

**108 Token: Simplifying Investing in Crypto**



## **WHITE PAPER**

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### **ZCF II**

an exempted company incorporated under the laws of  
the Cayman Islands.

April 2018

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This White Paper is strictly confidential. It is being provided to a restricted number or class of potential investors.

The distribution of this White Paper and the offering or purchase of Tokens may be restricted in certain jurisdictions. No person receiving a copy of this White Paper, or the accompanying Token Purchase Agreement, in any such jurisdiction may treat this White Paper or such Token Purchase Agreement as constituting an invitation to purchase for Tokens unless in the relevant jurisdiction such an invitation may be lawfully made without compliance with any registration or other legal requirements.

Potential investors should carefully review this White Paper and obtain their own professional advice before subscribing for Tokens. In particular, potential investors should consult with their legal, tax and financial advisers to determine the possible legal, tax, financial and other consequences of purchasing or holding Tokens.

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## DIRECTORY

<b>Token Generator</b> ZCF II c/o Beacon Management (Cayman) Ltd PO Box 31489, KY1-1206 Unit 2A, Landmark Square Earth Close Cayman Islands	<b>Directors</b> Please see <a href="http://www.108token.com">www.108token.com</a>

### Enquiries

Written enquiries relating to the Token Generator should be addressed to [index@108token.com](mailto:index@108token.com).

## **IMPORTANT NOTICES TO POTENTIAL TOKEN PURCHASERS**

PLEASE READ THIS SECTION CAREFULLY. YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX, AND OTHER PROFESSIONAL ADVISOR(S) BEFORE TAKING ANY ACTION IN CONNECTION WITH THIS WHITE PAPER.

### **White Paper**

In reading this White Paper, please note that capitalised terms have the meanings given to them appearing in the next section headed "Definitions".

This White Paper is intended to present relevant information to potential purchasers of Tokens in connection with the proposed generation and sale of Tokens by the Token Generator, which is an exempted company incorporated under the Companies Law.

This White Paper is strictly confidential: it is intended to be read only by the person to whom it has been delivered to enable that person to evaluate a purchase of Tokens. It is not to be reproduced or distributed to any other person, except that a potential Token purchaser may provide a copy to its professional advisers. The white paper will also be available for review on the website.

### **Reliance on this White Paper**

Tokens are offered only on the basis of the information contained in this White Paper and the Token Sale Terms generally. Any further information or representations given or made by any dealer, broker or other person should be disregarded and, accordingly, should not be relied upon. No person has been authorised to give any information or to make any representations in connection with the offering of Tokens other than those contained in this White Paper, and, if given or made, such information or representations must not be relied on as having been authorised by the Token Generator.

Statements in this White Paper are based on the law and practice in force in the Cayman Islands at the date of this White Paper; they are, therefore, subject to change should that law or practice change. Neither the delivery of this White Paper nor the sale of Tokens shall under any circumstances create any implication or constitute any representation that the affairs of the Token Generator or the laws of Token Generator have not changed since the date of this White Paper.

### **Responsibility of potential Token purchasers**

Nothing contained in this White Paper or the Token Sale Terms generally is or may be relied upon as a promise, representation or undertaking as to the future performance or policies of Token Generator. Token Generator does not make representations or warranties of any kind with respect to the economic return from, or the tax consequences of a purchase of Tokens. Potential token purchasers should carefully review the whole of the Token Sale Terms. They should also consult with their legal, tax and financial advisors in relation to the following: (i) the legal and regulatory requirements within their own countries for purchasing, holding and disposing of Tokens; (ii) any foreign exchange restrictions to which they may be subject in their own countries in relation to purchasing, holding or disposing of Tokens; and (iii) the legal, tax, financial and other consequences of subscribing for, purchasing, holding or disposing of Tokens.

This White Paper and the Token Sale Terms generally are not composed in accordance with, and are not subject to, laws or regulations of any jurisdiction which are designed to protect investors. This White Paper and the Token Sale Terms generally are available to Eligible Purchasers only and are not intended to be made available to or accepted from any Restricted Jurisdiction. To the maximum amount permitted by applicable law, Token Generator and its directors, shareholders, agents or employees, as applicable, expressly disclaim any and all responsibility and liability for any direct or any indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection with: (i) Investor's acceptance of or reliance on any information contained in this White Paper or the Token Sale Terms generally; (ii) any error, omission or inaccuracy in any such information or (iii) any action resulting therefrom.

### **Distribution and selling restrictions**

The distribution of this White Paper, the Token Sale Terms generally and the offering or purchase of Tokens, may be restricted in certain jurisdictions and are not permitted within any Restricted Jurisdiction.

The distribution or receipt of this White Paper and the Token Sale Terms generally do not constitute an invitation to any recipient thereof to subscribe for Tokens in or from any jurisdiction where it is necessary for Token Generator to comply with some registration or other legal requirement either: (i) to make that invitation lawful; or (ii) to make the use of the Token Sale Terms lawful. No such recipient may treat this White Paper and/or the Token Sale Terms generally as an invitation to subscribe for Tokens. No such recipient may themselves use, promote or distribute this White Paper or the Token Sale Terms generally. No such recipient is an Eligible Purchaser for the purposes of this White Paper.

This White Paper and the Token Sale Terms generally do not constitute an offer or solicitation:

- by anyone in a jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so;
- to anyone to whom it is unlawful to make such offer or solicitation or where the acquisition of, holding of and/or disposal of Tokens is restricted, regulated or otherwise unlawful in any way whatsoever by the regulations and laws of the jurisdiction to which they are subject (and for the avoidance of doubt no such person is an Eligible Purchaser for the purposes of this White Paper); or
- to anyone where the regulations and laws of the jurisdiction to which they are subject would operate to impose regulatory compliance or other obligations on Token Generator by virtue of their acquisition of, holding of and/or disposal of Tokens (and for the avoidance of doubt no such person is an Eligible Purchaser for the purposes of this White Paper).

It is the responsibility of every person in possession of this White Paper and the Token Sale Terms generally and every person wishing to apply for Tokens to:

- inform himself, herself or itself of, and to observe all applicable laws and regulations of, any relevant jurisdiction;

- take independent legal and tax advice with respect to their prospective acquisition of, holding of and/or disposal of Tokens;
- confirm that the acquisition of, holding of and/or disposal of Tokens is not restricted, regulated or otherwise unlawful in any way whatsoever by the regulations and laws of the jurisdiction to which they are subject; and
- confirm that the regulations and laws of the jurisdiction to which they are subject do not operate to impose regulatory compliance or other obligations on Token Generator by virtue of their acquisition of, holding of and/or disposal of Tokens.

Token Generator does not make any invitation to the public in the Cayman Islands to subscribe for Tokens.

Please review the selling restrictions set out in the Appendix.

### **Regulation**

Token Generator is not regulated as a mutual fund for the purpose of the Mutual Funds Law because Token Generator is not issuing equity interests to Token purchasers within the meaning of the Mutual Funds Law. A Token does not represent a share of Token Generator's authorised and issued share capital, a Token-holder is not entitled to be included on the register of members of Token Generator and does not have capital at risk in the way a shareholder does. Therefore Token Generator is not subject to the Mutual Funds Law and the potential registration or licensing requirements that would otherwise apply if equity interests were being offered and Token Generator was subject to the Mutual Funds Law. Specifically none of the Token Sale Terms will be filed with CIMA, Token Generator is not subject to the supervision of CIMA and Token Generator is not required to have its accounts audited nor submit such accounts to CIMA.

### **Confidentiality**

Except as outlined in the Token Sale Terms generally, any information forwarded to the Token Generator by a potential Token purchaser will be treated on a confidential basis. If required to do so by law or regulation, the Token Generator may pass on that information to a relevant third party. By applying to purchase Tokens, each Eligible Purchaser is deemed to have consented to such release of confidential information pursuant to section 3(1)(b) (or any amendment of that provision) of the Confidential Disclosure Law 2016 of the Cayman Islands, as amended.

### **Risks**

A purchase of Tokens carries substantial risk. There can be no assurance that the Token Generator's investment objective will be achieved, and results may vary substantially over time. The value of Tokens may go down as well as up, and Token purchasers may not get back the amount spent for Tokens. A purchase of Tokens is only suitable for sophisticated investors who are able to bear the loss of a substantial portion or even all of their investment. A purchase of Tokens is not intended to be a complete investment programme for any investor.

There is no public market for the Tokens, nor is a public market expected to develop in the future.

Potential Token purchasers should carefully consider the risk factors set out in the section headed "Certain Risk Factors" when considering whether a purchase of Tokens is suitable for them in light of their circumstances and financial resources. Potential Token purchasers are advised to seek independent professional advice on the implications of purchasing Tokens.

### **Forward-looking statements**

All statements, estimates and financial information contained in this White Paper, made in any press releases or in any place accessible by the public and oral statements that may be made by Token Generator or its directors, shareholders, agents or employees, as applicable, that are not statements of historical fact, constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms such as "aim", "target", "anticipate", "believe", "could", "estimate", "expect", "if", "intend", "may", "plan", "possible", "probable", "project", "should", "would", "will" or other similar terms. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual events or results, performance or achievements to differ materially from the estimates or the results implied or expressed in such forward-looking statements.

Further, Token Generator disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future.

### **Accuracy of information**

This White Paper and the Website include market and industry information and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Such surveys, reports, studies, market research, publicly available information and publications generally state that the information that they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. Save for Token Generator and its respective directors, executive officers and employees, no person has provided his or her consent to the inclusion of his or her name and/or other information attributed or perceived to be attributed to such person in connection therewith in this White Paper and the Website and no representation, warranty or undertaking is or purported to be provided as to the accuracy or completeness of such information by such person and such persons shall not be obliged to provide any updates on the same.

Neither Token Generator nor its directors, shareholders, agents and/or employees, as applicable, have conducted any independent review of the information extracted from third party sources, verified the accuracy or completeness of such information or ascertained the underlying economic assumptions relied upon therein. Consequently, neither Token Generator nor its directors, shareholders, agents and/or employees, as applicable, acting on their behalf make any representation or warranty as to the accuracy or completeness of such information and shall not be obliged to provide any updates on the same.

**Language**

This White Paper and the Token Sale Terms generally may have been prepared in multiple languages. In the event of any inconsistencies between one version and another, the English language version shall prevail.

## DEFINITIONS

In this White Paper, the following words and phrases have the meanings set out below:

- Administrator** one or more third party service providers appointed by the Token Generator from time to time, if any, to provide administrative services in connection with Token Generator and the Tokens, including AML/KYC services, assistance with the calculation of Net Asset Value and tax information disclosure services;
- Auditors** person or firm as may be appointed as auditors of the Token Generator from time to time.
- Business Day** a day (other than a Saturday or a Sunday) on which banks in the Cayman Islands are authorised to open for normal banking business and/or such other day or days as the directors of the Token Generator may determine, either generally or in any particular case.
- CIMA** the Cayman Islands Monetary Authority.
- Crypto assets** means:
- (a) all digital assets that are sold, designed or used as a virtual medium of exchange using cryptography to secure the transactions;
  - (b) all blockchain-based digital tokens, whether created using the Ethereum platform or not, that are sold, designed or used as utility tokens, access tokens or rewards token, including tokens which provide holders with the present or future ability to access a system or perform a function; and
  - (c) all other peer-to-peer electronic digital assets represented on a decentralised network, including digital tokens sold pursuant to an initial coin offering that are exchangeable or represent a digital asset represented in (a) or (b) above.

<b>Eligible Purchaser</b>	means a person to whom Token Generator can lawfully make an invitation to subscribe for Tokens without compliance with any registration or other legal requirements, who is able to acquire and hold Tokens without breaching the law or requirements of any country, regulatory body or government authority and who satisfies such eligibility requirements as may be determined by the directors of the Token Generator from time to time, including as set forth above and for the avoidance of doubt shall not include any person in a Restricted Jurisdiction;
<b>Companies Law</b>	the Companies Law (2018 Revision) of the Cayman Islands.
<b>IFRS</b>	International Financial Reporting Standards.
<b>Index Administration Fees</b>	the fee payable in respect of each Token to be retained by the Token Generator as further described in the section headed "Index Administration Fee" below;
<b>Mutual Funds Law</b>	the Mutual Funds Law (Revised) of the Cayman Islands.
<b>Net Asset Value per Token</b>	means the value that is calculated by dividing the Token Generator Net Asset Value by the number of Tokens minted at the relevant Valuation Point. The Net Asset Value per Token shall be rounded up or down to such number of decimal places as the directors of the Token Generator may determine and any benefit of such rounding may be retained by Token Generator for the benefit of Token Generator.
<b>Restricted Jurisdiction</b>	means the United States of America, Singapore and any other jurisdiction where a Tokens qualifies as a security which renders such Tokens or Token Generator itself subject to regulation in that jurisdiction or where the Tokens or Token Generator is otherwise subject to legislation triggering prospectus, maintenance of capital, asset backing or any other regulatory requirements, provided that this list may be varied by Token Generator by publication on the Website.
<b>Subscription Fee</b>	the fee payable by a Token purchaser to Token Generator on a subscription for Tokens, as described in the section headed "Subscription Fee" below.
<b>Subscription Price</b>	Pre-sale : \$1.00 per Token  General Sale Phase I of Token Sale: \$1.05 Per Token  General Sale Phase II of Token Sale: \$1.10 Per Token

<b>Tokens</b>	the ERC20 tokens referred to as Tokens, which are generated on the Ethereum blockchain in connection with an Ethereum smart contract developed and/or executed by Token Generator, which tokens are sold by Token Generator under the terms of this White Paper and the Token Sale Terms generally.
<b>Token Application Form</b>	the application form submitted by purchasers to apply for the purchase of Tokens, which shall be in such form as the directors of the Token Generator may determine from time to time and shall be deemed to include the terms and conditions providing for the sale, purchase and storage of Tokens located on the Website.
<b>Token Generator</b>	ZCF II, a Cayman Islands exempted company incorporated under the Company Law (2018 Revision) of the Cayman Islands.
<b>Token Generator Assets</b>	any Crypto assets held by Token Generator pursuant to its investment strategy and any other investment of whatever nature approved by the Token Generator.
<b>Token Generator Net Asset Value</b>	means the net asset value of the Token Generator Assets, determined as at the Valuation Point on each Valuation Date and valued in accordance with the Valuation Policy.
<b>Token-holder</b>	a holder of one or more Tokens or any fractional part thereof.
<b>Token Sale</b>	The period in which Tokens are being sold, which shall be in three periods being the (a) Early Access Period, (b) General Sale Phase I and (b) General Sale Phase II, as further described in the "Token Application Process" below.
<b>Token Sale Terms</b>	this White Paper, the Token Application Form and the terms and conditions providing for the sale, purchase and storage of Tokens located at the Website. References to the Token Sale Terms are to those documents and terms as they may be amended from time to time.
<b>United States or US</b>	the United States of America, its territories and possessions including its States and the District of Columbia.
<b>US Dollar, USD or US \$</b>	the lawful currency of the United States of America.
<b>Valuation Date</b>	each Business Day and/or such other day or days as the directors of the Token Generator may determine, either generally or in any particular case.

<b>Valuation Point</b>	12:01 AM UTC on the relevant Valuation Date.
<b>Valuation Policy</b>	the valuation policy as further described in the section headed "Determination of Token Generator Net Asset Value" below;
<b>Website</b>	<a href="http://www.108token.com">www.108token.com</a>
<b>White Paper</b>	this White Paper, as amended or supplemented from time to time.

In addition, other matters of interpretation to note are these:

- (a) a reference to any law is a reference to the most recent revision of such law and a reference to any law, legislation or legislative provision includes any statutory modification, amendment or re-enactment, and any subordinate legislation or regulations issued under that legislation or legislative provision;
- (b) a reference to any document or agreement is to that document or agreement as amended, novated, supplemented or replaced; and
- (c) a reference to **including, include, in particular** or similar expression is illustrative and does not imply any limitation.

Certain defined terms appear in the body of this White Paper but do not appear in the "Definitions" section. This is because such defined terms are generally only used within the section where they are so defined. However, where any such defined term is used elsewhere in this White Paper, the given definition will continue to apply.

## SUMMARY

The following summary should be read in conjunction with the remainder of this White Paper, the Token Sale Terms and the other documents referred to in this White Paper, and such summary is qualified in its entirety by reference to such documents:

**The Token Generator** ZCF II, is a Cayman Islands exempted company incorporated under the Companies Law.

The Token Generator is not an investment fund and Tokens do not represent debt or equity interests in the Token Generator.

**Investment objective and strategies** Tokens are intended to provide Token-holders with a convenient, transparent, low cost and diversified tool that allows for easy investments into the blockchain economy. There can be no assurance that the investment objective will be achieved.

The directors of the Token Generator will seek to achieve the investment objective by utilising the investment strategies set out in the section below headed "Investment Objective, Strategies and Restrictions".

**Management** The directors of the Token Generator have overall responsibility for the management and administration of the Token Generator. However the directors of the Token Generator may delegate certain investment management responsibilities to a third party investment manager from time to time. The directors of the Token Generator may also delegate to the Administrator certain administrative functions.

See the section headed "Management and Administration" for further details.

**The Token sale** Tokens will only be offered to Eligible Purchasers.

See the section below headed "Token Application Process" for further details.

**Risk factors** A purchase of Tokens involves significant risks and is suitable only for those persons who can bear the economic risk of the loss of their entire purchase and who have limited need for liquidity. There can be no assurance that Tokens will perform as intended.

Potential Token purchasers should review carefully the discussion under the section below headed "Certain Risk Factors". They should carefully review this White Paper and the documents referred to herein before deciding to purchase Tokens.

**Index Administration Fees; Expenses** The Token Generator will be entitled to an Index Administration Fee of 0.5% per quarter of the Token Generator Net Asset Value before

deduction of that quarter's Index Administration Fee as at the last Valuation Date in each quarter.

The Token Generator will pay all the costs of its operation and management, including the organisational expenses, the fees and expenses payable to service providers and all expenses related to its index administration program, any direct or indirect transaction costs as well as brokerage fees

See the section below headed "Fees and Expenses" for further details.

**Restrictions on sale and transfer**

Tokens will only be issued to, and may only be transferred to, persons who are Eligible Purchasers.

See the section below headed "Transfer of Tokens" for further details.

**Distributions**

Token-holders will not receive any distributions as a result of holding Tokens. This does not preclude the directors of the Token Generator from making a distribution at any time in the future if it considers it appropriate to do so.

**Reporting**

See the section below headed "Financial Information and Reports" for further details.

**Liquidity**

Token Generator will undertake best efforts to facilitate liquidity for token holders via partnerships/arrangements with both affiliated and unaffiliated partners.

**Taxation**

The Token Generator is not subject to tax in the Cayman Islands (other than an annual filing fee and an annual registration fee) under the current laws of the Cayman Islands. Token-holders should consult their own advisers as to the particular tax consequences for them of their proposed investment.

See the section below headed "Taxation" for further details.

## THE TOKEN GENERATOR

### Structure

The Token Generator is an exempted company incorporated in the Cayman Islands under the Companies Law. The location of the registered office of the Token Generator appears in the Directory.

As a holder of Tokens, a Token-holder is not a shareholder of the Token Generator, is not a party to any partnership agreement with the Token Generator, does not have any rights to appoint or remove the directors of the Token Generator and does not have a right to participate in the day to day operations of Token Generator. Tokens confer no governance rights or ownership rights of Token Generator of any kind with respect to Token Generator and all decisions involving Token Generator will be made by the directors of the Token Generator at its sole discretion.

### Tokens

Tokens will be made available for purchase in accordance with Token Sale Terms made with Eligible Purchasers. The purchase of Tokens is not open to the general public and Tokens will be privately offered only to Eligible Purchasers. No part of the Token Sale has been underwritten or guaranteed. Tokens are irredeemable and not returnable save where the Token Generator must compulsorily return the Tokens as set out below.

### Base currency and operational currency

The base currency of the Token Generator is the US Dollar and the financial statements of the Token Generator will be presented in US Dollars.

### Additional information

This White Paper does not purport to be and should not be construed as a complete description of the Token Sale Terms. Before purchasing tokens, each potential Token purchaser should examine this White Paper and the Token Application Form and satisfy itself that an investment is appropriate. In the event that there is any conflict between this White Paper and the Token Application Form, the Token Application Form shall prevail.

Additionally, and prior to a potential purchaser purchasing any Tokens, the Token Generator will make available to the potential purchaser or its representative, the opportunity to do the following:

- (a) to ask questions of and receive written answers from representatives of the Token Generator concerning any aspect of the Token Generator via e-mail or its Telegram channel; and
- (b) to obtain any additional non-proprietary information relating to the Token Generator, to the extent that the Token Generator possesses such information or can acquire it without unreasonable effort or expense.

## INVESTMENT OBJECTIVE, STRATEGIES AND RESTRICTIONS

### Investment objective

2017 was a stellar year for cryptocurrencies with valuations surging by more 30 times since the beginning of the year. The price of bitcoin, the largest cryptocurrency by market capitalization, grew from roughly \$1,000 to \$19,500 over the same period. Despite the strong growth in crypto valuations witnessed in 2017, the total market capitalization of crypto assets is still insignificant in comparison to the market capitalization of S&P 500 (\$20 trillion) and other traditional asset classes. The sophisticated and technical nature of the Cryptocurrency asset class poses many challenges for traditional investors looking to invest in cryptocurrencies. In addition to the 1500+ currencies to choose from, the extreme volatility and complexities involved in securing the cryptocurrencies through cold wallet implementations are one of the many hurdles for Crypto investors.

The Token Generator and the Tokens address the aforementioned issues by providing low-cost access to a diversified basket of the highest-valued cryptocurrencies. Tokens track the performance of an index of the top 15 cryptocurrencies weighted by supply-adjusted market cap and will be designed to act as a tradable ERC-20 token.

There can be no assurance that the investment objective will be achieved.

### Investment strategies

**Underlying Basket :** The underlying basket of Crypto assets for Tokens consists of the top 15 Crypto assets by supply-adjusted market capitalization. Supply-adjusted market capitalization for a cryptocurrency is a product of the expected number coins in supply in 2050 and the current market price. The Token Generator believes that supply-adjusted market capitalization is a better indicator than current market capitalization as the former accounts for differences in supply regimes of various protocols. (Eg: If you consider two identical protocols - one with 80% of the maximum supply in circulation and the other with 20% - the protocol with the lower percentage of coins in circulation will have a much lower marketcap, despite the two protocols being identical).

**Cap Weights:** A cap of 20% will be levied on the weights of individual components of the basket of crypto assets in order to provide a diversified exposure to investors.

**Rebalancing:** The portfolio will be rebalanced on a monthly basis to match the criteria of top 15 cryptocurrencies and 20% weight caps on individual constituents. The Token Generator believes that monthly rebalancing is optimal as it reduces trading costs, in comparison to a more frequent rebalancing strategy (weekly, fortnightly, etc.) while keeping the tracking error in check. Monthly rebalancing also allows the effective implementation of cold storage solutions.

**Curated Investing:** While the directors of the Token Generator intend to manage the Token Generator Assets using traditional passive investment policies, occasionally the directors of the Token Generator may exercise discretion in buying and selling Token Generator Assets, for example to remove from the Token Generator Assets certain cryptocurrencies where there is an overwhelming evidence of information as to their lack of technical foundation. Manual intervention is expected to be a rare event, with the overwhelming bias towards an emphasis on the passive nature of the basket of crypto assets.

In summary, 108 token is a tokenized cryptocurrency portfolio that mimics the performance of the top 15 cryptocurrencies by supply-adjusted market capitalization, with monthly rebalancing to a maximum component weight of 20%.

**Investment restrictions**

In the event that the Token Generator decides to seek a listing for the Tokens on any exchange, the Token Generator may adopt such investment restrictions as shall be required to comply with the listing rules of the relevant exchange without approval of, or notice to, Token-holders. There is uncertainty at this time around the possibility of listing this type of Tokens in centralized exchanges.

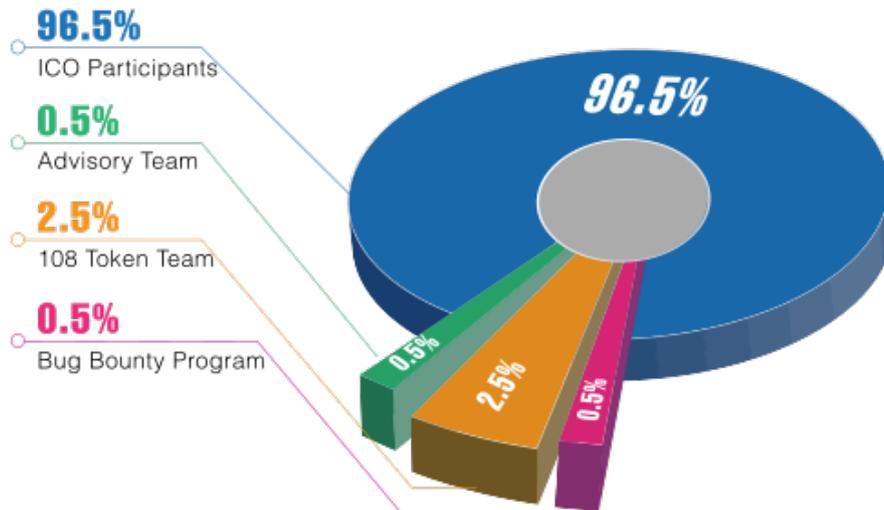
**Allocation Policy**

There will be no token creation, minting or mining after the token sale period. Tokens will be transferable and tradable once the token sale is successfully completed and the underlying assets have been acquired. Investment can be made in ETH or BTC. The USD equivalent amount of any ETH or BTC invested will be locked in at the time of investment according to market rates and considered the participant’s contribution.

Token Type:	ERC20 token – Ethereum Blockchain
Minimum Tokens to be Sold	5 million
Minimum Contribution:	0.1 in BTC/0.5 in ETH and \$3000 in Fiat Estimated that minimum contribution will rise to \$50,000 in fiat in mid to late May 2018.

The total tokens issued in the offering period will be allocated as follows:

- 2.5% to affiliates, employees, agents and associates and other team members of the Token Generator.
- 0.5% to the Token Generator's advisory team.
- 0.5% to the Bug Bounty Program or to affiliates, employees, agents and associates and other team members of the Token Generator if there is no Bug Bounty Program.
- 96.5% to investors purchasing in the Token Sale.



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The portion of the Tokens allocated to Token Generator team members will vest over a period of two years to align the interests of the team with that of investors purchasing tokens.

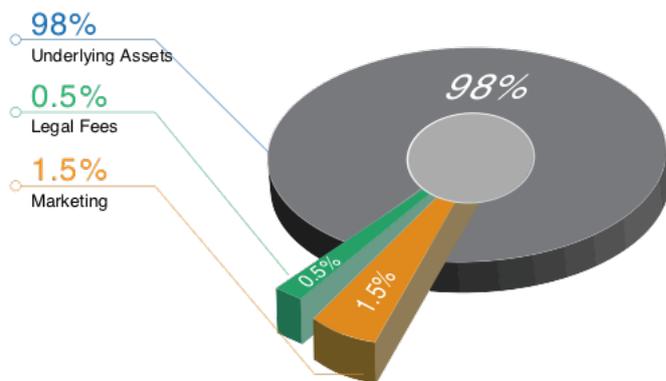
### **Distribution Policy**

Token-holders will not receive any distributions as a result of holding Tokens. This does not preclude the directors of the Token Generator from making a distribution at any time in the future if it considers it appropriate to do so.

### **Hard Fork Policy**

In case of a hard fork, the forked currency would remain in the portfolio until the next rebalancing event. Rebalancing would be performed as per usual at the next interval.

### **Deployment of Funds**



### Additional information

Crypto assets, such as bitcoin, are not issued by any government, bank or central organization but are generated by, and transmitted through, a decentralized, open source protocol of a peer-to-peer computer network or networks (**Network**). The Network hosts the decentralized public transaction ledger, known as the "Blockchain", on which all Crypto assets are recorded. No single entity owns or operates the Network; the infrastructure is collectively maintained by a decentralized user base. Crypto assets can be used to pay for goods and services or can be converted to fiat currencies, such as the U.S. Dollar, at rates determined on exchanges or in individual end-user-to-end-user transactions under a barter system.

A Crypto asset is "stored" or reflected on the Blockchain, which is a digital record stored in a decentralized manner on the computers of each Network user. The Network software source code includes the protocols that govern the creation of Crypto assets and the cryptographic system that secures and verifies the Crypto asset transactions. The Blockchain is a canonical record of every Crypto asset, every Crypto asset transaction (including the creation or "mining" of new Crypto assets) and every Crypto asset address associated with a quantity of Crypto assets. The Network and Network software programs can interpret the Blockchain to determine the exact Crypto asset balance, if any, of any public Crypto assets address listed in the Blockchain as having taken part in a transaction on the Network.

The Network utilizes the Blockchain to evidence the existence of Crypto asset in any public Crypto asset address. A Crypto asset private key controls the transfer or "spending" of the Crypto assets from its associated public address. A Crypto assets "wallet" is a collection of private keys and their associated public addresses.

The Blockchain is comprised of a digital record, downloaded and stored, in whole or in part, on all Network users' software programs. The file includes all blocks that have been solved by miners and is updated to include new blocks as they are solved. As each newly solved block refers back to and "connects" with the immediately prior solved block, the addition of a new block adds to the Blockchain in a manner similar to a new link being added to a chain. Each new block records outstanding Crypto asset transactions, and outstanding transactions are settled and validated through such recording. The Blockchain represents a complete, transparent and unbroken history

of all transactions on the Crypto asset Network. Each Crypto asset transaction is broadcast to the Network and recorded in the Blockchain.

The Network is decentralized and does not rely on either governmental authorities or financial institutions to create, transmit or determine the value of Crypto asset. Rather, each Crypto asset is created and allocated by the Crypto asset's Network protocol through a "mining" process subject to a strict, well-known issuance schedule. The value of each Crypto asset is determined by the supply of and demand for that Crypto asset in the exchange market and in private end-user-to-end-user transactions, as well as the number of merchants that accept them. As Crypto asset transactions can be broadcast to the Crypto assets' Network by any user's Crypto asset Network software and Crypto asset can be transferred without the involvement of intermediaries or third parties, there are currently little or no transaction costs in direct peer-to-peer transactions on the Network. Third-party service providers such as Crypto asset exchanges and third-party Crypto asset payment processing services may charge fees for processing transactions and for converting, or facilitating the conversion of, Crypto asset to or from fiat currency.

## **CERTAIN RISK FACTORS**

PURCHASERS OF TOKENS SHOULD BE WILLING TO ACCEPT A HIGH DEGREE OF VOLATILITY IN THE PRICE OF TOKENS AND THE POSSIBILITY OF SIGNIFICANT LOSSES. A PURCHASE OF TOKENS INVOLVES A SUBSTANTIAL DEGREE OF RISK. HOLDING A TOKEN IS NOT SIMILAR TO HOLDING A DEPOSIT WITH A BANK AND/OR MAKING AN INVESTMENT AND IS NOT INSURED OR GUARANTEED BY ANY GOVERNMENT AGENCY. IN ASCERTAINING WHETHER A PURCHASE OF TOKENS IS SUITABLE FOR A PROSPECTIVE PURCHASER, SUCH PURCHASER SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS, AMONGST OTHERS.

### **Risk factors specific to the investment objective and strategies**

#### *Risk of loss*

No guarantee or representation is made that Token Generator's investment program, including, without limitation, Token Generator's investment objective, diversification strategies or risk monitoring goals, will be successful. Investment results may vary substantially over time.

No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred.

#### *Risk of total loss of capital*

While all investments risk the loss of capital, investments in Crypto assets should be considered substantially more speculative and significantly more likely to result in a total loss of capital than most other investment funds. Accordingly, an investment could result in the total loss of a Token purchaser's investment.

### **Risks relating to Crypto assets (including the Tokens)**

#### *Crypto assets generally*

The investment characteristics of Crypto assets, including the Tokens, differ from those of traditional currencies, commodities or securities. Investing and/or trading Crypto assets involves many risks and may not be suitable for all investors. Anyone looking to purchase Tokens and/or invest in Crypto assets through Token Generator should consult a fully qualified independent professional financial adviser.

#### *Developing regulatory regime*

The regulatory regime of Crypto assets, blockchain technologies, ICOs and cryptocurrency exchanges is undeveloped, varies significantly among jurisdictions and is subject to significant uncertainty. Some enterprises that Token Generator may invest in may operate in industries in which there are significant regulatory concerns. Token Generator believes that various legislative and executive bodies are currently considering, or may in the future consider, laws, regulations, guidance, or other actions, which may severely impact Token Generator's ability to invest, or Token Generator's ability to gain market share. Failure by Token Generator to comply with any laws, rules and regulations, some of which may not exist yet or are subject to interpretation and may be subject to change, could result in adverse consequences, including civil penalties and fines. It is possible

that any jurisdiction may, in the near or distant future, adopt laws, regulations, policies or rules directly or indirectly affecting the Bitcoin network, generally, or restricting the right to acquire, own, hold, sell, convert, trade, or use Crypto assets, or to exchange Crypto assets for either fiat currency or other Crypto assets. Developments in regulation may alter the nature of Token Generator's business or restrict the use of blockchain assets or the operation of a blockchain network upon which Token Generator relies in a manner that adversely affects Token Generator. Any additional regulatory obligations may cause Token Generator to incur extraordinary, non-recurring expenses, and/or ongoing compliance expense, possibly affecting the value of Tokens in an adverse manner. If Token Generator determines not to comply with such regulatory requirements, Token Generator may be liquidated at a time that is disadvantageous to a Token purchaser in Token Generator. To the extent Token Generator limits or reduces the scope of certain activities, investors' rights or investment initiatives, in order to limit the applicability of government regulation and supervision, may be adversely affected.

#### *Crypto assets not guaranteed by central banks*

Crypto assets that operate as a medium of exchange are not issued or guaranteed by any central bank or a national, supra-national or quasi-national organization, and there is no guarantee that such Crypto assets may operate as a legal medium of exchange in any jurisdiction. In fact, certain jurisdictions have completely prohibited the usage of certain Crypto assets in such jurisdiction.

#### *Third party usage*

As a relatively new product and technology, Crypto assets (such as Bitcoin) are not yet widely adopted as a means of payment for goods and services. Banks and other established financial institutions may refuse to process funds for cryptocurrency transactions, process wire transfers to or from cryptocurrency exchanges, blockchain-related companies or service providers, or maintain accounts for persons or entities transacting in Crypto assets.

### **Risks relating to Crypto asset exchanges**

#### *Unregulated exchanges*

The exchanges on which Crypto assets trade are relatively new and largely unregulated and may therefore be more exposed to theft, fraud and failure than established, regulated exchanges for other products. Exchanges generally require cash to be deposited in advance in order to purchase Crypto assets, and no assurance can be given that those deposit funds can be recovered. Additionally, upon the sale of Crypto assets, cash proceeds may not be received from the exchange for several business days. The participation in exchanges requires users to take on credit risk by transferring Crypto assets from a personal account to a third-party's account. Token Generator will take credit risk of an exchange every time it transacts.

#### *Transaction limits*

Crypto asset exchanges may impose daily, weekly, monthly or customer-specific transaction or distribution limits or suspend withdrawals entirely, rendering the exchange of virtual currency or digital token for fiat currency difficult or impossible. Additionally, Crypto assets prices and valuations on virtual exchanges have been volatile and subject to influence by many factors including the levels of liquidity on exchanges and operational interruptions and disruptions. The prices and

valuation of Crypto assets remain subject to any volatility experienced by virtual exchanges, and any such volatility can adversely affect the Tokens (including its intended function) and the Token Generator.

#### *Hacking risks*

Crypto asset exchanges are appealing targets for cybercrime, hackers and malware. It is possible that while engaging in transactions, any such exchange may cease operations due to theft, fraud, security breach, liquidity issues, or government investigation. In addition, banks may refuse to process wire transfers to or from exchanges. Over the past several years, many exchanges have, indeed, closed due to fraud, theft (e.g., Mt. Gox voluntarily shutting down because it was unable to account for over 850,000 Bitcoin), government or regulatory involvement, failure or security breaches (e.g., the voluntary temporary suspensions by Mt. Gox of cash withdrawals due to distributed denial of service attacks by malware and/or hackers), or banking issues.

#### *Lack of access*

Crypto asset exchanges may even shut down or go offline voluntarily, without any recourse to investors. Currently no specific regulatory protections exist in the Cayman Islands that would protect investors from financial losses if an exchange platform that exchanges or holds Crypto assets is hacked, fails or goes out of business. For example, on February 25, 2014, the Bitcoin website for one of the largest Bitcoin exchanges, Mt. Gox, was taken offline suddenly, without any notice or warning to investors or the public. It was reported that Mt. Gox voluntarily shut down because it was unable to account for over 850,000 Bitcoin (valued at approximately 450 million dollars at the time). Although 200,000 Bitcoin have since been recovered, the reasons for their disappearance remain unclear. Mt. Gox ultimately filed for bankruptcy in Japan, and bankruptcy protection in Japan and the United States. As a result, the price of Bitcoin decreased drastically, adversely affecting all Bitcoin holders. In many of these instances, the customers of such exchanges have not been compensated or made whole for the partial or complete loss of their account balances. At this time, there is no U.S. or foreign governmental, regulatory, investigative, or prosecutorial authority or mechanism through which to bring an action or complaint regarding missing or stolen Crypto assets from an exchange. Consequently, an exchange may be unable to replace missing Crypto assets or seek reimbursement for any theft of Crypto assets, adversely affecting investors.

#### *Exchange difficulties*

Any financial, security or operational difficulties experienced by Crypto asset exchanges may result in an inability of Token Generator to recover money or Crypto assets being held by the exchange. Further, Token Generator may be unable to recover Crypto assets awaiting transmission into or out of Token Generator, all of which could adversely affect the Tokens (including its intended function) and the Token Generator. Additionally, to the extent that a Crypto asset exchange represents a substantial portion of the volume in particular Crypto assets trading are involved in fraud or experience security failures or other operational issues, such exchanges' failures may result in loss or less favorable prices of a particular Crypto asset, or may adversely affect Token Generator, its operations and investments, or Token-holders.

#### *No warranties*

Due to the nature of electronic communication processes, Crypto assets exchanges typically do not guarantee or warrant their websites or electronic platforms will be uninterrupted, without delay, error-free, omission-free, or free of viruses. Therefore, information and services provided by Crypto asset exchanges are typically provided “as is” without warranties of any kind, express or implied, including accuracy, timeliness and completeness.

#### *Lack of investor protection*

When trading Crypto assets , investors are generally not protected by any exchange rights. When investing in and holding Crypto assets issued by an entity or organisation, investors generally do not possess any shareholder or similar rights with respect to that issuing entity or organisation.

### **Volatility**

#### *Rapid fluctuations in value*

A principal risk in trading Crypto assets is the rapid fluctuation of its market price of such assets. The value of Tokens may relate directly to the value of the Crypto assets held in Token Generator and fluctuations in the price of Crypto assets could adversely affect the net asset value of Tokens. There is no guarantee that Token Generator will be able to achieve a better than average market price for its Crypto assets or will purchase such Crypto assets at the most favorable price available. The price of Crypto assets achieved by Token Generator may be affected generally by a wide variety of complex and difficult to predict factors such as supply and demand; rewards and transaction fees for the recording of transactions on the applicable blockchain; availability and access to virtual currency service providers (such as payment processors), exchanges, miners or other blockchain users and market participants; security vulnerability; inflation levels; fiscal policy; interest rates and political, natural and economic events.

#### *General supply and demand risks*

To the extent the public demand for Crypto assets were to decrease, or Token Generator was unable to find a willing buyer, the price of Crypto assets could fluctuate rapidly and Token Generator may be unable to sell the Crypto assets in its possession or custody.

Further, if the supply of Crypto assets available to the public were to increase or decrease suddenly, for example due to a sell off of newly generated Crypto assets by Crypto asset miners or ICO participants, a change in a blockchain network’s source code, the dissolution of a virtual currency exchange, seizure of Crypto assets by government authorities, or other event unrelated to the foregoing, such event(s) may create downward pressure on the price of a Crypto asset causing the price of a Crypto asset to drop rapidly.

Such changes in demand and supply could adversely affect the Tokens (including its intended function) and the Token Generator. In addition, governments may intervene, directly and by regulation, in the Crypto asset market, with the specific effect, or intention, of influencing Crypto asset prices and valuation (e.g., releasing previously seized Crypto assets).

### *Retail and commercial usages*

Currently, there is relatively modest use of Bitcoin and other cryptocurrencies in the retail and commercial marketplace compared to its use by speculators, thus contributing to price volatility that could adversely affect the Tokens and Token Generator. If future regulatory actions or policies limit the ability to own or exchange Bitcoin and other cryptocurrencies in the retail and commercial marketplace, or use them for payments, or own them generally, the price and demand for Bitcoin and other cryptocurrencies may decrease. Such decrease in demand may result in the termination and liquidation of Token Generator at a time that may be disadvantageous to Token-holders, or may adversely affect Token Generator's net asset value.

### *Investment market*

Private and professional investors and speculators invest and trade in Crypto assets. These market participants may range from exchange-traded-funds, private investment funds, brokers and day-traders. Certain activity involving such Crypto assets may require approvals, licenses or registration, which may serve as a barrier to entry of investors, thereby limiting the market for Crypto assets. There is no assurance that the investment market for Crypto assets will continue to grow.

### *Risks relating to development and acceptance of blockchain networks*

The growth and use of Crypto assets generally, and the Bitcoin network specifically, is subject to a high degree of uncertainty. Indeed, the future of the industry likely depends on several factors, including, but not limited to: (a) economic and regulatory conditions relating to both fiat currencies and Crypto assets; (b) government regulation of the use of and access to Crypto assets; (c) government regulation of Crypto asset service providers, administrators or exchanges; (d) the domestic and global market demand for—and availability of—other forms of virtual currency or payment methods; and, (e) uniquely regarding Bitcoin, the security, integrity and adoption of the Bitcoin network source code protocol. Any slowing or stopping of the development or acceptance of Bitcoin or the Bitcoin network may adversely affect the Tokens (including its intended function) and the Token Generator.

## **Transactional risks**

### *Credit risks*

Token Generator may transact with private buyers or sellers or exchanges. Token Generator will take on credit risk every time it purchases or sells a Crypto assets, and its contractual rights with respect to such transactions may be limited. Although Token Generator's transfers of Crypto assets or cash will be made to or from a counterparty which the directors of the Token Generator believes is trustworthy, it is possible that, through computer or human error, or through theft or criminal action, Token Generator's Crypto assets or cash could be transferred in incorrect amounts or to unauthorized third parties. To the extent that Token Generator is unable to seek a corrective transaction with such third party or is incapable of identifying the third party which has received Token Generator's Crypto assets or cash (through error or theft), Token Generator will be unable to recover incorrectly transferred Crypto assets or cash, and such losses will negatively impact Token Generator.

### *Irreversible nature of blockchain transactions*

Transactions involving Crypto assets that have been verified, and thus recorded as a block on the blockchain, generally cannot be undone. Even if the transaction turns out to have been in error, or due to theft of a user's Crypto asset, the transaction is not reversible. Further, at this time, there is no governmental, regulatory, investigative, or prosecutorial authority or mechanism through which to bring an action or complaint regarding missing or stolen Crypto assets. Consequently, Token Generator may be unable to replace missing Crypto assets or seek reimbursement for any erroneous transfer or theft of Crypto assets. To the extent that Token Generator is unable to seek redress for such action, error or theft, such loss could adversely affect the Tokens (including its intended function) and the Token Generator.

### *Exchange limits*

Certain Crypto asset exchanges may place limits on Token Generator's transactions, or Token Generator may be unable to find a willing buyer or seller of a Crypto asset. To the extent Token Generator experiences difficulty in buying or selling Bitcoin, investors may experience delays in subscriptions, or there may be delays in liquidation of Token Generator's Crypto assets—adversely affecting the net asset value of Token Generator.

### *Government intervention*

There exists the possibility that while acquiring or disposing of Crypto assets, Token Generator unknowingly engages in transactions with bad actors who are under the scrutiny of government investigative agencies. As such, Token Generator's systems or a portion thereof may be taken off-line pursuant to legal process such as the service of a search and/or seizure warrant. Such action could result in the loss of Crypto assets previously under Token Generator's control.

## **Theft or loss of digital assets**

### *Loss of private keys*

Crypto assets are intended to be controllable only by the possessor of both the unique public and private keys relating to the local or online digital wallet in which the Crypto assets are held. To the extent private keys relating to Token Generator's Crypto assets are lost, destroyed or otherwise compromised, Token Generator will be unable to access the related Crypto assets. Any loss of private keys relating to digital wallets used to store Token Generator's Crypto assets could adversely affect the Tokens (including its intended function) and the Token Generator.

### *Third party wallet providers*

Token Generator intends to use third party wallet providers to hold Token Generator's Crypto assets. Token Generator may have a high concentration of its Crypto assets in one location or with one third party wallet provider, which may be prone to losses arising out of hacking, loss of passwords, compromised access credentials, malware, or cyber-attacks. Token Generator is not required to maintain a minimum number of wallet providers to hold Token Generator's Crypto assets. Token Generator may not do detailed information technology diligence on such third party wallet providers and, as a result, may not be aware of all security vulnerabilities and risks. Certain third party wallet providers may not indemnify Token Generator against any losses of Crypto

assets. Crypto assets held by third parties could be transferred into "cold storage" or "deep storage," in which case there could be a delay in retrieving such Crypto assets. Token Generator may also incur costs related to third party storage. Any security breach, incurred cost or loss of Crypto assets associated with the use of a third party wallet provider, may adversely affect the Tokens (including its intended function) and the Token Generator.

### **Theft of private keys and malicious attacks**

Hackers or malicious actors may launch attacks to steal, compromise, or secure Crypto assets, such as by attacking the applicable blockchain network source code, exchange servers, third-party platforms, cold and hot storage locations or software, or Crypto assets transaction history, or by other means. For example, in February 2014, Mt. Gox suspended withdrawals because it discovered hackers were able to obtain control over the exchange's Bitcoin. Further, Flexcoin, a so-called Bitcoin bank, was hacked in March 2014 when attackers exploited a flaw in the code governing transfers between users by flooding the system with requests before the account balances could update—resulting in the theft of 896 Bitcoin. As Token Generator increases in size, it may become a more appealing target of hackers, malware, cyber-attacks or other security threats. At this time, there is no governmental, regulatory, investigative, or prosecutorial authority or mechanism through which to bring an action or complaint regarding missing or stolen Crypto assets. Consequently, Token Generator may be unable to replace missing Crypto assets or seek reimbursement for any theft, adversely affecting an investment.

### *Risk of uninsured losses*

Unlike bank accounts or accounts at some other financial institutions, Crypto assets are uninsured. Thus, in the event of loss or loss of utility value, there is no public insurer, such as the Federal Deposit Insurance Corporation, or private insurer to offer recourse.

### *Money laundering*

Transactions in Crypto assets may be misused for criminal activities, including money laundering. Transactions in Crypto assets are public, but the owners and recipients of these transactions generally are not. Transactions are largely untraceable, and provide Crypto asset consumers with a high degree of anonymity. It is therefore possible that the Crypto asset network will be used for transactions associated with criminal activities, including money laundering. This misuse could affect investors, as law enforcement agencies may decide to close exchange platforms and prevent investors from accessing or using any funds that the platforms may be holding for them. Transacting with a counterparty making illicit use of Bitcoin could have a material adverse effect on Token Generator.

### *Tax and accounting standards*

The tax characterization of Crypto assets is evolving in many jurisdictions and the investing and trading in Crypto assets by Token Generator may have tax implications, such as value added tax or capital gains tax, of which Token Generator may not appropriately predict in advance and/or account for. In addition, the net asset value of Token Generator at the time any subscriptions, or exchanges of Tokens occur may reflect a direct or indirect accrual for tax liabilities, including estimates of such tax liabilities, that may not ultimately be paid. Accounting standards may also change, creating an obligation for Token Generator to accrue for a tax liability that was not

previously required to be accrued for or in situations where it is not expected that Token Generator will directly or indirectly be ultimately subject to such tax liability. Additionally, application of tax laws and regulations may result in increased, ongoing costs, or accounting related expenses, adversely affecting the value of Tokens.

#### *Regulation under US Commodity Exchange Act*

Registration with the US Commodity Futures Trading Commission (CFTC) as a “commodity pool operator” or as a “commodity trading advisor” or any change in the Token Generator's operations necessary to maintain the Token Generator's ability to rely upon the exemptions from registration as such could adversely affect the Token Generator's ability to implement its investment program, conduct its operations and/or achieve its objectives and subject Token Generator to certain additional costs, expenses and administrative burdens. Furthermore, any determination by the directors of the Token Generator to cease or to limit investing in interests which may be treated as “commodity interests” in order to comply with the regulations of the CFTC may have a material adverse effect on Token Generator's ability to implement its investment objectives and to hedge risks associated with its operations.

#### *Risks associated with initial coin offerings*

Token Generator may invest in initial coin offerings (ICOs). Token Generator' investments in these assets may be very sensitive to movements in related markets and trends and ICO markets, including regulatory developments, enforcement actions, security concerns and technological developments. In addition, by investing in such assets Token Generator may be subject to international, federal and state securities, commodity or other laws which may, among other things, restrict Token Generator's ability to sell a portfolio investment and adversely impact the value of its assets. Many ICO issuers do not have lengthy operating histories and the success of a particular Crypto asset issued under and ICO may be dependent on the management of such issuer.

### **Network integrity and security risks for digital assets generally**

#### *Forking*

Certain Crypto assets are susceptible to risks of a fork occurring on the distributed ledger of transactions of such Crypto asset. If miners of the underlying blockchain of such Crypto asset solve a block at approximately the same time, it causes a "fork" in the blockchain. Certain network protocols utilizing a proof of work mining model try to resolve forks by automatically giving priority to the longest blockchain in the fork. If forks are unresolved there are effectively two networks operating at the same time, each with its own version of the transaction history. This creates an increased risk of receiving a double-spend transaction, and a general systemic risk to the integrity and security of the applicable Crypto asset network. To the extent that a significant majority of users and miners on the applicable network install software that changes the network or properties of a particular Crypto asset, including the irreversibility of transactions and limitations on the mining of new Cryptocurrencies or Tokens, such network would be subject to new protocols and software that may result in a "fork" of the network, adversely affecting the value of Tokens. Similarly, if less than a significant majority of users and miners on the network install such software, the network could "fork," which may adversely affect the Tokens (including its intended function) and the Token Generator. To the extent that any temporary or permanent forks exist in the block chain, the value of Tokens may be adversely effected.

### *Mining risks*

Certain Crypto assets are susceptible to risks associated with how the underlying blockchain of such Crypto asset are mined. If rewards and transaction fees are not properly matched to the efforts of miners, miners may not have an adequate incentive to continue mining. Miners ceasing operations could not only adversely impact the price of the Crypto assets but also reduce the collective processing power on the blockchain network, adversely affect the validation process for transactions, and, generally, make the network more vulnerable. Further, if a single miner or a mining pool gains a majority share in a given blockchain network's computing power, the integrity of the blockchain may be affected. A miner or mining pool could reverse transactions of such Crypto asset, make double-spend transactions, prevent confirmations or prevent other miners from mining valid blocks. Each of these scenarios could reduce confidence in the validation process or processing power of the network, and adversely affect the Tokens (including its intended function) and the Token Generator.

### *Amendments to protocol*

The development team and administrators of a network's source code for any given Crypto asset could propose amendments to such network's protocols and software that, if accepted and authorized, or not accepted, by the network community, could adversely affect the supply, security, value, or market share of that Crypto asset and thus the value of Tokens.

### *Malware*

Malware is software used or programmed by malicious actors to disrupt computer operation, gather sensitive information or gain access to private computer systems. "Botnet" refers generally to a group of computers that use malware to compromise computers whose security defenses have been breached. To the extent that a malicious actor, cyber-criminal, computer virus, hacker, or botnet (e.g., ZeroAccess) obtains a majority of the processing power on a network for any given Crypto asset; or alters the source code and blockchain on which all Crypto assets transactions rely, the value of Tokens could be adversely effected.

### *Weaknesses or exploitable breakthroughs in cryptography*

Cryptography is an art, not a science, and the state of the art can advance over time Advances in code cracking, or technical advances such as the development of quantum computers, could present risks to Crypto assets and underlying blockchain networks supporting such Crypto assets.

## **Network integrity and security risks for BTC**

### *Bad actors*

The source code used to form the Bitcoin and crypto currencies generally is attributed to "Satoshi Nakamoto" a pseudonym to a presently unidentified individual or group of individuals who may be acting alone or in concert with a government, government organization or group with malevolent tendencies. As such, only the portions of the source code that have been made public have been analyzed with regards to operation, ability to generate Bitcoin and similar crypto currencies, and to conduct transactions in the previously described manner. There may exist an unseen portion of the original code wherein a pre-existing sub-routine and/or virus has been placed which will activate at

a future time (determined by the original code writer(s)) causing disruptions to the block chain and/or resulting in substantial losses, theft of the relevant crypto currencies, unauthorized transactions and the issuance of duplicate Bitcoin. Further, since the identity of the original code writer(s) is not known, one cannot discount the possibility of the same unknown individual(s) inserting and/or activating a sub-routine or artifact allowing said person(s) to manipulate a portion of the relevant crypto currency programming and/or block chain itself to the benefit of this individual(s) (i.e., by programming a portion of each Bitcoin to transfer to such individual's Bitcoin wallet).

#### *Crypto currency mining risks*

The process of crypto currency mining may adversely affect the value of the underlying tokens. For instance, as the number of Bitcoin awarded for solving a block in the blockchain decreases, the incentive for miners to continue to contribute processing power to the Bitcoin network will transition from a set reward to transaction fees. Either the requirement from miners of higher transaction fees in exchange for recording transactions in the blockchain or a software upgrade that automatically charges fees for all transactions may decrease demand for Bitcoin and prevent the expansion of the Bitcoin network to retail merchants and commercial businesses, resulting in a reduction in the net asset value. To the extent that any miners cease to record transactions in solved blocks, transactions that do not include the payment of a transaction fee will not be recorded on the blockchain until a block is solved by a miner who does not require the payment of transaction fees. Any such delays in the recording of transactions could result in a loss of confidence in the Bitcoin network, which could adversely impact the value of Tokens.

#### *Risks related to other cryptocurrencies*

Token generator will be investing in tokens and crypto currencies that might not be truly decentralized. These crypto currencies might have a small number of centralized validators and these projects may not have the right incentives for decentralization. These validators may have vested interests which will not be apparent until much later. The number of network and blockchain validators might be finite and this can disrupt the network in unexpected ways that are impossible to know or predict.

Some of the newer crypto currencies and tokens are built on codebases that are new and therefore may lack robustness and resiliency. The quality of the code is relatively untested and may not withstand hacking attacks or be able to operate at the robustness needed at a certain scale of usage by the market.

There could be unexpected consequences when these tokens/ crypto currencies are deployed in the market.

Hardware wallet architecture especially for altcoins is evolving to handle this dynamic and rapidly evolving, highly technical sector. Reliable wallets need to support newer crypto currencies and also take care of new threat vectors. It is well known that the security technology and processes are always a step or two behind bad actors. This can result in loss of coins due to hacks, bugs and compromises.

For all public blockchain projects, scalability is a challenge. There are many solutions being proposed and many are in development. None of such solutions at this time have been proven to

be useful in real life at scale. This is a non-trivial technical challenge and can take a long time to be addressed satisfactorily or not at all. This can have unintended consequences for token projects built on blockchain systems like Ethereum in that these projects may not be able to go live and provide stated utility unless scalability is solved for the Ethereum blockchain.

Some of the newer tokens and crypto currencies might not be listed on exchanges and there might be limited wallet support. The regulatory situation is evolving globally and the manner in which any changes to regulatory treatment of tokens/ crypto currencies can affect the underlying value and token pricing, consequently liquidity of tokens, crypto currencies is impossible to predict or model.

If crypto currency exchanges collapse for any reason, including technological problems, the ensuing liquidity crisis will lead to price slippages. If this occurs at the time of rebalancing, it will negatively affect the price of 108 token.

The vesting of founder and advisor tokens is more art than science at this time. The milestone of vesting completion might lead to marooned projects where the team does not have the need or incentive to move forward and to continue to support their projects.

Some tokens derive their value from tacit support from nation states. If the support is withdrawn, the value of such tokens may be diminished or lost.

#### *Investments in private enterprises*

Many investment opportunities in blockchain technologies that Token Generator may invest in are start-up companies with limited operating history and/or small private enterprises with small market capitalization. While Token Generator believes that such investments can provide potential for appreciation, it recognizes that such investments involve higher risks than investments in larger or more established companies and the value of such investments is likely to be more volatile. Further, the risk of bankruptcy or insolvency of such companies (with the attendant loss to investors) is higher than for larger and more established companies. In addition, investments in these types of companies may be characterized by reduced liquidity and more abrupt and erratic market price movements than those of larger, more established companies.

#### *Digital asset service providers; conflicts*

Directors of the Token Generator may be subject to conflicts relating to its selection of Crypto asset intermediaries, exchanges and counterparties on behalf of Token Generator. Portfolio transactions for Token Generator will be allocated to intermediaries, exchanges and counterparties on the basis of numerous factors and not necessarily lowest pricing. Intermediaries, exchanges and counterparties may provide other services that are beneficial to the directors of the Token Generator but not necessarily beneficial to Token Generator. The Administrator and other service providers may also provide services to other vehicles with similar investment programs and, accordingly, may have conflicts of interest. In addition, subject to applicable law, any of the service providers may deal, as principal or agent, with Token Generator; provided, that such dealings are on normal commercial terms negotiated on an arm's-length basis. Token Generator's service providers and their principals, employees or affiliates may trade in Crypto assets outside of Token Generator, which may conflict or compete with Token Generator, including by buying or selling Crypto assets when Token Generator is doing the opposite.

### *Trade errors*

Token Generator may on occasion experience errors with respect to trades made on its behalf. Trade errors may include, for example, (i) the placement of orders (either purchases or sales) in excess of the amount of Crypto assets Token Generator intended to trade; (ii) the sale of Crypto assets when it should have been purchased; (iii) the purchase of Crypto assets when it should have been sold; (iv) the purchase or sale of Crypto assets contrary to regulatory restrictions or Token Generator investment guidelines or restrictions; (v) incorrect allocations of trades; and (vi) keystroke errors that occur when entering trades into an electronic trading system. Trade errors may result in losses or gains. The directors of the Token Generator generally will endeavour to detect trade errors prior to settlement and correct and/or mitigate them in an expeditious manner. However, this may not be practicable with respect to Crypto assets. To the extent an error is caused by a counterparty, the directors of the Token Generator will seek to recover any losses associated with such error from the counterparty.

### *Risks associated with intellectual property rights*

Third parties may assert intellectual property claims relating to the holding and transfer of Certain Crypto assets and their source code. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in Crypto asset network's long-term viability or the ability of end-users to hold and transfer Crypto asset may adversely affect the Tokens (including its intended function) and the Token Generator.

## **Risks due to the company's structure**

### *Lack of operating history*

Token Generator is a newly formed entity. As such, it does not have a prior operating history that a prospective investor can evaluate before making an investment. Consequently, a prospective investor should evaluate Token Generator's investment program on the basis that no one can guarantee that the directors of the Token Generator' assessment of the short- or long-term prospects of its investment strategies will prove accurate, or that Token Generator will achieve its investment objective.

### *Dependence on key personnel*

Token Generator's investment activities depend on the experience and expertise of the principals of the Token Generator. If a principal leaves the Token Generator, this may have a material adverse effect on Token Generator's operations.

### *Absence of regulatory oversight*

Token Generator is not currently a regulated mutual fund under the Mutual Funds Law and it is not required to, nor does it intend to, register under the laws of any jurisdiction. As a consequence, the statutes of certain jurisdictions (which may provide certain regulatory safeguards to investors) do not apply. For example, Token Generator is not required to maintain custody of its Crypto assets or securities or place its Crypto assets or securities in the custody of a bank or member of a recognised securities exchange in the same way as required under the statutes of some other jurisdictions.

Generally, a registered investment company that places its securities in the custody of a member of a recognised securities exchange is required to have a written custodian agreement. Typically, such an agreement provides that securities held in custody must be kept separate from the securities of any other person and that those securities must be clearly identified as the property of the investment company. It also contains other provisions requiring compliance with applicable regulations. However, Token Generator may maintain accounts at a brokerage firm that does not keep assets separate in that way as would be the case for a registered investment company. In those circumstances, if the brokerage firm becomes insolvent, the insolvency may affect Token Generator more adversely than a registered investment company's insolvency would affect Token Generator.

#### *Limited rights of Token-holders*

A purchase of Tokens should be regarded as an investment decision that is fundamentally different than investing in a company, partnership or investment fund. This is because Token-holders have no right to participate in the day-to-day operations of Token Generator, receive notice of, attend or vote at shareholder meetings of Token Generator or otherwise exercise rights applicable to directors/shareholders/partners/unitholders. Consequently, Token-holders have no control over the management of Token Generator or over the appointment and removal of its directors and service providers.

#### *Side letters*

From time to time, Token Generator may enter into agreements (Side Letters) with certain prospective or existing Token-holders, under which those members receive advantages not appearing in this White Paper. For example, a Side Letter with a prospective or existing Token-holder may give that Token-holder one or more of the following advantages over other holders of Tokens generally:

- special rights to make future investments in Token Generator, other investment vehicles or managed accounts;
- rights to receive reports from Token Generator on a more frequent basis or that include information not provided to other Token-holders (including, without limitation, more detailed information regarding portfolio positions);
- the waiver, reduction or rebate of fees payable in respect of such Token-holder's Tokens; and
- such other rights as may be negotiated by Token Generator and that Token-holder.

The terms of any Side Letters are in the sole discretion of Token Generator. They may be based on the following things, amongst others: (i) the size of the Token-holder's investment; (ii) an undertaking by the Token-holder to maintain its investment for a significant period of time; or (iii) some other similar undertaking by the Token-holder to Token Generator.

## **Valuation of Token Generator's investments**

Valuation of Token Generator's Crypto assets and other investments may often involve uncertainties and judgmental determinations. If a valuation is incorrect, the Net Asset Value may be adversely affected. Independent pricing information about some of Token Generator's Crypto assets or securities and other investments may not always be available. However, valuations will be made in good faith.

If the value assigned by Token Generator to an investment differs from its actual value, the Net Asset Value may be either understated or overstated to the extent of that difference.

Furthermore, a purchase of Tokens by a new member (or an additional investment by an existing Token-holder) may dilute the value of Token Generator's investments for the other Token-holders if those investments are undervalued. Conversely, a new Token-holder (or an existing Token-holder who makes an additional investment) could pay too much if Token Generator's investments are overvalued by Token Generator. If either of these scenarios happens, Token Generator does not intend to adjust the Net Asset Value retroactively.

Neither the Token Generator nor the Administrator will be liable if a price or valuation used in good faith in connection with any of the above procedures, later proves to be incorrect or inaccurate.

## **Other investment and trading risks**

### *Overall investment risk*

All investments in Crypto assets risk the loss of capital. There may be increased risk due to the nature of the Crypto assets to be purchased and traded by Token Generator and the investment techniques and strategies used to try to increase profits. While the directors of the Token Generator will devote their best efforts to the management of Token Generator's portfolio, they cannot give an assurance that Token Generator will not incur losses. Many unforeseeable events, including actions by various government agencies and domestic and international political events, may cause sharp market fluctuations.

### *Liquidity*

Derivative instruments, especially when traded in large amounts, may not always be liquid. Hence in volatile markets, the directors of the Token Generator may not be able to close out a position without incurring a loss. In addition, exchanges on which the Token Generator conducts its transactions in certain derivative instruments may have daily limits on price fluctuations and speculative positions limits. These limits may prevent the Token Generator from liquidating positions promptly, thereby subjecting the portfolio to the potential of greater losses.

### *Over-the-counter trading*

Derivative instruments that may be purchased or sold for the portfolio may include instruments not traded on an exchange. Over-the-counter instruments, unlike exchange-traded instruments, are two-party contracts with price and other terms negotiated by the buyer and seller. The risk of non-performance by the obligor on an over-the-counter instrument may be greater, and the ease with which the Token Generator can dispose of or enter into closing transactions with respect to such

an instrument may be less, than in the case of an exchange-traded instrument. In addition, significant disparities may exist between "bid" and "asked" prices for derivative instruments that are not traded on an exchange. Derivative instruments not traded on exchanges are also not subject to the same type of government regulation as exchange-traded instruments, and many of the protections afforded to participants in a regulated environment may not be available in connection with those instruments.

### *Risks of global investing*

Token Generator invests in various capital markets throughout the world. As a result, Token Generator is subject to risks relating to the following:

- currency exchange matters, including fluctuations in the rate of exchange between the base currency of Token Generator and various other currencies in which its investments may be denominated, and costs associated with converting investment principal and income from one currency into another; and
- the possible imposition of withholding taxes on income received from the issuer of, or gains with respect to, those investments.

In addition, investing in some of these capital markets involves factors not typically associated with investing in securities markets. These include risks relating to the following:

- differences between markets, including potential price volatility in and relative illiquidity of some markets;
- the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements, and less governmental supervision and regulation; and
- certain economic and political risks, including potential exchange control regulations or restrictions on investment and repatriation of capital.

### *Currency risks*

Token Generator's assets will be invested in Crypto assets denominated in various currencies and in other financial instruments, the price of which will be determined with reference to those currencies. To the extent they are not hedged, the value of Token Generator's net assets will fluctuate with exchange rates as well as with price changes of its investments in the various local markets and currencies.

### *Counterparty and settlement risk*

Due to the nature of some of the investments that Token Generator may make, Token Generator may rely on the ability of the counterparty to a transaction to perform its obligations. If that party fails to complete its obligations for any reason, Token Generator may suffer losses and therefore be exposed to a credit risk on the counterparties with which it trades. Token Generator will also bear the risk of settlement default by clearing houses and exchanges. A default by a counterparty or a default on settlement could have a material adverse effect on Token Generator.

### *Borrowing*

Token Generator is permitted to finance its operations with secured and unsecured borrowing to the maximum extent allowable under applicable credit regulations. Token Generator may suffer losses if there are adverse changes in the level of market prices of the assets being financed with the borrowings.

#### *Risk of litigation*

In the ordinary course of business, Token Generator may be subject to litigation from time to time. In addition, Token Generator may accumulate substantial positions in Crypto assets of issuers or counterparties that become involved in proxy contests or other litigation, including regulatory investigations or prosecutions. As a result of such investments, Token Generator could be named as a defendant in a lawsuit or regulatory action. The outcome of such proceedings, which may materially adversely affect the value of Token Generator, may be impossible to anticipate, and such proceedings may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the Token Generator's time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation. No legal or arbitration proceedings are pending or, to the best of Token Generator's knowledge, threatened against Token Generator since Token Generator's formation.

**This list of risk factors does not purport to be complete. Nor does it purport to be an entire explanation of the risks involved in an investment. A potential investor should read this White Paper in its entirety as well as consult with its own legal, tax and financial advisers before deciding to invest in the Token Generator.**

## MANAGEMENT AND ADMINISTRATION

### Promoters of Token Generator

The promoters/directors of the Token Generator are listed at [www.108token.com](http://www.108token.com)

The directors of the Token Generator are responsible for the overall management and control of the Token Generator. Token-holders do not have any right to appoint or remove directors .

### Custodial arrangements

Crypto assets are recorded (or held) on public keys (which represent digital wallets). A public key serves as a public address where units of a Crypto asset are recorded. Each public key has a corresponding private key. A private key is an alphanumeric string of characters that controls the transfer of Crypto assets recorded at a public key address.

The Token Generator will endeavor to keep in place procedures to reduce risk of loss or theft of Crypto assets, and closely monitors advances and best practices within the Crypto asset ecosystem. These procedures may include a combination of "hot wallet" solutions, "cold storage" solutions, multi-signature wallets and integrated wallet/exchange arrangements. Hot wallets, or online wallets, store private keys online, on a computer controlled by someone else and connected to the Internet. Cold wallets are wallets located on computers used exclusive for the purposes of generating and storing private keys, as well as applying such keys to cryptographically sign a transaction to move funds out of the wallets. Multi-signature wallets are cryptocurrency wallets that require application of multiple independent private keys to cryptographically sign a transaction to move funds out of a wallets. An integrated wallet/exchange arrangement is an arrangement whereby private keys are held or maintained in the control a cryptocurrency exchange. Generally all centralised cryptocurrency exchanges will control the private keys of Crypto assets for so long as the Crypto asset are in the process of being traded on such exchange.

Specifics of the Token Generator's security procedures are proprietary information which is known by only a few key employees who control, manage and protect the Token Generator's security protocol.

Any custodian, nominee or service provider referenced above may be entitled to receive from Token Generator remuneration for services rendered to Token Generator. The details of any such remuneration will be specified in the agreement entered into between Token Generator and the custodian, nominee or service provider (as the case may be).

Any custodian, nominee or service provider so appointed may be entitled to be indemnified by the Token Generator in certain circumstances. The details of any such indemnification will be specified in the agreement entered into between Token Generator and the custodian or nominee (as the case may be).

The Token Generator may change the custody arrangements described above and/or appoint additional or alternative custodians and related service providers without prior notice to Token-holders.

## **FEES AND EXPENSES**

### **Fees payable**

#### *Index Administration Fee*

The Token Generator will retain from the Token Generator Assets an Index Administration Fee of 0.5% per quarter of the Token Generator Net Asset Value, which shall be calculated on each Valuation Date. Valuation Date for fee recognition purposes will be the last day, at the end of the quarter.

Although there is no guarantee that the Tokens will be listed on any exchange, the Token Generator believes that liquidation will occur secondary markets, including through centralized and decentralized exchange platforms. The Token Generator believes such liquidations will occur within approximately three months from the date of Token issuance.

#### **General**

The directors of the Token Generator may waive or reduce the Index administration Fee with regard to certain Token-holders that are partners, directors, officers, shareholders, members, employees or other affiliates of the Token Generator or are strategic investors.

#### **Exchange fees**

Certain Crypto asset exchanges will receive such fees as may be agreed between the Token Generator and such relevant exchange from time to time. The fees charged by any such exchange for prime brokerage and custody services will not exceed normal commercial rates and will be based on a combination of transaction charges and interest costs. All such fees will be adjusted against the NAV calculation

#### **Expenses**

##### *Preliminary expenses*

The Token Generator will pay the costs and expenses of, and incidental to, the initial offering of Tokens (including expenses relating to establishment of the Token Generator in the Cayman Islands, negotiation and preparation of the contracts to which it is a party, costs of printing this White Paper and the fees and expenses of its professional advisers) out of the proceeds of the initial issue of Tokens.

These preliminary expenses will be expensed as incurred. To the extent that the preliminary-expenses policy adopted by the Token Generator deviates from IFRS, the Token Generator may make certain adjustments in the annual accounts of the Token Generator in order to comply with IFRS.

##### *Operating expenses*

The Token Generator will bear all reasonable expenses incurred in connection with its operations including: (i) fees and expenses of advisers and consultants; (ii) the Index Administration; (iii) indemnification expenses and the cost of insurance against potential indemnification liabilities; (iv)

legal, administrative, accounting, tax, audit and insurance expenses; (v) all taxes and corporate fees payable to governments or agencies (vi) communication expenses with respect to investor services, including preparing, printing and distributing financial statements and other reports; (vii) the directors of the Token Generator's other fees (if any) and expenses, (viii) litigation or other extraordinary expenses; and (ix) costs of periodically updating this White Paper. (c) expenses incurred by the directors of the Token Generator in connection with the provision of its index administration services including, but not limited to, research related expenses, expenses related to monitoring investments and costs incurred in carrying out due diligence regardless of whether a particular transaction is consummated (including reasonable travel and accommodation costs);

The Token Generator will not bear any operational expenses related to its investment program including but not limited to: (a) brokerage commissions; (b) expenses related to buying and selling Crypto assets, including any issue or transfer taxes chargeable in connection with any such transactions; (c) fees and expenses of any custodian, escrow agent and other investment related service providers appointed by the Token Generator.

Any such costs not borne by the token generator will be adjusted via the NAV of the token. The token generator reserves the right to revisit costs and adjust them appropriately.

## TOKEN APPLICATION PROCESS

### **Contributions and issuance**

Tokens are being offered for sale during the Token Sale.

### **Subscription Fee**

No subscription fee will be charged in respect of purchases of Tokens.

### **Minimum investment**

The minimum initial investment per Token purchase is 0.1 in BTC/0.5 in ETH and \$5000 in Fiat. It is estimated that minimum contribution will rise to \$50,000 in fiat in mid to late May 2018. The directors of the Token Generator may reduce the minimum initial investment either generally or in any particular case.

Should Token Generator receive a transfer that is less than the required minimum, Token Generator reserves the right to return such amount to the Token purchaser, less all commissions and third party transfer fees.

### **Payment**

Unless otherwise agreed by the directors of the Token Generator, payment for Tokens must be made in BTC/ETH. Such consideration will be valued by reference to the valuation principles applied in the calculation of the Token Generator Net Asset Value (but subject to the deduction of such sum (if any) as the directors of the Token Generator consider represents an appropriate provision for any fiscal, transfer, registration or other charges, fees or duties associated with the vesting of the non-cash consideration received). In the event that subscription monies are received in any currency other than the currency set forth above, conversion into the desired currency will be arranged by or on behalf of the Token Generator at the risk and expense of the investor. Any commissions and transfer fees incurred in respect of electronic transfers will be deducted from subscriptions monies and only the net amount will be used to purchase Tokens.

Payment for Tokens must be made to the relevant Token Generator digital wallet address as set forth in the Token Sale Terms.

All executed transfer documentation required by Token Generator and Administrator must be sent to the Administrator. If the Token application is rejected, the relevant transfer documentation will be returned at the risk and cost of the purchaser.

### **Register of Members**

The Token Generator is required to maintain a register of the shareholders of the Token Generator. As a holder of a Token is not a shareholder of the Token Generator, no such record will be kept for any Token-holder.

## Eligible Purchasers

Each purchaser will be required to represent and warrant to the Token Generator that, amongst other things: (i) it is able to acquire and hold Tokens without breaching the law or requirements of any country, regulatory body or government authority; (ii) it has the knowledge, expertise and experience in financial matters to evaluate the risks associated with purchasing Crypto assets; (iii) it is aware of the risks inherent in investing in the types of assets in which the Token Generator will invest and the method by which these assets will be held and/or traded; and (iv) it can bear the loss of its entire investment.

Tokens will not be issued or transferred to any person in circumstances which, in the opinion of the directors of the Token Generator, would or may cause an undue risk of adverse tax, regulatory or other consequences to the Token Generator or any of its shareholders.

## Sale Period

The term **Token Sale** includes the Early Access Period, General Sale Phase I Period and the General Sale Phase II Period, each as defined below. The Token Generator reserves the right, in its sole discretion, to change the time periods of each phase of the Token Sale due to, among other things, technical challenges.

### *Early Access*

Early access to the sale of Tokens to select registered and approved early purchasers (**Early Access**) will begin on the date and time set out on the Website (**Early Access Start Time**) and end at the earlier of (i) the date and time published on the Website and (ii) the time and date at which one hundred million (100,000,000) Tokens have been sold in the Early Access phase (**Early Access End Time**). The period starting at the Early Access Start Time and ending at the Early Access End Time is referred to herein as the **Early Access Period**.

### *General Sale Phase I*

Early access to the sale of Tokens to select registered and approved early purchasers (**General Sale Phase I**) will begin on the date and time set out on the Website (**General Sale Phase I Start Time**) and end at the earlier of (i) the date and time published on the Website and (ii) the time and date at which one hundred million (100,000,000) Tokens have been sold during the General Sale Phase I phase (**General Sale Phase I End Time**). The period starting at the General Sale Phase I Start Time and ending at the General Sale Phase I End Time is referred to herein as the **General Sale Phase I Period**.

### *General Sale Phase II*

The general sale of Tokens (**General Sale Phase II**) will begin on the date and time published on the Website (**General Sale Start Time**) and end at the earlier of (i) the date and time published on the Website and (ii) the time and date at which one billion (1,000,000,000) Tokens (**Maximum Threshold**) have been sold in Early Access, Early Access and General Sale Phase II (collectively, the **General Sale End Time**). The period starting at the General Sale Start Time and ending at the General Sale End Time is referred to herein as the **General Sale Period**, and the period including the Early Access Period, the Early Access Period and the General Sale Period, the **Sale Period**.

Token Generator reserves the right to change the sale dates or extend the sale duration for any reason.

### **Subscription procedure**

Applicants for Tokens during the Token Sale must send their completed Token Application Form, together with any supporting documents, to the Token Generator in accordance with the instructions provided on the Website.

Tokens subscribed for during the Token Sale will be issued following the completion of the Token Sale in accordance with the Terms and Conditions.

Neither the Token Generator nor the Administrator accepts any responsibility for any loss arising from the non-receipt or illegibility of any Token Application Form sent by facsimile, email or other functionally equivalent transmission, or for any loss caused by or as a result of any action taken in connection with instructions believed in good faith to have originated from properly authorised persons.

Once a completed Token Application Form has been received by the Token Generator or Administrator, it is irrevocable. Written confirmation detailing the Tokens which have been issued will be sent to successful applicants as soon as practicable after the close of the Token Sale.

The Token Generator may reject any application in whole or part and without giving any reason for doing so. If an application is rejected, the contribution paid, or the balance thereof in the case of a partial rejection, will be returned (without interest) as soon as practicable to the account from which the contribution was originally remitted, at the risk and cost of the investor.

Although Tokens will not be issued until following the Token Sale, the proceeds of Token purchasers shall be held by the Token Generator without interest. Prior to the issuance of Tokens, the Token Generator may release subscription proceeds to ensure that investments can be effected on the Business Day immediately after the close of the Token Sale. Neither the Token Generator nor the Administrator will be liable for any loss which an investor may suffer as a result of the release of contributions in such circumstances.

### **Prevention of money laundering**

To ensure compliance with applicable statutory requirements relating to anti-money laundering and anti-terrorism initiatives, Token Generator or Administrator (which may include a delegate of the Administrator) will require verification of identity, address and source of funds from all prospective purchasers. Depending on the circumstances of each application and the anti-money laundering policies and procedures of the Administrator, a detailed verification might not be required. Such exceptions will only apply if the financial institution or intermediary referred to above is within a country recognized as having sufficient anti-money laundering regulations.

As mentioned above, Token Generator or the Administrator on its behalf, reserves the right to request such evidence as is necessary to verify the identity and source of funds of a prospective purchaser. Token Generator, or the Administrator on its behalf, may also request verification evidence in respect of a transferee of Tokens. If the prospective purchaser or transferee fails to

produce, or delays in producing, any evidence required for verification purposes, Token Generator, or the Administrator on its behalf, may compulsorily return the Tokens as set out below.

If, as a result of any information or other matter which comes to his or her attention during the course of his or her business, trade, profession or employment, any person resident in the Cayman Islands (including Token Generator and the Administrator) knows or suspects that a payment to Token Generator (by way of subscription or otherwise) is criminal property, such person is required to report such information or other matter pursuant to the Proceeds of Crime Law (Revised) of the Cayman Islands, and such report shall not be treated as a breach of any restriction upon the disclosure of information imposed by law or otherwise. By applying to purchase Tokens, applicants consent to the disclosure by or on behalf of Token Generator of any information about them to regulators and others upon request in connection with money laundering and similar matters both in the Cayman Islands and in other jurisdictions.

None of the Token Generator, the Administrator or their respective delegates, agents and affiliates will be liable for any loss suffered by an investor arising as a result of a refusal of, or a delay in processing, an application to purchase Tokens if such information and documentation as has been requested by the Token Generator, or the Administrator on behalf of the Token Generator, has not been provided by the applicant in a timely manner.

## TOKEN TRANSFERS

### Transfer of Tokens

All Tokens issued will be subject to a technical restriction on transfer for a period of ninety days following the Token Sale during which time a Token-holder will not be able to transfer Tokens to any other address (including another address owned by the Token holder).

After the lapse of 90 days, a Token-Holder may transfer Tokens to any other address or party provided that (a) the transferee or prospective purchaser is an Eligible Person and (b) each of the transferee and the Token-holder complies with all legal and regulatory requirements as may apply to the transfer. The Token Generator shall bear no responsibility or liability with respect to any issues arising in connection with the transfer of any Tokens.

Token Generator, or the Administrator on its behalf, reserves the right to request such evidence as is necessary to verify the identity and source of funds of a prospective purchaser. Token Generator, or the Administrator on its behalf, may also request verification evidence in respect of a transferee of Tokens for, amongst other things, a determination as to whether the transferee is an Eligible Person. If the prospective purchaser or transferee fails to produce, or delays in producing, any evidence required for verification purposes, Token Generator, or the Administrator on its behalf, may compulsorily return the Tokens as set out below.

### Compulsory Token Return

Token Generator may, with or without cause and without giving any reasons, by notice in writing to a Token-holder, compulsorily return all or any of such Token-holder's Tokens on any day designated by the directors of the Token Generator. The Token Generator may effect such compulsory return without consent of Token holders and thereafter may wind up the Token Generator in accordance with the Companies Law.

For greater certainty and in addition to the foregoing, if Token Generator becomes aware that (a) a Token-holder is not or has ceased to be an Eligible Purchaser; or (b) a Token-holder is holding Tokens in breach of any law or requirements of any country, regulatory body or government authority; or (c) the continued holding of Tokens by a Token-holder, would or may in the opinion of the directors of the Token Generator, cause an undue risk of an adverse tax, regulatory or other consequences to Token Generator or any other Token-holders, the directors of the Token Generator may return the Tokens held by such Token-holder. Token-holders are required to notify Token Generator and the Administrator immediately if at any time they become aware that any of the above circumstances apply to them.

Where any fees, payment, withholding or deduction becomes payable by Token Generator because of a particular Token-holder, Token Generator may revert a portion of such Token-holder's Tokens in order to pay such amount. In such circumstances, any proceeds realised may be paid directly by Token Generator to the relevant third party and not paid to the Token-holder.

### Future exchange or migration of Tokens

The Tokens sold in connection with the Token Sale are being created as ERC20 compliant tokens on the Ethereum protocol. Following completion of the Token Sale, Token Generator reserves the

right to exchange and/or migrate the all Tokens generated in connection with the Token Sale (**Pre-existing Tokens**) to another Ethereum smart contract or blockchain network protocol or otherwise replace the Pre-existing Tokens with another digital token (the **Replacement Tokens**) should Token Generator determine, in its sole discretion, that doing so is necessary or useful for the management of the Token Generator's assets, legal compliance reasons or the purposes of achieving technical and operational efficiencies (and also mitigating risks). Should Token Generator decide to exchange and/or migrate the Pre-existing Tokens, Token Generator may no longer provide support for the Pre-existing Tokens or any other operational matters, except with respect to the exchange or migration process. If the Tokens are exchanged or migrated to another protocol, the value of Pre-existing Tokens may diminish rapidly once Replacement Tokens are created. Purchaser acknowledges and agrees that for it to receive Replacement Tokens following the creation of Replacement Tokens, certain actions and efforts may be required from the Purchaser.

## DETERMINATION OF TOKEN GENERATOR NET ASSET VALUE

### Determination of Token Generator Net Asset Value

The Token Generator Net Asset Value is calculated as the sum of the fair value of Token Generator Assets held by Token Generator, minus liabilities which in the reasonable determination of the directors of the Token Generator is attributable to expenses associated with (i) the trading strategy, (ii) acquisition and disposal of Token Generator Assets, (iii) maintenance of the blockchain on which Token transactions are recorded generally, and (iv) the Index Administration Fee, expressed in USD. The principal amounts of the investments (or the current market value of the investments), currency balances, portfolio company token balances and other assets of Token Generator, the value of which is expressed in currency other than USD, shall be valued after taking into account the market rate or rates of exchange in force on the applicable valuation date.

For Token Generator Assets with an active market, fair value is deemed to equal the price of the last market transaction at the date and time Token Generator Net Asset Value is calculated, as recorded by <https://coinmarketcap.com> or if this data feed is down or inoperable, the three primary exchanges by volume on which a Crypto asset is traded, or, if no sale was reported on the valuation date on the primary exchange where that Crypto asset is traded, the Token Generator Assets will be valued at the last sales price on that exchange when that security or Crypto asset was last traded.

The above valuation policy (**Valuation Policy**) may be modified by Token Generator in its sole discretion, if and to the extent that the Token Generator shall determine that such modifications are advisable in order to reflect factors which may impact the value or cost of any investment, including (i) restrictions upon marketability (including the suspension or termination of trading of any liquid investment in any market), (ii) the expected costs, including brokerage commissions, of liquidating any liquid investment or other asset, or (iii) any distribution made with respect to any liquid investment or any accruals thereon.

The Net Asset Value per Token is calculated by dividing Token Generator Net Asset Value by the number of issued Tokens at the calculation date rounded to the nearest cent.

All values assigned to Token Generator Assets by Token Generator will be final and conclusive. No Token-holders shall have the right to audit the valuations made by the Token Generator. The Token Generator reserves the right to delegate valuation services to one or more Administrators, its affiliates or other third parties in the future.

### Reporting

The Token Generator will report the Token Generator Net Asset Value daily on each Investor's dashboard accessible on or through the Website.

### Suspension of determination of Net Assets and other suspensions

The Token Generator may declare a temporary suspension of any or one or more of: (i) the determination of Net Asset Value per Token; and/or (ii) the sale of Tokens. The Token Generator may declare any such suspension or extension in such circumstances as they may deem appropriate, including in respect of the whole or any part of a period:

- during which any Crypto asset or securities exchange or similar electronic system on which a substantial part of the assets of Token Generator are traded is closed, otherwise than for ordinary holidays, or dealings on such securities exchange or similar electronic system are restricted or suspended;
- during which the disposal of a substantial part of the assets of Token Generator would not be reasonably practicable;
- during which it is not reasonably practicable to accurately determine the value of a material portion of the Token Generator Assets;
- during which there is a breakdown in the means of communication or the systems normally used to determine the prices of a material portion of the assets of Token Generator or the Net Asset Value;
- during which the business operations of Token Generator or the Administrator in respect of Token Generator are substantially interrupted or closed as a result of, or arising from, pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes, or acts of God;
- during which the proceeds of the sale of Tokens cannot be transmitted to or from the Token Generator;
- where the Token Generator determine that such action is necessary to facilitate restructuring of Token Generator and/or amendment to the terms of the Tokens to enable compliance with applicable laws and regulation; and
- after the passing of a resolution to wind-up Token Generator.

Any suspension will take effect at the earlier of: (i) the time the Token Generator specifies in its declaration; and (ii) the close of business on the day immediately following the day on which the Token Generator declares the suspension. The suspension will continue until the Token Generator declares that it is ended. Token-holders will be notified of any suspension as soon as practicable after the declaration of such suspension. Such Token-holders will also be notified when the period of such suspension has ended.

Applications for Tokens for a Subscription Day falling within a period when the issue of Tokens is suspended will be acted upon on the first Subscription Day after the suspension has ended. An applicant for a Token may withdraw his or her application during a period of suspension provided that a withdrawal notice is actually received by Token Generator or the Administrator before the suspension is ended.

While such suspensions may be temporary, the circumstances giving rise to the decision to suspend may continue for a prolonged period of time such that the directors of the Token Generator considers that it is appropriate that the suspension be declared permanent and the investments of Token Generator be managed for the sole purpose of realising all investments in anticipation of the termination of the business of Token Generator.

## THE RIGHTS OF THE TOKEN GENERATOR AND TOKEN HOLDERS

### The Token Generator

The Token Generator is an exempted company incorporated under the Companies Law.

### Token-holders

A Token-holder is not a shareholder of the Token Generator and does not have rights under the Companies Law as such.

Token-holders are not entitled to any right or interest in or to shares of the Token Generator, have no rights to appoint or remove the board of directors of the Token Generator, as applicable, and have no right to participate in the day to day operations of the Token Generator. Tokens confer no governance rights of any kind with respect to Token Generator and all decisions involving Token Generator will be made by the board of directors of the Token Generator. Token-holders are not entering into a partnership or trust relationship with Token Generator, directors, shareholders, employees or agents and Tokens do not represent a debt or equity interest in or to Token Generator.

### Variation of offering terms

Subject to applicable law, the Token Generator may amend this White Paper without the approval of Token-holders, to vary the offering terms in any of the following ways:

- (a) by making any change that, in the opinion of the directors of the Token Generator, will not adversely affect the Token-holders in any material respect; or
- (b) by making a change that is necessary or desirable to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, statute, ruling or regulation of any relevant regulator, court of competent jurisdiction, government or government entity, including any tax authority, provided that such change is made in a manner that minimises, to the extent practicable, any adverse effect on the Token-holders; or
- (c) by making any change that the directors of the Token Generator consider may or is likely to adversely affect the Token-holders in a material respect (including amendments to the trading program and Index Administration Fees), provided that any such amendment does not become effective until after the affected Token-holders have been given written notice of the change.

The Token Generator may enter into side letters with certain prospective or existing Token-holders whereby such Token-holders may be subject to terms and conditions that are more advantageous than those set out in this White Paper. Such terms and conditions may, for example, provide for: special rights to make future investments in the Token Generator; rights to receive reports in relation to the Token Generator on a more frequent basis and such other rights as may be agreed with such Token-holders. The modifications are solely at the discretion of the directors of the Token Generator and may, among other things, be based on the size of the relevant Token-holder's investment, an agreement by the Token-holder to maintain such investment for a significant period of time, or other commitment by the Token-holder.

## Indemnification

The Token Sale Terms include a broad indemnity from every Investor in favour of Token Generator. By agreeing to the Token Sale Terms, each Investor indemnifies and holds harmless Token Generator and its directors, members, partners, shareholders, officers, employees, agents and affiliates (collectively, the **Indemnified Parties**) against any loss of any nature whatsoever arising to any of them as a result of any of them acting upon instructions given in relation to any Token purchased by the Investor.

In addition, every Investor indemnifies and holds harmless the Indemnified Parties against any loss arising as a result of a delay or failure to process its application for Tokens if the Investor has failed to provide such evidence as is required by such parties to satisfy any applicable law (including anti-money laundering laws and regulations).

Finally, the Token Sale Terms include certain other exculpation and indemnity provisions from the Investor in favour of Token Generator and its directors, members, partners, shareholders, officers, employees, agents and affiliates in connection with actions, inactions or omissions, that such parties may take in relation to: (a) compulsory Token returns; (b) data protection in relation to the Investor's Client Information; (c) tax exchange information, and it is vital that each Investor and prospective Investor reads, understands, acknowledges and accepts such provisions including taking independent legal advice.

## **FINANCIAL INFORMATION AND REPORTS**

### **Fiscal year and fiscal periods**

The fiscal year of the Token Generator will end on 31 December 2018 in each year. The first fiscal year of the Token Generator will end on 31 December 2018.

### **Financial statements**

The books and records of the Token Generator will be audited as at the end of each fiscal year by the Auditor. The first audit will be for the period beginning on the commencement of the Token Generator's operations and ending on 31 December 2018. The financial statements of the Token Generator will be presented in US Dollars and prepared in accordance with IFRS, unless the directors of the Token Generator otherwise deem appropriate.

### **Reports to Token-holders**

An annual report and audited financial statements for the Token Generator in respect of each fiscal year will be sent to each Token-holder as soon as practicable after, and in any event within six months of, the end of the relevant fiscal year.

### **Electronic communications**

Purchaser agrees and acknowledges that all agreements, notices, written confirmations disclosures and other communications that Token Generator provides in connection with the terms herein, may be provided by Token Generator, in its sole discretion, to Purchaser, in electronic form.

## **TAXATION**

### **General**

The following is based on the Token Generator's understanding of certain aspects of the law and practice currently in force in the Cayman Islands. The discussion below is based on laws, regulations, guidelines, published administrative rulings and judicial decisions currently in effect, all of which may change or be subject to different interpretations, possibly with retroactive effect. Any such changes could adversely affect the comments made below. There can be no guarantee that the tax position or proposed tax position at the date of this White Paper or at the time of an investment will endure indefinitely.

In view of the number of different jurisdictions where local laws may apply to Token-holders, the discussion below does not address the tax consequences to potential investors of the purchase, ownership, and disposition of Tokens. Prospective investors are urged to consult their own tax advisers in determining the possible tax consequences to them under the laws of the jurisdictions of which they are citizens, residents or domiciliaries, jurisdictions in which they conduct business and jurisdictions in which they purchase, hold or dispose of Tokens. The discussion below does not constitute tax advice.

### **Cayman Islands**

The Token Generator is not subject to any income, withholding or capital gains taxes in the Cayman Islands. The only taxes which will be chargeable on the Token Generator in the Cayman Islands are nominal amounts payable to the Registrar of Companies.

Token-holders will not be subject to any income, withholding or capital gains taxes in the Cayman Islands with respect to their Tokens and dividends received on those Tokens, nor will they be subject to any estate or inheritance taxes in the Cayman Islands. There are no exchange controls in the Cayman Islands.

### **The Cayman Islands and the Foreign Account Tax Compliance Act**

#### *US Requirements*

The Foreign Account Tax Compliance Act (FATCA) provisions of the Hiring Incentives to Restore Employment Act (HIRE Act) provide that Token Generator must disclose the name, address and taxpayer identification number of certain United States persons that own, directly or indirectly, an interest in Token Generator, as well as certain other information relating to any such interest, pursuant to the terms of the intergovernmental agreement between the United States and the Cayman Islands (US IGA) and implementing legislation and regulations which have been adopted by the Cayman Islands. If Token Generator fails to comply with these requirements, then a 30% withholding tax will be imposed on payments to Token Generator of United States source income and proceeds from the sale of property that could give rise to United States source interest or dividends. The withholding tax provisions of FATCA took effect on July 1, 2014 other than in relation to proceeds from the sale of property, in which case they have been postponed to January 1, 2019. Although Token Generator will attempt to satisfy the obligations imposed on them to avoid the imposition of this withholding tax, no assurance can be given that Token Generator will be able to satisfy these obligations. In this regard, Token Generator may require investors to provide any

documentation or other information regarding the investors and their beneficial owners that Token Generator determines is necessary or desirable for Token Generator to avoid the withholding tax and otherwise comply with the HIRE Act. If Token Generator becomes subject to a withholding tax as a result of the HIRE Act, the value of Tokens held by all Investors may be materially affected. The Cayman Islands legislation requires Token Generator to make an annual report to the Cayman Islands Tax Information Exchange Authority (Cayman TIA). Any information provided by Token Generator to the Cayman TIA will be shared with the Internal Revenue Service of the United States.

#### *Other Intergovernmental Agreements*

It is possible that further inter-governmental agreements (future IGAs) similar to the US IGA may be entered into with other third countries by the Cayman Islands Government to introduce similar regimes for reporting to such third countries' fiscal authorities.

#### OECD Multilateral Competent Authority Agreement

Over 90 countries have signed the OECD Multilateral Competent Authority Agreement and Common Reporting Standard (CRS) for the implementation of the automatic exchange of tax information based on the OECD's Multilateral Convention on Mutual Administrative Assistance in Tax Matters. The CRS is similar in form and substance to the US IGA and applies in respect of each "participating jurisdiction" (as identified in a list published by the Cayman TIA). On 16 October 2015, the Cayman Islands passed into law the Tax Information Authority (International Tax Compliance) (Common Reporting Standard) Regulations, 2015, as amended (CRS Regulations). As a result of this, Cayman Islands financial institutions, including Token Generator, have substantially expanded international tax compliance obligations and will have substantially expanded reporting obligations from 2017, with the first reporting deadline under the CRS Regulations being 31 May 2018.

By investing (or continuing to invest) in Token Generator, Investors shall be deemed to acknowledge that: (i) Token Generator (or its agent) may be required to disclose to the Cayman TIA certain confidential information in relation to the investor, including, but not limited to, the investor's name, address, tax identification number (if any), social security number (if any) and certain information relating to the investor's investment; (ii) the Cayman TIA may be required to automatically exchange information as outlined above with the IRS, HM Revenue & Customs, the United Kingdom tax authority (HMRC) and other fiscal authorities (Competent Authorities) of CRS "participating jurisdictions"; (iii) Token Generator (or its agent or delegate) may be required to disclose to the IRS, HMRC and other Competent Authorities certain confidential information when registering with such authorities and if such authorities contact Token Generator (or its agent or delegate directly) with further enquiries; (iv) Token Generator may require the investor to provide additional information and/or documentation which Token Generator may be required to disclose to the Cayman TIA; (v) in the event a Token purchaser does not provide the requested information and/or documentation and/or has not itself complied with the applicable requirements, whether or not that actually leads to compliance failures by Token Generator, or a risk of Token Generator or its investors' being subject to withholding tax under the relevant legislative or inter-governmental regime, Token Generator reserves the right to take any action and/or pursue all remedies at its disposal, including, without limitation, compulsory Token return or withdrawal of the investor concerned; and (vi) no investor affected by any such action or remedy shall have any claim against Token Generator (or its agent or delegate) for any form of damages or liability as a result of actions

taken or remedies pursued by or on behalf of Token Generator in order to comply with any of the US IGA, the CRS Regulations or any future IGAs or agreements, laws or regulations entered into or implemented by the Cayman Islands for the purpose of ensuring and/or enhancing international tax transparency.

*Other jurisdictions*

It is possible that certain dividends, interest and other income received by Token Generator from sources within certain countries may be subject to withholding taxes imposed by such countries. Token Generator may also be subject to capital gains taxes or other taxes in some of the countries where it purchases and sells securities or otherwise conducts business. It is impossible to predict in advance the rate of tax that will be paid since the amount of the assets of Token Generator to be invested in various countries is uncertain.

## CONFLICTS OF INTEREST

### *Generally*

The directors, officers or employees of the Token Generator, the Administrator and any broker or custodian appointed by Token Generator, may act for, or be involved with, other collective investment vehicles that have similar investment objectives to those of Token Generator. Capacities in which one or more of them may act for, or be involved with, other collective investment vehicles of that type include: as distributor, promoter, manager, investment manager, investment adviser, registrar, transfer agent, administrator, trustee, custodian, broker, director and placing agent. Similarly, one or more of them may provide services to investors with similar investment objectives to those of Token Generator. Consequently, any of them may, in the course of their business, have potential conflicts of interests with Token Generator.

### *The directors of the Token Generator*

During the period the directors of the Token Generator are responsible for managing the account of Token Generator, a director may also be advising other accounts. In doing so it may use the same or different information and trading strategies that it obtains, produces or utilises in the performance of services for Token Generator.

A director of the Token Generator may have conflicts of interest in rendering advice because its compensation for managing other accounts exceeds its compensation for managing Token Generator, thus providing an incentive to prefer the other accounts. Moreover, if a director of the Token Generator makes trading decisions for other accounts at or about the same time it makes trading decisions for the account of Token Generator, Token Generator may be competing with those other accounts for the same or similar positions. The directors of the Token Generator will endeavour to allocate all investment opportunities on a fair and equitable basis between Token Generator and those other accounts.

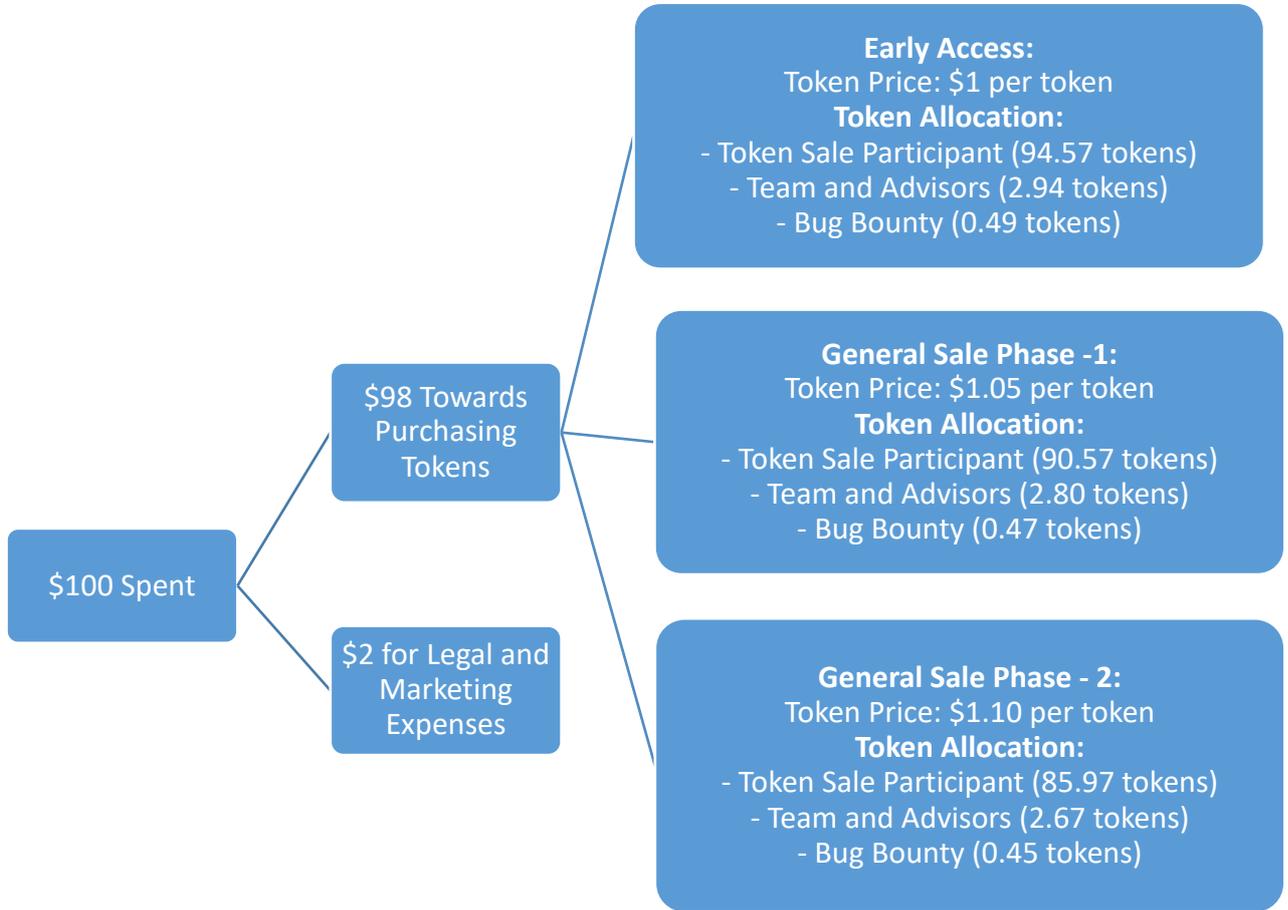
Token Generator has been established and promoted by the directors of the Token Generator. Accordingly the selection of the directors of the Token Generator and the terms of their appointment, including the fees payable to it, are not the result of arms-length negotiations. However, the directors of the Token Generator believe that their fees, commissions and compensation payable are consistent with normal market rates.

From time to time, the directors of the Token Generator may come into possession of non-public information concerning specific companies even though internal structures are in place to prevent it from receiving such information. Under applicable securities laws, this may limit the Token Generator's flexibility to buy or sell portfolio Crypto assets or securities issued by those companies. The Token Generator's investment flexibility may be constrained due to the inability to use such information for investment purposes.

### *Dealings with service providers and their affiliates*

Token Generator is not prevented from entering into transactions with any prime broker, any custodian, the Administrator or any of their affiliates so long as those transactions are carried out as if they were made on commercial terms negotiated at arm's length.

Appendix  
Token allocation flow



## **APPENDIX**

### Selling restrictions

#### **Restrictions on sales in selected jurisdictions**

The selling restrictions that are published on the Token Generator's website at the following address apply equally to this White Paper as if such selling restrictions were set out in full herein:

Hyperlink: [www.108token.com](http://www.108token.com)

We invite all prospective purchasers to review the selling restrictions with due care and attention. The Token Generator believes these are applicable and accurate. However, such legends have not been prepared, verified or approved by legal counsel to the Token Generator in each jurisdiction.