this Whitepaper should be considered to be business, legal, and financial or tax advice regarding LUCRE the LCR tokens and the LUCRE Initial Token Sale (each as referred to in the Whitepaper). You should consult your own legal, financial, tax or other professional adviser regarding LUCRE, the LCR tokens, and the LUCRE Initial Token Sale (each as referred to in the Whitepaper). You should be aware that you may be required to bear the financial risk of any purchase of LCR tokens for an indefinite period of time.

Risks and uncertainties: Prospective purchasers of LCR tokens (as referred to in this Whitepaper) should carefully consider and evaluate all risks and uncertainties associated with LUCRE, the LCR

tokens and the LUCRE Initial Token Sale (each as referred to in the Whitepaper), all information set out in this Whitepaper and the T&Cs prior to any purchase of LCR tokens. If any of such risks and uncertainties develops into actual events, the business, financial condition, results of operations and prospects of LUCRE could be materially and adversely affected. In such cases, you may lose all or part of the value of the LCR tokens.

Additional Terms: Please read our token sale complete [terms and conditions](#).

This document should not be construed as an offer or solicitation of an offer for the sale of tokens. The individual/s listed in this document are not and will not be selling tokens and have drafted this document on behalf of the legal entity that will be conducting the relevant token sale.

AN IMPORTANT NOTE

LUCRE is incorporated in St. Kitts & Nevis as LUCRE Continuum Limited. It's an International Business Corporation with the registration number C50100.

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Consider the English language version of all LUCRE communications, media and documentation to be the only official version.