



## Executive Summary

In this white paper, we introduce the IGF token (the “Token”), the digital token providing exposure to a volatility-focused hedge fund with a proven track record of performance. The Token will be issued by IGF.fund and sold to non-U.S. investors under Regulation S. The Tokens represent an indirect fractional non-voting economic interest in the IGF.fund.

Unlike traditional hedge fund interests, which are often locked up for months or years at a time, Tokens will be immediately re-sellable, as defined herein, following the Tokens’ initial issuance. A tokenized fund structure democratizes access to investments that previously required substantial capital commitments, making previously private pooled investment vehicles accessible to the average non-U.S. investor. The Token will invest in the Fund, and derive profits from its performance, without the ongoing management or incentive fees typical of other hedge fund investments. At issuance the Manager will be allocated approximately 20% of the tokens. On a quarterly basis, profits of the Fund will be distributed pro-rata to all Tokenholders in the form of Ethereum coins. Additionally, Tokens bought by Fund administration during liquidity maintaining will be burned at the end of each quarter.

### IGF Token Advantages

**Token as an Index:** IGF Token includes an extensive portfolio of top cryptocurrencies. This means that investments in Token are followed by minimal risks, because Token is a portfolio index of top and prospective cryptocurrencies.

**Re-sellable:** Tokens are immediately re-sellable.

**100% backed by top-rate cryptoassets:** The cost of Token is 100% secured by the portfolio of the most reliable and promising cryptocurrencies

**Proven Track Record:** The Fund has generated gross annualized returns of 459,35% in 2017.

**No Minimum Investment:** Unlike typical investments in hedge fund which require large capital contributions, a Token may be purchased with as little as \$1.

**No Fees:** Fund does not charge ant fees and other additional payments for investing in additional tokens, as well as buying and selling existing tokens on open markets.

**Reinvesting mechanism:** Investor may choose option for profits to be automatically transferred to the fund's tokens and credited to the investor's account.

**Bonus program:** Each investor can invite any number of new investors and receive certain percent of their profits as a bonus.

### **White Paper**

This white paper (“White Paper”) is intended to present relevant information to potential purchasers of Tokens, as defined herein, in connection with the proposed generation and sale of Tokens by the Issuer.

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 and an indirect investment in the Fund, as outlined herein. 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.

## **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 authorized 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 authorized by the Issuer.

## **Confidentiality**

Any information forwarded to the Issuer by a potential Token purchaser will be treated on a confidential basis. If required to do so by law or regulation, the Issuer may pass on that information to a relevant third party. By applying to purchase Tokens, each purchaser is deemed to have consented to such release of confidential information.

## **Risks**

A purchase of Tokens carries substantial risk. There can be no assurance that the investment objective of the Fund, as defined herein, 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 Tokenholders 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 program for any investor. Presently, there is no public market for the Tokens and no market may ever exist for such Tokens.

Potential Token purchasers should carefully consider the risk factors set out in the “Supplemental Risk Disclosure” attached hereto 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.

## **Executive Team and Outside Service Providers**

*The Executive Team at IGF Fund and its outside advisors have over 50 years of combined financial services industry experience*

### **Andrey Sorokin – CEO and founder, Fund’s manager**



Trader with more than 10 years overall experience. Has a proven track record of profitable trading on stock market and CDF. Expert in blockchain technologies. Has more than a 3 years of successful trading on cryptocurrency markets. Co-founder of ADVTech Group.

### **Ihnatenko Mykhailo – Project manager, CMO**



Has more than 14 years of successful development and implementation of fintech products. Expert in marketing, communications and project management. Co-founder at cryptoloans project Skarbcoin.

### **Kate Sorokina – Fund Administrator**



## Vasiliy Gavrilovich - VP for software development



5+ years in business promotion, IT and web development. Extensive experience in launching FinTech-projects and business process management, start-ups developments.  
Co-founder, CEO в Prof-it - software & blockchain solutions 2015 - present time  
Creation of clients database, product's range, commercial offers, strategic development, working with key clients and partners, creation of organizational structure of the company (departments, units, TOP-management)

## Max Maliyk - Blockchain Developer

### IGF Fund Strategy – The Basis of the IGF Token

*The Fund pursues a dynamic, quantitatively driven strategy which takes advantage of consistent market phenomenon with active risk management to drive market leading returns*

#### **Fund Overview**

The Fund seeks to provide investors with strong, consistent returns by taking advantage of volatility and equity risk premium, a consistent phenomenon in the securities markets;  
The Fund uses a dynamic model that seeks to perform well in both trending and sideways markets, with minimal Beta correlation to the market;  
Risk is managed by trading very liquid instruments and actively adjusting positions, as well as incorporating signals that are effective in anticipating volatility spikes, limiting drawdowns;

#### **Risk Management**

No assurance of investment return;

Tokens are subject to significant transfer restrictions;

There is no existing trading market for Tokens and an active trading market may not develop;

Although the Manager has broad discretion in its investment strategy, the Fund typically has no more than 50% of its assets committed, with a significant cash cushion allowing it to withstand significant adverse moves in its positions without requiring liquidation of positions which would lock-in otherwise temporary losses;

The Fund uses an aggressive risk management algorithm, adjusting options positions that have gone into a “danger zone” (where losses would begin at an accelerated rate) back to safety;

The Fund uses signals that often anticipate large spikes in volatility, calling for it to exit its VRP trades, avoiding large drawdowns of other short volatility trades.

## **Liquidity Advantage**

The Fund trades in very liquid instruments and can enter and exit trades on a daily basis. Tokenholders benefit from this liquidity by being able to determine the fair value of Tokens on a daily basis, through the valuation report published by the General Partner.

## **Token Ownership Overview**

Tokens represent an indirect fractional ownership interest in the Fund. Fractional ownership of the Fund will be represented by the supply of Tokens registered on the Ethereum blockchain. Representing the Fund with a Token allows Tokenholders to freely trade their Tokens, because Tokens are immediately re-sellable, following initial issuance. We believe other advantages of tokenizing the investment on a blockchain include cost savings from operational efficiencies, transparency of interests, and best-in-class security.

Token is an index that includes an extensive portfolio of top cryptocurrencies. This makes it possible to invest in just one asset to have a balanced portfolio of a set of promising assets. This portfolio is balanced so as to have the most effective profit to risk ratio.

## **Technology and Security**

Our primary goal is to use technology that keeps the Tokens secure, liquid and transparent. The Issuer will use Ethereum, a blockchain that provides the best combination of a thoroughly tested platform, speed, efficiency, low transaction fees and liquidity.

Our Token application is deliberately designed to be simple, reliable, and resistant to malicious actors. It will be managed by a standardized, well-tested ERC-20 protocol. This contract will then be deployed to the Ethereum network. The Ethereum network was chosen for its track record, user base, infrastructure, security, and development tools. We will use reasonable best efforts and follow established practices to ensure that Tokens are created, distributed, maintained and redeemed in a clear, transparent and secure way.

The Ethereum Network has built in tools to verify assets, which ensures that the Token's status will be instantly and independently verifiable. The total current supply of Tokens will be automatically published on the Ethereum Network.

IGF.fund management will also publish monthly reports on the total of the Fund assets owned by Tokenholders.

## **Token Mechanics, Issuer and Fund Operation**

Tokens will be distributed to each Token holder in an amount that represents their indirect fractional ownership of the Fund. Initial token distribution was made equal to each existing Investor's investment to Fund. Additional Tokens can be issued only by exchanging Ethereum to IGF tokens in Personal Account on IGF site. There is no other way to add new Tokens.

All Tokens are re-sellable after they are distributed. They can be bought and sold on any properly authorized exchange that chooses to list them, and they can also be exchanged directly through peer to peer transactions. While the Manager plans to release quarterly reports on the Fund's performance, the market value of Tokens will fluctuate based on market forces and may trade at a significant premium or discount to the Fund's NAV.

## **IGF Token Blockchain Mechanics**

Every time a Token is exchanged, the transaction is recorded on the Ethereum blockchain. This allows the Issuer to track the location of all Tokens without major administrative overhead costs. In addition to recording transactions, the contents of the smart contract are public, which provides Tokenholders transparency around how many tokens are in circulation and how many addresses are in possession of these tokens.

### **Distribution of Profits**

Each quarter, as soon as practical after the close of the month the Issuer will publish, securely yet publicly visible, the performance of the Fund.

The profits will be distributed directly to each Investors ETH account. The structure of the distribution of Fund profits:

- 60% - investment income, paid to investors of the Fund;
- 10% - reinvestment;
- 10% - stabilization fund;
- 10% - bonus program payments;
- 10% - remuneration of the Fund team and administrative expenses.

Profits are distributed only on those Tokens, which will be on registered wallets in Investors personal account on profit distribution day.

### **Stabilization Fund**

The Fund has Stabilization Fund created to ensure the most stable operation of the Fund and possible sharp jumps in the market. The funds of the stabilization fund are directed exclusively to maintain the liquidity of the IGF token and cannot be used in the current activities of the Fund.

### **Bonus program**

All Investors are invited to participate in the Fund's bonus program. As part of the bonus program, every Investor can invite new Investors to the Fund. For each successful invitation Investor will receive 10% of the Profit, given to invited Investor. The program applies only to those Tokens that are held on new Investors account on the profit distribution day.

### **Responsibility of Potential Token purchasers**

Nothing contained in this White Paper generally is or may be relied upon as a promise, representation or undertaking as to the future performance or policies of Issuer. Issuer 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 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.

To the maximum amount permitted by applicable law, Issuer 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 generally; (ii) any error, omission or inaccuracy in any such information; or (iii) any action resulting therefrom.

### **Distribution and Selling Restrictions**

This White Paper does 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; 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 the Issuer by virtue of their acquisition of, holding of and/or disposal of Tokens.

It is the responsibility of every person in possession of this White Paper 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 the Issuer by virtue of their acquisition of, holding of and/or disposal of Tokens.

### **Regulation**

Issuer is not regulated as a mutual fund for the purpose of the Mutual Funds Law because Issuer is not issuing equity interests to Token purchasers within the meaning of the Mutual Funds Law. A Token does not represent a share of Fund's authorized and issued share capital. A Token-holder is not entitled to be included on the register of members of Issuer and does not have capital at risk in the way a shareholder does. Therefore, the Issuer 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 Issuer was subject to the Mutual Funds Law.

### **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 Issuer 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, Issuer 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 includes 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 the Issuer, Fund and Manager, as defined herein, and their 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 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.

### **Language**

This White Paper 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.

### **Disclaimer**

*This presentation describes an offering of Tokens. The following is not intended as investment advice. Potential Tokenholders should thoroughly review this White Paper and the Appendix for Supplemental Risks for a complete discussion of terms and risks. Please read additional disclaimer information at the end of the presentation.*

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The Issuer makes no promises of future performance or value with respect to its proposed business operations or the Tokens, including no promises of inherent value, no promises of payments, and no guarantees that Tokens will hold any particular value. Unless prospective participants fully understand, comprehend, and accept the nature of the Issuer's proposed business and the potential risks inherent in Tokens, they should not participate in the Issuer's sale of Tokens.

Regulators or other authorities may demand that the Issuer revise the mechanics and functionality of Tokens and the Issuer's proposed operating model to comply with regulatory requirements or other governmental or business obligations. The distribution or dissemination of this White Paper or any part thereof may be prohibited or restricted by the laws, regulatory requirements, and rules of any jurisdiction. In the case where any restriction applies, you are to inform yourself about, and to observe, any restrictions which are applicable to your possession of this White Paper or such part thereof (as the case may be) at your own expense and without any liability to the Issuer. Persons to whom a copy of this White Paper has been distributed or disseminated, provided access to, or who otherwise have this White Paper in their possession shall not circulate it to any other persons, reproduce, or otherwise distribute this White Paper or any information contained herein for any purpose whatsoever nor permit or cause the same to occur.

## SUPPLEMENTAL RISK APPENDIX

### **Risks Related to the Underlying Fund**

*Purchase of Tokens involves a number of significant risks. The risk factors set forth below are those that, at the date of the White Paper, the Manager deems to be the most significant. The following is not intended to be a complete description or an exhaustive list of risks. Other factors ultimately may affect a Tokenholder's indirect interest in the Fund in a manner and to a degree not now foreseen. Prospective Tokenholders should carefully consider, in addition to the matters set forth elsewhere in the White Paper, the factors discussed below. A Tokenholder's indirect interest in the Fund should form only a part of a complete investment program, and a Tokenholder must be able to bear the loss of its entire investment. Prospective Tokenholders should also consult with their own financial, tax and legal advisors regarding the suitability of this investment. Capitalized terms herein are defined herein, in the White Paper or in the Fund's Limited Partnership Agreement (as the same may be amended, supplemented or revised from time to time, the "Partnership Agreement").*

#### **General**

##### ***General Investment Risks.***

The Fund's success, and therefore success of the Token, depends on the Manager's ability to implement its investment strategy in the Fund. Any factor that would make it more difficult to execute timely trades, such as a significant lessening of liquidity in a particular market, may also be detrimental to profitability. No assurance can be given that the investment strategies to be used by the Fund will be successful under all or any market conditions.

Prices of the securities and other instruments in which the Fund invests may be unavailable. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument and currency markets, and such intervention (as well as other factors) may cause these markets and related investments to move rapidly.

##### ***No Assurance of Investment Return.***

There is no assurance that the Fund will be able to generate returns on its investments or that any returns will be commensurate with the risks of investing in the type and transactions described herein. Furthermore, there is no assurance that if the Fund does achieve returns on its investments, such returns will either be reflected in the trading price of Tokens or that Tokenholders will realize any of such returns. There can be no assurance that expected returns for the Tokenholders will be achieved, or that they will receive a return of their invested capital. An investment in Tokens should only be considered by persons who can afford a loss of their entire investment. The Fund's investments, by their nature, involve a high degree of financial risk. Such investments may expose the Fund's assets to the risks of material financial loss, which may in turn adversely affect the trading price of Tokens.

##### ***Investment and Trading Risks.***

All investments involve the risk of a loss of capital. The Manager believes that the Fund's investment program and its research and risk-management techniques moderate this risk through the careful selection of securities and other financial instruments. No guarantee or representation is made that the Fund's investment program will be successful, and investment results may vary substantially over time. The Fund's investment program will utilize such investment techniques as option transactions, limited diversification, margin transactions, short sales and futures contracts, which practices can, in certain circumstances, maximize the adverse impact to which the Fund may be subject.

#### **Instruments Traded**

##### ***Equity Securities.***

The value of the equity securities held by the Fund are subject to market risk, including changes in economic conditions, growth rates, profits, interest rates and the market's perception of these securities. While greater potential for long-term growth, equity securities are more volatile and more risky than some other forms of investment.

##### ***Option Transactions.***

The purchase or sale of an option by the Fund involves the payment or receipt of a premium payment and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying investment for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying investment does not change in price in the manner expected, so that the option expires worthless and the investor loses its premium. Selling options, on the other hand,

involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying investment in excess of the premium payment received.

#### ***Futures.***

Futures markets are highly volatile. Investing in the futures markets involves being able to analyze correctly such markets, which are influenced by, among other things, changing supply and demand relationships, weather, governmental, agricultural, and commercial and trade programs and policies designed to influence commodity prices, world political and economic events, and changes in interest rates. Moreover, investments in commodities, futures, and options contracts involve additional risks including, without limitation, leverage (i.e., margin is usually only Five Percent (5%) to Fifteen Percent (15%) of the face value of the contract and exposure can be nearly unlimited) and credit risk vis-à-vis the contract counterparty. A futures position may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits.” Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract increases or decreases by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Fund from promptly liquidating unfavorable positions and subject it to substantial losses.

#### ***Currency Risk.***

The value of the Fund’s assets may be affected favorably or unfavorably by the changes in currency rates and exchange control regulations. Some currency exchange costs may be incurred when the Fund changes investments from one country to another. Currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by the forces of supply and demand in the respective markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors, as seen from an international perspective. Currency exchange rates can also be affected unpredictably by intervention by governments or central banks (or the failure to intervene) or by currency controls or political developments. The Fund may seek to mitigate the risk of currency exchange fluctuation through the active and systematic use of currency hedges.

#### **Strategy Risks**

##### ***Systems Risks.***

The Fund depends on the Manager to develop and implement appropriate systems for the Fund’s activities. The Fund relies extensively on computer programs and systems to trade, clear and settle securities transactions, to evaluate certain securities based on real-time trading information, to monitor its portfolio and net capital, and to generate risk management and other reports that are critical to oversight of the Fund’s activities. The ability of its systems to accommodate an increasing volume of transactions could also constrain the Manager’s ability to manage the portfolio. In addition, certain of the Fund’s and the Manager’s operations interface with or depend on systems operated by third parties, including prime brokers and market counterparties and their respective sub-custodians, and other service providers, and the Fund or Manager may not be in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by worms, viruses and power failures. Any such defect or failure could have a material adverse effect on the Fund. For example, such failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect the Fund’s ability to monitor its investment portfolio and its risks. The Manager is not liable to the Fund for losses caused by systems failures or due to any breakdown in the means of the communication normally used to ascertain the value of the Fund’s investments or to conduct trading in such investments.

##### ***Execution of Orders.***

The Fund’s trading strategies depend on the ability to establish and maintain an overall market position in a combination of financial instruments selected by the Manager. The Fund’s trading orders may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, systems failures or human error attributable to employees, brokers, agents or other service providers. In such events, the Fund might only be able to acquire some, but not all, of the components of such position, or if the overall position were to need adjustment, the Fund might not be able to make such adjustment. As a result, the Fund would not be able to achieve the market position selected by the Manager, and might incur a loss in liquidating its position.

##### ***Operational Risks.***

The volume and complexity of the Fund’s transactions may place substantial burdens on the Manager’s operational systems and resources, including those related to trade entry and execution, position reconciliation, corporate actions, marking procedures, finance, accounting, profit and loss reporting, internal management and risk reporting and funds transfers. Human error, system failure or other problems with any of these processes could result in material losses or costs, which will generally be borne by the Fund.

##### ***Short Selling.***

The Fund may engage in short selling as part of its general investment strategy. Short selling involves selling securities that are not owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the Fund to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. However, because the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities would result in a loss upon such repurchase. The Fund's obligations under its short sales will be marked to market daily and collateralized by the Fund's assets held at the broker, including its cash balance and its long securities positions. Because short sales must be marked to market daily, there may be periods when short sales must be settled prematurely, and a substantial loss would occur. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Short-selling exposes the Fund to unlimited risk with respect to that security due to the lack of an upper limit on the price to which an instrument can rise. Short sales may be utilized to enhance returns and hedge the portfolio. The Fund anticipates that the frequency of short sales will vary substantially in different periods. There are no prescribed limits to the amount of Fund assets that may be subject to short sales.

***Highly Volatile Instruments.***

The prices of financial instruments in which the Fund may invest can be highly volatile. Price movements of option contracts in which the Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Fund is subject to the risk of failure of any of the exchanges on which its positions trade or of their clearinghouses.

***Failure of Broker-Dealers.***

Institutions, such as brokerage firms or banks, may hold certain of the Fund's assets in "street name." Bankruptcy or fraud at one of these institutions could impair the operational capabilities or the capital position of the Fund. In addition, as the Fund may borrow money or securities, the Fund will post certain of its assets as collateral securing the obligations ("Margin Securities"). The Fund's broker generally holds the Margin Securities on a commingled basis with margin securities of its other customers and may use certain of the Margin Securities to generate cash to fund the Fund's leverage, including pledging such Margin Securities. Some or all of the Margin Securities may be available to creditors of the Fund's broker in the event of its insolvency. The Fund's broker has netting and set off rights over all the assets held by it (which may indirectly include amounts held for the Fund's benefit in the special segregated bank account) to satisfy the Fund's obligations under its agreements with the Fund's broker, including obligations relating to any margin or short positions.

***Future and past performance.***

The performance of the prior investments of the members of the Manager's executive team may not be indicative of the Fund's future results. While the Manager intends for the Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurance that targeted results will be achieved. Loss of principal is possible on any given investment. There can be no assurance that the Fund will achieve its investment objective over the long-term.

***Hedging policies/risks.***

The Fund may employ hedging techniques, including, but not limited to, short sales and put and call options, designed to reduce the risks of adverse movements in interest rates, securities prices and currency exchange. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while the Fund may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, or currency exchange rates may result in a poorer overall performance for the Fund than if it had not entered into such hedging transactions. For example, to complete a short sale, the Fund generally must borrow the securities from a third party in order to make delivery to the buyer. The Fund will be obligated to return securities equivalent to those borrowed at any time on demand of the lender of the securities borrowed by purchasing them at the market price at the time of replacement. Theoretically, short selling may be subject to unlimited risk of loss because there may be no limit on how much the price of a security may appreciate before the short position is closed. As a hedging technique, the Fund may also purchase exchange-listed and over-the-counter put and call options on specific securities or write and sell covered or uncovered call and put option contracts. Use of put and call options may result in losses to the Fund, force the sale or purchase of portfolio securities at inopportune times or for prices higher than (in the case of put options) or lower than (in the case of call options) current market values, limit the amount of appreciation the Fund can realize on its investments or cause the Fund to hold a security it might otherwise sell. For example, a decline in the market price of a particular security could result in a complete loss of the amount expended by the Fund to purchase a call option (equal to the premium paid for the option and any associated transaction charges). An adverse price movement may result in unanticipated losses with respect to covered options sold by the Fund. The use of uncovered option writing techniques may entail greater risks of potential loss to the Fund than other forms of options transactions.

***Ultimate fund size.***

The number of investments and potential profitability of the Fund could be affected by the amount of funds at its disposal, and, in the event the Fund obtains less than the target amount of capital for investment, the Fund's investment return might be affected to a greater degree by errors in investment decisions than the investment returns of other entities with greater capitalization.

## **Management Risks**

### ***Reliance on the Manager.***

All decisions regarding the management and affairs of the Fund and Issuer will be made exclusively by the Manager. Accordingly, no Tokenholder should invest in the Issuer unless such Tokenholder is willing to entrust all aspects of management of the Fund and Issuer to the Manager. Tokenholders will have no right or power to take part in the management of the Fund. As a result, the success of the Fund for the foreseeable future depends solely on the abilities of the Manager.

### ***Dependence on Key Personnel.***

The Manager is dependent on the services of the Principal, and there can be no assurance that it will be able to retain the Principal, whose credentials are described under the heading "Executive Team." The departure or incapacity of the Principal could have a material adverse effect on the Manager's management of the investment operations of the Fund.

### ***Discretionary Decision-Making May Result in Missed Opportunities.***

The Fund's trading strategies do involve some discretionary aspects. Discretionary decision-making may result in failure to capitalize on certain price trends or unprofitable trades in a situation where a strictly systematic approach might not have done so.

### ***Proprietary Nature of Investment Strategy.***

All documents and other information concerning the Fund's portfolio of investments will be made available to the Fund's auditors, accountants, attorneys and other agents in connection with the duties and services performed by them on behalf of the Fund. However, because the Manager's investment techniques may be proprietary, the Partnership Agreement will provide that neither the Fund nor any of its auditors, accountants, attorneys or other agents will disclose to any person, including investors in the Fund, any of the investment techniques employed by the Manager in managing the Fund's investments or the identity of specific investments held by the Fund at any particular time.

### ***Limitations on Liability and Indemnification.***

The Partnership Agreement provides that the Manager and any of its respective affiliates, shareholders, members, partners, managers, directors, officers and employees, agents and representatives and the legal representatives of any of them (each, an "Indemnified Party"), shall not be liable, responsible nor accountable in damages or otherwise to the Fund or Limited Partners, including the Issuer, or to any successor, assignee or transferee of the Fund or of any Limited Partner, for (i) any acts performed or the omission to perform any acts, within the scope of the authority conferred on such Indemnified Party by the Partnership Agreement, except by reason of acts or omissions found by a court of competent jurisdiction upon entry of a final non-appealable judgment to have been made in bad faith or to constitute fraud, willful misconduct or gross negligence; (ii) performance by such Indemnified Party of, or the omission to perform, any acts on advice of legal counsel, accountants, or other professional advisors to the Fund; (iii) the negligence, dishonesty, bad faith, or other misconduct of any consultant, employee, or agent of the Fund, including, without limitation, an affiliate of the Manager, selected or engaged by such Indemnified Party with reasonable care and in good faith; or (iv) the negligence, dishonesty, bad faith, or other misconduct of any Person in which the Fund invests or with which the Fund participates as a partner, joint venturer, or in another capacity, which was selected by such Indemnified Party with reasonable care and in good faith. No Indemnified Party shall be liable to the Fund or to any Partner, or any successors, assignees, or transferees of the Fund or any Partner, for any loss, damage, expense, or other liability due to any cause beyond its reasonable control, including, but not limited to, strikes, labor troubles, riots, fires, blowouts, tornadoes, floods, bank moratoria, trading suspensions on any exchange, acts of a public enemy, insurrections, acts of God, acts of terrorism, failures to carry out the provisions hereof due to prohibitions imposed by law, rules, or regulations promulgated by any governmental agency, or any demand or requisition by any government authority.

Furthermore, to the fullest extent permitted by law, the Fund, in the Manager's sole discretion, shall indemnify and hold harmless each Indemnified Party from and against any loss, liability, damage, cost or expense suffered or sustained by an Indemnified Party by reason of (i) any acts, omissions or alleged acts or omissions arising out of or in connection with the Fund, the Partnership Agreement or any investment made or held by the Fund (including, without limitation, any judgment, award, settlement, reasonable attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding, or claim), provided that such acts, omissions or alleged acts or omission upon which such actual or threatened action, proceeding or claim are based are not found by a court of competent jurisdiction upon entry of a final non-appealable judgment to have been made in bad faith or to constitute fraud, willful misconduct or gross negligence by such Indemnified Party,

or (ii) any acts or omissions, or alleged acts or omissions, of any broker or agent of any Indemnified Party, provided that such broker or agent was selected, engaged or retained by the Indemnified Party in accordance with reasonable care.

The Partnership Agreement also provides that the Fund will, in the sole discretion of the Manager, advance to any Indemnified Party attorneys' fees and other costs and expenses incurred in connection with the defense of any action or proceeding which arises out of such conduct.

***Other activities of the Manager and its affiliates.***

The Manager, certain of its personnel or affiliates may in the future serve as investment manager for other investment funds and investment accounts, including those with substantially the same investment objectives as the Fund's (which may pursue its investment activities by contributing its assets to the Fund), and also including additional investment funds and/or client accounts with investment objectives that differ in some respects to the Fund's investment objective. An affiliate of the Manager currently also manages other funds, including [Insert name of other funds], with similar investment strategies to the Fund, and may form successors thereto or other investment funds, and the Manager's personnel and affiliates will also devote time to such funds. Neither the Manager nor any of its personnel or affiliates is obligated to make any particular investment opportunity available to the Fund, and they may take advantage of any opportunity, either for other accounts the Manager, its personnel or affiliates manages or for themselves. Differences in compensation arrangements among investment funds managed by the Manager, its personnel or affiliates and the fact that such persons may participate in the profits of other investment funds may create incentives for the Manager and its personnel to manage the Fund so as to favor those other funds.

**Other Risks**

***No Operating History.***

The Issuer is a recently formed entity and has no operating history upon which prospective Tokenholders can evaluate its likely performance. There can be no assurance that the Fund will achieve its investment objective.

***Risk of Loss.***

A Tokenholder could incur substantial, or even total, losses on an indirect investment in the Fund. An investment in the Fund is only suitable for persons willing to accept this high level of risk.

***Effect of Substantial Withdrawals.***

Substantial redemptions by a Limited Partner or Tokenholder within a short period of time could require the Fund to liquidate its investments more rapidly than would otherwise be desirable, possibly reducing the value of the Fund's assets and/or disrupting the Fund's investment strategies. Reduction in the Fund's size could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in the Fund's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

***Suspension of Withdrawals and Deferment of Withdrawal Proceeds.***

In certain circumstances, the Manager, in its sole and absolute discretion, may suspend the valuation of the Fund's assets, the right or obligation to honor withdrawal requests (including the right to receive withdrawal proceeds), and/or extend the period for payment on withdrawal. In addition, the Manager may suspend the right of withdrawal or postpone the date of payment for any period during which there is an extraordinary circumstance as determined in good faith by the Manager.

***Contingency Reserves.***

Under certain circumstances, the Fund may find it necessary to set up one or more reserves for contingent or future liabilities or valuation difficulties and, upon withdrawal by a limited partner, withhold a portion of that limited partner's withdrawal proceeds. This could happen, for example, if the Fund or the issuer of portfolio securities were involved in a dispute regarding the value of its assets, in litigation, or subject to a tax audit at the time the withdrawal request would otherwise be satisfied.

***Lack of Insurance.***

The assets of the Fund are not insured by any government or private insurer except to the extent portions may be deposited in bank accounts insured by the Federal Deposit Insurance Corporation or with brokers insured by the Securities Investor Protection Corporation and such deposits and securities are subject to such insurance coverage. Therefore, in the event of the insolvency of a depository or custodian, the Fund may be unable to recover all of its funds or the value of its securities so deposited.

**Risks Related to the Token**

*Capitalized terms herein are defined in the White Paper.*

***The Issuer is subject to cyber security and data loss risks or other security breaches.***

The Issuer's involves the storage and transmission of users' proprietary information, and security breaches could cause a risk of loss or misuse of this information, and to resulting claims, fines, and litigation. The Issuer may be subjected to a variety of cyber-attacks, which may continue to occur from time to time. Cyber-attacks may target the Issuer, their customers, suppliers, banks, credit card processors, delivery services, e-commerce in general or the communication infrastructure on which they depend. An attack or a breach of security could result in a loss of private data, unauthorized trades, an interruption of trading for an extended period of time, violation of applicable privacy and other laws, significant legal and financial exposure, damage to reputation, and a loss of confidence in security measures, any of which could have a material adverse effect on the Issuer's financial results and business.

Furthermore, attackers can manipulate the cryptocurrency market. The price of cryptocurrencies, such as BTC and ETH, are set by several exchanges. If an exchange is attacked such that it is taken offline, traders can take advantage of price differences. Additionally, attackers can target platforms that buy and sell cryptocurrencies and digital wallets that hold cryptocurrencies. It is possible that such an attack could adversely affect the Fund's investments and indirectly also the value of the Tokens.

***There is no existing trading market for the Tokens and an active trading market may not develop.***

The Tokens are a new issue of digital tokens for which there is no established public market. Although we intend to list the Tokens on cryptocurrency exchanges, there can be no assurance that such exchanges will accept the listing of Tokens or maintain the listing if it is accepted. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide the holders with liquidity of investment or that it will continue for the life of the Tokens. The liquidity of any market for the Tokens will depend on a number of factors, including: (i) the number of Tokenholders; (ii) the Fund's performance and financial condition; (iii) the market for similar digital tokens; (iv) the interest of traders in making a market in the Tokens; (v) regulatory developments in the digital token or cryptocurrency industries and (vi) legal restrictions on transfer.

The digital token market is a new and rapidly developing market which may be subject to substantial and unpredictable disruptions that cause significant volatility in the prices of digital tokens. There is no assurance that the market, if any, for the Tokens will be free from such disruptions or that any such disruptions may not adversely affect a Tokenholder's ability to sell its Tokens. Therefore, there is no assurance that Tokenholders will be able to sell Tokens at a particular time or that the price received upon sale will be favorable.

***Holders of Tokens will have no voting, management or control rights and may have conflicts of interest with the Fund's limited partners.***

Tokens have no voting, management or control rights or other management or control rights in neither the Issuer nor the Fund and the Issuer has no voting rights or other management or control rights. Accordingly, the Manager will control decisions for the Fund that in other companies would require stockholder approval, including any significant corporate transactions, or the election to liquidate or terminate the Fund.

***Tokenholders will have no liquidation rights.***

Upon a liquidation, bankruptcy or other dissolution of the Fund, Tokenholders will not be entitled to liquidation rights, although the Fund and the Issuer intend to use commercially reasonable efforts to return any available proceeds following a liquidation, bankruptcy or other dissolution of the Fund to Tokenholders if such an event occurs. Furthermore, the Fund has no fixed termination date.

***You may not have the skills necessary to secure, trade, or collect distributions using Tokens.***

Participating in this Token offering requires technical skill beyond that of many subscribers. Securing, trading or collecting distributions relating to Tokens requires working knowledge of blockchain technology, blockchain assets and their attendant systems and processes. Similar knowledge of blockchain asset exchanges and other industry participants may be required.

***The loss or destruction of a private key required to access blockchain assets may be irreversible. The Issuer's or your loss of access to private keys could have a material adverse effect on its business or the Tokens.***

Blockchain assets include, without limitation, Bitcoin, Ether and other cryptocurrencies, Tokens and other cryptographic tokens. Blockchain assets are controllable only by those who know the unique private cryptographic key relating to the network address at which the blockchain assets are held. The Fund and the Tokenholders are required by the operation of many blockchain networks to publish the addresses concerning blockchain assets in use by them. To the extent a private key is lost, destroyed or otherwise compromised and no backup of the private key is accessible, the Fund or you may not be able to access the blockchain asset associated with the corresponding address and the private key will not be capable of being restored by the network. Any loss of private keys relating to digital wallets used to store blockchain assets could have a material adverse effect on the Fund's business or you.

***The Smart Contract.***

The smart contract system concept, the underlying software application and software platform (i.e. the Ethereum blockchain), is still in an early development stage and unproven. There is no warranty or assurance that the process for creating Tokens will be uninterrupted or error-free and there is an inherent risk that the software could contain defects, weaknesses, vulnerabilities, viruses, or bugs causing, inter alia, the complete loss of ETH contributions and/or Tokens. We do not endorse speculation in the

price movement of Tokens. Potential Tokenholders without a legitimate understanding of our product are ineligible and should not participate. Additionally, there are other risks associated with your acquisition, storage, transfer and use of Tokens, including those that the Manager, the Fund, and/or the Issuer may not be able to anticipate. Such risks may further materialize as unanticipated variations or combinations of the risks set out in this White Paper.

***The nature of the Tokens means that any technological difficulties experienced by the cryptocurrency exchange, other exchange or peer-to-peer transfers, if developed, may prevent the access or use of a purchaser's Tokens.***

Any cryptocurrency exchange or other exchange will be subject to the risk of technological difficulties that may impact trading of the Tokens, which include, without limitation, failures of any blockchain on which the Tokens or the cryptocurrency exchange or other exchange rely or the failure of smart contracts to function properly. Trading in the Tokens will depend on the operation and functionality of the applicable cryptocurrency exchange or other exchange and if such system were to fail for any reason, trading in the Tokens could be impossible until such failure was corrected and full functionality were restored and tested. Any such technological difficulties may prevent the access or use of the Tokens. This could have a material impact on the applicable cryptocurrency exchange or other exchange's ability to execute or settle trades of the Tokens, to maintain accurate records of the ownership of the Tokens and to comply with obligations relating to records of the ownership of the Tokens and could have a material adverse effect on the holders of the Tokens.

***The Tokens have no history.***

The Tokens will be newly formed and have no operating history and are entirely novel in type. Tokenholders will not be able to compare them against other like instruments. An investment in the Tokens should be evaluated on the basis of the value and prospects of the Tokens, taking into account uncertainties as to the likelihood that the Tokens will be issued, and of the assessment of the prospects of the Fund's business may not prove accurate, and the Fund may not achieve its objectives. Past performance of the Fund, or any similar token is not predictive of the Fund's future results, the value and success of the Issuer's Tokens or the ability of the Fund to ever pay dividends.