Powering The Future of Progress

CIPHEX

CipheX Community Capital I
White Paper
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ciphex.io

Ciphex Community Capital I
Whitepaper

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1.0 Introduction

1.1   What is Cipherion CipheX

Cipherion is a research and development platform pioneering advancements in **Abacus**, an advanced market analytics system capable of processing millions of data points daily to uncover trading opportunities. These insights are executed by **Market Centurions**, a fleet of autonomous bots engineered to optimize risk management and maximize returns in cryptocurrency markets. Building on these innovations, Cipherion introduced **CipheX**, a decentralized, community-driven ecosystem that provides **CPX** token holders with exclusive rewards and opportunities for sustained long-term growth.

HYBRID ORGANIZATIONAL MODEL
CENTRAL AND DECENTRALIZED CONTROLS

Centralized Activities

Cryptocurrency and Traditional Capital Markets

Decentralized Controls

- Abacus Research & Development
- Market Centurion Engineering
- Quantitative Modeling R&D

- Market Centurion Activities
- Capital & Asset Management
- Community Growth Development
- Transparency & Indep. Oversight
- Regulatory Compliance

Cipherion Market Research Group

CipheX Community & Capital Fund

1.2   Adoption of Cryptocurrency

Cryptocurrencies have moved beyond a speculative trend and are now integral to diversified portfolios for major investment firms, hedge funds, and asset managers. They offer opportunities for wealth-building independent of traditional institutions, signaling a shift in market dynamics as digital assets open new growth avenues. In a time of rapid digital transformation, traditional institutions increasingly see cryptocurrencies as a viable asset class. CipheX anticipates this growth to rapidly accelerate over the next three to five years, with crypto usage becoming as common in daily life as credit card transactions.

Exposure to Digital Assets

As the ecosystem expands and liquidity increases, more investors plan to have digital asset exposure.

81% of institutional investors believe digital assets should be part of a portfolio

74% plan to buy or invest in digital assets in the near future

Source: Fidelity Digital Assets (Oct 2022).
Based on a survey of 1,052 institutional investors and high net worth individuals.

1.3 Competitive Landscape

Institutional trading on centralized exchanges like Coinbase, Kraken, and Crypto.com has surged since 2022 as these platforms align with regulatory standards that draw significant institutional investment. Meanwhile, decentralized exchanges are seeing growth from smaller, unregulated funds, capturing the interest of retail investors. Since 2022, fund closures have kept pace with new launches each quarter, emphasizing that success in today's challenging market demands more than capital and advanced technologies. It requires skilled navigation of complex market dynamics—balancing risk, capitalizing on emerging opportunities, and maintaining the discipline to secure positive returns amid volatility.

Number of Crypto Funds Lanched/Closed Worldwide

Source: Statista
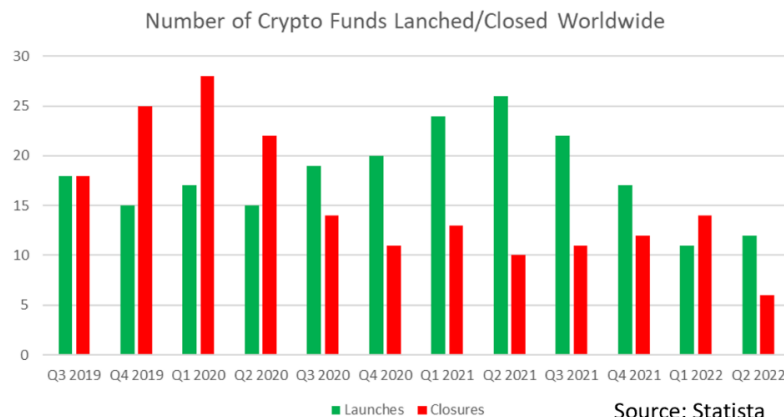
1.4 The Rise of Generative AI

Generative AI is set to transform cryptocurrency and traditional financial markets, with projected growth from $410 million in 2022 to $6.14 billion by 2032 at a 32% CAGR (Market Research Biz). AI is expected to reshape key areas like price prediction, trading strategies, risk management, portfolio optimization, sentiment analysis, and fraud detection, driving greater market efficiency and returns. As AI evolves, automated high-frequency trading and increased transaction volumes will become the norm, pushing traditional financial platforms to adopt AI and autonomous systems to stay competitive.

2.0 CipheX Community

2.1 The Community

CipheX marks a transformative shift away from centralized financial systems. By incorporating decentralized governance and ensuring complete market transparency, CipheX establishes a new benchmark for financial systems. It empowers individual financial management and self-sufficiency, operating free from the constraints of traditional centralized control.

2.2 Future Use Cases and Long-Term Utility

The CipheX Community is committed to driving investment in emerging markets and undervalued industries, focusing on advancing alternative healthcare, sustainable agriculture, and local entrepreneurial innovation. In its first three years, CipheX expects to introduce innovative peer-to-peer lending services, leveraging automation and blockchain technology to deliver cost-effective financing solutions free from the limitations of traditional financial institutions.

2.3 Creators & Founding Contributors

CipheX is a decentralized platform, ensuring that no single person or entity maintains majority control over its community or capital. Founding members, known as "Creators," retain complete intellectual property ownership dedicated solely to advancing the CipheX Community. Supporting them are "Founding Contributors," industry experts who actively contribute to developing the CipheX Community. Each Creator and Founding Contributor brings over 25 years of proven expertise in cryptocurrency mining, cryptographic development, quantitative market analysis, capital markets trading, structure finance, portfolio and asset management, and executive leadership.

2.4 Consensus and Governance

2.6a Investment Control. CipheX Community members have full control over their returns. This flexibility empowers members to manage risk, diversify their portfolios, and pursue additional gains across promising projects within the CipheX ecosystem. Importantly, the CipheX Community operates without any management or administration fees.

2.6b Community Capital Control. CipheX Community members decide the annual percentage of accumulated capital allocated for operations and other Community driven activities. If mid-year adjustments are needed, members can propose a reallocation vote to address urgent or evolving needs, ensuring responsive and transparent budgeting.

2.6c Expert Contributors. CipheX relies on Expert Contributors to help build and guide its community. Members of the CipheX Community can nominate and elect key Expert Contributors who serve up to two-year terms. Elections are held annually or as needed to fill vacancies. Expert Contributors can be re-elected or removed immediately if a majority petitions for their removal. This democratic structure promotes performance and accountability within the CipheX Community.

2.5 Regulatory and Financial Oversight

CipheX is committed to maximizing transparency and plans to appoint independent financial auditors and other oversight firms as Expert Contributors within its first year to ensure accountability and safeguard the financial integrity of the CipheX Community. Additionally, CipheX is dedicated to the community's long-term sustainability and will actively support regulatory compliance requirements.

2.6 Privacy of Members and Contributors

CipheX will implement robust privacy measures to protect personal information, ensuring that only essential details such as wallet contract identification are available for reference. CipheX is committed to maintaining the privacy of its members with the highest standards of confidentiality and security while enabling transparency within the CipheX Community.

2.7 CipheX Road Map Overview

FY2024 Phase I. Key development activities for launching the CipheX Community include preparing targeted marketing strategies for its public presale campaign ("PreSale"). Phase I also involves establishing partnerships for technical and security auditing, marketing support, and web3 development services.

EY2025 Phase 2. CipheX is targeting its launch on the Uniswap decentralized exchange by early to mid-2025, alongside additional commercial testing of its Abacus and Market Centurion System, with a full rollout anticipated later in 2025.

EY2025 Phase 3. CipheX expects to be listed on a centralized exchange (CEX) by late 2025 or early 2026, enhancing market accessibility for the CipheX Community. Additionally, CipheX plans to launch its venture investment and P2P lending programs focused on supporting emerging markets and undervalued industry sectors.

EY2026-EY2027 Phase 4 and 5. CipheX plans to focus on expanding commercial opportunities for its Abacus and Market Centurion System and decentralized financial services. Moreover, CipheX expects to pursue additional listings on multiple centralized exchanges, enhancing market awareness and accessibility for the CipheX Community.

3.0 Tokenomics

3.1 CipheX Maximum Supply

CipheX has set a maximum supply of **1.5 billion CPX Tokens**, structured with a deflationary model to reduce the total supply over ten years gradually. This deflationary approach, market stabilization efforts, and expected growth are expected to reduce price volatility and support sustained long-term value.

(Table 3.1A – CPX Distributed Allocation)

Summarized CipheX Tokenomics

Creators & Contributors, 230,702,846 , 16.12%
Staking & Rewards, 207,566,144 , 14.51%
Early/Managed Investors, 286,067,600 , 19.99%
Public PreSale, 142,738,450 , 9.98%
Marketing Programs, 69,355,722 , 4.85%
Internal Market Advisors, 56,236,428 , 3.93%
Community Contributors, 11,523,500 , 0.81%
CEX/DEX Liq. Reserves, 416,563,779 , 29.11%
Bounty & Development, 10,092,009 , 0.71%
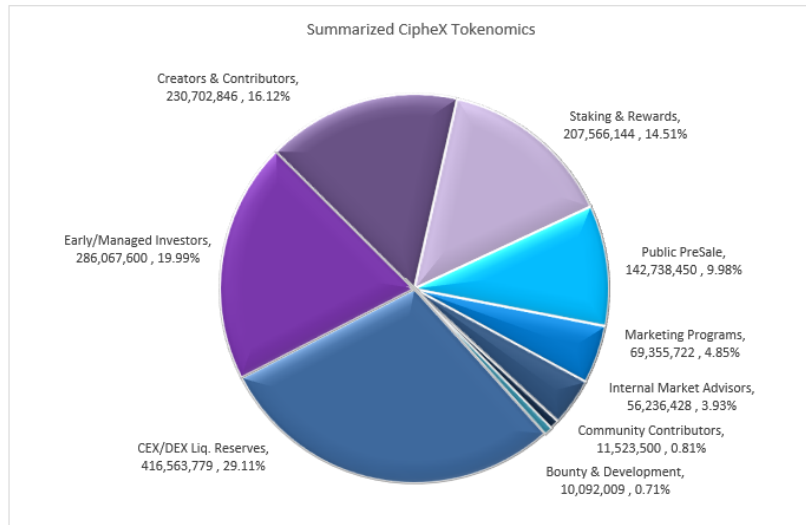
(Table 3.1B – CPX Fully Allocated Total Supply)

CEX/DEX Liq. Reserves	416,563,779	29.11%
Early/Managed Investors	286,067,600	19.99%
Creators & Contributors	230,702,846	16.12%
Staking & Rewards	207,566,144	14.51%
Public PreSale	142,738,450	9.98%
Marketing Programs	69,355,722	4.85%
Internal Market Advisors	56,236,428	3.93%
Community Contributors	11,523,500	0.81%
Bounty & Development	10,092,009	0.71%
Circulating Supply	1,430,846,478	100.00%
Maximum Supply	1,500,000,000	
Unallocated Supply	(69,153,522)	4.61%

3.2 Circulating Supply

The CipheX allocated total supply is further consolidated into two categories: (a) Locked circulating supply and (b) Unlocked and undistributed circulating supply specifically reserved for its CPX liquidity pool and Fixed Term Staking and Rewards. This consolidation determines the estimated locked, fully diluted circulating supply compared to the unlocked and freely tradeable supply percentage during its planned listing on the Uniswap decentralized exchange (DEX).

(Table 3.2A – Consolidated Allocation of Circulating Supply)

Liquidity Reserves	416,563,779	29.11%	(n1)
Early Investors	286,067,600	19.99%	(n2)
Creators & Contrib.	230,702,846	16.12%	(n2)
Staking & Rewards	207,566,144	14.51%	(n3)
Expert Contrib.	147,207,659	10.29%	(n4)
Public Presale	142,738,450	9.98%	(n5)
Total Supply	1,430,846,478	100.00%	
Initial LP	5,000,000	0.35%	(n6)
Total Locked	1,425,846,478	99.65%	
Total Supply	1,430,846,478	100.00%	

Notes: (n1) Unlocked Liquidity Reserves are held in a CipheX Liquidity vault. These reserves are transferrable to the CipheX liquidity pool using automated balancing protocols as needed. (n2) Pre-mined CPX Tokens are allocated to early investors, Creators, Founding Contributors, and development contributors. (n3) Fixed Term Staking and Rewards are CPX Tokens allocated exclusively to token holders participating in the Fixed Term Staking program. (n4) Expert Contributor Reserves are allocated for community growth programs as outlined in Table 3.2B. (n5) Allocation of CPX Tokens for its PreSale, and (6) Estimated Initial CPX Liquidity Pool during initial DEX listing.

(Table 3.2B – Allocation for General and Expert Contributors)

Marketing Programs	69,355,722	4.85%
Internal Market Advisors	56,236,428	3.93%
Community Contributors	11,523,500	0.81%
Bounty & Development	10,092,009	0.71%
Allocated Reserves	147,207,659	10.29%

(Table 3.2C – Unlocked Treasury Reserves)

Liquidity Reserves	416,563,779	29.11%	LP-CPX
Staking & Rewards	207,566,144	14.51%	ST-CPX
Total	624,129,923	43.62%	

3.3 Treasury Management Protocols

CipheX uses multi-sig authentication protocols to manage CPX Tokens or digital currency transfers from treasury or capital wallets of the CipheX Community ("Treasury Management"). The independent oversight of Expert Contributors further governs this multi-layered approval system. These Treasury Management protocols increase transparency and accountability and further safeguard the CipheX Community from single points of failure, potential misconduct, or theft.

(Table 3.3A – Treasury Management Protocol of CPX Tokens)

Liquidity Pool Reserves
416,563,779
Wallet (T2)

Early Investors
286,067,600
Wallet (T3)

Creators & Founding Contrib.
230,702,846
Wallet (T4)

CPX Staking and Rewards
207,566,144
Wallet (T5)

Expert Contributors
147,207,659
Wallet (T6)

Public PreSale
142,738,450
Wallet (T7)

1,500,000,000 Max Supply

CipheX Unallocated CPX
69,153,522 (Balance Post Allocations)
Wallet (T1)

Multi-Sig Authentication Protocol

Distribution

3.4 PreSale of CPX Tokens

CipheX is expected to launch its PreSale in late 2024 to raise funds ("Target Funding") to primarily support the growth of the CipheX Community and launch its Abacus and Market Centurion System. During the PreSale, CipheX anticipates driving awareness through extensive online media campaigns and partnering with established marketing firms and key opinion leaders. In addition, CipheX will introduce its marketing affiliate and referral program designed to incentivize PreSale contributors to earn rewards by referring friends and networks.

3.5 Planned Capital Contributions

The CipheX PreSale is expected to open under the following terms:

- Start Price Per CPX: $0.10 (Ten Cents)
- Minimum CPX Tokens: 2000 CPX (n1)
- Maximum CPX Tokens: 200,000 (n1)

- Target Funding: $20,000,000 (n2)
- Minimum Funding: $2,000,000 (n3)
- Planned Duration: 180 Days

Notes: (n1) CipheX accepts USDT, USDC, and ETH for CPX Token contributions. There are minimum and maximum limits on the number of CPX Tokens that can be acquired per contribution. (n2) 142,738,450 CPX Tokens are allocated for the PreSale phase. (n3) The PreSale has a Minimum Funding requirement. Suppose CipheX does not meet this threshold within the first 90 days of the PreSale. In that case, all contributions will be returned to contributors (minus any network transfer fees), and the PreSale will be closed.

3.6 PreSale Automated Daily Pricing

During the PreSale, the price of CPX Tokens is set to increase every 24 hours. The PreSale is anticipated to remain open 180 days from its start date, with automated daily price increases designed to generate unrealized gains for contributors. The estimated final price at the close of the PreSale is projected to reach $0.2593, representing an unrealized gain of approximately 159.93% from the opening price.

(Table 3.6 – Estimated Unrealized Gains of CPX Tokens during PreSale)
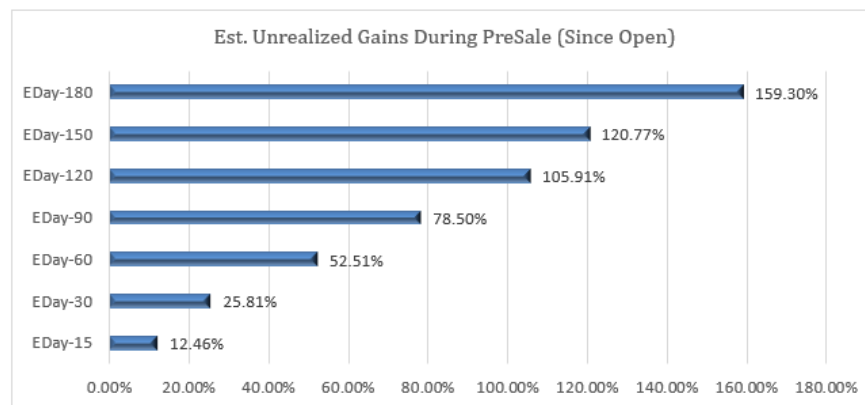
3.7 Planned Use of Proceeds

CipheX has outlined a structured allocation of Target Funding from its PreSale to ensure healthy liquidity, and essential operating capital, complete the development of decentralized governance features for its community, and commercialize its Abacus and Market Centurion System.

(Table 3.7A – Estimated Use of Proceeds from its PreSale)
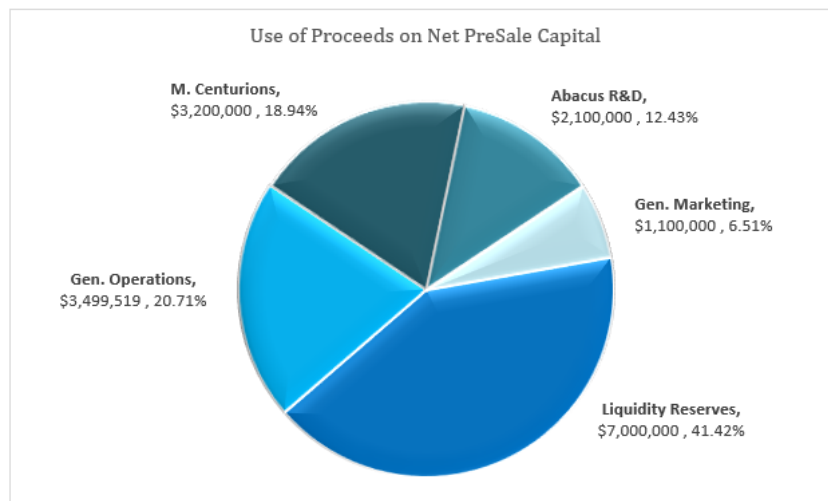
(Table 3.7B – Capital Management Protocol – Use of Proceeds)
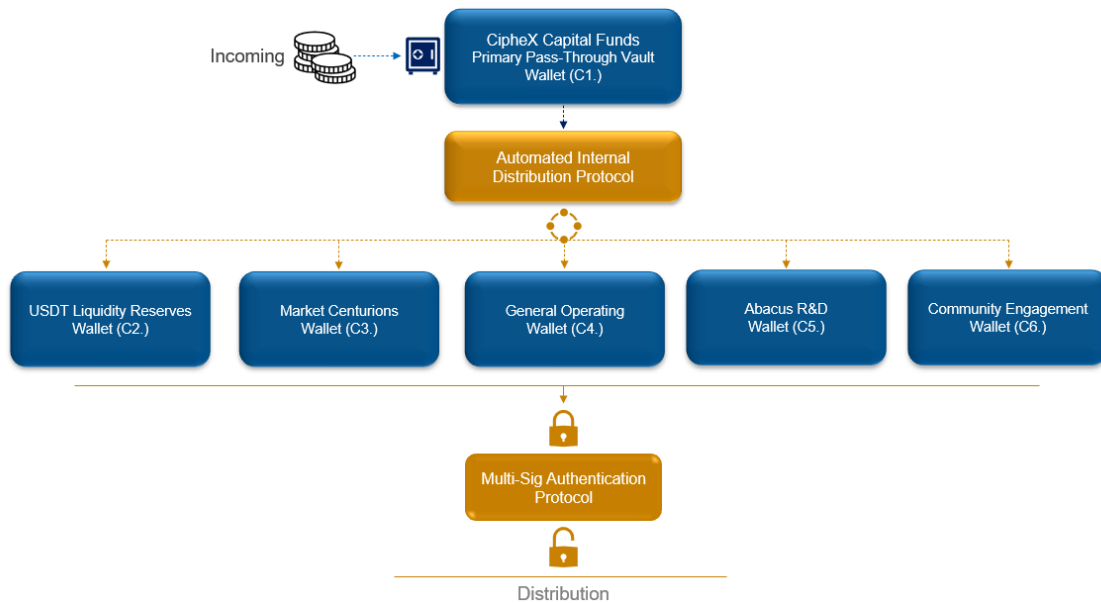
3.8 Costs of PreSale Activities

If the CipheX Community successfully achieves the target funding during its planned PreSale, total expenditures are projected at approximately $3,274,174. These costs are anticipated to include 3.90% for general marketing, 2.73% for developing the PreSale infrastructure and initial community features, and an average of 19.20% estimated for Affiliate engagements. Affiliates include Key Opinion Leaders (KOLs), and marketing partners incentivized through a tiered payout structure to reward higher contributions. Affiliate payouts will follow a 50/50 split: 50% in USDT and 50% in CPX Tokens, valued at the time of each referred contribution. These payouts will commence only after the minimum funding threshold is met. Should the minimum threshold not be achieved, no payouts will be distributed to Affiliates.

(Table 3.8 – Estimated Costs to Development and Marketing of PreSale)

Cost of PreSale	$	3,274,174	16.23%
General Marketing	$	785,835	3.90%
KOL/Affiliates - USDT	$	1,936,675	9.60%
Community Development	$	551,665	2.73%
Total	$	3,274,174	16.23%

3.9 Creator and Founding Contributor Tokens

Creator and Founding Contributor tokens ("Creator Tokens") are secured in two smart contracts. The first contract locks 80% of CPX Tokens for two years, with releases based only on profits generated for the CipheX Community. The second contract secures the remaining 20% of Creator Tokens under the same lockup and vesting terms as other CPX Token holders.

(Table 3.9 – Creators & Founding Contributor Locked CPX Tokens)

Creators & Founding Contributors	230,702,846	
Locked to Community Performance	184,562,277	80%
Subject to Normal Vesting	46,140,569	20%
Total	230,702,846	100%

3.10   Lockup Restrictions

Except for CPX Tokens issued for services and unrestricted tokens distributed during lockup or through CipheX Staking, all distributed CPX Tokens are subject to a six-month lockup and a one-year vesting period. The lockup starts at distribution or PreSale contribution, during which tokens earn fixed returns based on the 10-year US Treasury yield. Paid as unrestricted CPX Tokens, these returns can be claimed after the PreSale. For tokens entering lockup post-PreSale, earned unrestricted CPX Tokens are distributed monthly.

(Table 3.10A – Estimated Total Locked CPX Tokens)

Early Investors	286,067,600	19.99% CPX
Creators & Contrib.	230,702,846	16.12% CPX
Expert Contrib.	147,207,659	10.29% CPX
Public Presale	142,738,450	9.98% CPX
Total	806,716,555	56.38% CPX

(Table 3.10B – Six Month Lockup - Fixed Rate of Return on Total Locked CPX Tokens)

CPX Tokens	806,716,555	(n1)
Earn Rate	4.426%	(n2)
Fix Term Mo	6.00	
Earn Rate Mo	0.74%	(n3)

	Mo. Earn Rate	Cumulative
MO-1.00	5,950,879	5,950,879
MO-2.00	5,950,879	11,901,758
MO-3.00	5,950,879	17,852,637
MO-4.00	5,950,879	23,803,516
MO-5.00	5,950,879	29,754,396
MO-6.00	5,950,879	35,705,275
Total UR CPX	35,705,275	35,705,275

Notes for Table 3.8B: (n1) Estimated total CPX Tokens subject to the six-month lockup (assumes General Contributors totaling 144,581,591 are fully allocated for modeling purposes). (n2) Fixed rate of return is based on the 10-year US Treasury yield at the start of each lockup. This yield is the effective rate for the six-month lockup period, doubling the 10-year US Treasury yield. The exact rate may vary based on the start date of each lockup period, and (n3) The fixed rate of return is calculated based on the total number of CPX Tokens, not on the market value of each token.

3.11   Vesting Schedules

Except for Creator Tokens, CPX Tokens will automatically enter a one-year vesting schedule once their six-month lockup period ends. In the first month, 3% of CPX Tokens will vest and become unrestricted, followed by increasing release rates until all CPX Tokens are fully vested within 12 months.

(Table 3.11A – Anticipated Monthly Vesting of Total CPX Tokens)

	Vested (n2)	Balance	Vesting Rate (n3)
CPX Tokens	622,154,278 (n1)		
Initial Rate	3.00%	Fix Term Mo.	12.00
MO-1.00	18,664,628	603,489,650	3.00%
MO-2.00	21,182,487	582,307,163	3.51%
MO-3.00	23,641,671	558,665,492	4.06%
MO-4.00	35,251,793	523,413,700	6.31%
MO-5.00	37,738,128	485,675,572	7.21%
MO-6.00	38,319,803	447,355,769	7.89%
First Half	174,798,509	447,355,769	Avg.| 5.33%
MO-7.00	52,295,889	395,059,880	11.69%
MO-8.00	54,478,757	340,581,122	13.79%
MO-9.00	67,230,714	273,350,409	19.74%
MO-10.00	68,993,643	204,356,766	25.24%
MO-11.00	80,189,595	124,167,171	39.24%
MO-12.00	81,006,662	43,160,509	65.24%
		(n4)	
Second Half	404,195,261	43,160,509	Avg.| 29.16%

Notes for Table 3.11A: (n1) For this example, it's estimated that 806,716,555 CPX Tokens, including 147,207,659 tokens allocated to Expert Contributors (assuming full allocation), will begin vesting simultaneously after a six-month lockup period. Creator Tokens (184,562,277 CPX Tokens) are omitted due to their special lockup terms. (n2) Estimated monthly vesting of unrestricted CPX Tokens distributed to token holders at the end of each month. (n3) Monthly vesting accelerates release of remaining CPX Tokens in month 12, (n4) Combined release of 81,006,662 plus 43,160,509 unrestricted CPX Tokens occurs in month 12.

3.12   Fixed Term Staking and Rewards

The CipheX Fixed Term Staking program ("CPX Staking") lets CPX Token holders lock tokens for 6, 12, or 24 months to earn rewards. Launching after the PreSale, it offers fixed returns tied to the 10-year US Treasury yield plus a premium, with rates set per staking period and varying by term and deposit size. For 24 months after the PreSale, CipheX will allow restaking in the program before gradually transitioning to liquidity staking incentives. This shift will let CPX holders earn a share of trading fees from the CipheX Liquidity Pool, replacing the Fixed Term Staking model.

(Table 3.12 – Example of Fixed Term Rates for CPX Staking)

	MO-6.00	MO-12.00	MO-24.00
	Term Rate	Term Rate	Term Rate
Term Rate	5.53%	12.75%	30.10%
Equiv. APR	11.07%	12.75%	15.05%
Premium (n1)	1.25x	2.88x	6.80x

Notes: For example, with a 10-year US Treasury Yield of 4.30% (Base Rate), the CPX Staking return includes a premium applied to this Base Rate, adjusted by term length—for a 12-month term, yielding 2.88 times the Base Rate. Like the initial lockup, returns are based on the total CPX Tokens deposited, not their market value. Fixed returns are distributed monthly as unrestricted CPX Tokens throughout the staking term.

3.13   Fixed Term Staking Early Redemptions

CPX Staking participants may end their term early and withdraw their principal CPX Tokens. However, an early redemption incurs a penalty: forfeiture of any remaining returns and a redemption fee applied from the month of withdrawal before the monthly payout.

3.14   Fixed Term Staking Dilution Analysis

Fixed return rates for CPX Staking are shown in Table 3.12. For modeling purposes (Table 3.14A), we assume a higher-than-expected participation rate in CPX Staking to estimate the potential dilution of unrestricted CPX Tokens that may be sold into the CipheX market over a given period and to assess the overall impact on the CipheX Staking and Rewards Pool (Table 3.14B). Earned unrestricted CPX Tokens are distributed to token holders from the CipheX Staking and Rewards Pool without diluting the total CPX Token supply.

(Table 3.14A – Assumption of Unrestricted CPX placed into CPX Staking)

Total Circulating Supply	806,716,555	
Less Creator Tokens	(184,562,277)	(n1)
(Released on Performance)		
Subject to Vesting Schedules	622,154,278	
75% to CPX Staking after Vesting	466,615,709	(n2)
25% of Vested CPX Unstaked	155,538,570	(n3)

Notes: (n1) Creator Tokens (totaling 184,562,277 CPX) locked and released on performance; (n2) Assumes 75% of total unrestricted CPX Tokens enters CPX Staking simultaneously; (n3) Assumes the remaining 25% of unrestricted CPX Tokens are either sold or held by token holders.

Token holders may join CPX Staking at different times or not at all, depending on market conditions. Some may prefer selling over staking if CPX prices exceed the program's fixed returns. CPX Fixed Term Staking provides a hedge against market volatility, allowing holders to grow their assets through stable, predictable returns.

	Rate	5.53%	12.75%	30.10%	
	Term	MO-6.00	MO-12.00	MO-24.00	
CPX Staking & Rewards Pool		207,566,144	207,566,144	207,566,144	(n1)
Less CPX Distributed from Lockup		(35,705,275)	(35,705,275)	(35,705,275)	(n2)
CPX Staking Pool Balance		171,860,869	171,860,869	171,860,869	
CPX Staking Distributed Per Month		1,208,841	4,956,579	5,851,517	(n3)
Total CPX Distributions		7,253,046	59,478,944	140,436,397	(n3)
CPX Staking Pool Balance		164,607,824	112,381,925	31,424,473	(n4)
Reduction to CPX Staking Pool		4.22%	34.61%	81.72%	(n4)
Impact to Circulating Supply					
Monthly Impact		0.14%	0.59%	0.69%	(n5)
Total Impact		0.86%	7.06%	16.67%	(n5)
Adjusted Unrestricted Supply		849,674,876	901,900,774	982,858,227	(n6)

Notes: (n1) CPX Staking and Rewards Pool. (n2) CPX Tokens earned from its initial lockup period. (n3) Monthly and Total distribution of CPX Tokens during various Staking terms. (n4) Shows remaining CPX Tokens in the Staking and Rewards Pool after all distributions, with the estimated percentage of CPX Tokens transferred. (n5) Circulating Supply Impact on the percentage of earned unrestricted CPX Tokens added to the circulation, and (n6) Reflects the adjusted total unrestricted circulating supply.

3.15 Fixed Term Staking Distribution Protocol

CPX Tokens deposited into the CPX Staking program are securely held in an independent wallet visible to the CipheX Community. CPX Tokens in the CPX Staking program are not used for the CipheX Community liquidity pool or cannot be leveraged for any purpose, ensuring full transparency for CPX Staking participants and the CipheX Community.

(Table 3.15 – CPX Fixed Term Staking Distribution Protocol)
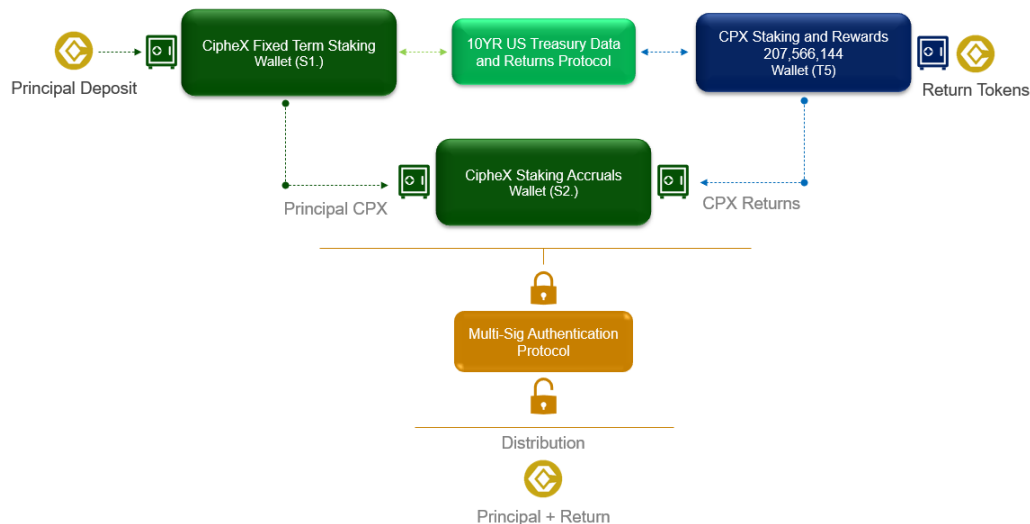
4.0 Community Management

4.1 CipheX Market Strategy

CipheX expects its proprietary Abacus Market Analysis system and autonomous Market Centurions to deliver optimized investment strategies in cryptocurrency markets. This strategy combines data analytics and quantitative methodologies to capitalize on high-frequency, low-latency market opportunities while effectively managing risk through volatility-based analysis. Abacus can analyze thousands of market data points in minutes and identify macroeconomic signals, price imbalances, and market dislocations for Market Centurions to execute higher probabilities of consistent returns, especially during volatile market conditions.

4.2 Distribution of Returns

Profits from Market Centurions and future services are collected and entered into their revenue vault, which is managed by a transparent smart contract. Members can track the accrued value of market-generated returns and revenue from services on their community dashboard. Distributions approved by the CipheX Community are transferred directly to member wallets at the end of each year. CipheX is non-custodial, so members manage their capital independently.

(Table 4.2 – Distribution of Returns and Revenue Protocol)
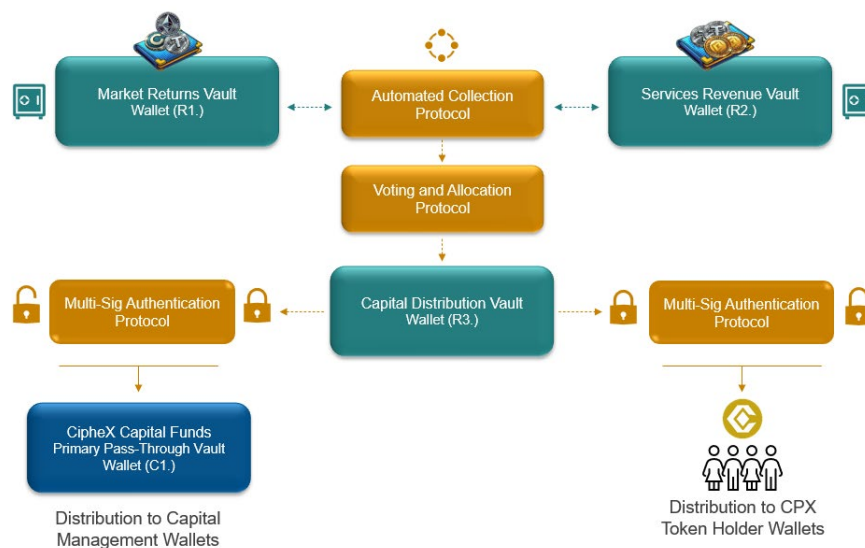
4.3 Investment Participation

CipheX investment opportunities, including venture projects and lending services, are reviewed by elected Expert Contributors and require Community approval before listing. Members independently select projects to invest in, acknowledging associated risks beforehand. CipheX does not centrally manage investments for members.

4.4 Operating Capital Reserves

CipheX expects sufficient capital to cover daily operations, retain Expert Contributors, and support product research, development, and marketing. A portion of revenue from Market Centurions and future services will be reserved as working capital, transparently managed, and distributed with community approval. If these activities fall short, CipheX may seek alternative funding to meet the needs of its community.

4.5 Creators and Founding Contributors

Creator Tokens (184,562,277 CPX) are locked and released annually based on performance measured solely by pre-tax profits distributable to the CipheX Community. Creator Tokens released for meeting performance benchmarks are distributed without additional vesting. CipheX Community-approved benchmarks are managed by smart contracts that enforce terms and enable accelerated releases if targets are exceeded.

(Table 4.5A – Example of Performance and Release Model of Creator Tokens)

										CPX Performance Tokens	184,562,277
Target	ATB	RPB	PTR		YR-X	PBR		QPTR		DPT	
Benchmark	14.80%	100%	16.00%	IF =	20.47%	5.67%	Then =	20.26%	DPT =	37,392,317	
Q1	3.70%	100%	4.00%		3.72%	0.02% (n3)		4.02% (n4)		7,419,404	
Q2	3.70%	100%	4.00%		6.19%	2.49%		6.49%		11,978,092	
Q3	3.70%	100%	4.00%		5.27%	1.57%		5.57%		10,280,119	
Q4	3.70%	100%	4.00%		3.88%	0.18%		4.18%		7,714,703	
Avg. Q	3.70%	100%	4.00%		4.77%	1.07%		5.07%		9,348,079	
TR	14.80%	100%	16.00%	*	20.47%	4.26%		20.26%	(n5)	37,392,317	
		(n1)	(n2)								

Adjusted DPT Performance	37,392,317	
Balance of Performance Tokens	147,169,960	

Notes: (n1) Required Performance Benchmark (RPB): To qualify Creator Tokens for Performance Token Releases (PTR), the Annual Target Benchmark (ATB) of 14.80% must be met (return rate used for modeling purposes only); (n2) The minimum percentage of Performance Tokens Released (PTR) if the ATB is achieved, and measured each quarter; (n3) In YR-X, it's assumed return performance is above the ATB. The actual results are compared to the ATB each quarter and divided equally into quarterly targets.

The difference between actual and quarterly targets is called the Performance Benchmark Return (PBR) for that quarter; (n4) The PBR for each quarter is added to the PTR to calculate the Qualifying Performance Token Release (QPTR) for that quarter, and (n5) QPTR are accrued for the year. Creator Tokens are distributed to Creators and Founding Contributors at the end of each year. At the end of each year, the total Distributed Performance Tokens (DPT) of Creator Tokens are totaled. The remaining Creator Tokens will be carried over for release next year. Suppose the forecasted annualized return (YR-X) and its resulting PBR fall below the ATB in any quarter. In that case, no Creator Tokens will be eligible for release that year.

(Table 4.5B – Example of Non-Performance and No Creator Token Release Model)

										CPX Performance Tokens	184,562,277
Target	ATB	RPB	PTR		YR-X	PBR		QPTR		DPT	
Benchmark	14.80%	100%	16.00%	IF =	9.63%	(5.39%)	Then =	10.50%	DPT =	19,379,039	
Q1	3.70%	100%	4.00%		0.69%	(3.01%) (n3)		0.99% (n4)		1,827,167	
Q2	3.70%	100%	4.00%		2.31%	(1.39%)		2.61%		4,817,075	
Q3	3.70%	100%	4.00%		4.20%	0.50%		4.50%		8,305,302	
Q4	3.70%	100%	4.00%		2.10%	(1.60%)		2.40%		4,429,495	
Avg. Q	3.70%	100%	4.00%		2.33%	(1.38%)		2.63%		4,844,760	
TR	14.80%	100%	16.00%	*	9.63%	(5.39%)		10.50%	(n5)	19,379,039	
	(n1)	(n2)									

Adjusted DPT Performance	(19,379,039)
Balance of Performance Tokens	184,562,277

4.6 General and Expert Contributors

Expert Contributors appointed to key roles, such as Independent Governance or Market Research and Development teams, are elected or nominated by CipheX Community members. These positions carry a term of up to two years, after which contributors may be nominated for re-election. In contrast, General Contributors for community activities such as marketing and technical services are not elected by the CipheX Community, as these roles are often short-term. Instead, General Contributors are appointed with the approval of relevant Expert Contributors.

4.7 CipheX Community Compensation

CipheX has no permanent employees and relies on Expert Contributors for specialized tasks. Creators and Founding Contributors receive an annual expense allowance, approved yearly by the CipheX Community based on performance. Compensation is tied to annual pre-tax returns, not revenue growth. It can be paid in currency, CPX Tokens, or both, with lockup conditions but no vesting. The Output Per Person (OPP) model links pay to milestones across four project phases, tracked via third-party software. CPX Tokens for contributors come from General Contributor reserves, ensuring no additional impact on the overall CipheX Community token supply.

(Table 4.7A – Example of Ahead-of-Schedule Output Per Person Rewards)

	SOW	WCR	TCR		AWCR	ATCR	OPP		OPS	FPC
Milestone	100%	50.00%	50.00%	IF =	91.00%	95.00%	93.00%	OPS =	93.00%	100,000
Phase I	100%	12.50%	12.50%		100.00%	100.00%	100.00%		0.00%	-
Phase II	100%	12.50%	12.50%		92.00%	98.00%	95.00%		5.00%	5,000
Phase III	100%	12.50%	12.50%		82.00%	88.00%	85.00%		15.00%	15,000
Phase IV	100%	12.50%	12.50%		90.00%	94.00%	92.00%		8.00%	8,000
Total	100%	50.00%	50.00%		91.00%	95.00%	93.00%		28.00%	28,000
		(n1)			(n2)		(n3)		(n4)	

Adjusted FPC on Completion	128,000

Notes: (n1) Work Completion Rate (WCR) and Time Completion Rate (TCR) are metrics divided into four phases, each contributing equally to the overall completion requirements of the Statement of Work (SOW); (n2) The Actual Work Completion Rate (AWCR) and Actual Time Completion Rate (ATCR) are recorded at various phases throughout the SOW;

(n3) The AWCR and ATCR are used to calculate an average Output Per Person (OPP), which measures the SOW's efficiency and timeliness. Phases with entries below the total required SOW indicate that the work is ahead of schedule; entries above the total required SOW show that the work is behind schedule. Entries equal to the total required SOW indicate the phase is on schedule; (n4) The Output Performance Score (OPS) adds the results of all phases and adjusts final compensation upon completion of the SOW. Scores reflecting ahead-of-schedule work result in additional compensation, while scores reflecting delays result in deductions from the Final Performance Compensation (FPC). The FPC is calculated by multiplying the OPS by the agreed-upon compensation, and the Adjusted FPC on Completion represents the total unrestricted CPX Tokens distributed.

(Table 4.7B – Example of Behind Schedule - Output Per Person Rewards)

	SOW	WCR	TCR		AWCR	ATCR	OPP		OPS	FPC
Milestone	100%	50.00%	50.00%	IF =	116.00%	109.75%	112.88%	OPS =	112.88%	100,000
Phase I	100%	12.50%	12.50%		125.00%	110.00%	117.50%		(17.50%)	(17,500)
Phase II	100%	12.50%	12.50%		112.00%	109.00%	110.50%		(10.50%)	(10,500)
Phase III	100%	12.50%	12.50%		118.00%	112.00%	115.00%		(15.00%)	(15,000)
Phase IV	100%	12.50%	12.50%		109.00%	108.00%	108.50%		(8.50%)	(8,500)
Total	100%	50.00%	50.00%		116.00%	109.75%	112.88%		(51.50%)	(51,500)

Adjusted FPC on Completion: 48,500

4.8 Market Performance Rewards

CipheX anticipates introducing annual Market Performance-based Rewards (MPR) within the first year of community operations, issued in unrestricted CPX Tokens. MPR rewards are calculated using a discounted market price of CPX Tokens at distribution, provided participants meet specified performance criteria. Eligible participants include Creators, Founding Contributors, and General and Expert Contributors who directly contribute to market returns and revenue generation from future services.

(Table 4.8A – Example of Exceeding Market Performance Rewards)

	ATB	RPB	DTMP		YR-X	PBR		FDMP		PTMR
Target Benchmark	16.00%	100%	20.00%	IF =	23.28%	5.49%	Then =	25.99%	FDMP =	$14,550,000
Q1	4.00%	100%	5.00%		3.80%	(0.20%) (n3)		4.80% (n4)		$ 698,400
Q2	4.00%	100%	5.00%		5.99%	1.99%		7.49%		$ 1,089,795
Q3	4.00%	100%	5.00%		5.48%	1.48%		6.48%		$ 942,840
Q4	4.00%	100%	5.00%		6.22%	2.22%		7.22%		$ 1,050,510
Avg. Q	4.00%	100%	5.00%		5.37%	1.37%		6.50%		$ 945,386
TR	16.00%	100%	20.00%	*	23.28%	5.49%		25.99%	(n5)	$ 3,781,545
		(n1)	(n2)							

Equivalent Value to PTMR: $ 3,781,545

Market Performance Reward (MPR) =
(Market Price for Modeling Purposes Only)

	AQMP		ADMP	MPR
	$	0.50	$ 0.37	10,219,011
	$	1.00	$ 0.74	5,109,505
	$	2.00	$ 1.48	2,554,753
	$	3.00	$ 2.22	1,703,168

Notes: (n1) Required Performance Benchmark (RPB) to qualify for Market Performance Rewards (MPR), the Annual Target Benchmark (ATB) of 16.00% must be met (return rate used for modeling purposes only); (n2) The Discount to Market Price (DTMP) is the minimum percentage of discount applied to the current market price of CPX Tokens if the ATB is achieved, and measured each quarter; (n3) In YR-X, it's assumed return performance is above the ATB.

The actual results are compared to the ATB each quarter and divided equally into quarterly targets. The difference between actual and quarterly targets is the Performance Benchmark Return (PBR) for that quarter; (n4) The PBR for each quarter is added to the DTMP to calculate the qualifying Final Discount to Market Price (FDMP) at the end of each quarter; and (n5) Each quarterly FDMP is applied to the total Pre-Tax Market Return (PTMR), to calculate the Equivalent Value of PTMR eligible for distribution. This Equivalent Value of PTMR is then divided by the Adjusted Discount to Market Price (ADMP) of CPX Tokens for each quarter to determine the amount of distributable CPX Tokens. MPR CPX Tokens are unrestricted and distributed to participants at the close of each calendar year.

Suppose the total Annual Target Benchmark (ATB) is not met by the end of the calendar year. In that case, the MPR smart contracts will automatically disqualify participants from receiving MPR distributions. This compensation rewards model ensures that investor returns are prioritized, with investors always receiving payment before MPR participants.

<p align="center">(Table 4.8B – Example of Unmet Market Performance Rewards)</p>

Target Benchmark	ATB	RPB	DTMP		YR-X	PBR		FDMP		PTMR
	16.00%	100%	20.00%	IF =	9.08%	(7.21%)	Then =	0.00%	FDMP =	$14,550,000
Q1	4.00%	100%	5.00%		1.80%	(2.20%) (n3)		0.00% (n4)		$ -
Q2	4.00%	100%	5.00%		3.20%	(0.80%)		0.00%		$ -
Q3	4.00%	100%	5.00%		1.69%	(2.31%)		0.00%		$ -
Q4	4.00%	100%	5.00%		2.10%	(1.90%)		0.00%		$ -
Avg. Q	4.00%	100%	5.00%		2.20%	(1.80%)		0.00%		$ -
TR	16.00%	100%	20.00%	*	9.08%	(7.21%)		0.00%	(n5)	$ -
		(n1)	(n2)							

Equivalent Value to PTMR $ -

	AQMP	ADMP	MPR
Market Performance Reward (MPR) =	$ 0.50	$ 0.50	-
(Market Price for Modeling Purposes Only)	$ 1.00	$ 1.00	-
	$ 2.00	$ 2.00	-
	$ 3.00	$ 3.00	-

4.9 Removals and Termination

General Contributors may be removed if they do not fulfill their responsibilities, or smart contracts automatically terminate them for unmet requirements. They may also voluntarily exit before completing their tasks. In removal or voluntary exit cases, any allocated CPX Tokens are revoked and returned to the CipheX treasury. Expert Contributors can only be removed by a community vote, with replacement nominations conducted concurrently. Any unpaid currency or vested MPR CPX Tokens will be released once contributors acknowledge releasing the CipheX Community of claims or liabilities as a condition for payment.

Creators and Founding Contributors are not subject to direct community votes for removal. However, suppose two-thirds of the Creators and Founding Contributors endorse a peer removal petition. In that case, it is presented to the CipheX Community for ratification, excluding the targeted member from voting. Upon community ratification, smart contracts initiate a buyback of any unvested or undistributed CPX Tokens within 30 days, based on current market value. This buyback includes the fair market acquisition of intellectual property owned by the departing member and licensed to the CipheX Community. Should the CipheX Community not complete the buyback within 30 days, the smart contracts nullify the petition, and the individual resumes all previous rights and benefits.

4.10   Eligibility for Community Voting

CipheX will implement governance contracts as voting and consensus mechanisms built on the ERC20 protocol, enabling CipheX Community members to vote on proposals in proportion to their CPX Token holdings. To participate in community voting, token holders must hold a minimum of **2,000 CPX Tokens**. Each CPX Token grants one vote, allowing members to influence decisions within the CipheX Community based on their token ownership.

4.11   Buyback and Burn Program

CipheX expects to introduce a buyback and burn program by repurchasing CPX Tokens at a fixed price, reducing investment risk for CPX Token holders, and improving liquidity. The planned buyback programs are funded by surplus capital and do not hinder innovation and future investments. Community approval is required, and participation is optional for CPX Token holders. Additionally, CipheX created its tokenomics to gradually reduce its maximum supply of CPX Tokens by approximately **95%** over the next ten years. This process, executed via smart contracts within 30 days of each announcement, operates without requiring voting from the CipheX Community and permanently decreases the maximum supply of CPX Tokens.

(Table 4.11A – Planned Reduction of CipheX Maximum Supply)
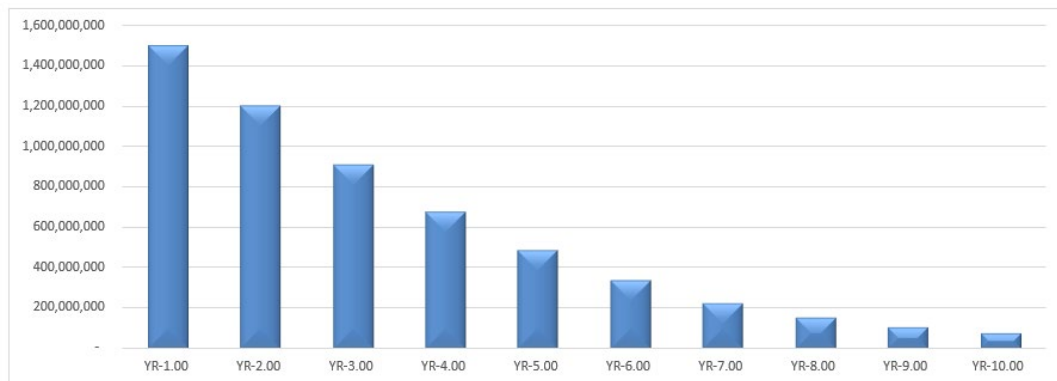
(Table 4.11B – Planned Annual CipheX Supply Reduction)

| EYE	Circ. Supply	Non Circ. LP	Non Circ. Resrv.	Max. Supply	(%) Supply
YR-1.00	982,858,227	416,563,779	100,577,995	1,500,000,000	20.00%
YR-2.00	786,286,581	333,251,023	80,462,396	1,200,000,000	39.20%
YR-3.00	597,577,802	253,270,777	61,151,421	912,000,000	55.01%
YR-4.00	442,207,573	187,420,375	45,252,051	674,880,000	67.61%
YR-5.00	318,345,232	134,923,928	32,576,952	485,846,112	77.33%
YR-6.00	222,841,662	94,446,750	22,803,866	340,092,278	85.04%
YR-7.00	147,075,497	62,334,855	15,050,552	224,460,904	89.82%
YR-8.00	100,011,338	42,387,701	10,234,375	152,633,415	92.88%
YR-9.00	70,007,937	29,671,391	7,164,063	106,843,390	94.87%
YR-10.00	50,405,714	21,363,401	5,158,125	76,927,241	--

5.0   Performance Benchmarks

CIPHEX COMMUNITY PERFORMANCE USES CERTAIN ASSUMPTIONS AND FORWARD-LOOKING STATEMENTS SUBJECT TO UNCERTAINTIES AND VARIOUS MARKET RISKS. TARGET OPERATING AND OTHER PROJECTED RESULTS ARE NOT INDICATIVE OF FUTURE OR ACTUAL RESULTS AND MAY NOT BE REALIZED.

5.1 CipheX Revenue Streams

CipheX has identified three revenue sources for its community: (a) Cryptocurrency market trading activities, (b) Initial Coin Offerings (ICOs) from venture capital investments in emerging markets and undervalued industry sectors, and (c) strategic partnerships for decentralized P2P credit services for small to mid-sized businesses. Over time, CipheX anticipates that these revenue streams will produce additional long-term opportunities for the CipheX Community.

(Table 5.1 – Concentration of Revenue Streams)
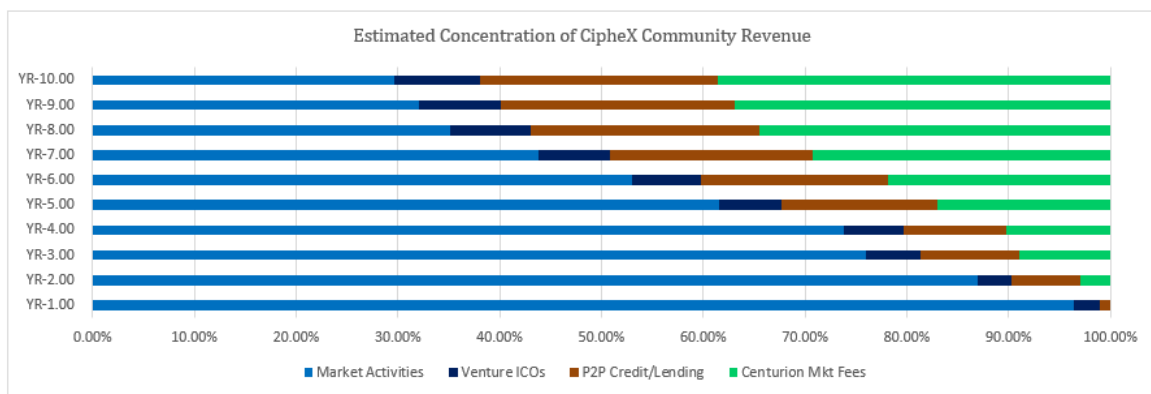
5.2 Market Returns and Revenue Growth

CipheX anticipates that, during the first five years, its revenues will primarily be driven by Cryptocurrency trading activities conducted by its Market Centurions. As the CipheX Community increases earnings, investments are planned to facilitate peer-to-peer (P2P) lending, venture-focused initial coin offerings (ICOs), and derivative revenues generated by Market Centurions and future services. These diversified revenue streams are expected to develop progressively over this initial five-year period.

(Table 5.2A – Anticipated Concentration of Revenue within the first 5 Years)
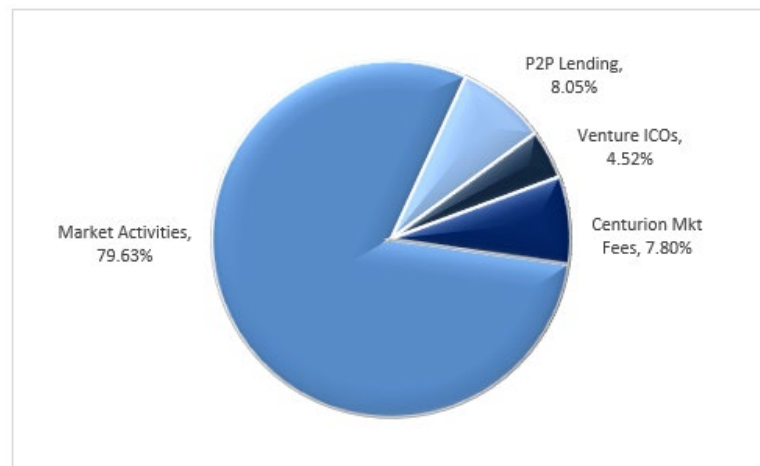
Over the next five to ten years, CipheX expects to expand peer-to-peer (P2P) lending services and consumer usage fees from its Abacus and Market Centurion System to achieve increased market adoption. This growth is anticipated to boost revenue and strengthen returns for the CipheX Community. CipheX believes adoption will accelerate due to its strategy of delivering these services through strategic partnerships rather than developing new business models.

(Table 5.2B – Anticipated Concentration of Revenue within 5 to 10 Years)
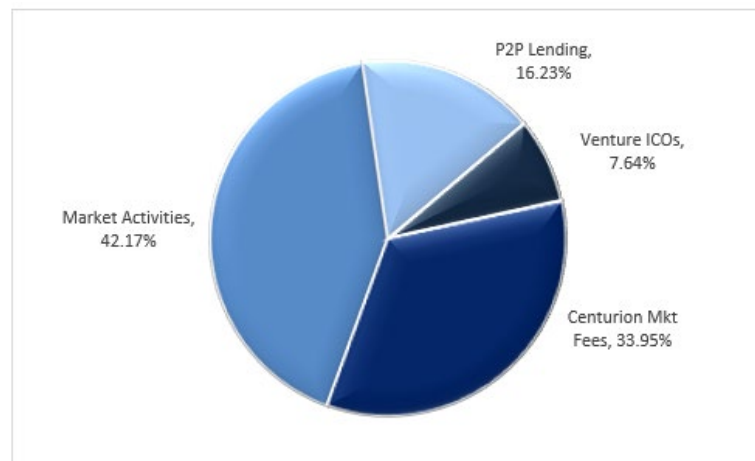
5.3 Venture Focused ICOs

In venture-focused ICOs, CipheX intends to pursue early to mid-stage opportunities in undervalued industry sectors and emerging markets, facilitating asset tokenization to enable further growth and capital access. CipheX believes that, with the rapid adoption of cryptocurrencies and blockchain technology, these sectors are positioned to become leading markets for decentralized financial services, ultimately outpacing traditional financing available for alternative ventures.

5.4 Asset and Risk Management

Abacus empowers Market Centurions to maintain an optimal balance of risk and diversification through precision analytics and dynamic portfolio management, minimizing potential loss while seizing high-frequency trading opportunities. By leveraging advanced insights across diverse cryptocurrency asset classes and integrating real-time geographic, geopolitical, and economic signals, Abacus optimizes continuous 24/7 support for decisive, data-driven market executions.

5.5 Scalable Growth and Efficiency

CipheX's market activities are powered by highly automated systems designed to scale efficiently with minimal human intervention. Manual oversight is required only for regular maintenance, system enhancements, or emergency events, allowing for continuous, 24/7 capacity adjustments that optimize market opportunities. By the third year, CipheX expects significant market traction driven by technical advancements and increased automation, largely independent of traditional administrative functions.

(Table 5.5A – Anticipated 10YR Growth from Market Activities and Future Services)
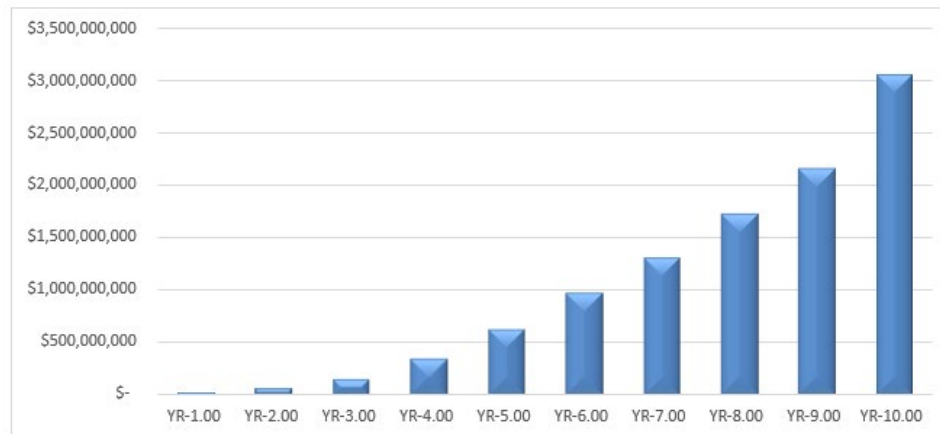
(Table 5.5B – Consolidated Revenue Summary of Anticipated 10YR Growth)

	Proj. Revenue	Non-Liquid Assets	(%) Proj. Revenue	Net Proj. Revenue	Net of NLA	Related Fees	(%) Proj. Revenue	Gross Profit	(%) Proj. Revenue
EYE-1	$ 28,723,646	$ (1,011,302)	3.52%	$ 27,712,344	96.48%	$ 821,094	2.86%	$ 26,891,250	93.62%
EYE-2	$ 69,018,819	$ (2,491,579)	3.61%	$ 66,527,239	96.39%	$ 1,924,797	2.79%	$ 64,602,443	93.60%
EYE-3	$ 156,338,704	$ (5,964,759)	3.82%	$ 150,373,944	96.18%	$ 4,188,208	2.68%	$ 146,185,737	93.51%
EYE-4	$ 348,376,796	$ (14,149,184)	4.06%	$ 334,227,612	95.94%	$ 9,257,709	2.66%	$ 324,969,903	93.28%
EYE-5	$ 630,196,800	$ (28,453,386)	4.52%	$ 601,743,415	95.49%	$ 16,090,916	2.55%	$ 585,652,499	92.93%
EYE-6	$ 981,856,299	$ (48,534,335)	4.94%	$ 933,321,964	95.06%	$ 24,316,064	2.48%	$ 909,005,900	92.58%
EYE-7	$ 1,306,761,772	$ (65,978,402)	5.05%	$ 1,240,783,370	94.95%	$ 31,167,470	2.39%	$ 1,209,615,900	92.57%
EYE-8	$ 1,726,742,515	$ (88,130,175)	5.10%	$ 1,638,612,340	94.90%	$ 39,794,784	2.30%	$ 1,598,817,556	92.59%
EYE-9	$ 2,164,121,581	$ (110,828,994)	5.12%	$ 2,053,292,587	94.88%	$ 49,184,337	2.27%	$ 2,004,108,249	92.61%
EYE-10	$ 3,043,885,834	$ (158,744,734)	5.22%	$ 2,885,141,100	94.78%	$ 68,448,957	2.25%	$ 2,816,692,144	92.54%
	(n1)	(n2)			(n2)	(n3)			

Notes: (n1) Estimated Revenue from Market Activities and future services, with EYE1 beginning upon the full operational launch of the Abacus and Market Centurion System; (n2) For this summary, CipheX includes investments in Non-Liquid Assets (NLA), primarily focusing on Venture ICOs and P2P Lending services. Each NLA investment is intended to be monetized over a five-to-ten-year horizon, with allocations for annual follow-on or future NLA investments capped at 5.5% of total revenue, contingent upon CipheX Community approval; and (n3) Related fees, including market trading and service fees associated with P2P Lending and Venture ICO investments.

(Table 5.5C – Consolidated Operating Costs of Anticipated 10YR Growth)

	Innovations R&D	(%) Est. Revenue	Gen. Operations	(%) Est. Revenue	Total Operating	(%) Est. Revenue	Distrib. EBIT	(%) Est. Revenue
EYE-1	$ 1,925,414	6.70%	$ 3,089,805	10.76%	$ 5,015,218	17.46%	$ 23,708,428	82.54%
EYE-2	$ 4,392,966	6.36%	$ 8,068,845	11.69%	$ 12,461,811	18.06%	$ 56,557,008	81.94%
EYE-3	$ 12,893,582	8.25%	$ 18,434,021	11.79%	$ 31,327,603	20.04%	$ 125,011,100	79.96%
EYE-4	$ 35,096,749	10.07%	$ 40,718,729	11.69%	$ 75,815,478	21.76%	$ 272,561,318	78.24%
EYE-5	$ 64,304,644	10.20%	$ 78,126,043	12.40%	$ 142,430,688	22.60%	$ 487,766,112	77.40%
EYE-6	$ 108,898,907	11.09%	$ 123,261,200	12.55%	$ 232,160,107	23.65%	$ 749,696,192	76.35%
EYE-7	$ 169,346,226	12.96%	$ 159,548,337	12.21%	$ 328,894,563	25.17%	$ 977,867,209	74.83%
EYE-8	$ 257,409,626	14.91%	$ 198,093,495	11.47%	$ 455,503,122	26.38%	$ 1,271,239,394	73.62%
EYE-9	$ 348,714,835	16.11%	$ 251,715,996	11.63%	$ 600,430,832	27.74%	$ 1,563,690,750	72.26%
EYE-10	$ 532,354,815	17.49%	$ 321,666,243	10.57%	$ 854,021,058	28.06%	$ 2,189,864,776	71.94%
	(n1)		(n2)				(n3)	

Notes: (n1) Anticipated R&D and innovation development for the Abacus Market Analysis system and Market Centurion automated trading system, with estimated average annual expenditures allocated as follows: 50% for Abacus, 30% for Market Centurions, and 20% for broader development and innovation; (n2) General operations are projected to average around 11.68% annually with 31.52% of the annual average directed toward Expert and General Contributors and 68.48% toward General Operating expenses to support technical infrastructure and CipheX Community activities; (n3) Earnings Before Interest and Taxes (EBIT) are expected to be pre-tax earnings distributable to the CipheX Community, less any proposed capital allocations approved by the CipheX Community to increase Market Centurion activities, maintain operations and expand services.

(Table 5.5D – Consolidated CPX Token Value Analysis on Anticipated 10YR Growth)

	YoY Growth	YoY(%)	Before Burns EBIT/Per CPX	After Burns EBIT/Per CPX	Before Burns P/E 8.62x Low	Before Burns P/E 34.32x High	After Burns P/E 8.62x Low	After Burns P/E 34.32x High
EYE-1	$ -	-	$ 0.02	$ 0.02	$ 0.21	$ 0.83	$ 0.21	$ 0.83
EYE-2	$ 32,848,579	138.55%	$ 0.03	$ 0.07	$ 0.26	$ 1.03	$ 0.62	$ 2.47
EYE-3	$ 68,454,093	121.04%	$ 0.04	$ 0.21	$ 0.34	$ 1.36	$ 1.80	$ 7.18
EYE-4	$ 147,550,218	118.03%	$ 0.05	$ 0.62	$ 0.46	$ 1.84	$ 5.31	$ 21.15
EYE-5	$ 215,204,795	78.96%	$ 0.07	$ 1.53	$ 0.64	$ 2.56	$ 13.21	$ 52.59
EYE-6	$ 261,930,079	53.70%	$ 0.11	$ 3.36	$ 0.92	$ 3.65	$ 29.00	$ 115.46
EYE-7	$ 228,171,017	30.44%	$ 0.16	$ 6.75	$ 1.41	$ 5.62	$ 58.19	$ 231.70
EYE-8	$ 293,372,185	30.00%	$ 0.24	$ 12.72	$ 2.04	$ 8.14	$ 109.64	$ 436.54
EYE-9	$ 292,451,356	23.01%	$ 0.34	$ 22.35	$ 2.92	$ 11.63	$ 192.66	$ 767.10
EYE-10	$ 626,174,027	40.04%	$ 0.47	$ 43.47	$ 4.06	$ 16.15	$ 374.74	$ 1,492.07
	(n1)		(n2)		(n3)		(n4)	

Notes: (n1) Estimated Year-over-Year (YoY) growth; (n2) Projected earnings per CPX Token, reflecting values both before and after planned annual reductions in circulating supply; (n3) Pre-Burn estimated Low and High price range per CPX Token, applying average P/E multiples of publicly traded companies offering similar services to those planned by CipheX; and (n4) Post-Burn estimated Low and High price range per CPX Token. These estimates are provided solely for modeling purposes and do not indicate actual or future results.

5.6 Use of Comparable Market Data

CipheX leveraged performance indicators from publicly traded companies offering services similar to current and future commercial activities of the CipheX Community to estimate a static price range for CPX Tokens using traditional P/E multiples. As the cryptocurrency market evolves, CipheX anticipates that conventional KPIs and valuation methods will adapt to assess cryptocurrency projects' performance and value effectively.

(Table 5.5 – Market Comparable to Anticipated 10YR Growth)

Comparable P/E	Market Similarity	YE2014 NAV/Revenue	TTM Nov2024 NAV/Revenue	YE2014 P/E Low	TTM Nov2024 P/E High	P/E Average	Nov-24 Share Price	Nov-24 Market Cap
FactSet Research	Fincl. Research	2.19 B	2.19 B	27.40x	39.10x	33.25x	$ 477.46	18.30 B
Thomson Reuters	Fincl. Research	7.03 B	7.03 B	14.90x	34.10x	24.50x	$ 168.23	75.68 B
MSCI Inc.	Fincl. Research	0.99 B	2.80 B	19.50x	49.30x	34.40x	$ 594.00	46.55 B
Equinix	Fincl. Research	2.19 B	2.19 B	-49.70x	99.10x	24.70x	$ 921.06	88.87 B
ARRK ETF	Market Fund ETF	--	5.44 B	31.00x	78.51x	54.76x	$ 54.52	
Average		3.10 B	3.93 B	8.62x	60.02x	34.32x	$ 443.05	57.35 B
Std Deviation		2.68 B	2.34 B	33.21x	27.81x	12.33x	$ 346.03	31.47 B

6.0   Technology Overview

6.1 Use of Ethereum Network

Ethereum's security offers a well-established, secure environment for decentralized token ecosystems. As one of the most rigorously tested blockchains, Ethereum benefits from an extensive network of nodes and miners, ensuring high resistance to attacks and system disruptions. Its proof-of-stake consensus mechanism, alongside regular protocol updates and security audits, enhances protection against vulnerabilities, making it a trusted infrastructure for managing digital assets. For CipheX, the Ethereum framework supports the secure execution of smart contracts. It ensures safe interactions of governance votes, delegation, and asset transfers.

6.2 Role of ERC-20 Technical Standards

Smart contracts are essential in the CipheX Community by automating transparency and accountability across all interactions. They provide a robust framework for measuring efficiency, ensuring resources are used effectively to drive community growth. By enforcing integrity and compliance through automated protocols, smart contracts mitigate risks of fraud or misconduct. The immutable nature of smart contracts safeguards against unethical behavior, promoting fairness and transparency at every level.

6.3 Liquidity and Market Stability

CipheX offers robust liquidity management featuring automated liquidity provisions and rebalancing mechanisms to maintain optimal liquidity levels. At the same time, its rate-limiting and role-based access prevents destabilization arising from large transfers.

The platform also allows for quick responses in emergencies, and an upgradeable design ensures adaptability for future improvements. This structure promotes price stability and supports smaller traders by maintaining liquidity even if larger holders exit. CipheX's liquidity-locking approach also meets the compliance standards of leading launchpads and exchanges.

6.4 Security Audits and Bounty

CipheX will conduct regular technical and security audits to identify and address potential vulnerabilities proactively. In addition, CipheX plans to launch a bounty program to engage and reward community members who help identify bugs and security gaps. This initiative enhances the platform's security and encourages active community participation to safeguard the CipheX Community.

6.5 Origin of Abacus and Market Centurions

The Hypatia Network, originally designed to analyze fractal volatility and nonlinear dynamics in traditional capital markets, has seen substantial advancements over the past year. With the integration of machine learning and generative AI by Cipherion, the system's efficiency and data processing capabilities have been significantly enhanced, enabling a broader range of predictive modeling. Recognizing the unique opportunities in cryptocurrency markets—driven by their high volatility and rapid growth—the network has been reengineered to prioritize autonomous market execution across all cryptocurrency asset classes.

6.6 Abacus and Market Centurions

The Hypatia Network, originally designed to analyze fractal volatility and nonlinear dynamics in traditional capital markets, has evolved significantly over the past year. Recognizing the unique opportunities within the cryptocurrency sector—driven by high volatility and rapid growth—the network has been reengineered to prioritize autonomous market execution across all cryptocurrency asset classes. Hypatia was divided into two specialized systems to enhance development and operational efficiency: **Abacus** and **Market Centurions**. **Abacus** functions as the neural center, integrating high-speed connectivity, quantitative machine learning, and generative AI to produce advanced graphical adaptive predictability models that identify optimal trading strategies for cryptocurrency markets. These strategies are executed through automated trading bots, called the **Market Centurions,** operating as a coordinated system, efficiently navigating the dynamic cryptocurrency markets to capitalize on emerging opportunities.

6.7 Autonomous Market Centurions

Market Centurions outperform traditional automated trading bots by integrating an independent neural network working symbiotically with the Abacus neural center. This collaboration allows Market Centurions to dynamically adapt to sudden market shifts, sustaining a consistent range of favorable probabilities across diverse scenarios, even when diverging from Abacus-generated strategies. These real-time adjustments are relayed back to Abacus, enabling the creation of advanced predictive models—termed derivative strategies—that further refine and enhance the performance of existing trading approaches.

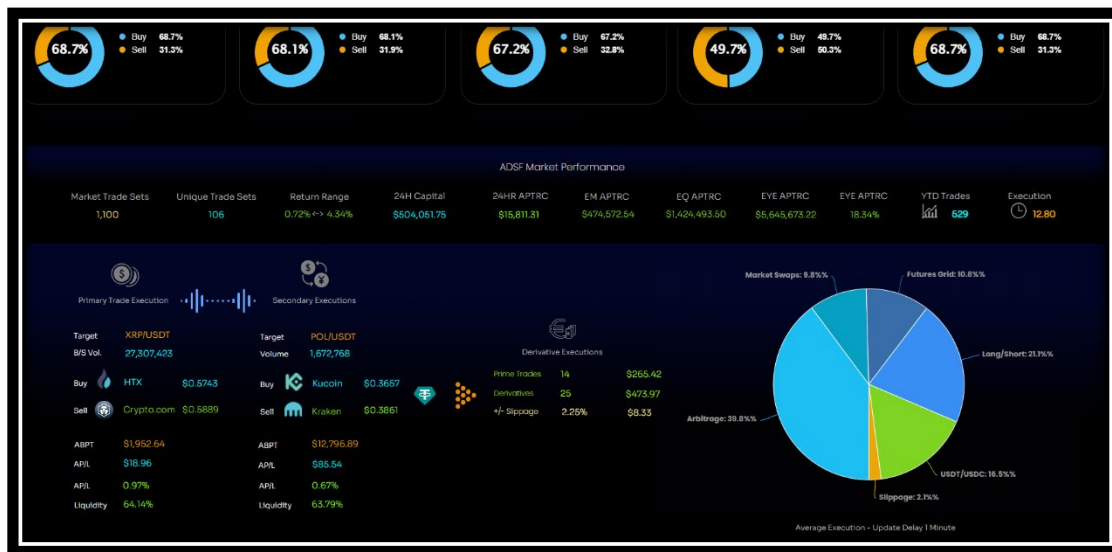(Table 6.7A – Abacus Market Data Sampling - Visual Display)

(Table 6.7B – Sample Automated Diversification and Rebalancing of Market Assets)
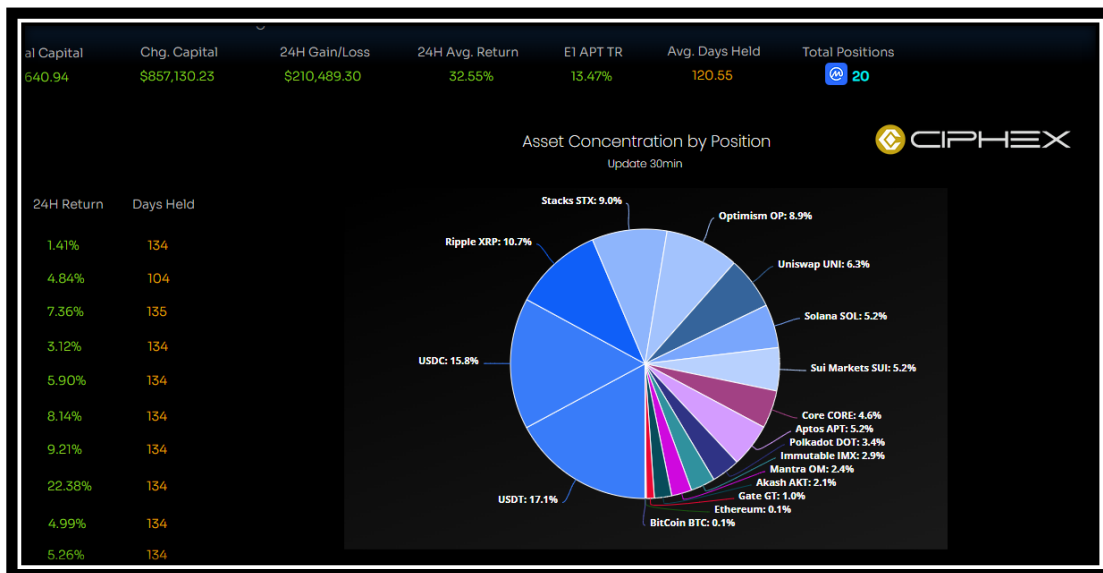
7.0   Market Risk Factors

INVESTMENTS IN HIGHLY SPECULATIVE EARLY-STAGE COMPANIES ARE SUBJECT TO NUMEROUS, SUBSTANTIAL, AND INHERENT RISKS. THEREFORE, ALL PROSPECTIVE PARTICIPANTS SHOULD CONDUCT THEIR RESEARCH AND CAREFULLY CONSIDER THEIR RISK FACTORS.

7.1 Market/Economic Volatility

Cryptocurrency markets are highly volatile, with prices that can change rapidly and dramatically. This unpredictability can lead to significant financial losses in a short time. The success of the CipheX Community will largely depend on the proprietary algorithms of its Hypatia Network, which generate returns for the CipheX Community. Investors should know this is a high-risk trading environment, and Market Centurion strategies may sometimes result in losses. There is no guarantee that CipheX will consistently achieve profitability for its members.

7.2 Autonomous Trading

Autonomous trading bots in cryptocurrency markets can add extra volatility if not managed properly, as they execute trades rapidly based on market signals, trends, or programmed algorithms. While these bots are expected to capitalize on market inefficiencies, they do not guarantee profits. If the algorithms misinterpret market conditions, the bots may respond unpredictably, potentially causing sudden market surges or drops. CipheX's Hypatia Network may occasionally make erroneous trades due to software bugs or connectivity issues, leading to significant financial losses.

7.3 Regulatory and Legal Risks

CipheX actively monitors regulatory developments in cryptocurrency and intends to comply with evolving standards. However, cryptocurrency markets exist within a dynamic regulatory landscape, where changes in laws, regulations, or policies across regions could impact market access, trading practices, and the legality of certain crypto assets. Additionally, regulatory crackdowns or bans could pose risks to the value and liquidity of digital assets, potentially affecting investors.

7.4 Cybersecurity Threats

Security is critical for cryptocurrency trading platforms, wallets, and blockchain networks. Cyberattacks, hacking, and security breaches can lead to fund losses, data theft, and a decline in market trust. Although CipheX implements top-tier security protocols, the risk of unauthorized access to the CipheX ecosystem, Ethereum blockchain, and DEX assets remains. There is no guarantee that these security risks can be entirely prevented, and any breach could cause significant disruption and financial loss for CipheX's operations.

Value stolen in DeFi hacks, 2019 - 2023
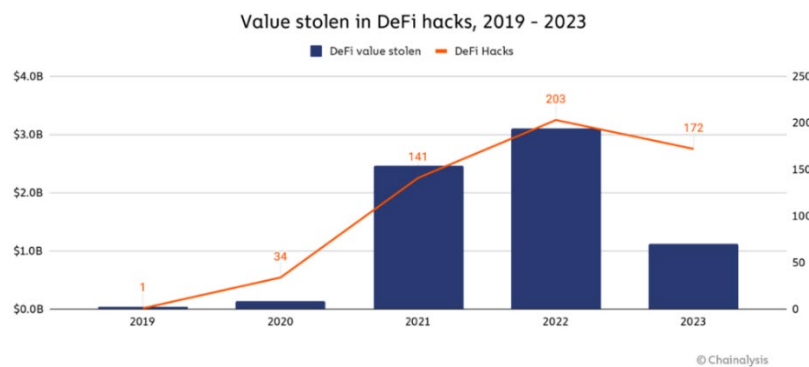
7.5 Liquidity/Price Volatility

Certain cryptocurrencies, particularly newer or lesser-known tokens, can experience low liquidity, making it challenging to buy or sell assets at preferred prices or within short timeframes. In such markets, large transactions may significantly impact prices, leading to potential losses or reduced investment value. There is no guarantee that the CipheX Community market will maintain strong liquidity or that demand for CPX Tokens will continue to grow.

7.6 Counterparty Risk

Engaging with decentralized (DEX) and centralized (CEX) exchanges, third-party trading platforms, and other market participants introduces counterparty risk. These entities may fail to fulfill their obligations due to issues such as insolvency, hacking, or operational failures, potentially leading to asset losses or trading restrictions for CPX Token investors. While these platforms may facilitate the trading of CPX Tokens, there is no assurance that they will consistently meet their operational or financial commitments.

7.7 Operational Risks

Blockchain networks and trading platforms depend on technology that can sometimes experience unexpected issues, outages, or software bugs. Such disruptions may cause delays, transaction failures, or incorrect pricing, which could financially impact market participants. Additionally, CipheX relies on Expert Contributors engaged by the community for specific development and operational roles. If these Expert Contributors choose to leave or cannot complete their tasks, it could lead to significant disruptions in CipheX's community operations.

7.8 Fraud and Scam Risks

CipheX may invest in other blockchain projects or offer asset tokenization services to help traditional businesses transition their assets to the blockchain. However, the crypto market is known for fraudulent schemes, such as phishing scams, Ponzi schemes, and misleading projects that exploit investors. Numerous fake or deceptive initial coin offerings (ICOs) and tokens have been launched with the intent to defraud, causing substantial financial losses for those affected. While CipheX employs experienced contributors to perform assessments and conduct thorough due diligence on potential projects, there is no guarantee that some projects may be fraudulent.

7.9 Contract Vulnerabilities

Smart contracts are designed to enable and automate transactions within a decentralized, trustless environment. However, they carry certain risks, including potential coding errors, unforeseen vulnerabilities, or malicious exploits. Such failures may result in unexpected user losses, including token loss, trade disruptions, or other unintended financial outcomes. Although rigorous efforts are made to audit and secure smart contracts, no system is entirely invulnerable to attacks or errors. Participants should understand that trade execution through smart contracts involves these inherent risks and engage with platforms only after carefully assessing their risk tolerance. In a breach, fund recovery may be limited or even impossible.

7.10 Privacy and Data Risks

CipheX employs technologies and services to safeguard member identities; however, blockchain transactions are not fully private. Information on public blockchains can be analyzed to reveal user identities and transaction histories, potentially compromising privacy. Furthermore, centralized exchanges that retain user data are vulnerable to breaches, which could lead to identity theft or financial fraud. While CipheX is committed to protecting member privacy, there is no guarantee that these privacy measures will be effective indefinitely.

7.11 Market Manipulation

Cryptocurrency markets, particularly those with lower liquidity, are vulnerable to manipulation tactics such as pump-and-dump schemes, wash trading, and insider trading. Coordinated groups may also attempt community hijacking by gaining control over key protocols or liquidity, potentially distorting market prices, trading volumes, and governance decisions. These activities can create misleading market conditions that disadvantage regular investors and compromise the integrity of the CipheX Community.

CipheX has implemented advanced safeguards to protect its members and operations against such vulnerabilities. However, no system can guarantee absolute protection, and should these safeguards be compromised, it could result in significant financial loss or erode trust in our project.

7.12   Risk of Natural Disasters

Natural disasters such as earthquakes, floods, hurricanes, and wildfires can impact CipheX's cryptocurrency trading and blockchain operations and those of its service providers and counterparties. These events may lead to power outages, internet service interruptions, and physical damage to critical infrastructure, including data centers and mining facilities. Such disruptions can result in transaction processing delays, decreased network security, and potential financial losses for traders and investors who cannot access markets during critical periods.

Community Driven Growth through Decentralized Financial Innovation

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