



# XNODEFUND

**WHITEPAPER**

Gathering of funds for investment in the cryptocurrency that have masternode and  
Invested in highly ROI of any coins is our main goal

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## 0. Abstract

The XnodeFund is a funding for invest in cryptocurrencies which have masternode system to organize those “masternode” to a larger range of people and let them enjoy the advantages and benefits of masternode reward.

This paper is intended to give an overview of our approach in attaining this goal from explaining the concept of a masternode to elucidating how we will make this unfamiliar concept known to wider variety of people.

## 1. Introduction and Problem Statement

The XnodeFund is a masternode fund that enables the entire spectrum of users to have easy invest to the incentivized network, also known as the “Masternode Network”. Masternodes refer to nodes in the cryptocurrency market that fulfill a specific function beyond simply relaying transactions. A masternode's most distinctive feature is that any investor investing in a masternode can

acquire stable and almost guaranteed profit just by locking

up his/her money in the masternode for a fixed amount of time. However, despite its attractive characteristic, hosting a masternode is quite out of reach for most individual investors since most masternodes require substantial capital and intricate software engineering to set up.

Thus, gathering the fund for invest in the cryptocurrency that has masternode and invest in highly ROI of any coins is our solution. By aiding these average individuals come together to form a whole masternode, we will be able to setup and run masternodes and distribute the masternode reward for stakeholders. We will encourage more people to participate in masternode investments and as well as provide them with a much safer investment channel rather than investing in the exchange market without adequate knowledge.

## 2. What is a Masternode?

### 2.1. Definition

Masternodes are “servers” in the cryptocurrencies network that relay transactions and sometimes also process other specific functions. The most distinctive characteristic of a masternode is that the users can deposit their money in a “masternode product” and earn a portion of the block rewards in the form of the cryptocurrency they invested in. The yield varies primarily according to the masternode count and each coin might have different payout periods. This makes masternode a means to generate “passive income” from cryptocurrencies without having to run expensive mining equipment or having to actively invest in exchanges. To create a masternode, a user only needs to lock in a specific amount of coin.

### 2.2. Proof-of-Work(POW) and Proof-of-Stake(POS)

Coin mining can be divided into two different methods: POW (Proof-of-Work) and POS (Proof-of-Stake). POW is a system in which the higher the hash reserve is, the more blocks one can find for more coins. There is also the concept of “difficulty” in order to keep the block-generation time constant. The difficulty increases as the total hash increases and more hashes are required for finding more blocks along with the increased difficulty, which consequently leads the block generation time to remain constant. However, this POW method has some limitations. On the economic side, there are cost problems such as high electricity consumption, high costs of expensive mining equipment (ASIC, GPU, etc) and their maintenance, as well as security and centralization issues regarding hash monopolization. For most coins, the POW method had been chosen in the past and the most typical examples are Bitcoin, Litecoin and Ethereum.

### 2.3. Masternode using POS method

Masternodes include mining through the POS method. In the case of mining, block generation time varies according to mining difficulty, and the mining output also changes according to the number of masternodes formed in the blockchain. In general, masternode coins are hybrid in the sense that they consist of both POW and POS methods.

They will follow the POW method up to a specific block and subsequently change to the POS method after that.

### 2.4. Advantages and Limitations of a Masternode

#### 2.4.1 Masternode's Advantages

PIVX	USD	Coin
Monthly Income	217.80	10.7422
Yearly Income	2,649.98	560.129
ROI(Annual)	5.60%	

DASH	USD	Coin
Monthly Income	5,339.98	7.753
Yearly Income	4,969.78	82.1615
ROI(Annual)	8.22%	

\*December 12, 2017

A masternode guarantees stable Return On Investment (ROI), the profit gained from an investment. High ROI signifies that the investment was successful and cost-efficient. In other words, ROI is a financial term used to measure the efficiency of investments and investment methods.

For example, 1,000 DASH coins, a typical masternode coin, purchased as exchange a year ago at USD 8.82 (December 1, 2016) would have generated an ROI this year of about 9,040% as DASH prices soared from USD 8.82 to USD 806.18 as of December 1, 2017, but the number of DASH coins possessed would still remain the same at 1,000.

However, the calculation would be significantly different if one bought 1,000 DASH coins a year ago and formed a masternode instead of buying them as exchange. The number of coins one would have this year would have risen to 1,088 and the ROI would have risen to 9844%; needless to say that if the coin price increases continuously, the ROI would be even greater. What is more interesting is that even if the coin price declined, one would still be able to manage one's risks since the investor could still earn additional coins generated from the masternode regardless of price fluctuation.

#### 2.4.2 Masternode's Limitations

However, the problem that most people face when forming a masternode is that in order to form a masternode, there is a minimum number of coins that investors need to possess, which often exceeds the capacity of most ordinary investors. For example, the minimum amount required to form a DASH masternode is 1,000 DASH coins (equivalent to USD 900,000). Another example is STRATIS

coin, which requires 25,000 coins (equivalent to USD 1,700,000) to form a masternode.

System build-up and maintenance that require professional knowledge is another problem that deters most small investors. For example, a well-known masternode coin, DASH, requires both 1,000 DASH coins to form a single masternode and 24 hours of non-stop servers and related programs for stable operation.

#### 2.5. Opportunities

Bitcoin volatility means "more regulation" of cryptocurrency is on the way. As can be inferred, Bitcoin's price volatility outstrips all other assets. High volatility implies high risk and this is the main reason why many people regard investment in cryptocurrency as "speculation", thus bringing about various regulation. This misconception has become an obstacle to the development of cryptocurrency, in a further sense, blockchain.

However, with the introduction of masternode investments, ordinary investors can now minimize their risk taking and still generate sizable earnings. Moreover, now that many investors are seeking to find a reliable place to invest their money, it is high time that we start focusing more on alternative way of masternode investment.

### 3. The XnodeFund

#### 3.1 Business Model

Cryptocurrency, which has emerged with the development of blockchain that opened up with the Fourth Industrial Revolution, is characterized by decentralization, anonymity, and reliability and is now attracting new investors from various fields. Nevertheless, large price fluctuation is making cryptocurrency investment seem “speculative” and is raising fears of becoming a problem.

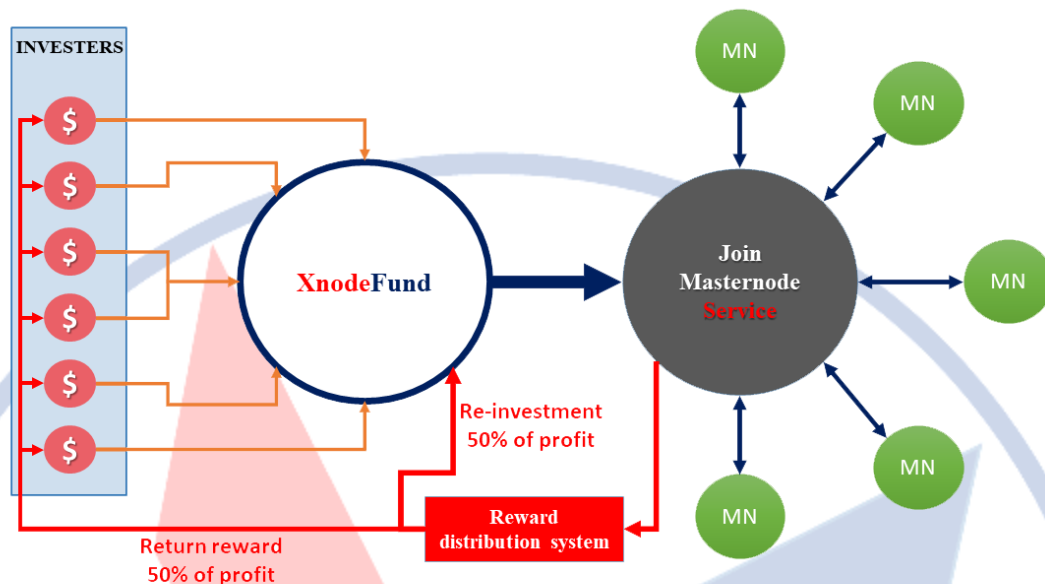
The XnodeFund will provide investors with a steady income with minimized risk and the services with reliability, accessibility and stability.

Ultimately, XNF aims to become the first key token of masternode coins and will ensure complete anonymity.

#### 3.2 XnodeFund overview

The XnodeFund is the funding which is gathering fund from investors. By selling XNF tokens, XnodeFund will be growth up and huge enough for masternode investment. The most of budgets is using for collecting the coins to setup masternode. All masternode will be ran by Join Masternode Service (will be explain on the next part). After invested in masternode and got masternode reward or this paper called as the profit. 50% of the all profits will be return to XnodeFund for re-investment. Another 50% of profit return to the investors or the token holders.

## OVER VIEW



### 3.3 Join Masternode Service

Join Masternode Service is the service for manage the masternode coin form XnodeFund until get the masternode reward. It is including hardware-software control, maintenance, and securities of all coin.

### 3.4 Reward distribution system

Reward distribution system is the processing of reward return to the token holders.

## 4. XNF Token

### 4.1 XNF Specification

Total supply	25,000,000,001 XNF
Max circulation	12,500,000,001 XNF
Technology	WAVES platform

XNF token was issued on WAVES platform. Total token supply is 25,000,000,001 XNF. Due to the reward distribution system and ratio of distribution profit (50/50), the maximum token in circulation will be 12,500,000,001 XNF. 50% of total tokens will be reserved for the project and another 50% of tokens will be sale for funding and driving the project.

## 4.2 Benefits for XNF Holder

According to the reward distribution system, it will organize the profit from masternode rewards. 50% of all profit will be sent to XnodeFund for re-investment and the rest of profit will be distributed to eligible XNF holders (will announce more information later).

## 4.3 Token Sale

The token for sale and distribute is 12.5 billion tokens. The periods for sale token were divided to three parts and the price will be raised in each period.

- Pre-sale, 5% of 12.5 billion tokens will be sold at price \$ 0.0005 per token.
- ICO – 1, 15% of 12.5 billion tokens will be sold at price \$ 0.0050 per token
- ICO – 2, 80% of 12.5 billion tokens will be sold at price \$ 0.0500 per token

## 4.4 How to get an XNF token

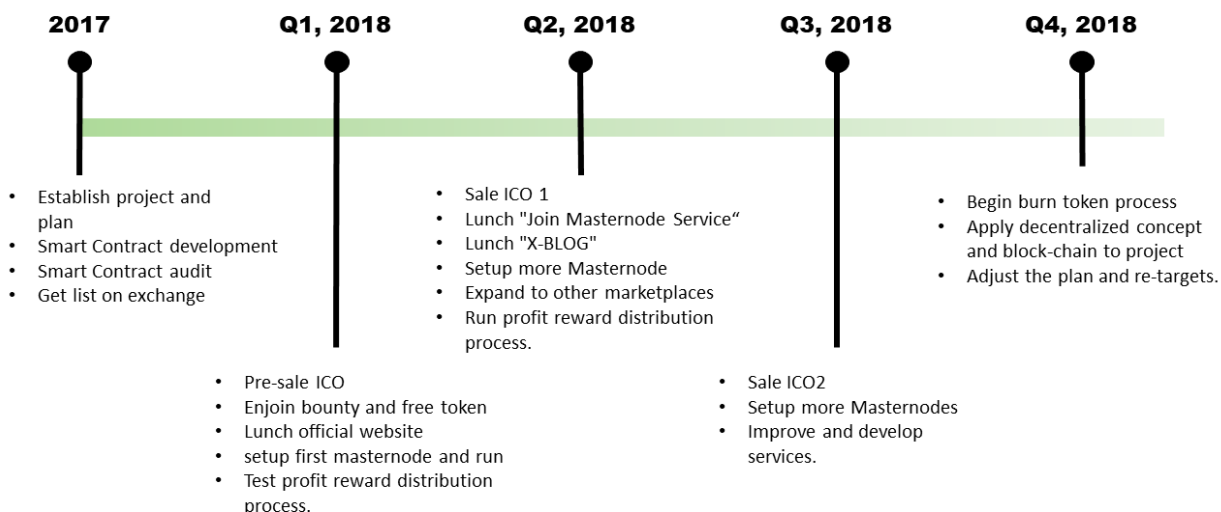
There are three methods to get XNF token as following:

First, get XNF token from official website, “BUY TOKEN” button is available on the <https://www.xnodefund.com/> or go directly to <https://www.xnodefund.com/buy-token>. On this place, it is accepting the fiat currencies as USD, EURO, YEN, ... etc. This payment gateway was powered by PayPal which is easy and friendly for users.

Second, get XNF token from exchange market. The lists of marketplace will be announced at the official website and bitcointalk forum of xnodefund. This method usually accepts the cryptocurrencies such as BTC, ETH, WAVES, ...etc.

Third, get XNF token from bounty programs which have only occasional times. The bounty programs will be announced at the bitcointalk forum and social medias of xnodefund. Join the bounty programs to get free token as reward.

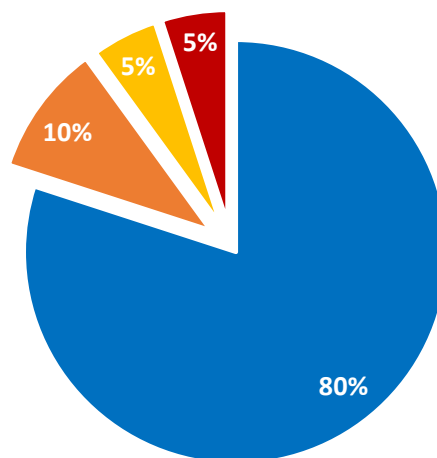
## 5. Roadmap



## 6. Budget Allocation

80% Project Investments – This Budget is go directly for investment. It will be administrated be team to decrease risk, and increase profitability of the projects.

10% Marketing and development – The budget was reserve for the first five years since projects begins. This budget is not only for the advertisements, but it covers for support the partner's collaborations, seeking opportunities for the projects, research projects, project development and security, and corporative social responsibility (CSR).



■ Investment ■ Marketing ■ Administration ■ Team

5% Legal and Administration – The investment in digital currencies need the than technology. The legal issue is also importance as same as the administration issue. Thus, this budget will be reserved for support the team to drive the project and it will be the resource for the project resolution.

5% Team building and others – The beginning step is hardest! This budget will be used for attraction of the team member, providing the team facilities including hardware and software for the project, and supporting any cost of the project during the beginning step.

## 7. Disclaimer Statement

The information provided in this whitepaper and accompanying material is for informational purposes only. It should not be considered legal or financial advice. You should consult with an attorney or other professional to determine what may be best for your individual needs.

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## 8. Legal issues of tokens crowd sale

Regulations: after a wide range of legal verification and continuous focus on the development and legal structure of digital currency, the team believes that caution regarding the sale of tokens is advisable. Therefore, with the advent of crowd-sales, we will constantly adjust the sale strategy of tokens, and avoid relevant legal risks to the largest extent.

