

Hyperdex: Tokenomics

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Hyperdex Overview

Hyperdex is an all-in-one investment platform enabling investors of all types to easily and effectively invest in crypto. Hyperdex offers simplified investment types in the form of four so-called 'Cubes'. Additionally, Hyperdex enables anyone to create and deploy their own trading strategies for others to invest in, with or without prior coding experience.

Cubes and HyperCubes

The four main investment types are as follows:

- Fixed Income Cubes
- Algo Trading Cubes
- Race Trading Cubes
- Modular

Fixed Income investments enable users to earn a fixed return on a specific asset over a specified period of time. Algo trading investments are based upon algorithmic trading strategies derived from a data-driven approach to markets. Race trading investments are similar to a futures contract investment, enabling investors to speculate on the price of a specific trading pair over a certain period of time. Modular cubes enable users to create & deploy trading strategies as well as invest in strategies created by other users.

Each of the four investment Cube types may be further upgraded to HyperCubes. HyperCubes increase a user's overall return on a Cube investment. HyperCubes are created by depositing additional HYP tokens alongside a Cube's original investment.

Hyper (HYP) Token

HYP is the Hyperdex platform's utility token. The primary purpose of the HYP token is to allow the users to participate in a decentralized democratic decision process in order to decide what happens with the Hyperdex ecosystem. The HYP token holders are in power of what happens in the ecosystem. This will allow holders of the governance token to vote on protocol improvements, making Hyperdex a fully decentralized protocol.

Additionally, those that hold the governance token are provided with the opportunity to interact with the protocol further via: Incentivising liquidity providers, increasing rewards from cubes and staking.

Initial HYP Supply

200 million Hyper Tokens will be minted during the pre-sale phase. This phase will last approximately 4 weeks once the Launch page is active. The pre-sale phase will be concluded once the total collected amount reaches up to 10,000,000 USDT or once the 4 weeks time period is complete.

The minimum investment in the pre-sale phase will be 1,000 USDT to a max of 100,000 USDT for retail clients. For institutional clients it will be up to 500,000 USDT.

There will be four distinct sales with a HYP price ranging between 0.075 - 0.15 USDT. Each sale will have a specific vesting period subject to the tokens sold.

Pre-seed

- Price: 0.075 USDT
- Vesting: first month 3% + 20 months linear distribution

Strategic

- Price: 0.10 USDT
- Vesting: first month 4% + 18 months linear distribution

Private Phase

- Price: 0.125 USDT
- Vesting: first month 5% + 12 months linear distribution

IDO

- Price: 0.15 USDT
- Vesting: first month 7% + 9 months linear distribution

100 million Hyper Tokens will be allocated to Hyperdex, with the rest sold to pre-sale investors. If the hard cap of 200 million tokens minted is not reached, the remaining tokens will be allocated to Hyperdex.

Example:

If 7,000,000 USDT is raised, 70,000,000 out of 100,000,000 HYP will be minted.

The remaining 30,000,000 HYP will be allocated towards Hyperdex.

If there are remaining HYP tokens once the pre-sale phase has concluded, they will be used to help increase HYP buy pressure. This may come in the form of community airdrops, contests, incentives, or even burning the tokens altogether.

The 100,000,000 HYP allocated to Hyperdex is distributed as follows:

- **LP Liquidity Pool:** 50%
- **Reserve Liquidity:** 25%
- **Developers:** 10%
- **Marketing:** 10%
- **Contingency Fee:** 5%

Afterwards, during the regular phase, the minting of new HYP Tokens will only occur when rewarding users with HYP tokens. This happens when a HyperCube or HYP fixed income cube earns a return, as well as when a user earns a farm or referral reward.

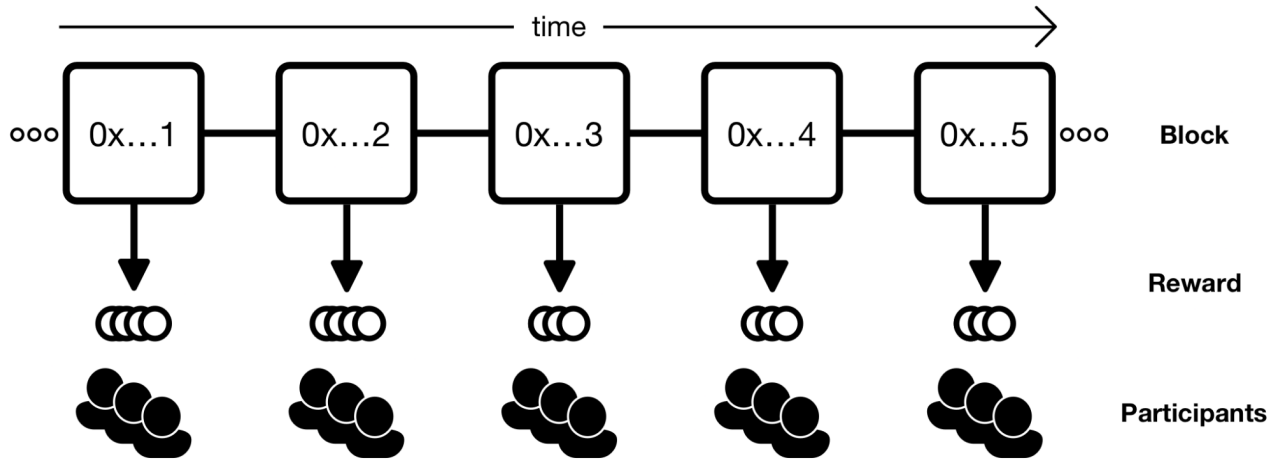
HYP Minting Mechanism

Other Protocol Mechanisms

The common model of minting large amounts of tokens on a per-block basis to satisfy high APY incentives for liquidity has proven to be unsustainable. This model incentivizes liquidity miners to deposit liquidity in Farms for the highest APY of a new token offered as a reward.

However, a heavily increasing supply from high APY incentives for rented liquidity is unsustainable in the long term, eventually rendering the token worthless and therefore having users take their capital elsewhere. Additionally, liquidity pairs that heavily fluctuate in price increase Liquidity Provider's exposure to impermanent loss.

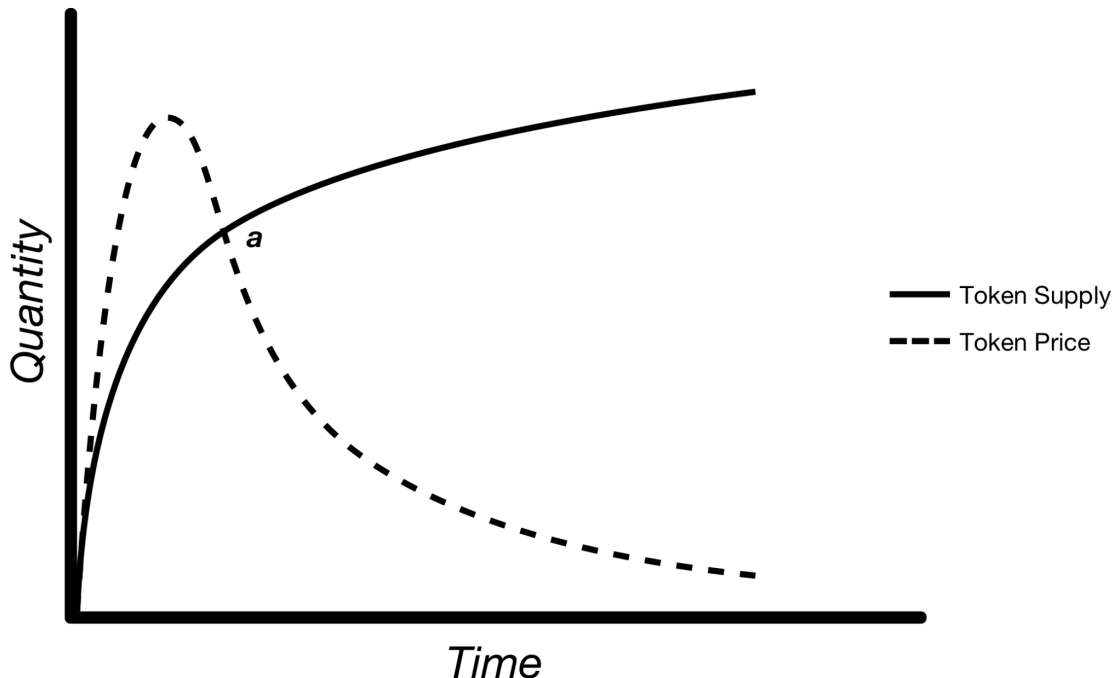
Minting Mechanism



As seen in the diagram above, each block there are tokens minted and distributed to participants in the form of rewards. Typically, a larger amount of tokens are minted in the beginning to satisfy large APY incentives. This is followed by a decrease in APYs after a period of time and a fixed amount of tokens minted per block onward.

The relationship between supply and price can be seen below. Some contributing factors to the price increase include a lack of supply / liquidity for the token itself coupled with a higher demand from users seeking to buy and stake the token in order to capitalize on high APY incentives.

Price and Supply



Supply increases so sharply in order to satisfy the high APY incentives offered. However, when reaching around point **a**, high APY incentives begin to decrease. This lowers the overall return for staked investors, and therefore may result in some profit taking and exiting. Overall, this decreases price, as sell pressure is high and buyers are now less incentivized to purchase the token due to a lack of high APY incentives (that sparked the original interest).

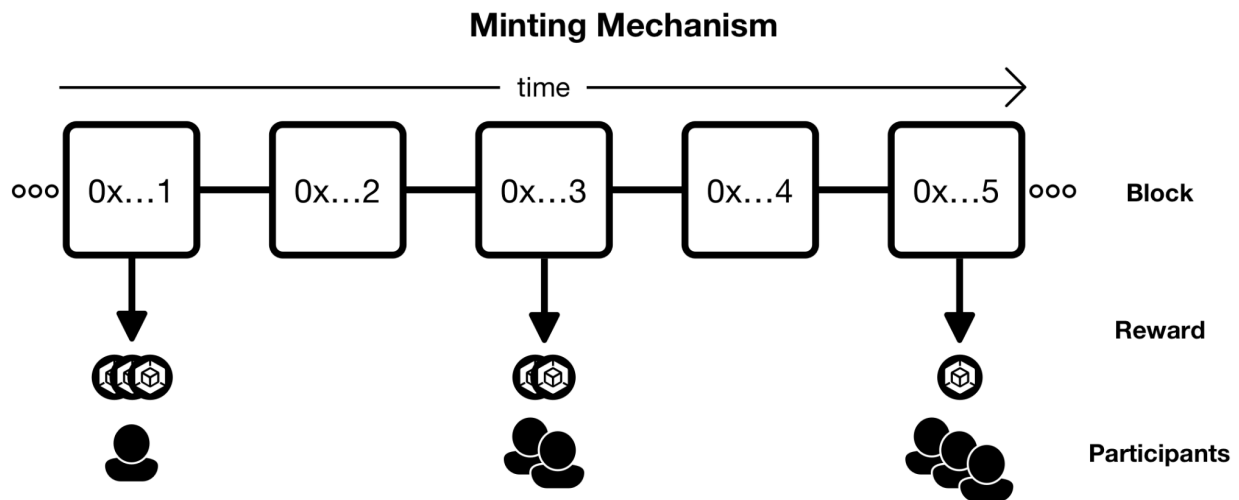
Hyperdex Mechanism

HYP tokens employ a unique mint on reward mechanism. Instead of constantly minting tokens to satisfy an unsustainable model, HYP tokens are only minted under certain conditions whereby a reward denominated in HYP is due.

These conditions include:

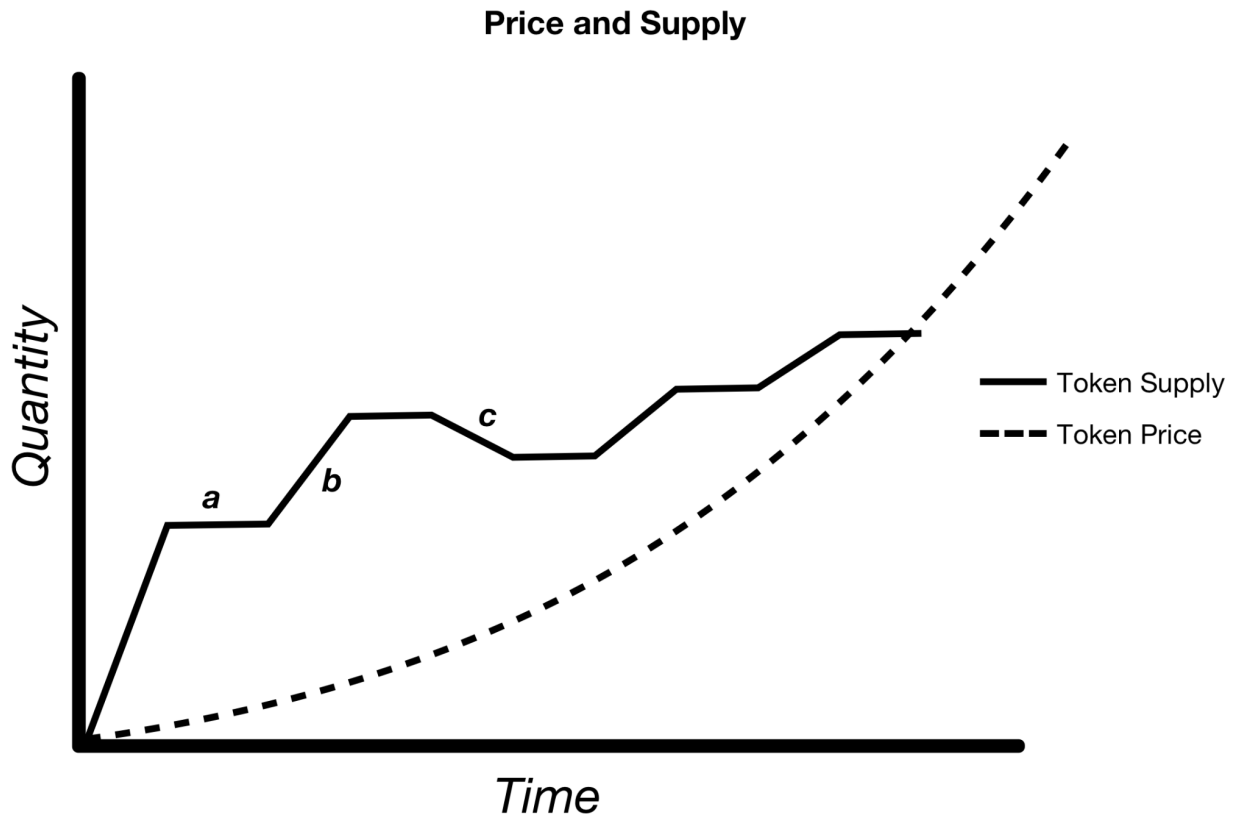
- a HYP Fixed Income Cube earning a return
- a HyperCube earning a return
- Farm rewards
- Referral Program rewards

Since each form of participation requires the purchasing of HYP tokens, more participants means a higher demand for HYP. This results in the token price increasing. Furthermore, HYP rewards are quoted in USDT / BUSD / USDC, and distributed in HYP. Therefore, as more users participate and the price of HYP increases, the less amount of HYP is required to mint and satisfy reward payouts.



As seen in the diagram above, a larger amount of HYP will be minted initially as a higher incentive. Over time this amount will decrease in the form of lower APYs along

with a higher HYP price, requiring less token minting for every reward. This is because as the price of HYP increases, the amount of HYP tokens required to mint and satisfy rewards decreases.



The relationship between token price and supply for this mechanism can be seen above. At **a** we can see a plateau in supply, representing users buying HYP and entering cubes. This does not require the minting of HYP.

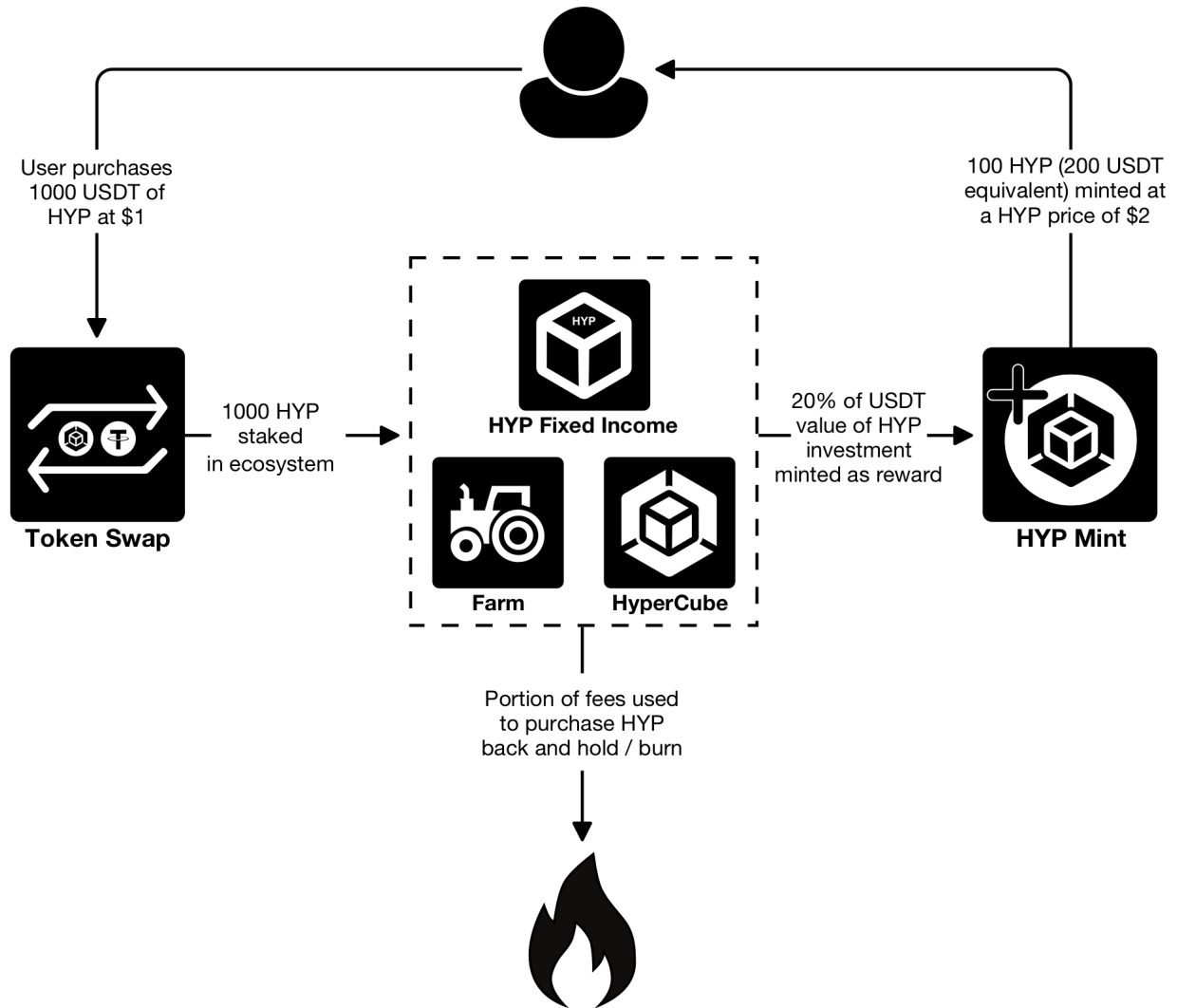
At point **b** we can see a significant increase in supply, representing the expiration date of a large amount of HyperCube investments requiring a HYP reward payout. This requires the minting of HYP.

Finally, at point **c**, we can see a slight decrease in supply. This represents the Token Buyback / Burn mechanism employed by Hyperdex, where a certain amount of revenue may be allocated towards purchasing HYP tokens from the open market and subsequently burned.

Each increase in supply is followed by a smaller increase the next time it grows. This is because as the price of HYP increases, less supply is needed to satisfy HYP

rewards. In addition to this, APY incentives will decrease to a single-digit percentage, which further decreases the minting of HYP.

Example



In the example above, 1000 USDT is used to purchase 1000 HYP at a price of 1\$. Next, this 1000 HYP is deposited alongside a 1000 USDT Fixed Income Cube. Upon expiry, the user earns 20% on the 1000 USDT investment, as well as an additional 20% denominated in HYP tokens. The price of HYP is now \$2, only requiring the minting of 100 HYP. Additionally, a portion of the fees taken from this are held / burned by Hyperdex, benefiting all HYP holders.

Initial Reward Inflation

After the launch of Hyperdex, HYP rewards will be inflated in order to incentivize early participation. This inflated APY will normalize shortly after launch, with lower APY incentives for HYP rewards. This is done in order to balance out inflation along with early rewards and incentives.

- **Initial Reward Inflation: 20%**

This reward inflation will decrease to a single digit percent over the course of 24 to 36 months.

Token Buyback / Burn

In order to help supply balance out with a smooth price growth, Hyperdex will allocate a small percentage of fees towards purchasing HYP tokens and holding them or burning them altogether.

By periodically purchasing HYP tokens, this adds to the buy pressure and provides both liquidity along with an increase in the HYP price. By burning HYP tokens, this decreases overall supply and benefits all HYP token holders.

- **Percentage of cube revenue allocated towards buyback / burn: 5-10%**

NFT Rewards

There are two primary Hyperdex non-fungible tokens (NFTs) that enable holders to earn a portion of certain fees generated on the platform:

- Tetra
- Edro

Tetra NFTs are tokens that enable the holder to claim a portion of fees generated by Cubes on the Hyperdex platform. In order to acquire a Tetra NFT, the user must have deposited an equivalent of \$100,000 into the platform. Each NFT may claim 0.1% of the 50% of fees allocated to Tetra NFT holders (i.e. of the aggregate fees collected, each Tetra NFT is entitled to 0.05%).

If the amount of Tetra NFTs exceeds 100, holders will then be entitled to a proportional percentage of fees rather than a fixed 0.1% (0.05% aggregate).

Edro NFTs function similarly to Tetra NFTs. In order to acquire an Edro NFT, the user must have deposited an equivalent of \$10,000 into a specific Modular Cube strategy. In the case of Edro NFTs, holders earn a portion of the fees generated by a specific Modular Cube strategy.