Capital Asset Token FAQ

M7 Capital - admin@m7capital.finance - www.m7capital.finance

How Innovative is it?

The concept of a dividend yield token is not new, the current generation of tokens on the BSC (Binance Smart Chain) adapted code from other such tokens on the Ethereum network. However, there is always room to build on what is an established and, while inconsistent, successful tokenomics model.

Which is what we have and are doing with the Capital Asset Tokens and Capital Investment Vaults. By having dividend yield tokens that can be staked in auto compounding vaults without the need for the creation of liquidity pools to facilitate the yield process we have removed a number of key risks that yield farms and compounding vaults face - impermanence loss and the negative selling pressure exerted on the underlying token through the compounding process.

How are the Dividends Calculated?

The way to look at the dividend distribution needs to be done in two parts.

Dividend Swap Process

First there is how the asset token contract buys it's dividend token. This is achieved through taxation on the asset token itself. For each trade conducted, whether it's buying or selling, a tax is levied that transfers part of the tokens that would be bought or sold to the asset token contract.

Once the asset token contracted has collected a certain amount of tokens, on the next selling transaction the contract will also swap tokens that it has collected for the dividend token, the amount of dividends received in this transaction depends on the price of the asset token in Binance Coin (BNB) and the price of the denoted dividend token.

Once this swap is complete it sends those dividend tokens to the dividend tracker that handles the distribution process.

Dividend Distribution Process

The dividend tracker now has two roles, it maintains a relative balance for each holder of dividend tracker tokens with their real token balance, and distributes the dividends as needed, relative to these holdings.

On a scheduled basis (volume permitting) the contract will give the needed gas for the tracker to process an automatic distribution to as many holders as it can get through for their share of the dividends collected relative to their balance.

What are Synthetic Assets?

Synthetic assets are tokenized versions of real world stocks, commodities, futures and other tradable assets. They are tokens that mirror the real world price of their counterpart and can be used as a hedge as their value is from markets outside of the cryptocurrency space.

Which Synethic Assets will be Available at Launch?

We will be releasing the details on what our launch assets and their corresponding vaults are closer to our platform release date so keep an eye on our social media as we will be doing a reveal across all platforms.

Why Should I Not Sell the Earlier Asset Tokens to Buy the Newer Asset Tokens as they are Released?

Each asset token is a standalone project and focused on a single dividend, it will be up to investors to buy the asset token that fits their investment criteria. For example, some investors want to stay away from projects such as Cardano or LINK so if and when we release asset tokens linked to those they won't invest, but would choose to invest in asset tokens that give Bitcoin or Ethereum.

Also as we will be hosting trading competitions daily there is very little chance that a token will lose focus, through external market forces, the vault compounding process and the trading competitions we see volume being consistent for all our asset tokens. Factor in when certain cryptocurrencies have their moment in the sun that will draw organic attention to the relevant asset token - if it exists on the platform of course.

Why Invest Here and Not in Other Dividend Yield Tokens?

We believe that our platform, while existing in the same space as other projects that offer dividend yield rewards, has much greater value to offer whether you decide to hold our tokens or stake them in their corresponding vault.

We also see it time and time again, promising, well promoted projects fail due to the same mistakes, mistakes that this team faced early on. So we are taking everything we've learned to date and building something unique and innovative to match the current market demand.

What will Happen if there is no Volume for the Dividends?

The team has tried to address this with the structure of the project and the contracts as this is probably the number one killer of a dividend yield project.

The vault system will put constant buying pressure in the market as will the daily trading competitions. The team is also working on other platform mechanics to make sure there is a base level of consistent volume every day.

In the end though, if volume does drop off that will impact rewards and by extension the returns from the vaults so it is our top priority to make sure that this is not something that happens to our tokens.