



EUSKARA MANAGEMENT LTD

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EXECUTIVE SUMMARY

With the world's currency systems in disarray, speculators are dabbling with the possibility that crypto-currencies potentially present a way out. However, certain caveats have made it difficult to jump into the crypto-currency market with both feet.

Volatility in the crypto-market has been present from its inception, although the market doesn't see the huge swings it endured in early days. Volatility still plays the lead role in today's market. This paper will examine an option available on the Bitshares blockchain. Its aim is to find a stable income bearing asset on the blockchain through diversification.

INTRODUCTION

As the world looks for ways to solve the financial and economic instability of today, the emergence of Blockchain technologies have risen to meet some of these challenges. In fact, the crypto-currency market has seen huge growth over the past few years, yet that market itself has a fair amount of volatility.

For that reason, mainstream adoption of crypto-currency has yet to take full flight, Investors simply cannot afford that level of risk. The world needs options that minimizes the risk and maximizes the potential for return.

This paper will discuss the ways that crypto-currency can rise to meet these challenges and present options to solve the challenges with its current currency systems.

THE CHALLENGE

When it comes to people "change" can be a big challenge. We get used to doing things in a certain way and we stick to it. The world we live in is changing fast. The emergence of crypto-currencies are a clear demonstration of that change. Governments around the world are waking up to the benefits of blockchain technologies and crypto-currencies and the integration of some of these technology solutions has already taken place. The challenge we face now is to accept crypto-currency's presence as fair challenge to our current currency systems.

Fiat currency has three main properties : exchange, value, and measure of account. All these properties give fiat its place in economies today. Is it the best form of exchange, considering the inflationary charges paid to transfer? In a world where currency is losing purchasing power daily, does it give value?

It is still a measure of account. We are still at the very early stages for crypto-currency. And as a consequence we still have limited stable options available.

THE OPTION

Overview

Bond allows accredited investors the option of diversifying their portfolio and reducing their overall risk. Bond's desire is to create an option that can potentially stabilize the volatility issues that plague the crypto-currency market today.

Bond is the trading name for Euskara Management, Ltd. Bond is a private offering for accredited investors only. It is issued as a user asset (UIA) on the BitShares blockchain. Each unit represents an equity share of Bond's asset portfolio. The goal is to provide a basket of fixed rate and variable rate assets as part of a diversified portfolio that pays a percentage of profits every quarter.

By allowing accredited investors the option to diversify their portfolio and reducing their overall risk, stability is a probable outcome. For the rest of 2017 and in the first quarter of 2018, Bond will continue to purchase BitShares on the open market, buy property bonds from established UK property companies and provide liquidity for Bitcoin speculators. This strategy will provide Bond with a steady rate of return.

By the second quarter of 2018, the global real estate market is likely to have had a significant correction. This will present a favourable opportunity for Bond to begin building a real estate portfolio around the world. The purchase of student accommodation in the UK will yield Bond with a steady rental income. This market has shown steady growth for a number of years now.

With this strategy in mind, Bond wants to capitalize on the potential upside from this sector of property market. This activity will help to underpin Bond Unit and establish Bond as a true store of wealth.

How Bond Works

Users create a BitShares account on bitshares.org. Go to the Bond website (www.bondonblockchain.com) to sign up with their BitShares account name. Their account name will then be added to their profile. For verification and review users will need to provide KYC documents (Photo ID : Passport or Driving License & Bank Statement dated within last 3 months). Users will then receive an email notification on the status of their account. Once their account is verified, users can proceed to the purchase section, enter the dollar amount they would like to contribute. Users will receive four unique deposit addresses: one for each of the four types of crypto-currencies from which Bond accepts contributions.

When Bond's IPO server detects a transfer from any deposit address assigned to a verified profile on the system, the server will compute the current USD value of the deposited crypto-currency (using pricing information from <http://coinmarketcap.com> and send Bond Units accordingly to the contributor's BitShares account.

Whitelist

User-issued assets can be traded against other assets in the BitShares decentralized exchange (DEX). This means liquid markets will likely quickly spring up for trading BOND-UNITs against other cryptocurrency such as Bitcoin, Ethereum, and USD surrogates. Because BOND-UNITs are restricted to accredited investors, BOND will restrict trading to traders who have successfully registered as accredited investors on the BOND website to maintain compliance with all applicable securities laws.

This restriction will be enforced via a feature of the BitShares blockchain that allows an asset issuer such as BOND to “whitelist” a select group of BitShares account holders who are able to hold Bond. Only whitelisted accounts will be able to buy and sell the BOND-UNITs on the BitShares decentralized exchange. All initial contributors will be whitelisted as part of their original subscription to Bond, other interested buyers can register later to be able to purchase BOND-UNITs from current holders.

This means contributors can trade their BOND-UNITs without having to worry about if their trading partners are accredited investors: all potential trading partners will have been pre-vetted by BOND as accredited investors.

Blocktrades :

Will conduct a quarterly audit of all Bond’s assets. This audit will detail Bond's "Net Asset Value" Blocktrades is a reputable company and have set a very high standard of work within the BitShares community. You will find Bonds quarterly reports in the disclosure section of Bonds website.

Compliance with SEC Regulations

On August 31, 2017, Euskara Management Ltd. (Bond) filed an exemption notice to issue securities with the SEC. This notice was accepted by the [SEC](#). Subject to Bond meeting the terms and conditions of the exemption in Reg D: Rule 506(c) Bond is permitted to sell securities in the United States.

How Bond Manages Funds

One hundred percent of contributions made in exchange for Bond units will be distributed in four directions:

Property bonds and real estate: Thirty percent will be allocated to purchasing property bonds and real estate. Bond buys property bonds from established UK property companies. These bonds are secured against the balance sheet and asset portfolios of these companies. Users can find full details in the disclosure section of the website. These bonds will initially provide a base rate return of eight percent. These assets and other yield-bearing assets purchased will be held by the Unit Asset Fund. This fund will give another layer of security to all assets. Unit Asset fund is authorized and regulated by the Central Bank of Armenia.

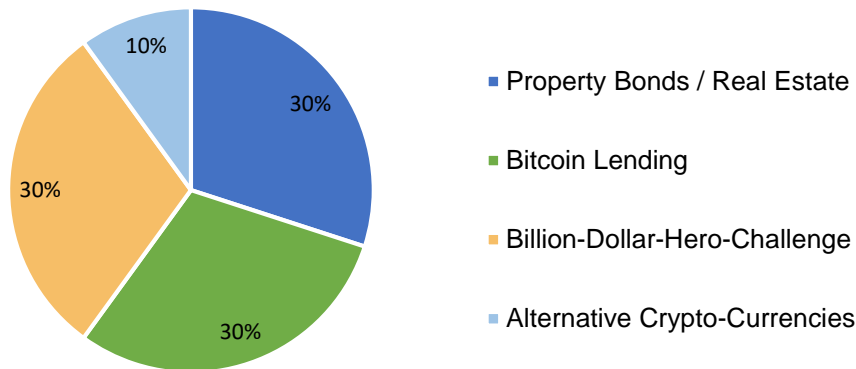
Bitcoin liquidity for peer-to-peer lending platforms: Thirty percent will be allocated to provide Bitcoin liquidity for peer-to-peer lending platforms. These Bitcoin speculators will pay a given percentage rate of return for lending Bitcoin. This activity is quite popular, and the demand has increased considerably over the past 18 months. Since this activity is still in its infancy, as the demand for Bitcoin grows, this strategy will yield a healthy return for Bond.

Purchase of BitShares from the open market: Thirty percent will be allocated to purchase BitShares from the open market. This will form a part of Bond’s entry into the Billion-Dollar Hero Challenge (<https://steemit.com/hero/@stan/the-billion-hero-challenge>). Bond’s objective is to win the first prize: \$300,000,000 worth of BitShares. With the support of every Bondholder, this goal is more than achievable.

Investments in alternative currencies and other assets: Ten percent will be allocated to innovative alternative crypto-currencies and assets that come onto the market. This will potentially allow Bond’s portfolio to capitalize on the latest opportunities to enter this space.

The main objective of these allocations is to safeguard Bond's overall value. The exact percentage of contributions quoted as part of the company's investment strategy may vary to meet this objective.

Percentage Allocation



Revenue and Distributions

Additional revenue: One hundred percent of any prize winnings or additional gains from BitShares blockchain referrals or Steemit incentive features will be added to Bond's asset portfolio.

Distributions: The quarterly distribution made to Bond holders will derive from 8% generated annually from Property bonds and 25% of profits generated from Bitcoin peer to peer lending activity. Based on the lowest % rate of return from the lending activity, Bond's minimum quarterly projected return is 2% per quarter of Net Asset Value (NAV) to all Bond holders. This distribution will be made in BitUSD.

Bond will retain 25 percent of profit from the Bitcoin lending activity on a monthly basis. These funds will cover operation costs, advertising, marketing, and legal support.

Bond Founders - will retain 10% of all Bond Units issued from all subsequent allocation releases.

BitShares Blockchain: BitShares is one of the more well-developed crypto-currencies. With features such as smart contracts, price-stable currencies, decentralized asset exchange, scalability, dynamic account permissions, recurring and scheduled payments, a referral rewards program for contributing to network growth, regulation-compatible user-issued assets, stakeholder-approved project funding, and transferable named accounts, it looks to stay ahead of the curve. Many of its features could eventually be leveraged to build financial applications for the underbanked in emerging markets that are increasingly being connected to the Internet and need access to fast and cheap ways to send and store money on the Internet.

BitShares transaction ledger: The ledger is secured using the unique Delegate Proof of Stake (DPOS) algorithm. This algorithm actually solves many of the problems Bitcoin is experiencing today:

- BitShares transactions confirm in a matter of seconds rather than minutes or hours
- the BitShares network easily supports 1000x times more financial transfers per second than is possible with the Bitcoin network and at a significantly lower cost
- a governance model whereby stakeholders can vote on enhancements to the software
- an established method by which stakeholders can pay from a jointly held set of funds, to pay developers to enhance the blockchain software
- a better distribution of power that prevents miners from blocking needed upgrades to the network.

In DPOS, the stakeholders have all the power. If the miners ("witnesses") do not stay neutral, then the stakeholders can elect new witnesses, and the miners will no longer get paid for their blocks. This gives stakeholders and developers far more power over the development of the network and prevents powerful centralized miners from having undue influence over the network. This is a major problem for Bitcoin because there are so many significantly more robust and innovative coins that have far more features being released and developed and because Bitcoin miners have decided to hold back development and prevent any new features from being added.

Bitcoin will likely see a major loss of market share as companies and individuals use blockchains with far more features to build their financial applications on instead of Bitcoin's blockchain, which continues to be stuck at an impasse with development, even as far more innovative coins are released and gain market share.

Bond allocation release: Bond will be available on allocation release only. All Bond account holders will be notified of allocation releases prior to release date.

Redeeming Bond: Bond is a five-year holding term. Redemption terms are available after the first year.

Net asset value and redemption: At any given time Bond unit will have a "Net Asset Value" (i.e., NAV) based on the estimated value of the underlying assets in Bond's portfolio. In addition to being able to trade Bond unit on the decentralised exchange, holders will also have the option of "redeeming" Bond unit at the following terms listed below:

AFTER YEAR PERCENTAGE OF "NAV"

1	-	60%
2	-	70%
3	-	80%
4	-	90%
5	-	100%

*Bond reserves the right to restrict the redemption option if sufficient liquidity to satisfying redemption requests is not available.

All redemption requested will be settled in BitUSD.

CONCLUSION

Bond is a unique opportunity to diversify any investor's portfolio. Because 100 percent of contributions will be allocated to assets, Bond's underlying value will derive from these assets, making Bond 100 percent asset-backed and the minimum projected annual rate of return is 8%.

Bond aims to bring a level of stability to a market that has very few options to achieve this goal. The website's detailed disclosure section and asset section will be updated frequently.

BitShares is the perfect platform on which to develop Bond. BitShares' efficiency, speed, and transparency make it only a matter of time for BitShares to do for business what Bitcoin has done for currency -- change the game.

With this unique approach, Bond aims to deliver a high level of transparency that will attract and retain a wide spectrum of support. Bond signals the next generation of compliant crypto assets issued on the blockchain.

FOR MORE INFORMATION

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A company's financial information is restricted from public view in some jurisdictions. Bond discloses company financial information via the disclosure section of its website to comply with these directives. The disclosure section of the Bond website will provide contributors with a comprehensive perspective. The subscription agreement, associated company prospectuses, additional financial information, SEC filing, and other key components are available in more detail in the disclosure section of the website.

The disclosure section will provide an up-to-date account of all Bond's assets (NAV).

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For more information, please contact support@bondonblockchain.com.