



BLACKMOON

# GENERIC OFFERING MEMORANDUM FOR ASSET TOKENS OFFERED BY TOKEN ISSUERS VIA BLACKMOON PLATFORM

This document was last updated on January, 25 2019 .  
Please print a copy of this Memorandum for your future reference.

IMPORTANT: If you are in any doubt about this document, you should consult your legal or financial adviser, solicitor, accountant or other professional adviser.

## 1. CERTAIN IMPORTANT NOTICES

### 1.1 MEMORANDUM AND KEY INFORMATION DOCUMENTS

This Generic Offering Memorandum (the "**Memorandum**") must be read in conjunction with the relevant Key Information Document (each, a "**KID**"), relating to the digital asset tokens ("**Asset Tokens**") issued by Blackmoon on behalf of and for the account of each applicable segregated portfolio of Blackmoon (each such applicable segregated portfolio, a "**Token Issuer**") via a platform established for such purpose by Blackmoon.

This Memorandum is a private information memorandum. This document does not constitute a prospectus for the purposes of any regulation of any jurisdiction, including, without limitation, the United States Securities Act of 1933, as amended ("**Securities Act**"); Directive 2003/71/EC ("**Prospectus Directive**"), and amendments thereto, including Directive 2010/73/EC; the Prospectus Rules of the UK Financial Conduct Authority, or any other competent authority. Neither Blackmoon nor any Token Issuer is regulated as a mutual fund in the Cayman Islands. Accordingly, neither the Cayman Islands Monetary Authority nor any other regulatory authority in the Cayman Islands has approved this Memorandum, any KID or the terms set out in such documents.

The distribution of this Memorandum in certain jurisdictions may be restricted by law. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, the Asset Tokens may not, directly or indirectly, be offered or

distributed within the following jurisdictions: **Australia, Bosnia and Herzegovina, Canada, Cayman Islands, Democratic People's Republic Of Korea (DPRK), Ethiopia, Hong Kong, Japan, Iran, Iraq, New Zealand, Singapore, South Africa, Sri Lanka, Syria, Trinidad and Tobago, Tunisia, Uganda, Yemen.**

The regulation of blockchain technology and tokenized instruments is still in developing stages and may change from time to time. Blackmoon reserves the right to amend the list of restrictions based on the developing regulation or at its own discretion. Please consult a legal advisor prior to investing in the Asset Tokens.

No person has been authorized to make any statement concerning Blackmoon, the Platform, any Token Issuer, or any offering of the Asset Tokens other than as set forth in this Memorandum and relevant KID(s), and any such statements, if made, must not be relied upon. Investors should not construe the contents of this Memorandum as legal, tax or financial advice. Each Investor should consult its own professional advisers as to the legal, tax and financial issues or other matters relevant to the suitability of an investment in the Asset Tokens for such investor.

## I 1.2 NOTICE TO ALL PROSPECTIVE INVESTORS

Prospective Investors should read the whole of this Memorandum and the relevant Token Key Information Documents and should be aware that the Asset Tokens are speculative instruments and involve a high degree of risk. See the "Risk Factors" section of this Memorandum and the applicable section in KIDs for a discussion of certain risks and other factors which should be considered prior to any investment in the Asset Tokens.

The Asset Tokens may be a suitable investment only for those investors who are able to understand the unique nature of the digital tokens, as well as the nature and conditions of the Offerings. In this respect, Blackmoon will prior to each initial Asset Token Offering and on an ongoing basis for the existing Asset Token holders conduct suitability assessments for the purpose of ensuring that prospective and/or existing Investors possess the knowledge, experience and risk appetite required to understand the nature of the investment, digital tokens and blockchain technology, and are able to understand and accept the Risk Factors as described in Section 5 hereof and in the applicable section in the Token KID.

In making an investment decision, Investors must rely on their own examination of the Asset Tokens and the terms of the specific Offering, including the merits and risks involved, and each Investor is urged to consult its own advisers as to legal, business, tax, regulatory, accounting, financial and other consequences of its investment in the Asset Tokens.

This Memorandum is furnished for the purpose of providing certain information about an investment in the Asset Tokens. This Memorandum is to be used by each person to whom it has been made available solely in connection with the purchase of the Asset Tokens described herein, as well as in the relevant KID. All recipients agree that they will use this Memorandum for the sole purpose of evaluating a possible investment in the Asset Tokens, and acknowledge and further agree that this Memorandum is not a prospectus and does not purport to contain all information an investor may require to form an investment decision. Nothing contained in this Memorandum or in any KID, constitutes or should be construed to represent investment advice, recommendation or solicitation for investment. No person is authorised to give any information or make any representation in connection with the Asset Tokens or the Offering that is not contained in this Memorandum. Any representation or information not contained herein must not be relied upon.

The information in this Generic Offering Memorandum is current only as of the date on its cover, and will be updated from time to time. The specific information contained in each KID is current as of the date of the respective Token KID. Any time after the cover date of this Memorandum or the KID (whichever is relevant), the information provided herein and therein, including information concerning Blackmoon, the Platform, Offerings, Token Issuers, Asset Tokens, Underlying Assets, etc., may change. Neither the delivery of this Memorandum nor any sale of the Asset Tokens hereunder shall, under any circumstances, create any implication that there have been no changes in Blackmoon's affairs after the date of this Memorandum. Blackmoon will from time to time update this Memorandum, however save as may be required under applicable law or regulation, Blackmoon does not undertake any obligation to update the information contained in this Memorandum on a regular basis.

Prospective Investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of the Asset Tokens, and any restrictions that may be relevant thereto. This Memorandum does not constitute an offer to sell or the solicitation of an offer to buy the Asset Tokens in any state or other jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such state or jurisdiction.

The information below is for general guidance only and it is the responsibility of any person or persons in possession of this Memorandum and wishing to make an application to purchase the Asset Tokens to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. No person has been authorised by Blackmoon or any Token Issuer to issue any advertisement or to give any information or to make any representation in connection with the contents of this Memorandum and, if issued, given or made, such advertisement, information or representation must not be relied upon. The distribution of this Memorandum may be restricted at any time, and accordingly persons in possession of this Memorandum are required to remain informed about such restrictions and to observe such restrictions.

Prospective Investors must at all times rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Offering, the Asset Tokens and an investment therein.

## I 1.3 NOTICE TO ALL PROSPECTIVE INVESTORS IN THE UNITED STATES

### **THIS IS AN OFFERING OF UNREGISTERED SECURITIES**

THE ASSET TOKENS OFFERED BY THIS MEMORANDUM HAVE NOT BEEN REGISTERED OR QUALIFIED FOR SALE UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE IN THE UNITED STATES (EACH, A "**STATE**"). SUCH ASSET TOKENS ARE OFFERED PURSUANT TO EXEMPTIONS FROM SUCH REGISTRATION OR QUALIFICATION. THIS MEMORANDUM HAS NOT BEEN FILED WITH OR REVIEWED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "**SEC**") AND NEITHER THE SEC NOR ANY STATE SECURITIES ADMINISTRATOR HAS PASSED UPON OR ENDORSED THE MERITS OF AN INVESTMENT IN THE RELEVANT TOKEN ISSUER OR THE ACCURACY OR THE ADEQUACY OF THE INFORMATION CONTAINED IN THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE ASSET TOKENS IN ANY STATE OR JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS UNLAWFUL.

### **TRANSFERS AND WITHDRAWALS ARE SUBJECT TO SIGNIFICANT RESTRICTIONS**

THE ASSET TOKENS OFFERED BY THIS MEMORANDUM MAY NOT BE TRANSFERRED EXCEPT WITH THE CONSENT OF THE RELEVANT TOKEN ISSUER AND EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE LAWS. SUCH CONSENT AND SUCH COMPLIANCE ARE UNLIKELY. FURTHER, WITHDRAWALS OF INVESTMENTS IN THE RELEVANT TOKEN ISSUER ARE SUBJECT TO SIGNIFICANT RESTRICTIONS. AS A RESULT, PROSPECTIVE INVESTORS MUST BE IN A POSITION TO BEAR THE ECONOMIC RISK OF AN INVESTMENT IN THE TOKEN ISSUER FOR A SIGNIFICANT PERIOD.

#### **FOR FLORIDA INVESTORS**

THE ASSET TOKENS WILL NOT BE REGISTERED UNDER THE FLORIDA SECURITIES AND INVESTOR PROTECTION ACT (THE "FLORIDA ACT"). IF SALES ARE MADE TO FIVE (5) OR MORE INVESTORS IN FLORIDA PURSUANT TO THE EXEMPTION UNDER SECTION 517.061(11)(A) OF THE FLORIDA ACT, THEN ANY FLORIDA INVESTOR MAY, AT HIS OR HER OPTION, VOID ANY PURCHASE HEREUNDER WITHIN A PERIOD OF THREE (3) DAYS AFTER THE INVESTOR (A) FIRST TENDERS OR PAYS TO THE RELEVANT TOKEN ISSUER, AN AGENT OF THE RELEVANT TOKEN ISSUER, OR AN ESCROW AGENT THE CONSIDERATION REQUIRED HEREUNDER OR (B) DELIVERS THE EXECUTED SUBSCRIPTION AGREEMENT, WHICHEVER OCCURS LATER. TO ACCOMPLISH THIS, IT IS SUFFICIENT FOR A FLORIDA INVESTOR TO SEND A LETTER OR TELEGRAM TO THE RELEVANT TOKEN ISSUER WITHIN SUCH THREE (3) DAY PERIOD, STATING THAT THE INVESTOR IS VOIDING AND RESCINDING THE PURCHASE. IF AN INVESTOR SENDS A LETTER, IT IS PRUDENT TO DO SO BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT THE LETTER IS RECEIVED AND TO EVIDENCE THE TIME OF MAILING.

#### **DISCLOSURE OF TAX TREATMENT AND TAX STRUCTURE**

NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN OR IN THE RELEVANT KEY INFORMATION DOCUMENT, EACH RECIPIENT OF THIS MEMORANDUM (AND EACH EMPLOYEE, REPRESENTATIVE, OR OTHER AGENT OF SUCH RECIPIENT) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE TAX TREATMENT AND TAX STRUCTURE OF THE TRANSACTIONS DESCRIBED IN THIS MEMORANDUM AND ALL MATERIALS OF ANY KIND THAT ARE PROVIDED TO SUCH RECIPIENT RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE (AS SUCH TERMS ARE DEFINED IN UNITED STATES TREASURY REGULATION SECTION 1.6011-4). THIS AUTHORIZATION OF TAX DISCLOSURE IS RETROACTIVELY EFFECTIVE TO THE COMMENCEMENT OF DISCUSSIONS BETWEEN THE RELEVANT TOKEN ISSUER OR ITS REPRESENTATIVES AND THE RECIPIENT REGARDING THE TRANSACTIONS CONTEMPLATED HEREIN.

## **I 1.4 NOTICE TO ALL PROSPECTIVE INVESTORS IN THE PEOPLE'S REPUBLIC OF CHINA**

#### **CONSIDER YOUR LOCAL REGULATION**

Prospective Investors in the People's Republic of China should always consider limitations and restrictions imposed by competent local authorities and applicable legislation of China on operations with Cryptocurrency before making decision to purchase Asset Tokens. Do not purchase any Asset Tokens if such activities become forbidden by your local legislation or any acts issued by competent authorities. We constantly monitor development of applicable regulation and we may introduce additional or new services and options for the Investors in the People's Republic of China when the local Chinese regulation allows us to do so.

**NO EXCHANGE SERVICES**

Blackmoon does not and is not going to provide any Investor in the People's Republic of China with the services of and otherwise act for them as a crypto exchange.

**NO CONVERSION INTO FIAT CURRENCY**

Notwithstanding anything to the contrary herein or in the relevant Token Key Information Document, neither Blackmoon nor any of Token Issuers provide or is going to provide any Investor in the People's Republic of China with the services and/or tools to convert Asset Tokens or any Cryptocurrency into Fiat Currency due to restrictions imposed by local regulation.

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### 3. DEFINITIONS

<b>Accredited Investor</b>	an individual or legal entity that satisfies the criteria set out in Rule 501 of Regulation D of the Securities and Exchange Commission (the “SEC”);
<b>AML Regulations</b>	Anti-Money Laundering Regulations; a set of rules and procedures as set out by Blackmoon and the applicable regulation on the prevention of money laundering and terrorism financing, as set out in section 8 of this Memorandum;
<b>Asset Token</b>	an Ethereum-based Smart Contract digital token issued by a Token Issuer, the value of which is determined by reference to the Underlying Asset(s) owned by such Token Issuer and segregated from Underlying Assets owned by other Token Issuers;
<b>Asset Token Value</b>	the value of each Asset Token, which is calculated by dividing the latest published Underlying Asset Value of the Token Issuer by the number of Asset Tokens outstanding at the calculation date, including Blocked Asset Tokens and Inactive Asset Tokens, rounded to the nearest cent;
<b>Bitcoin or BTC</b>	the value token of the Bitcoin blockchain, which can be traded on cryptocurrency exchanges or used to pay for transaction fees and services on the Bitcoin network;
<b>Blackmoon</b>	BMC Group SPC Ltd, an exempted segregated portfolio company limited by shares, incorporated in the Cayman Islands on 18 January 2018, registration number 331901, registered office at Harneys Fiduciary (Cayman) Limited, 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman, KY1-1002, Cayman Islands, that from time to time establishes and acts on behalf of and for the account of Token Issuers;
<b>Blackmoon Platform</b>	BMC Platform SP, a segregated portfolio of BMC Group SPC Ltd, responsible for the complex of front-and back-end systems and the provision of a technological solution for registered users to view information on the products of Blackmoon. Also “Platform”;
<b>Blocked Asset Token</b>	an Asset Token that Blackmoon has determined, in its absolute discretion, on account of the respective Token Holder either failing to meet the KYC and AML requirements of Blackmoon and/or the suitability assessment to the satisfaction of Blackmoon, or giving rise to other legal, regulatory or compliance issues, should be prohibited from being transferred to other Investors;
<b>Creation Fee</b>	a fee payable by the Investors to a Token Issuer for the purchase of the Asset Tokens from such Token Issuer, such Creation Fee being as specified in the applicable KID;



<b>Cryptocurrency</b>	a digital currency in which encryption techniques are used to regulate the generation of units of currency and verify the transfer of funds, operating independently of and not issued or regulated by any central bank or similar authority (e.g. BTC, ETH, etc.);
<b>Eligibility Requirements</b>	the set of characteristics required from the users as set out by the applicable regulation and anti-money laundering legislation. These requirements include but are not limited to: residency in non-restricted jurisdictions, documentation for verification of identity in accordance with Blackmoon's policy, eligibility questionnaire, classification as Accredited Investor (for US users) with supporting documents, acceptance of the relevant Terms and Conditions, Terms of Sale and other information as may be deemed necessary by Blackmoon Platform;
<b>Eligible User</b>	a user satisfying the Eligibility Requirements and verified in accordance with the KYC Policy;
<b>Ether or ETH</b>	the value token of the Ethereum blockchain, which can be traded on cryptocurrency exchanges or used to pay for transaction fees and services on the Ethereum network;
<b>Exchange Rate</b>	rate as provided and published by Blackmoon on the Platform from time to time for conversion of Cryptocurrencies into Fiat Currencies or other Cryptocurrencies;
<b>Fiat Currency</b>	traditional money in cash or noncash form and of no intrinsic value in themselves and not convertible into gold, silver or other precious metals, but made legal tender by fiat (order) of any government (e.g. USD, Euro, etc.);
<b>Fund</b>	an investment fund in which a Token Issuer may invest proceeds from an Asset Token sale, in which case a participatory interest in such investment fund acquired by a Token Issuer will represent its Underlying Asset;
<b>Inactive Asset Token</b>	any Asset Tokens that are held by the relevant Token Issuer from time to time;
<b>Investment Manager</b>	an investment manager responsible for the implementation of a Fund's strategy and investing the Fund's assets in accordance with the established strategy of such Fund;
<b>Investor</b>	any individual or entity with completed KYC verification process on the Platform in accordance with Blackmoon's AML Policy and intending to invest in the Asset Tokens via the Platform's services; also referred to as " <b>Purchaser</b> ";
<b>Key Information Document</b>	also " <b>KID</b> ", is a descriptive brochure created to inform retail investors about the nature and risks of the products in a precise, factual and standardized format. KIDs are required by MiFid II directive for all packaged retail investment products;
<b>KYC Policy</b>	"Know-Your-Client" Policy for verification of Investors' identity designed in accordance with the applicable anti-money

	laundrying regulations to which Blackmoon is subject from time to time;
<b>Memorandum</b>	this Generic Offering Memorandum, a private information memorandum related to the Platform and Offerings in general;
<b>Offering</b>	any offering of specific Asset Tokens to prospective Investors by a specific Token Issuer via the Platform;
<b>Offering Memorandum</b>	see "Memorandum";
<b>Platform</b>	see "Blackmoon Platform";
<b>Purchaser</b>	see "Investor";
<b>Redemption Fee</b>	a fee payable by a Token Holder upon buy-back or redemption of its Asset Tokens by the Token Issuer, such Redemption Fee being specified in each of the applicable KID;
<b>Registered User</b>	a user that has completed the registration form and provided and confirmed his/her email and thus created an account on the Platform's services;
<b>Service Fee</b>	a fee payable by a Token Holder to the Token Issuer to compensate possible expenses of the Token Issuer for providers of Investor support services, including to respond to Investors' queries and questions, and provide Investors with information about their investments. Such fee also covers IT services, preparation of investor materials, legal support and, if applicable, audit fees, and such Service Fee being specified in the applicable KID;
<b>Smart Contract</b>	ERC20 smart contract standard consisting of software code, existing on the Ethereum Blockchain, deployed at such website as in each case specified in the respective KID;
<b>Terms of Sale</b>	terms and conditions on the purchase of asset tokens as specified in Supplement A of the Blackmoon Platform Terms and Conditions;
<b>Token Holder</b>	any holder of the Asset Tokens from time to time as identifiable from the blockchain of such Asset Tokens;
<b>Token Issuer</b>	a segregated portfolio of Blackmoon established for the purpose of issuing Asset Tokens and segregating assets and liabilities of that Token Issuer from the assets and liabilities of other Token Issuers and Blackmoon itself. Each Token Issuer is and will be separately identifiable and such identification includes or, on establishment of a new Token Issuer, will include the words "Segregated Portfolio", "SP" or "S.P." Details of each Token Issuer are available in the relevant KID;
<b>Underlying Asset</b>	asset in which a Token Issuer invests or will invest substantially all of its proceeds from the single Offering. Normally an Underlying Asset will be represented either in a form of participatory interest in the external investment fund,

or some type of a tradable investment asset such as ETF, thematic portfolios, etc.;

**Underlying Asset Value**

total market value of the Underlying Asset(s) of a Token Issuer, as published from time to time and defined in accordance with this Memorandum and the relevant KID. Generally, the Underlying Asset Value will be calculated by the latest published price of a single share or unit of the Underlying Asset (participatory interest in fund, ETF, share, etc.) multiplied by the number of shares or units held by the Token Issuer;

**Verified User**

a Registered User that has supplied the necessary evidence for verification of identity, complies with the eligibility requirements and has been successfully approved by the Platform's compliance team;

**Website**

<https://blackmoonplatform.com> or such other website which may be introduced by Blackmoon from time to time as a website associated with the Platform.

## 4. OVERVIEW OF PLATFORM AND OFFERING

The following is a summary of the principal features of the Blackmoon Platform, Token Issuers, Offerings and the Asset Tokens and is taken from, and is qualified in its entirety by, the remainder of this Memorandum. In particular, prospective Investors should consider and carefully review the section of this Memorandum with title "Risk Factors" for a discussion of the risks of an investment in the Asset Tokens.

### 4.1 CONCEPT

The Platform's service is comprised of a set of software, interfaces, form documents, procedures and relationships that are intended to facilitate the issuance and sale of digital Asset Tokens by Token Issuers.

As of the date mentioned in the beginning hereof, only segregated portfolios of Blackmoon, established as Token Issuers, are offering Asset Tokens via the Platform. Multiple types of Asset Tokens (each issued by a specific Token Issuer) may be issued to such Investors who are registered with the Platform and verified by Blackmoon Platform with the use of information provided by the Investors via the Platform. In addition, Blackmoon Platform provides certain services for Investors in the Asset Tokens in connection with the individual Token Issuers.

Unless otherwise indicated in a KID, Asset Tokens offered via the services provided by Platform by a particular Token Issuer will in each case be a new issuance of digital tokens created using an Ethereum-based smart contract in respect of such Token Issuer. The Asset Tokens do not constitute shares, stock, options or any other form of equity of, or equitable interest in, Blackmoon, the Platform or the respective Token Issuer, however each type of the Asset Tokens

is connected with and their value depends on performance of the Underlying Asset(s) of the respective Token Issuer, as identified and described in the respective KID.

The Asset Tokens are issued by each Token Issuer in order to raise funds for the Token Issuer for further investment into an Underlying Asset, which may be in the form of either (i) participatory interest in certain investment fund (a "**Fund**") which will further invest the obtained monies into specific projects or investments, or (ii) any tradable investment assets, such as ETFs, thematic portfolios, etc.

Valuation of each Asset Token which is issued and not redeemed in accordance herewith will at all times depend on the valuation of the applicable Underlying Asset, as described in Clause 10.8. However, the Asset Token will in no case represent any interest, right, lien, encumbrance, participation, security or other similar right in and to the relevant Underlying Asset, which at all times shall be the sole property of the relevant Token Issuer itself as described below.

Investors may use the Platform's services in order to obtain information on available Offerings, Asset Tokens and Token Issuers, and to purchase and redeem the Asset Tokens, given that they have been accepted by Blackmoon on the terms described in this Memorandum.

## I 4.2 SEGREGATED PORTFOLIO COMPANY

Blackmoon is registered as an exempted segregated portfolio company (SPC) under the Companies Law of the Cayman Islands. A SPC is a single legal entity, which however may establish internal segregated portfolios. Each portfolio's assets and liabilities are legally separated from the assets and liabilities of the company's ordinary account (called its "general assets") and are also separate from assets and liabilities attributed to the SPC's other segregated portfolios. A creditor entering into contractual dealings with Blackmoon will have restricted recourse; it will only be entitled to make its recovery against general assets of Blackmoon, rather than against assets attributed and credited to any segregated portfolio. A creditor entering into contractual dealings with a particular segregated portfolio will also have restricted recourse; it will only be entitled to make its recovery against assets attributed and credited to the specific segregated portfolio to which the contract is also attributed. The creditor will not be legally entitled to make recovery against assets attributed and credited to other segregated portfolios of the SPC, or (save to the extent otherwise provided in any relevant contract) against the general assets of Blackmoon. Therefore, to the extent that they have any recourse in respect of an Asset Token, Investors will only have recourse against the Token Issuer which issued that Asset Token (see Section 10.11 of this Memorandum).

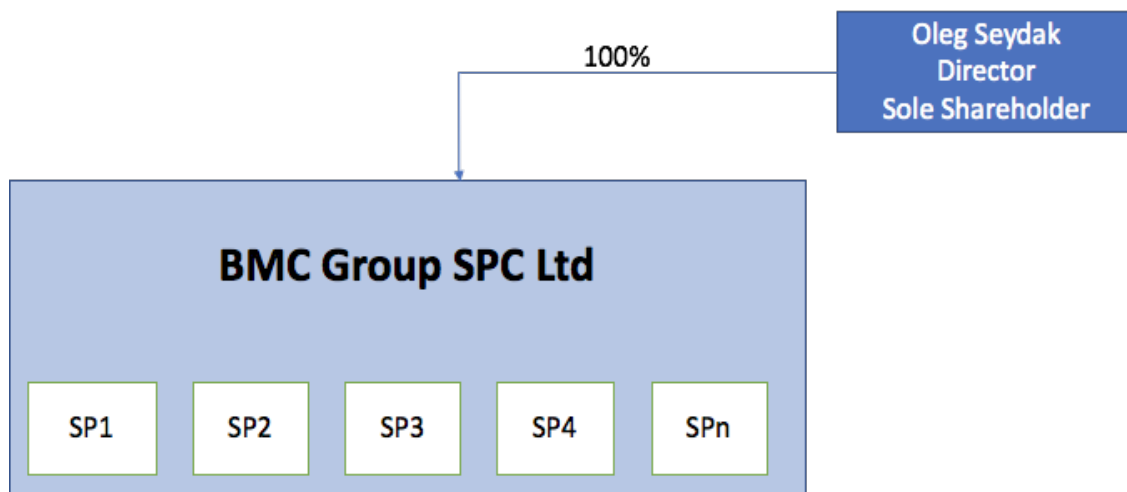
Each Token Issuer is a segregated portfolio of Blackmoon therefore, performance of one Token Issuer will only influence valuation of the respective Asset Tokens issued by that specific Token Issuer, and will not influence performance of other Token Issuers and, consequently, valuation of other types of Asset Tokens which are not related to such Token Issuer.

Each Token Issuer may implement its own investment strategy, policies, investment managers, attract its own advisors, etc.

### 4.3 Organizational Structure<sup>2</sup>

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<sup>2</sup> Please note that the organizational structure is correct at the time of the issuance of this Offering Memorandum and may change from time to time. Should any change in the structure of Blackmoon occur, the Offering Memorandum shall be updated.



Oleg Seydak is of the sole director of BMC Group SPC Ltd and Founder and Chief Executive Officer of Blackmoon Financial Group.

Oleg Seydak graduated from Bauman Moscow State Technical University in 2009. He holds an MS degree in intellectual control systems, MS in Finance and an advanced degree in Management from Higher School of Economics. In 2012-2013 Oleg was a Managing Director at one of the Russian largest and oldest PE fund in IT sphere – FINAM Global. In 2013 he and the CEO of FINAM Global co-founded a new VC fund – Flint Capital.

In 2014 Oleg in partnership with Ilya Perekopsky founded a fintech platform for continuous securitization of loan portfolios – Blackmoon. Part of Flint Capital’s team joined Oleg in this new venture and Flint Capital became a seed investor. In 2016 Blackmoon Financial Group raised an equity investment from a set of reputable investors including A&NN Group (the owner of Rambler.ru), international fintech VC fund Target Global and a set of private individuals.

#### I 4.4 USE OF PROCEEDS

Essentially all proceeds from each Offering (less some fees and commissions Blackmoon and/or the specific Token Issuer may have to pay to various providers, including exchanges and brokers, as the case may be) may be used by the relevant Token Issuer to acquire the Underlying Assets in the form to be decided in advance for each specific Token Issuer and described in the relevant KID.

In the case where the proceeds from the Offering are invested by the Token Issuer in the Underlying Asset in the form of participatory interest in a Fund, the Token Issuer will usually hold the participatory interest in the Fund in the amount up to 100% of such participatory interest of the applicable Fund. However, in some cases such holding may be less or substantially less than 100% since the Token Issuer may act as one of several investors of the Fund, together with other third parties.

In case the Underlying Asset is represented by a participatory interest in a Fund, such Fund will be managed by an investment manager to be also identified in the relevant KID (an "**Investment Manager**"). The respective KID shall provide detailed information as to the Fund, its administrator, the Investment Manager, investment strategy and other relevant issues. Specific information regarding the investment strategy of each Token Issuer, including the Underlying Assets to be invested into by such Token Issuer, is also available in the respective KID.

If the Underlying Asset is represented by tradable assets, the respective KID shall provide detailed information on such asset, its nature, market perspectives, associated additional risk factors and the Token Issuer's investment policy with respect to such tradable assets.

## 5. RISK FACTORS

### 5.1 GENERAL DESCRIPTION

(a) An investment in the Asset Tokens involves a high degree of risk. No guarantee or representation is made that the Token Issuer's investment program or strategy will be successful, or that the Token Issuer's returns will exhibit low correlation with a prospective Token Holder's traditional securities portfolio. An Investor should be aware that it may lose all or part of its investment in the Asset Tokens.

(b) Prospective Investors should carefully consider the risks involved in determining whether an investment in the Asset Tokens is a suitable investment, including the risks discussed below. Such risks may relate to an investment in the Underlying Asset(s) since the Token Issuer may hold the participatory interest of a Fund. Prospective Investors should consult their own legal, tax and financial advisers to determine whether to invest in the Asset Tokens.

(c) Certain additional Risk Factors specific to a given Token Issuer and its investment strategy are set forth in the respective KID.

### 5.2 ASSET TOKEN RISKS

(a) No assurance of investment return. There is no assurance that a Token Issuer will be able to generate returns on its investments in the Underlying Asset or that any returns will be commensurate with the risks of investing in the type of securities or other assets that form part of the Token Issuer's investment program. Furthermore, there is no assurance that if a Token Issuer does achieve returns on its investments, such returns will either be reflected in the trading price of the Asset Tokens or that the holders of Asset Tokens will realize any of such returns. There can be no assurance that holders of Asset Tokens will receive a return of their invested capital. An investment in the Asset Tokens should only be considered by persons who can afford a loss of their entire investment. The Token Issuer's investments, by their nature, may involve a high degree of financial risk. Such investments may expose the Token Issuer to the risks of material financial loss, which may in turn adversely affect the trading price of the Asset Tokens and/or Asset Token Value and the availability of funds for buybacks or exchanges of the Asset Tokens.

(b) Asset Tokens are subject to significant transfer restrictions. The Asset Tokens have not been registered under the Securities Act, the securities laws of any state of the United States or the securities laws of any other jurisdiction and therefore cannot be resold, except as described in the Section 6 of this Memorandum. The Asset Tokens may not be resold or otherwise transferred by holders except (i) to another Investor which complies with general Blackmoon KYC and AML procedures and suitability assessment of the Token Issuer, or, in case of Token Holders from the United States, (ii) to the relevant Token Issuer (or any authorized assignee or successor thereof), and, in each case, unless permitted under applicable laws and regulations or pursuant to registration or exemption therefrom. These restrictions may adversely impact the ability of a holder of Asset Tokens to resell such Asset Tokens or the price at which such holder may be able to resell them, if at all.

(c) The Asset Tokens are not exchangeable at the option of the Token Holder except as specifically described in this Memorandum. It is not contemplated that the Asset Tokens will ever be registered. No public market for the Asset Tokens may develop. Each Investor or Token Holder will be required to represent that it is an eligible investor under applicable securities or other laws and that it is acquiring the Asset Tokens for investment purposes and not with a view to resale or distribution. Further, each Token Holder must represent that it will only sell or transfer its Asset Tokens in accordance with the restrictions set forth under "Transfer Restrictions" in this Memorandum and in a manner permitted by applicable laws and regulations. Consequently, Token Holders must be prepared to bear the risk of an investment in the Asset Tokens for an extended period of time.

(d) There is no existing trading market for the Asset Tokens and an active trading market may not develop. At initial issuance, the Asset Tokens will have no established public market. Although the Asset Tokens may be made available for trading on one or more cryptocurrency exchanges, 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 Asset Tokens. The liquidity of any market for the Asset Tokens will depend on a number of factors, including:

- the number of Token Holders;
- Token Issuer's performance and financial condition;
- the market for similar digital tokens;
- the interest of traders in making a market in the Asset Tokens; and
- regulatory developments in the digital token or cryptocurrency industries.

(e) 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. The Token Issuer cannot assure purchasers that the market, if any, for the Asset Tokens will be free from such disruptions or that any such disruptions may not adversely affect the ability of Token Holders to sell their Asset Tokens. Therefore, a Token Issuer cannot assure Token Holders that they will be able to sell their Asset Tokens at a particular time or that the price received upon a sale will be favorable.

(f) Token Holders will have no voting rights. Token Holders have no voting rights, consent rights or other management or control rights in either activities of a specific Token Issuer or Blackmoon.

(g) Token Holders will have no distribution rights and limited rights in liquidation. The Asset Tokens will have no distribution or dividend rights in relation to a Token Issuer (except as specifically described in this Memorandum with respect to distributions in connection with certain buybacks of the Asset Tokens) and/or Blackmoon. Upon a liquidation, winding up or other dissolution of a Token Issuer or Blackmoon, available assets of the relevant Token Issuer will be distributed to creditors in satisfaction of debts and liabilities of the Token Issuer in priority to the holders of Asset Tokens. Token Holders may not take any action, commence any proceeding or petition a court for liquidation of the Token Issuer, nor will the Token Holders enter into any reorganization, arrangement or insolvency proceeding in relation to the Token Issuer under Cayman Islands or any other bankruptcy or similar laws. Furthermore, neither Blackmoon nor any of the Token Issuers have any fixed termination date.

(h) Redemption and Buyback of Asset Tokens. Except as specifically described in this Memorandum, Token Holders do not have the right to compel Blackmoon and/or a Token Issuer to redeem or buy back their Asset Tokens, and any such redemption or buyback on any date may be subject to limitations based on the aggregate number of the Asset Tokens sought to be



bought back on such date or other applicable restrictions (including limitations arising as a result of the application of anti-money laundering laws). The Token Issuer will have no substantial funds apart from proceeds from realization of Underlying Asset(s) available for the redemption or buyback of the Asset Tokens.

(i) Developing regulatory regimes. Regulation of digital tokens (including the Asset Tokens) and token offerings such as this, cryptocurrencies, blockchain technologies, and cryptocurrency exchanges currently is undeveloped and likely to rapidly evolve, varies significantly among international, federal, state and local jurisdictions and is subject to significant uncertainty. Various legislative and executive bodies in various countries are currently considering, or may in the future consider, laws, regulations, guidance, or other actions, which could severely impact the Token Issuer's ability to continue to issue, maintain and redeem the Asset Tokens. Failure of the Token Issuer or Blackmoon 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 a variety of adverse consequences, including penalties and fines and the suspension or termination of the Platform and one or more Token Issuers.

(j) New or changing laws and regulations or interpretations of existing laws and regulations may adversely impact the value of the currency in which the Token Issuer may buy back the Asset Tokens or otherwise make distributions on the Asset Tokens, the liquidity and market price of the Asset Tokens, the ability of Token Holders to access marketplaces on which to trade the Asset Tokens, the Token Issuer's or Blackmoon's ability to operate as an ongoing concern and the structure, rights and transferability of the Asset Tokens. Therefore, there can be no assurance that any new or continuing regulatory scrutiny or initiatives will not have an adverse impact on the value of the Asset Tokens and otherwise impede the Token Issuers' and Blackmoon's activities.

(k) Tax risks. The tax characterization of the Asset Tokens is uncertain and an Investor must seek its own tax advice in connection with an investment in the Asset Tokens. An investment in the Asset Tokens may result in adverse tax consequences to Investors, including tax reporting requirements. It is possible that the income of a Token Issuer would be subject to significant amounts of income and/or withholding taxes in certain jurisdictions. Each potential Investor in the Asset Tokens should consult with and must rely upon the advice of its own professional tax advisors with respect to the tax treatment of an investment in the Asset Tokens.

(l) Lack of regulatory oversight or registration. Neither Blackmoon nor any Token Issuer is regulated as a mutual fund in the Cayman Islands. Accordingly, neither the Cayman Islands Monetary Authority nor any other regulatory authority in the Cayman Islands has approved this Memorandum, any KID or the terms set out in such documents. Equally, except as explicitly set forth in the relevant KID, none of any Token Issuer, Blackmoon, Investment Manager or any Offering of the Asset Tokens is currently registered under the U.S. Investment Advisers Act of 1940, as amended (the "**Advisers Act**"), the Investment Company Act of 1940, as amended (the "**Investment Company Act**"), the Securities Act, the U.S. Securities and Exchange Act of 1934, as amended (the "**Exchange Act**"), the U.S. Commodity Exchange Act, as amended (the "**Commodity Exchange Act**"), as a broker-dealer under U.S. securities laws, or under any other similar and/or applicable acts of other jurisdictions, international, federal or state securities, commodity, derivative or other applicable legal or regulatory regime. Persons, instruments or offerings registered under the said acts and under other legal or regulatory regimes, as applicable, may be required to comply with a variety of disclosure, reporting, compliance and operating-related obligations intended to protect investors. So long as such entities are not subject to such requirements, or if such entities fail to adequately comply with such requirements if applicable, Token Holders will not have the benefit of such investor protections and will not receive disclosure commensurate with that provided by registered entities or in registered offerings.

Due to the fact that cryptocurrency markets are unregulated and decentralized, the provision of Blackmoon Platform's services is not covered by any specific regulatory framework or investor protection rules. Investment in cryptocurrencies carries high degree of risk and volatility and is not suitable for every investor; therefore, an Investor should not risk capital it cannot afford to lose.

(m) If the SEC, U.S. Commodity Futures Trading Commission (the "**CFTC**") or any other body with similar functions acting in other jurisdictions were to require the registration of this Memorandum, any Offering hereunder, the Platform, the Asset Tokens or Token Issuers, Blackmoon, Investment Managers or their respective affiliates under the Advisers Act, the Investment Company Act, the Securities Act, the Exchange Act, the Commodity Exchange Act or similar acts of other jurisdictions or any other legal or regulatory scheme inside or outside the United States, as applicable, there can be no assurance that such persons would be able to timely comply with the requirements of such registration or at all. None of the Token Issuer, Blackmoon or their respective affiliates or counsel can assure Investors that the Token Issuer and Blackmoon will not become subject to the Investment Company Act, the Advisers Act, the Exchange Act, the Commodity Exchange Act, U.S. broker-dealer rules or other burdensome regulation either as a result of new or evolving laws and regulations and interpretations or as a result of existing laws, regulations and interpretations. Compliance with the disclosure, reporting, compliance and operating-related obligations of a registered entity or offering may be expensive and time-consuming, which may distract management from its investment and operating objectives, increase overhead expenses and decrease funds available for investments and the buyback of the Asset Tokens. Such compliance may require such entities to change the management and governance provisions outlined in this Memorandum or the rights of Token Holders.

(n) Any requirement for a Token Issuer or Blackmoon to register under the Advisers Act, the Investment Company Act, the Securities Act, the Exchange Act, the Commodity Exchange Act, as a broker-dealer under U.S. securities laws, or under any similar acts of other jurisdictions or other applicable federal or state securities, commodities, derivative or other applicable legal or regulatory regimes, or any penalty for failure to do so, or any determination that any Offering was not conducted in accordance with applicable laws and regulations, could subject such entities to civil or criminal penalties and fines, which could adversely impact the ability of such entities to take the actions outlined in this Memorandum and conduct their business as described in this Memorandum, or at all. Furthermore, such a requirement, penalty or determination could adversely impact the rights, value and transferability of the Asset Tokens and impair the ability a holder of the Asset Tokens to recover its investment in the Asset Tokens.

(o) Developments in commercial and corporate laws may adversely affect Token Issuers' business or the Asset Tokens. The application of existing commercial and corporate laws to the Asset Tokens is unclear. Because of the differences between the Asset Tokens and traditional investment securities or instruments, there is a risk that issues that might easily be resolved by existing law if traditional securities or instruments were involved may not be easily resolved for the Asset Tokens. For example, there is little precedent on how existing law might treat the issue, fungibility, settlement finality, transfer, collateralization, sequestration, loan, hypothecation, redemption or other disposition of the Asset Tokens. There is also little precedent on how existing law might treat the rights and obligations between and among Blackmoon and Token Issuers and Token Holders. The occurrence of any related issue or dispute could have a material adverse effect on the business of Token Issuers or Blackmoon or on the Asset Tokens. New developments in the law may also adversely affect Token Issuers or Blackmoon or the treatment of the Asset Tokens.

(p) Developments in foreign regulation may restrict the use of blockchain assets or the operation of a blockchain network in a manner that adversely affects a Token Issuer's business. Blockchain networks currently face an uncertain regulatory landscape in not only the United States but also in many foreign jurisdictions such as the European Union, China and Russia. Various foreign jurisdictions may, in the near future, adopt laws, regulations or directives that affect blockchain networks and their users, particularly exchanges and service providers that fall within such jurisdictions' regulatory scope. Such laws, regulations or directives may directly and negatively impact the business of Token Issuers or Blackmoon.

(q) Token Issuers do not owe Token Holders any fiduciary duties. Direct investors in investment funds are generally owed an obligation by the fund and its managers of good faith, fairness in all dealings and other fiduciary duties. However, to the extent permitted by law, Token Holders will not be entitled to any such protections from the Token Issuers. Accordingly, Token Holders will have very limited, if any, rights of recovery against Token Issuers or their managers if such parties engage in gross negligence or act against the interests of the Token Holders. Furthermore, Token Issuers have no obligation to Token Holders to enforce any rights that they may be deemed to have against a Token Issuer, Blackmoon, or their respective service providers.

(r) Purchasers of the Asset Tokens may acquire the Asset Tokens through the exchange of certain currencies and cryptocurrencies that are not the currency in which the Asset Tokens are denominated, and, unless otherwise expressly indicated in the relevant KID, the relevant Token Issuer does not intend to undertake any hedging activity in relation to such exchanges of currencies and cryptocurrencies. The functional currency of each Token Issuer is set forth in the KID. To the extent that purchasers of the Asset Tokens acquire such Asset Tokens using currencies or cryptocurrencies other than that in which the Asset Tokens are denominated, the value of their investment in the Asset Tokens may be impacted by changes in currency and cryptocurrency exchange rates. Neither any Token Issuer nor Blackmoon intends to engage in hedging activities in relation to investments in the Asset Tokens made in such other currencies or cryptocurrencies.

(s) Enforcement of judgments against a Token Issuer or Blackmoon may be limited. Blackmoon is a Cayman Islands exempted segregated portfolio company and each Token Issuer is its segregated portfolio. Both the Terms of Sale and Purchase Applications are governed by Cayman Islands law. Execution of the Terms of Sale and the Purchase Applications (depending on the case, in connection with a purchase of the Asset Tokens from a Token Issuer or a secondary market purchase of the Asset Tokens from another Token Holder) and their acceptance by the Token Issuer together constitute an agreement of the Investor to be bound by the terms of such Terms of Sale and the Purchase Applications (whenever relevant) and the terms of the Asset Tokens as set forth in this Memorandum. Enforcement by the courts of the Cayman Islands of judgments obtained outside of the Cayman Islands may be limited in some circumstances. While there is no statutory enforcement in the Cayman Islands of judgments obtained in a foreign jurisdiction, a judgment obtained in such jurisdiction will be recognized and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, provided, inter alia, such judgment is given by a foreign court of competent jurisdiction, is final and is not contrary to public policy in the Cayman Islands.

(t) Segregated portfolio structure. Token Holders may only enforce claims against the Token Issuer which issued the Asset Tokens they hold and will not be able to claim against assets of another Token Issuer. In the Cayman Islands the applicable legislation will have the force of law and should be upheld in any court proceedings. However the legislation is untested elsewhere and there is a risk that the segregation of assets and liabilities between

segregated portfolios will not be recognised in any court proceedings outside the Cayman Islands. In such an event there is a risk that a creditor of a particular Token Issuer may have recourse against the assets of all Token Issuers.

(u) Any Asset Tokens you purchase may only be transferred to the Verified and Eligible Users of the Blackmoon Platform or, in case the Token Holders are residents of the United States, to the Token Issuer; and may not be sold or transferred to an external exchange.

### I 5.3 RISKS RELATED TO BLOCKCHAIN NETWORKS

(a) Token Holders may not have the skills necessary to secure, trade, or collect distributions using the Asset Tokens or to comply with the requirements of a Token Issuer. Participating in any Offering conducted hereunder requires technical skill beyond that of many investors. Securing, trading or collecting distributions relating to the Asset Tokens may require 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 to comply with the requirements of the Offerings.

(b) The loss or destruction of a private key required to access blockchain assets may be irreversible. Loss of access to private keys (by a Token Issuer or by a Token Holder) – or any other data loss concerning a Token Issuer’s blockchain assets – could have a material adverse effect on the Token Issuer’s business or the Asset Tokens. Blockchain assets include, without limitation, Bitcoin and other cryptocurrencies, Ether, the Asset Tokens and other cryptographic digital 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 Token Issuer and Token Holders are required by the operation of many blockchain networks to publish the addresses concerning blockchain assets in use by a Token Issuer. To the extent a private key is lost, destroyed or otherwise compromised and no backup of the private key is accessible, a Token Issuer or a Token Holder 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 Token Issuer’s business or a Token Holder.

(c) The suitability of the blockchain networks on which a Token Issuer relies could decline due to a variety of causes, adversely affecting the Token Issuer’s business or the functionality of the Asset Tokens. Blockchain networks are based on software protocols that govern the peer-to-peer interactions between computers connected to these networks. The suitability of the networks for a Token Issuer’s business or the functionality of the Asset Tokens depends upon a variety of factors, including:

- The effectiveness of the informal groups of (often uncompensated) developers contributing to the protocols that underlie the networks;
- Effectiveness of the network validators (sometimes called "miners") and the networks' consensus mechanisms to effectively secure the networks against confirmation of invalid transactions;
- Disputes among the developers or validators of the networks;
- Changes in the consensus or validation schemes that underlie the networks, including without limitation shifts between so-called "proof of work" and "proof of stake" schemes;

- The failure of cybersecurity controls or security breaches of the networks;
- The existence of other competing and operational versions of the networks, including without limitation so-called "forked" networks;
- The existence of undiscovered technical flaws in the networks;
- The development of new or existing hardware or software tools or mechanisms that could negatively impact the functionality of the systems;
- The price of blockchain assets associated with the networks;
- Intellectual property rights-based or other claims against the networks' participants; or
- The maturity of the computer software programming languages used in connection with the networks.

Unfavorable developments or characteristics of any of the above circumstances may have a material adverse effect on a Token Issuer's business or the functionality of the Asset Tokens.

## I 5.4 CERTAIN RISKS RELATED TO INVESTING BY TOKEN ISSUERS

### 5.4.1 GENERAL RISKS

(a) Risks of Investments in Securities, currencies and Similar Assets Generally. All securities, currencies and similar investments in assets risk the loss of capital. No guarantee or representation is made that a Token Issuer's investment program will be successful or will support the return to a Token Holder of all or any portion of the amount invested in the Asset Tokens or any profit thereon. Certain investment techniques of Token Issuers can, in certain circumstances, substantially increase the impact of adverse market movements to which Token Issuers may be subject. In addition, a Token Issuer's investment in securities may be materially affected by conditions in the financial markets and overall economic conditions occurring globally and in particular countries or markets where the specific Token Issuer invests its assets. The Token Issuer's methods of minimizing such risks may not accurately predict future risk exposures. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted.

(b) No Operating History. At the date of the initial issuance of certain types of Asset Tokens, the respective Token Issuer might be a newly-formed segregated portfolio of Blackmoon and have no operating history. The past investment performance of other Token Issuers, including those managed by the same managers, may not be construed as an indication of the future results of the present Token Issuer's investment activities. A Token Issuer's investment program should be evaluated on the basis that there could be no assurance that the Token Issuer's assessment of the short-term or long-term prospects of investments will prove accurate or that the Token Issuer will achieve its investment objectives.

(c) Reliance on Token Issuer's Management and Personnel. The success of a Token Issuer's investment strategy will be dependent upon the management, skill and acumen of its management and personnel of Blackmoon responsible for operations of the respective Token Issuer. Investors will have no opportunity to select or evaluate any of the Token Issuer's investments or strategies. Subjective decisions made by a Token Issuer's management may cause the Token Issuer to incur losses or to miss profit opportunities on which it would otherwise have capitalized. There can be no assurance that the current members of the

investment management team will remain employed by or associated with the relevant Token Issuer or Blackmoon.

(d) Effect of Substantial Redemptions and/or buybacks. Substantial redemptions and/or buybacks of the Asset Tokens within a short period of time could require a Token Issuer to liquidate its investments in Underlying Asset(s) more rapidly than would otherwise be desirable, possibly reducing the value of the Token Issuer's assets and/or disrupting the Token Issuer's investment strategies. Reduction in a Token Issuer's size could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in the Token Issuer's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

(e) Effect of Performance Fee. To the extent that the KID provides for the receipt of fees by an Investment Manager from the Token Issuer based on a percentage of any net realized and unrealized profits in any defined period, such fees may create an incentive for the Investment Manager to make investments at the Token Issuer level that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements. In addition, such fees will be based on unrealized as well as realized gains. There can be no assurance that such unrealized gains will be recognized. Furthermore, the valuation of unrealized gain and loss may be subject to material subsequent revision.

#### 5.4.2 REGULATORY RISKS

(a) Future Regulatory Change is Impossible to Predict. The securities markets are subject to comprehensive statutes, regulations and margin requirements.

(b) Tax Considerations and Risks. The tax aspects of an investment in the performance of a Token Issuer (indirectly by way of an investment in the Asset Tokens) are complicated and each Investor should have them reviewed by professional advisers familiar with such Investor's personal tax situation and with the tax laws and regulations applicable to the Investor and private investment vehicles.

(c) Business and Regulatory Risks of Pooled Investments. Legal, tax and regulatory changes could occur during the term of a Token Issuer or a Fund that may adversely affect the Token Issuer or the Fund. The regulatory environment for pooled investment vehicles is evolving, and changes in the regulation of pooled investment vehicles may adversely affect the value of investments held by a Token Issuer or a Fund and the ability of a Token Issuer or Fund to obtain the leverage it might otherwise obtain or to pursue its trading strategies. In addition, the securities markets are subject to comprehensive statutes, regulations and margin requirements. The SEC, other regulators acting in various jurisdictions, and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The effect of any future regulatory change on Token Issuers could be substantial and adverse and could result in regulatory action against Blackmoon, or one or more Token Issuers, leading to the suspension or termination of the Platform and/or one or more Token Issuers and the imposition of fines and other sanctions on Blackmoon and/or one or more Token Issuers.

***The foregoing list of risk factors, together with the additional risk factors set forth in KIDs, does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Asset Tokens. Prospective Purchasers of the Asset Tokens should read the entire Memorandum and all other documents related to a specific Offering and consult with their own advisers before deciding whether to invest in the Asset Tokens. In addition, as a Token Issuer's investment program develops and changes over time, an investment in the Asset Tokens may be subject to additional and different risk factors.***

## 6. LIMITATIONS, RESTRICTIONS AND WARRANTIES

### 6.1 RESALE RESTRICTIONS

Because of the following restrictions, a Token Holder is advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Asset Tokens offered pursuant to the Offering.

THE ASSET TOKENS HAVE NOT BEEN REGISTERED UNDER SECURITIES LAWS OF ANY JURISDICTION AND THE ASSET TOKENS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD, EXCEPT (I) TO ANOTHER INVESTOR WHICH COMPLIES WITH GENERAL BLACKMOON KYC AND AML PROCEDURES AND SUITABILITY ASSESSMENT OF THE RELEVANT TOKEN ISSUER, OR (II) TO THE RELEVANT TOKEN ISSUER (OR ANY AUTHORIZED ASSIGNEE OR SUCCESSOR THEREOF), AND, IN EACH CASE, UNLESS PERMITTED UNDER APPLICABLE LAWS AND REGULATIONS OR PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THESE RESTRICTIONS MAY ADVERSELY IMPACT THE ABILITY OF A HOLDER OF ASSET TOKENS TO RESELL SUCH ASSET TOKENS OR THE PRICE AT WHICH SUCH TOKEN HOLDER MAY BE ABLE TO RESELL THEM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

### 6.2 TRANSFER RESTRICTIONS

THE ASSET TOKENS MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OF ANY U.S. PERSON, OR IN ANY OTHER JURISDICTION OR TO OR FOR THE ACCOUNT OF A CITIZEN OR RESIDENT OF SUCH OTHER JURISDICTION TO THE EXTENT SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IN SUCH JURISDICTION IS CONDITIONED UPON DUE REGISTRATION UNDER REQUIREMENTS OF SECURITY OR OTHER LAWS.

### 6.3 CERTAIN WARRANTIES OF ASSET TOKENS PURCHASERS

Each eligible purchaser of Asset Tokens (being a prospective Investor complying with general Blackmoon AML and KYC requirements and having passed the suitability assessment performed by each of the respective Token Issuer) will be deemed to represent, warrant, and agree as follows:

- (a) It understands that the Asset Tokens are not registered under any securities laws, including without limitations the Securities Act, and Blackmoon and the Token Issuers do not intend to register any Asset Tokens under such laws.
- (b) It is acquiring the Asset Tokens for its own account for investment purposes only and not with a view to resale or distribution.
- (c) It (i) is able to act on its own behalf in the transactions contemplated by this Memorandum, (ii) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its prospective investment in the Asset Tokens,

and (iii) (or the account for which it is acting) has the ability to bear the economic risks of its prospective investment in the Asset Tokens and can afford the complete loss of such investment.

(d) It acknowledges that (i) none of Blackmoon, any Token Issuer or any person acting on their behalf has made any statement, representation, or warranty, express or implied, to it with respect to the issuers or the offer or sale of any Asset Tokens, other than the information included in this Memorandum, and (ii) any information it desires concerning Blackmoon, Token Issuers, the Asset Tokens or any other matter relevant to its decision to acquire Asset Tokens (including an electronic copy of this Memorandum) is or has been made available to it.

(e) It acknowledges that neither Blackmoon nor any of the Token Issuers will be required to accept for registration of transfer any Asset Tokens acquired by it, except upon presentation of evidence satisfactory to them that the restrictions set forth herein have been complied with.

(f) It acknowledges that Blackmoon, the Token Issuers and their directors and personnel will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that if any of the acknowledgments, representations or agreements made or deemed to have been made by its purchase of Asset Tokens are no longer accurate, it shall promptly notify Blackmoon and the relevant Token Issuer. If it is acquiring the Asset Tokens as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each account.

(g) By acquiring the Asset Tokens, it acknowledges the existence of actual or potential conflicts of interest described in Section 9 and (if applicable) in the relevant KID and, subject to applicable law, waives any claims with respect to the existence of any such conflicts of interest.

The list of warranties is not exhaustive and may be amended or expanded from time to time either in this Memorandum or in the relevant KID.



## 7. CERTAIN TAX CONSIDERATIONS

The following discussion of Cayman Islands tax considerations is not intended as a substitute for careful tax planning. It does not address all of the relevant tax principles that will apply to Token Holders. In particular, it does not discuss in detail the tax principles of countries other than the Cayman Islands or any state or local tax principles. **Prospective purchasers of the Asset Tokens are urged to consult their professional advisors regarding the possible tax consequences of an investment in the Asset Tokens in light of their own situations.**

### 7.1 CERTAIN CAYMAN ISLANDS TAX CONSIDERATIONS

The following is a summary of certain Cayman Islands tax consequences to persons who purchase the Asset Tokens. The discussion is based upon applicable law of the Cayman Islands. The discussion does not address all of the tax consequences that may be relevant to a particular Investor. Prospective Investors or purchasers must consult their own tax advisers as to the Cayman Islands tax consequences of acquiring, holding and disposing of Asset Tokens, as well as the effects of tax laws of the jurisdictions of which they are citizens, residents, or domiciliaries or in which they conduct business.

There is, at present, no direct taxation in the Cayman Islands and interest, distributions, and gains payable to a Token Issuer will be received free from all Cayman Islands taxes. Token Holders will not be subject to any income, withholding or capital gains taxes in the Cayman Islands with respect to their Asset 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.

Blackmoon is registered as an "exempted" segregated portfolio company pursuant to the Companies Law of the Cayman Islands (as amended). Blackmoon has received (or expects to receive) an undertaking from the Governor in Cabinet of the Cayman Islands to the effect that, for a period of 20 years from such date, no law that is thereafter enacted in the Cayman Islands, imposing any tax or duty to be levied on profits, income or on gains or appreciation, or any tax in the nature of estate duty or inheritance tax, will apply to any property comprised in or any income arising under Blackmoon, or to the shareholders thereof, in respect of any such property or income.

### 7.2 COMPLIANCE WITH AUTOMATIC EXCHANGE OF INFORMATION LEGISLATION

#### 7.2.1 US FOREIGN ACCOUNT TAX COMPLIANCE ACT

The US Foreign Account Tax Compliance Act and sections 1471 through 1474 of the US Internal Revenue Code (collectively referred to as "**FATCA**") requires certain "Foreign Financial Institutions", including Blackmoon (including with respect to any Token Issuer), to report on assets held by U.S. persons. Failure to do so could result in the Foreign Financial Institution being subject to a withholding tax (currently at the rate of 30 per cent) on certain payments. Payments subject to withholding under these rules generally include gross US-source dividend and interest income, gross proceeds from the sale of property that produces dividend or interest

income from sources within the United States and certain other payments made by or through "Participating Foreign Financial Institutions" to "recalcitrant account holders" and "Non-participating Financial Institutions" (so called "foreign pass thru payments").

The Cayman Islands Government has entered into a Model 1 intergovernmental agreement with the United States (the "US IGA") and implemented domestic regulations (the "Cayman US FATCA Regulations") to facilitate compliance with FATCA. The US IGA provides that Cayman Islands Financial Institutions, including the Token Issuer, which comply with the Cayman US FATCA Regulations (and through them the US IGA) will be treated as satisfying the due diligence and reporting requirements of FATCA and accordingly will be "deemed compliant" with the requirements of FATCA. To comply with its obligations under the Cayman US FATCA Regulations, Blackmoon in respect of individual Token Issuers will be required to identify whether Asset Tokens are held directly or indirectly by "Specified US Persons" (as defined in the US IGA) and report information on such Specified US Persons to the Cayman Islands Tax Information Authority (the "Cayman TIA"). The Cayman TIA will in turn report relevant information to the United States Internal Revenue Service ("IRS"). If Blackmoon acting for and on behalf of a Token Issuer is not able to comply with its reporting requirements under the US IGA (whether due to a failure of one or more Token Holders to provide adequate information or otherwise), such Token Issuer could be deemed to be a "Non-participating Financial Institution" as a result of "significant non-compliance". In such a situation the withholding tax under FATCA could be imposed on US-sourced amounts paid to such Token Issuer.

#### 7.2.2 OECD COMMON REPORTING STANDARD REQUIREMENTS REGARDING TAX REPORTING

The OECD has adopted a "Common Reporting Standard" ("**CRS**"), which is intended to become an international standard for financial account reporting. The Cayman Islands Government is a signatory to the multi-lateral competent authority agreement ("**MCAA**") that will be adopted by jurisdictions committing to implement the CRS and has or will enter into a number of bilateral agreements with such countries who are not entering into the MCAA (each a "**Participating Jurisdiction**") and such bilateral agreements together with the MCAA, the "**CAAs**"). The Cayman Islands has passed local legislation in the form of the Tax Information Authority (International Tax Compliance) (Common Reporting Standard) Regulations (the "**CRS Regulations**") to make the CRS part of domestic legislation. The CRS Regulations contain certain criminal and regulatory sanctions for non-compliance. Participating Jurisdictions that have committed to adopt the CRS, entered into CAAs, implemented domestic legislation and which have been approved by the TIA will become Reportable Jurisdictions. Under the CRS Regulations, Blackmoon (in respect of a Token Issuer) will be required to make an annual filing in respect of Token Holders who are tax resident in a Reportable Jurisdiction or whose "Controlling Persons" are tax resident in a Reportable Jurisdiction and who are not covered by one of the limited exemptions in the CRS Regulations.

A list of Participating and Reportable Jurisdictions is available on the Cayman TIA website as a schedule to the CRS Guidance Notes ([www.tia.gov.ky](http://www.tia.gov.ky)).

#### 7.2.3 IMPLICATIONS FOR TOKEN HOLDERS

In order to comply with the US IGA, the MCAA and the relevant domestic legislation (collectively "**AEOI Legislation**"), Blackmoon (in respect of a Token Issuer) may be required to disclose certain confidential information provided by Token Holders to the Cayman TIA, which in turn will report the information to the relevant foreign fiscal authority. In addition, Blackmoon (in respect of a Token Issuer) may at any time require a Token Holder to provide

additional information and/or documentation which Blackmoon may be required to disclose to the Cayman TIA.

If a Token Holder does not provide the requested information and/or documentation, whether or not that actually leads to compliance failures by Blackmoon, or a risk of Blackmoon being subject to any withholding tax or other liability or being required to withhold amounts from distributions to be made to any Token Holder, Blackmoon (in respect of a Token Issuer) may take any action and/or pursue any remedy at its disposal. Such action or remedy may include the compulsory redemption or buyback or exchange of some or all of the Asset Tokens held by the Token Holder concerned.

To the extent Blackmoon (in respect of a Token Issuer) incurs any costs or suffers any withholding as a result of a failure by a Token Holder, or is required by law to apply a withholding against the Token Holder, it may set off such amount against any payment otherwise due from Blackmoon or the relevant Token Issuer to the Token Holder (or its successors or assigns). No Token Holder affected by any such action or remedy shall have any claim against Blackmoon or any Token Issuer for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of Blackmoon or a Token Issuer in order to comply with the AEOI Legislation. Token Holders are encouraged to consult their own advisors regarding the possible application of the AEOI Legislation and the potential impact of the same on their investment in Asset Tokens.

## 8. ANTI-MONEY LAUNDERING REGULATIONS

To ensure compliance with applicable requirements relating to anti-money laundering and anti-terrorism initiatives, Blackmoon, will require such information and documentation as it considers necessary to verify the identity and/or source of wealth of each potential Investor.

By applying for Asset Tokens, a potential Investor consents to the disclosure of any information provided by it to government agencies, regulatory bodies and other relevant persons in connection with anti-money laundering requirements and similar matters. Such disclosure may be made by Blackmoon or the delegates, agents or affiliates of Blackmoon or any Token Issuer.

Each person applying for Asset Tokens purchases will be required to make such representations as may be required by Blackmoon in connection with its anti-money laundering programmes. Such representations will include representations that the relevant person is not from a prohibited country, territory, and/or that individual or entity is listed on the United States Department of Treasury's Office of Foreign Assets Control ("**OFAC**") website and/or that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programmes. Each applicant for Asset Tokens will also be required to represent that its purchase consideration is not directly or indirectly derived from activities that may contravene relevant laws and regulations, including anti-money laundering laws and regulations. Such representations may be included in the Terms of Sale.

Cayman Islands legislation, specifically related to money laundering, is contained within the legislation and associated guidance described below.

### 8.1 PROCEEDS OF CRIME LAW (AS AMENDED)

(a) The money laundering provisions in the Proceeds of Crime Law (2017 Revision) ("**PCL**") apply to "**criminal conduct**" (which includes drug and terrorist related financial crimes). Criminal conduct is defined as any conduct constituting an offence in the Cayman Islands or, where criminal conduct has taken place outside the Cayman Islands, would constitute an offence there, this concept is known as "**dual criminality**".

(b) There is no restriction on the type of offence committed i.e. drug trafficking, other crimes or terrorism offences. The Court will only need to consider whether a financial service provider ("**FSP**") has benefited from any general or particular criminal conduct. General criminal conduct means any criminal conduct, wherever it has occurred and whether or not it has formed part of any criminal prosecution. Particular criminal conduct means the offence for which the defendant is being prosecuted. **For the purposes of the PCL, Blackmoon is a FSP.**

(c) Criminal conduct offences include the laundering of an offender's own proceeds of crime as well as assisting in the laundering of someone else's proceeds. Criminal offences fall into the following principal categories and a person commits an offence if such person:

- (i) conceals, disguises, converts or transfers criminal property or removes criminal property from the Cayman Islands;
- (ii) enters into or becomes concerned in an arrangement which he knows or suspects that it facilitates (by whatever means) the acquisition, retention, use or control of criminal property by or on behalf of another person;

- (iii) acquires, uses or has possession of criminal property;
- (iv) fails to disclose to an anti-money laundering compliance officer ("**AMLCO**") or the Financial Reporting Authority ("**FRA**") suspicion or knowledge of another person engaging in a prohibited act. Disclosure of suspicion to the FRA is a defence, however, failure to disclose may be subject to a "negligence test" whereby the Courts may rule that a person had "reasonable grounds" for knowing or suspecting criminal conduct even if they did not actually know or suspect; and
- (v) makes a disclosure (other than to the FRA) which is likely to prejudice an investigation being or about to be conducted by the FRA (*tipping off*).

Under the PCL, 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 Blackmoon) knows or suspects that a payment to Blackmoon or any Token Issuer (by way of purchase consideration or otherwise) constitutes or is derived from the proceeds of crime, such person is required to report such knowledge or suspicion pursuant to the Proceeds of Crime Law (2017 Revision) of the Cayman Islands. Such a report shall not be treated as a breach of any restriction upon the disclosure of information imposed by law or otherwise.

## I 8.2 ANTI-MONEY LAUNDERING REGULATIONS

(a) Promulgated under the powers of the PCL, the Anti-Money Laundering Regulations (2017) (the "**Regulations**") have the force of law and lay down the general compliance requirements relating to conduct to be taken by an FSP conducting "*relevant financial business*" (including identification and verification procedures, the maintaining of records, registers and reports, Reporting Officer appointment, staff training and offences and penalties for non-compliance). The Regulations require that all "applicants for business" (i.e. prospective clients) of FSPs must be appropriately identified and their records appropriately monitored and maintained.

(b) The Regulations also require that relevant FSPs have in place anti-money laundering policies, procedures and practices to facilitate the FSPs' ability to comply with the anti-money laundering regime of the Cayman Islands. Specifically, the Regulations require that relevant FSPs should not form business relationships or carry out one-off transactions with or for another person unless they:

- (i) establish internal reporting procedures;
- (ii) maintain procedures, which establishes the identity of the applicant for business;
- (iii) adopt appropriate internal controls and ongoing monitoring procedures;
- (iv) maintain and monitor record keeping in respect of client identification, accounts files and business correspondence in respect of the transactions of such clients; and
- (v) provide appropriate AML training in accordance with the Regulations (where applicable).

## I 8.3 GUIDANCE NOTES ON THE PREVENTION AND DETECTION OF MONEY LAUNDERING

(a) The Cayman Islands Monetary Authority ("**CIMA**") has the power under the Monetary Authority Law (2016 Revision) to impose regulatory sanctions on FSPs for non-compliance in respect of the collection of client due diligence and identification documentation.

(b) In addition to the above, CIMA and the financial industry associations have issued Guidance Notes which provide guidelines that should be adopted by those involved in the provision of financial services in developing responsible anti-money laundering procedures. The Cayman Islands Court will take into account non-compliance with regulatory guidance in determining whether an FSP has complied with anti-money laundering legislation. The Guidance Notes present some background on the issues of money laundering by referring to areas of concern and the need for vigilance. Information on the legislative and regulatory framework in place to combat money laundering is also provided. The Guidance Notes also focus on issues such as client identification and record keeping procedures as well as training needs. This includes guidance specific to financial industry sectors such as mutual funds, banking, company formation and management, trusts, insurance, securities and investment business, money services business and real estate.

(c) FSPs are expected to observe the Regulations and Guidance Notes insofar as they conduct relevant financial business. If Blackmoon conducts securities and investment business, which may include buying, selling, subscribing for or underwriting securities, discretionary management of securities belonging to others and advising persons on securities, as such, Blackmoon is conducting relevant financial business for the purpose of the Regulations.

(d) Blackmoon must operate on the basis that it is conducting relevant financial business for the purposes of the Regulations and implement its associated procedures accordingly.

## I 8.4 THE TERRORISM LAW (AS AMENDED)

(a) The Terrorism Law defines terrorism as an act whether committed in or outside of the Cayman Islands which causes or is likely to cause –

(i) loss of human life or services bodily harm;

(ii) damage of property; or

(iii) prejudice to national security or disruption of public safety including disruption in the provision of emergency services or to any computer or electronic system or the provision of services directly related to banking, communications, infrastructure, financial services, public utilities, transportation or other essential infrastructure.

(b) The Terrorism Law also defines terrorist financing as "the financing of acts of terrorism, of terrorists and terrorists' organizations".

(c) Blackmoon adheres to the Guidance Notes and the Terrorism Law and in the event that they believe or suspect that another person has committed an offence under the law, the information is disclosed to the FRA.

## I 8.5 THE PROLIFERATION FINANCING (PROHIBITION) LAW (AS AMENDED)

(a) Proliferated financing refers to the act of providing funds or financial services which are used for the manufacture, acquisition, possession, development, export, trans-shipment, brokering, transport, transfer, stockpiling or use of nuclear, chemical, radiological or biological weapons and their means of delivery and related materials, in contravention to the Proliferation Financing (Prohibition) Law (2017 Revision).

(b) Pursuant to the Proliferated Financing (Prohibition) Law, where there is a risk of proliferated financing, CIMA may give a direction to a person or class of persons within the financial services sector including imposing requirements relating to customer due diligence measures, ongoing monitoring practices, systematic reporting and cessation of business.

## I 8.6 INTERNATIONAL TARGETED FINANCIAL SANCTIONS AND ORDERS

(a) A number of international financial sanctions are applied against countries, regimes or persons designated to be in violation of international laws. They are imposed with the intent of 1) changing the conduct of listed countries, regimes or persons; 2) imposing punitive measures when international peace and security are threatened and diplomatic efforts have failed; and/or 3) deterring, preventing or suppressing terrorist acts. Two key international bodies that adopt international sanctions measures are the United Nations (UN) and the European Union (EU).

(b) From time-to-time, the UK Government passes Orders ("**Orders**") in Council implementing UN or EU sanctions and extending such sanctions to its Overseas Territories. When extended to Overseas Territories, these Orders have the force of law in the Cayman Islands, as a British Overseas territory, and breaches may constitute an offence for which fines and/or criminal convictions may result. The Orders that are in force in the Cayman Islands can be found in the Cayman Islands Gazette.[1]

[1] <http://www.cima.ky/un-and-eu-sanctions>

## 9. CONFLICTS OF INTEREST

Various conflicts of interest exist among Blackmoon, Token Issuers and Token Holders, and, in the case where a certain Underlying Asset is represented by a participatory interest in a Fund – Funds and Investment Managers. It should be noted that the principals, members, employees, and affiliates of the Investment Manager, and other parties related to the Investment Manager, may own Asset Tokens (directly or indirectly), and such holding of Asset Tokens may be significant from time to time. By acquiring Asset Tokens, each Purchaser will be deemed to have acknowledged the existence of actual or potential conflicts of interest discussed below and (if applicable) in the KID and, subject to applicable law, to have waived any claim with respect to the existence of any such conflicts of interest.

Such conflicts include, but are not necessarily limited to, the following:

### FOR THE UNDERLYING ASSETS:

#### 9.1 OTHER ACTIVITIES OF INVESTMENT MANAGER

An Investment Manager and its principals, members, employees, and related parties are not prohibited from participating in other business ventures which may compete with a Token Issuer or a Fund, including serving in similar capacities for other investment accounts or other investment management companies or investment funds. Although an Investment Manager should intend to devote substantial time and attention to the business activities of the relevant Fund, it reserves the right and is free to devote significant time and attention to other business activities, including those related to securities and investments. In providing investment advice to any such other pooled investment vehicles and managed accounts, an Investment Manager will act in good faith in the best interest of a Token Issuer and a Fund and in a manner which it considers fair and equitable to such Token Issuer and such Fund.

#### 9.2 PERFORMANCE FEE

If a KID indicates that an Investment Manager earns a performance-based fee from a Fund, the fact that such fee is earned only if realized and unrealized gains are generated by a Fund in any defined period creates a potential conflict of interest by providing a possible incentive for an Investment Manager to make riskier or more speculative investments on behalf of a Fund than it might make otherwise. In some cases, the performance fees charged by an Investment Manager may be greater than the fees that other trading advisers charge for similar services.



### I 9.3 ALLOCATION OF INVESTMENTS AMONG CLIENTS

An Investment Manager may provide management and investment advisory services to other investment funds, other clients and managed accounts that follow investment programs similar to or different from that of a Token Issuer and a Fund. None of a Token Issuer, a Fund or any Token Holder will have any interest in the accounts of such other clients and entities. A number of actual and potential conflicts of interest between a Token Issuer and a Fund (on the one hand) and these entities (on the other hand) could exist, including the possibility of conflict with respect to the allocation of investment opportunities among a Fund and such other entities. A Fund may take positions which are inconsistent with the investment programs of these other entities or accounts (for example, the Fund might be short a company while another account managed by an Investment Manager may be long the same company). An Investment Manager has sole discretion to resolve such conflicts as it determines to be appropriate, consistent with its fiduciary duties to a Fund and a Token Issuer and its other advised funds and managed accounts, and will attempt to allocate such investments in a manner that is fair and reasonable to all parties and to avoid preferential treatment of any such person. No assurance can be given, however, that such resolutions will be in the best interests of the relevant Token Issuer and Fund.

### I 9.4 TRANSACTIONS WITH RELATED PARTIES

An Investment Manager may arrange for a Fund from time to time to buy and/or sell certain assets from and/or to another account managed by an Investment Manager or its affiliates. Such transactions will be effected on terms and conditions that are determined by an Investment Manager, to be keeping with the arm's length principle(including at a price that is equal to the fair value of any such asset to be determined by an Investment Manager).

### I 9.5 TRADING ACTIVITIES AND RELATIONSHIPS OF THE INVESTMENT MANAGER AND ITS PERSONNEL

An Investment Manager and its affiliates have the ability to trade in financial instruments for their own accounts. This may on occasion create conflicts of interest with a Fund and/or a Token Issuer with regard to such matters as allocation of opportunities to participate in particular investments or to dispose of certain investments. In addition, if as a result of the aggregation of several accounts managed by an Investment Manager or its affiliates, including the accounts of a Fund, applicable position limits were exceeded, an Investment Manager or its affiliates could have a conflict of interest in determining which positions to liquidate.

An Investment Manager and its affiliates may have relationships with a number of issuers of and investors in securities in which a Fund may invest. These relationships may be taken into consideration in the management of a Fund and may affect certain investments or tactics employed by a Fund.

Principals and employees of an Investment Manager may engage in personal investment activities that could involve a conflict of interest with the investment activities of a Fund.

By reason of the investment advisory and other activities of its respective affiliates, an Investment Manager may acquire confidential information or otherwise be restricted from initiating transactions in certain securities. It is acknowledged and agreed that, except as

required by applicable law, an Investment Manager may not be free to divulge, or to act upon, any such confidential information and that, due to such restriction, an Investment Manager may not initiate certain transactions such Investment Manager otherwise might have initiated. It is further acknowledged and agreed that an Investment Manager will, for itself and on behalf of a Fund or a Token Issuer, disclose such information to governmental and regulatory authorities as a Fund or a Token Issuer may be required to so disclose by such authorities.

## I 9.6 SERVICE PROVIDERS AND SUPPLIERS

An Investment Manager is not prohibited from engaging any entity in which it has an interest to perform services for or sell supplies to a Token Issuer or a Fund. Any transaction for which payment is not specified herein is subject to the requirement that compensation therefor shall be for fair value and for compensation no higher than would be charged by an unrelated third party for such services. However, conflicts of interest would arise if any such entity failed to perform adequately its undertakings to a Token Issuer or a Fund.

## I FOR BLACKMOON AND TOKEN ISSUERS

## I 9.7 BLACKMOON ACTING ON BEHALF OF MULTIPLE TOKEN ISSUERS

In providing services to potential Investors and Token Holders and facilitating the sale of Asset Tokens, Blackmoon acts for and on behalf of Token Issuers representing various segregated portfolios. This type of representation may result in the following potential conflicts of interest:

### (a) Allocation of resources

Blackmoon may at its sole discretion determine the resources allocated for servicing a particular Token Issuer, which may impact the time for the performance of KYC and AML functions in respect of a potential Investor, processing Token Purchase Application and allocation of Asset Tokens.

### (b) Token Issuer Strategies

Token Issuers may have similar or different strategies and may invest in the same Underlying Asset(s). While the assets of the Token Issuers shall be segregated from each other and from the General Assets of Blackmoon at the broker level, the type of investment strategy may affect the trade execution, clearance and commissions for the particular Token Issuer.

## I 9.8 TRADING AND CLEARING ARRANGEMENTS FOR THE TOKEN ISSUERS' TRANSACTIONS IN UNDERLYING ASSETS

A Token Issuer's trades on the various exchanges may be executed through registered broker-dealers, electronic trading systems or with futures commission merchants. A Token Issuer may effect transactions on both a cash and margin basis.

To the extent applicable to the investment strategy of a Token Issuer, it will clear its trades in accounts with its prime broker (or through a clearing broker for which the prime broker serves as an introducing broker), and the prime broker (or such clearing broker) will maintain custody of substantially all of the Underlying Asset(s). The Token Issuer's arrangements with its prime broker may permit such Token Issuer to borrow from the prime broker (or such clearing broker) to leverage its investment portfolio. The Token Issuer may in its sole discretion make other arrangements for trade execution, clearance and settlement and custody of assets.

In determining the brokers through whom, and the spreads or commission rates and other transaction costs at which, securities transactions for a Token Issuer are to be executed, the Token Issuer will seek to negotiate a combination of the most favorable spreads or commissions and the best price obtainable on each transaction. However, a Token Issuer may in its discretion take into consideration other factors, including the availability of soft dollar benefits, and ultimately brokers will be selected in the discretion of the Token Issuer.

## I 9.9 NO INDEPENDENCE IN OVERSIGHT

Under the current structure of Blackmoon, with sole directorship and sole shareholder, there is no independence of oversight for Blackmoon or the Token Issuers. In Blackmoon's view, the internal controls are maintained by robust and independent compliance, risk management and audit functions.

## I 9.10 SELECTION OF UNDERLYING ASSETS

The decision in the selection of the Underlying Assets is made by the management and director of Blackmoon acting on behalf of the respective Token Issuers. Factors in the decision making may not always be consistent with the investment strategy of the Investor. Such selection may not always be in line with the best investment opportunities available on the market.

## I 9.11 VALUATION OF UNDERLYING ASSETS

Valuation of Underlying Assets, as provided by Blackmoon, is not independent. However, the Investor may verify the Asset Token Value, the Net Asset Value or the price of the Underlying Asset through the original source of the Underlying Asset.

Valuation of a Token Issuer's Underlying Assets (including securities and other investments) may involve uncertainties and judgmental determinations, and if such valuations should prove to be incorrect, the Token Holders associated with the relevant Token Issuer could be adversely affected. Independent pricing information may not at times be available or may be difficult to obtain with respect to certain Underlying Assets. Accordingly, while the Token Issuer will use its best efforts to value its Underlying Asset(s) fairly, certain investments may be difficult to value and may be subject to varying interpretations of value and, in such cases, the Token Issuer may determine the value of an Underlying Asset by, among other things, utilizing marked

to market prices provided by dealers and pricing services and, if necessary, through relative value pricing.

#### I 9.12 MANAGEMENT OF BLACKMOON INVESTING INTO THE ASSET TOKENS OF THE TOKEN ISSUERS

Management and employees of Blackmoon may have the ability to purchase the Asset Tokens issued by various Token Issuers for their own accounts. This may on occasion create conflicts of interest with a Token Issuer with regard to such matters as allocation of opportunities to participate in particular investments or to dispose of certain investments. In addition, if as a result of the aggregation of several accounts of the employees of Blackmoon, applicable limitations applicable to the creation, buyback or redemption of the relevant Asset Tokens may be exceeded, and the Token Issuer could have a conflict of interest in allocating the order or priority for such creation, buyback or redemption.

#### I 9.13 BLACKMOON HOLDING PARTICIPATING INTEREST IN THE UNDERLYING ASSETS

Depending on the structure of a particular segregated portfolio, the Token Issuer may acquire a participating interest in the Underlying Asset(s). As a result, the Token Issuer may possess confidential information or otherwise be restricted from initiating certain transactions in the Underlying Asset(s), which may affect the liquidity and performance of the relevant Asset Tokens.

#### I 9.14 BLACKMOON RECEIVING FEES FROM FUND MANAGERS FOR LISTING FUNDS ON THE PLATFORM

Blackmoon acting for and on behalf of the Token Issuer may from time to time receive certain maintenance fees for the use of the Platform's services and tokenization of the relevant Fund. Such fees shall not be included in the calculation of the Asset Token Value and shall be used to pay Blackmoon for the maintenance of the Platform.

## 10. GENERAL TERMS RELATED TO ASSET TOKENS

### 10.1 WHAT IS ASSET TOKEN

The Asset Tokens are a new series of Ethereum-based smart contract digital tokens to be issued by Blackmoon (acting for the relevant Token Issuer) at an offering price to be defined within each specific Offering. Each type of the Asset Tokens will be issued by a Token Issuer. Upon its issue of Asset Tokens, a Token Issuer will have no operating history, except in respect of any Asset Tokens it has already issued.

### 10.2 UNDERLYING ASSETS

A Token Issuer will invest substantially all of the proceeds of an Offering by such Token Issuer in the Underlying Asset(s) specified in the KID applicable to such Token Issuer and such Token Issuer shall be entitled to invest only in such Underlying Asset(s).

The Underlying Asset(s) may be in the form of securities, ETFs, currencies, other tradable investment assets, participatory interest in Funds, and such other investment assets as may be described in the KID. A KID shall specify the type of Underlying Asset(s) in which the Token Issuer is authorized to invest, ratio of kinds and types of Underlying Assets in the portfolio of such Token Issuer, as well as other provisions related to the composition and operations of the Underlying Assets.

Asset Tokens will not grant to Token Holders any rights or interests in the Underlying Asset(s) of the Token Issuer to which such Asset Tokens are attributed, however valuation of the Asset Tokens for the purposes of their redemption by a Token Issuer, will be connected and will depend on the Token Issuer's Underlying Asset Value.

Each KID shall provide detailed provisions or a reference to the source on the calculation of the Underlying Asset Value, its influence on the Asset Token Value and on the redemption price of the Asset Tokens from time to time.

### 10.3 PURCHASE OF ASSET TOKENS

Section 11 hereof provides for general conditions of a purchase of newly issued Asset Tokens relevant for each Offering.

More detailed conditions effective for each specific Offering are available in the relevant KID and such other documents related to the Offering as may be identified in the KID or otherwise requested or provided by Blackmoon.

### 10.4 ADDITIONAL ISSUE OF ASSET TOKENS

Following the initial Offering of the Asset Tokens of any type by a particular Token Issuer, such Token Issuer may, but shall not be required to, from time to time issue additional Asset Tokens of the same type.

## 10.5 PRICE PER ASSET TOKEN

The price per Asset Token and the rate of the Creation Fee payable within the Offering is set forth in the KID. At the time of any subsequent issuance of the Asset Tokens attributed to an already operating Token Issuer, the price per Asset Token will be a price equivalent to the relevant Asset Token Value plus the Creation Fee (if applicable under the KID).

## 10.6 REDEMPTION AND BUYBACK OF ASSET TOKENS

A KID may set forth any periodic redemption and/or buyback rights that may exist with respect to the specific Asset Tokens. Redemptions and/or buybacks may be subject to certain limitations summarized (if applicable) herein and in the relevant KID, including minimum holding periods, minimum or maximum redemption/buyback amounts (applied either to given Token Holders or to the Token Holders in general), minimum notice periods, holdbacks on proceeds, applicable Redemption Fees and other limitations or restrictions.

Token Holders may, subject to any restrictions set out herein and in the relevant KID, request to redeem or repurchase their Asset Tokens at the price per Asset Token as determined in or in accordance with the relevant KID. The Asset Tokens will be considered to be redeemed or repurchased on a first subscribed first redeemed basis.

Redemption and/or repurchase requests must be made in the form available for the specific Asset Tokens via the Platform or otherwise as the Token Issuer may decide, by the deadline(s) stated in the respective KID. All such requests are irrevocable (except as determined by the applicable Token Issuer). Any redemption and/or repurchase request or other instruction sent to a Token Issuer shall not be deemed by the Token Holder to have been received by the Token Issuer, unless an acknowledgement of receipt has been given to the Token Holder via the Platform or otherwise, however it shall be at the Token Issuer's sole discretion if it shall give such acknowledgement.

The minimum redemption and/or buyback value for the Asset Tokens (if any) is stated in the relevant KID and is subject to the discretion of the applicable Token Issuer to accept smaller requests.

The total number of Asset Tokens which may be redeemed and/or repurchased by a particular Token Issuer on any day is limited to the percentage (if any) of the Underlying Asset Value stated in the relevant KID, unless the applicable Token Issuer in its absolute discretion determines not to apply this restriction or to apply a less restrictive limit. Where such a restriction is applied, the Asset Tokens will be redeemed and/or repurchased on a pro rata basis and any Asset Tokens which for this reason are not redeemed and/or repurchased on any particular day, will be returned to the respective Token Holders at the expense of the Token Holders.

Redemption/buyback proceeds (less the applicable price and/or Redemption Fee) will be sent to the address specified by the investor, within the period and in the cryptocurrency of the Asset Tokens redeemed or repurchased as determined by the Token Issuer, at the risk and cost of the

Token Holder. Redemption and/or buyback payments may, in the absolute discretion of the applicable Token Issuer but in all circumstances subject to compliance with any applicable AML requirements, be settled in kind, or partly in currency and partly in kind, as will be provided by the relevant KID.

If the redemption/buyback request is received after the deadline for the redemption period, the Asset Tokens submitted for redemption shall be returned to the Token Holder's account, and the request shall not be processed.

If, following payment of redemption/buyback proceeds, it is determined by the applicable Token Issuer that the Underlying Asset Value calculation on which basis the redemption/buyback was processed was incorrect the following steps will be taken:

(a) if the Underlying Asset Value is found to be overstated, resulting in an overpayment of redemption/buyback proceeds, the Investor will be obliged to return the excess proceeds to the relevant Token Issuer within 1 month of notification of the revised Underlying Asset Value;

(b) if the Underlying Asset Value is found to be understated, resulting in an underpayment of redemption/buyback proceeds, the relevant Token Issuer will be obliged to pay the excess proceeds to the redeeming Investor within 1 (one) month from the notification of the revised Underlying Asset Value.

To the extent necessary to fund redemption/buyback of the Asset Tokens, the Token Issuer may redeem the relevant Underlying Asset(s). Any excessive gains or profits from redemption of the Underlying Asset(s), should they exist, shall be reinvested or retained by the Token Issuer for the benefit of the Token Issuer and, indirectly, the remaining Token Holders.

Redemption/buyback rights may be suspended or postponed during any period when the redemption of Underlying Assets has been suspended by the Token Issuer or the relevant Underlying Asset.

If a Token Issuer cannot promptly liquidate sufficient value of the Underlying Asset(s) to fund redemptions and/or buybacks, without a material adverse effect on the prices to be obtained for the Underlying Assets, redemption and/or repurchase requests may be delayed or reduced pro-rata by such Token Issuer. Any redemption and/or repurchase request so reduced shall be effected in priority to subsequent redemption and/or repurchase requests on the following redemption/buyback day, subject always to the foregoing provisions. If redemption/repurchase requests are carried forward in this way, Blackmoon shall notify the affected Token Holders promptly via the Platform. Due to the nature of the assets of any Token Issuer, there is no assurance that liquidation of the assets can take place in order to satisfy redemptions and/or buybacks.

## 10.7 MANDATORY REDEMPTION OF ASSET TOKENS

A Token Issuer may at any time redeem all or some of its Asset Tokens upon its sole discretion, in the absence of prior consent by the relevant Token Holders, provided that circumstances described in this Clause 10.7 take place. A Token Issuer in its sole discretion may redeem all or some of its Asset Tokens from the Token Holders, at a price equal to the Asset Token Valuation relevant at the date immediately preceding the redemption date, upon (i) receipt of information that the status of any Token Holder may cause legal or regulatory concerns for the Token Issuer and/or Blackmoon, (ii) a determination by Token Issuer or Blackmoon that a Token Holder has made any misrepresentation to Blackmoon and/or the relevant Token Issuer or submitted any materially inaccurate information to Blackmoon (including without limitation any information

submitted via the Platform) in connection with its purchase (either within the Offering or from another Token Holder) of such Asset Tokens, has been uncooperative with respect to any requests for additional information made from time to time by Blackmoon, Token Issuer or their authorized representatives and contractors, and/or has failed to provide Blackmoon or a Token Issuer with notice of any changes in any of the statements, acknowledgments, representations, warranties or agreements made or deemed to have been made by it via the Platform or otherwise in connection with its purchase of the Asset Tokens, (iii) a determination by Blackmoon or the relevant Token Issuer that, as a result of a change in law or regulations, or the interpretation of any thereof, the continued operation of Blackmoon or the Token Issuer is illegal, impractical or materially more costly (including, without limitation, as the result of any requirement that Blackmoon or the Token Issuer register under the securities or other laws of any jurisdiction) than at the date of the initial Offering of Asset Tokens by the relevant Token Issuer, or (iv) a resolution is made to wind up Blackmoon or the relevant Token Issuer. The relevant Token Issuer may effect such redemption by causing the relevant Asset Tokens to be "burned" (retired) on the blockchain. Except as otherwise set forth in the relevant KID, at least 95% of the redemption price will be paid within 5 (five) business days following the effective date of such redemption, with the balance to be paid following completion of the annual audit of the financial statements of Blackmoon and the Token Issuer for the calendar year in which the effective date of such mandatory redemption occurs (or earlier in the discretion of the Token Issuer).

In circumstances where the payment of proceeds to a holder of Asset Tokens is illegal or restricted (including, for the avoidance of any doubt, due to restrictions imposed by anti-money laundering laws and regulations), a Token Issuer may instead elect to cause the relevant Asset Tokens to be forfeited. A Token Issuer may effect such forfeiture by causing the relevant Asset Tokens to be "burned" (retired) on the blockchain.

In connection with any mandatory redemption or forfeiture of Asset Tokens, a Token Issuer may determine that the holder or holders of Asset Tokens redeemed or forfeited will no longer be eligible to acquire or hold Asset Tokens and may take steps to remove such holder or holders from its list of eligible purchasers of Asset Tokens.

To the extent necessary to fund a mandatory redemptions of Asset Tokens, a Token Issuer may at its sole discretion redeem its Underlying Asset(s).

## I 10.8 ASSET TOKEN VALUATION

The Asset Token Value is calculated by dividing the Underlying Asset Value related to the Underlying Asset attributable to specific type of Asset Token by the number of respective Asset Tokens outstanding at the calculation date, including Blocked and Inactive Asset Tokens, rounded to the nearest cent.

Except as otherwise set forth in the relevant KID, the Underlying Asset Value at any date will be determined in accordance with the International Financial Reporting Standards. The Underlying Asset Value represents the market value of all assets comprising the Underlying Asset.

The Underlying Asset Value of a Token Issuer may from time to time as may be specified in the relevant KID be calculated by an independent administrator appointed or identified by Blackmoon for each Token Issuer. The value of the assets of a Token Issuer as of the relevant date is generally based on the market value of such assets as of such date, as determined in accordance with generally accepted valuation practices. Additional information regarding such valuation practices is set forth in the relevant KID.



Absent bad faith or manifest error, all determinations of value by such an administrator shall be final and conclusive as to Blackmoon, the applicable Token Issuer and the applicable Token Holders.

## I 10.9 LISTING ON EXCHANGES

The Asset Tokens, when initially issued, will have no established trading market. Following issuance, the Asset Tokens may be listed on one or more cryptocurrency exchanges. Neither Blackmoon nor any Token Issuer currently, has any plans to apply for the inclusion of the Asset Tokens in any securities exchange or automated quotation system. Blackmoon and Token Issuers cannot provide any assurances regarding the prices at which the Asset Tokens will sell in the market once issued, or that such prices will not be lower than the price at which the Asset Tokens were purchased. Blackmoon and Token Issuers also cannot provide any assurances that an active trading market for the Asset Tokens will develop and/or continue.

## I 10.10 LIMITED LIQUIDATION RIGHTS OF TOKEN HOLDERS

In the event of the winding up, liquidation or other dissolution of a Token Issuer (in or without connection with winding up, liquidation or other dissolution of Blackmoon), the assets of the relevant Token Issuer will be distributed in the following order of priority:

- (a) First, to Portfolio Creditors of the relevant segregated portfolio in satisfaction of debts and liabilities of the Token Issuer, whether by payment or the making of reasonable provision for payment and to satisfy the expenses of winding up or liquidation, whether by payment or the making of reasonable provision for payment, any such reasonable reserves (which may be funded by a liquidating trust) to be established by the Board of Directors of Blackmoon (or any duly appointed liquidator or other duly designated representative) as the case may be, in amounts deemed by it to be reasonably necessary for the payment of the Token Issuer's expenses, liabilities and other obligations (whether fixed or contingent);
- (b) Second, any surplus portfolio assets of the Token Issuers to the holders of Asset Tokens issued by and on behalf of the relevant portfolio pro rata in accordance with the number of Asset Tokens held by such Asset Token Holders; and
- (c) Third, any remaining surplus portfolio assets of the relevant portfolio to the holders of participating shares attributable to such relevant portfolio pro rata to the number of such participating shares they hold.

Token Holders may not take any action, commence any proceeding or petition a court for liquidation of Blackmoon or any Token Issuer, nor will the Token Holders enter into any reorganization, arrangement or insolvency proceeding in relation to Blackmoon or any Token Issuer under Cayman Islands or any other bankruptcy or similar laws.

Neither Blackmoon nor any Token Issuer has a fixed termination date and, except as otherwise described herein or in the relevant KID in respect of certain buybacks or exchanges of the Asset Tokens on specified dates, a Token Issuer is under no obligation to purchase, buy back or exchange the Asset Tokens at any time.

## 10.11 LIMITED RECOURSE OF TOKEN HOLDERS

Notwithstanding any other provision of this Memorandum, the Platform documentation, any KIDs, Terms of Sale or Purchase Applications applicable to any Asset Tokens held by a particular Token Holder (each a “**Relevant Token Holder**”), each such Relevant Token Holder by holding an Asset Token issued by a particular Token Issuer (each a “**Relevant Token Issuer**”) will be deemed to acknowledge and agree that to the extent it has any claim in respect of Asset Tokens issued by such Relevant Token Issuer (“**Relevant Asset Tokens**”) against Blackmoon and/or such Relevant Token Issuer: (a) such Relevant Token Holder shall have recourse only to the assets of the Relevant Token Issuer (the “**Recourse Assets**”); (b) the Recourse Assets may be insufficient to meet Blackmoon’s and/or the Relevant Token Issuer’s obligations to Relevant Token Holder in respect of the Relevant Asset Tokens; and (c) the Recourse Assets having been liquidated and the net proceeds having been distributed, the Relevant Token Holder shall not be entitled to take any further steps against Blackmoon, the Relevant Token Issuer or any other Token Issuer to recover any sums due but still unpaid after such distribution and all claims in respect of such sums due but still unpaid shall be extinguished.

## 11. FEES

The following types of fees shall be applicable and may be charged by the relevant Token Issuer to the Investor from time to time:

**Creation Fee.** A fee payable by the Investors to the Token Issuer for the purchase of the Asset Tokens from such Token Issuer, such Creation Fee being specified in the applicable KID.

**Redemption Fee.** A fee payable by a Token Holder upon buy-back or non-mandatory redemption of its Asset Tokens by a Token Issuer, such Redemption Fee being specified in the applicable KID.

**Service Fee.** A fee payable by a Token Holder to the Token Issuer to compensate possible expenses of the Token Issuer for providers of Investor support services, including to respond to Investors’ queries and questions, and provide Investors with information about their investments. Such fee also covers IT services, preparation of investor materials, legal support and, if applicable, audit fees, and such Service Fee being specified in the applicable KID.

Blackmoon Platform or the relevant Token Issuer may charge certain maintenance fees to the Investment Managers or Funds comprising the Underlying Assets from time to time. These types of fees do not separately affect the Asset Token Value and are outside the scope of this Memorandum.

## 12. GENERAL CONDITIONS ON SALE

These general conditions on Asset Token sale provided by this Section shall be applicable for all initial purchases of Asset Tokens from a Token Issuer by eligible Investors. For particular terms of Asset Tokens sale, as well as for specific conditions of sale relevant for specific types of Asset Tokens, please refer to the relevant KID and the Terms of Sale.

### GENERAL PROVISIONS ON CREATION OF, AND APPLICATION FOR ASSET TOKENS

- 12.1 Verified and Eligible Users may apply for purchase of initially created Asset Tokens by execution of the respective application for Asset Tokens (the "Purchase Application").
- 12.2 To file the Purchase Application, the Verified User shall (1) confirm his agreement with the Terms of Sale; (2) confirm that the Verified User has read, understood and accepted this Memorandum and any applicable KID available on the Platform's websites; and (3) ensure that the electronic wallet of the Verified User contains a sufficient amount of cryptocurrency, which shall in any case be not less than the amount which the Verified User is going to invest into the respective Asset Tokens plus the applicable commissions and costs payable to Blackmoon and/or the relevant Token Issuer.
- 12.3 Filing the Purchase Application will be associated with the transfer of the respective amount of cryptocurrency to the wallet of the respective Token Issuer. The respective Asset Tokens will be created and distributed among all the Verified Users who successfully completed and filed the Purchase Applications and successfully funded the purchase of the Asset Tokens. The time frames of creation of the Asset Tokens and their distribution among the Verified Users who filed the Purchase Applications may vary however, the required time shall not be less than the time required for the Token Issuer to acquire the Underlying Asset and technically issue and create the Asset Tokens.
- 12.4 A Verified User will not be able to file a Purchase Application if the Token Issuer accumulates the whole amount of cryptocurrency required for investment into the Underlying Asset(s) prior to such filing, as will be expressly indicated via the Platform (such amount being the "**Hard Cap**") and/or upon the expiration of the fundraising period also indicated via the Platform. If for any reason (including without limitation due to technical problems) a Verified User manages to file the Purchase Application after the Hard Cap has been reached and/or the fundraising period has expired, the respective amount of cryptocurrency transferred by such Verified User in association with the Purchase Application will be fully refunded to such Verified User's wallet in the Platform without deduction of any commissions and costs.

## GENERAL PROVISIONS ON REDEMPTION OF ASSET TOKENS

- 12.5 Each Token Holder should be from time to time entitled to apply to the respective Token Issuer for redemption and/or buyback of Asset Tokens held by him. Such **Redemption Request** will be filed via the Platform or otherwise as the Token Issuer may decide and associated with the transfer of Asset Tokens to a certain personal redemption address identified to the Token Holder via the Platform as part of the redemption process.
- 12.6 Provided that the Token Issuer during the applicable redemption and/or buyback period identified in or complying with the respective KID, accumulates an amount of Asset Tokens which is sufficient for completion of redemption and/or buyback ("**Redemption Soft Cap**"), the Token Issuer shall proceed with the redemption of the relevant Asset Tokens; otherwise the redemption will not happen and the Asset Tokens transferred to personal redemption addresses will be transferred back to the respective Token Holders' wallets.
- 12.7 To proceed with the redemption and/or buyback, the Token Issuer will either transfer the relevant amounts (minus the applicable Redemption Fees) to the Token Holders, or, if necessary, cause the Underlying Asset(s) (or the relevant portion thereof) to be sold and the proceeds of such sale (minus the applicable Redemption Fees) to be used to pay the respective amounts to the Token Holders who successfully applied for Asset Tokens redemption and/or buyback in due course. The redeemed Asset Tokens will be cancelled.

## GENERAL PROVISIONS ON TRANSACTIONS WITH ASSET TOKENS

- 12.8 The Platform allows Verified Users to enter into purchase and sale transactions, with respect to the Asset Tokens, only with other Verified Users.
- 12.9 Any and all information regarding availability of, offer and demand for Asset Tokens available through the Platform's services and prices for Asset Tokens, is indicative only and is current as at the time provided or displayed, and is provided for information purposes only and in no case will constitute an offer by Blackmoon or any Token Issuer to buy or sell any Asset Token at any price. All amounts and prices available at any moment via the Platform are subject to volatility and market fluctuations.

12.10 Each Token Issuer reserves the right to treat void ab initio, any transaction containing or based on any Manifest Error or a price, or series of prices, which are subsequently determined to be unrepresentative of the actual market valuation of the Asset Token. In the absence of fraud or willful default on the part of Blackmoon or a Token Issuer, Blackmoon and any Token Issuer will not be liable to a Token Holder for any loss, cost, claim, demand or expense following any Manifest Error or such erroneous information. For such purpose, a "Manifest Error" means any error that Blackmoon or any Token Issuer reasonably believes to be obvious or palpable, including without limitation, any offers to execute transactions for exaggerated volumes or at manifestly incorrect price quotes or prices at a clear loss.

12.11 Without derogating from Section 12.10, if, prior to the acceptance of a transaction by a Token Holder with another Verified User, Blackmoon becomes aware that any of the factors set out below have not been met, Blackmoon and the relevant Token Issuer reserve the right to reject such transaction. If Blackmoon or any Token Issuer has, nevertheless, already proceeded with a transaction prior to becoming aware that any of such factors has not been met, Blackmoon or any such Token Issuer may, acting reasonably, treat such a transaction as void. However, Blackmoon or any such Token Issuer still may accept the transaction, notwithstanding that such factors were not satisfied. The factors referred to in this Clause include the following: (i) the offer to enter into any transaction must be given and obtained via the Platform or by such other means as Blackmoon or the relevant Token Issuer may from time to time notify a Token Holder; (ii) the offer and the transaction must not contain a Manifest Error; (iii) all parties to a transaction must be Verified Users; (iv) a Force Majeure Event must not have occurred as described in Clause 12.12; (v) when a Token Holder offers or receives an offer to enter into any transaction, the transaction must not result in the payment or delivery amount exceeding any amount available in the relevant electronic wallet; and (vi) any other factor that Blackmoon and/or a Token issuer, acting reasonably, notifies a Token Holder from time to time (including, without limitation, by posting information regarding such factors on the Platform or Website).

12.12 Force Majeure Events. Blackmoon and/or any relevant Token Issuer may, in its reasonable opinion, determine that a Force Majeure Event exists. A Force Majeure Event will include, but is not limited to, the following: (i) any act, event or occurrence (including without limitation any strike, riot or civil unrest, act of terrorism, war, industrial action, acts and regulations of any governmental or supra national bodies or authorities) that, in its opinion, prevents Blackmoon and/or any relevant Token Issuer from maintaining an orderly market in one or more of the instruments in respect of which it deals on the Platform or any other relevant trading platform; (ii) the suspension or closure of any exchange or the nationalization, government sequestration, abandonment or failure of any instrument on which Blackmoon and/or any relevant Token Issuer bases, or to which Blackmoon and/or any relevant Token Issuer in any way relates, its quote, or the imposition of limits or special or unusual terms on the trading in any such market or on any such event; (iii) the occurrence of an excessive movement in the level of any transaction and/or exchange or anticipation by Blackmoon and/or any relevant Token Issuer (acting reasonably) of the occurrence of such a movement; (iv) any breakdown or failure of transmission, communication or computer facilities, interruption of power supply, or electronic or communications equipment failure; or (v) the failure of any relevant supplier, financial institution, intermediate broker, agent or principal, custodian, sub-custodian, dealer, exchange,

clearing house or regulatory or self-regulatory organization, for any reason, to perform its obligations. If Blackmoon and/or any relevant Token Issuer determines that a Force Majeure Event exists, it may without notice and at any time, acting reasonably, take one or more of the following steps: (a) cancel all or any of a Token Holder's transactions; or (b) suspend or modify the application of all or part of these terms to the extent that the Force Majeure Event makes it impossible or impracticable for Blackmoon and/or any relevant Token Issuer to comply therewith. Each Token Holder, by its purchase and holding of Asset Tokens, agrees that neither Blackmoon nor any Token Issuer will be liable in any way to such Token Holder or to any other person in the event of a Force Majeure Event, nor for our actions pursuant to this Clause if it decides to take such action. The parties shall be released of all responsibilities for partial or full non-fulfillment, as well as for improper fulfillment of the obligations under these provisions, if such non-fulfillment or improper fulfillment was a result of a Force Majeure Event.

### 12.13 *Initial Purchase of Asset Tokens*

The Asset Tokens will be offered by a Token Issuer on such initial offering date as determined by such Token Issuer (each, an "Initial Offering Date") to eligible Investors at the price per Asset Token determined by such Token Issuer. Apart from this, additional Asset Tokens may be issued by a Token Issuer on any date subsequent to the Initial Offering Date (each, a "Subsequent Offering Date") to eligible Investors at the price per Asset Token equal to the Asset Token Value calculated as of that Subsequent Offering Date immediately prior to such subsequent Offering, unless specified otherwise in the relevant KID.

The Asset Tokens will be available for the purposes of the Offering using the Platform. Information about the characteristics of the Asset Tokens, including this Memorandum, will be made available to Investors and Token Holders on the Platform. If a prospective Investor is interested in participating in the Offering and purchasing the Asset Tokens, such prospective Investor must carefully read this Memorandum and the respective KID. Any information contained or linked on our websites, including the Website, and other documents which may be relevant for the specific Offering, is not a part of this Memorandum and is not expressly incorporated into this Memorandum, and a prospective Investor shall carefully read such materials and documents. For the avoidance of any doubt, such information is not incorporated into this Memorandum by reference.

In order to purchase Asset Tokens, a prospective Investor must meet the applicable general KYC and AML requirements of Blackmoon as well as satisfy the suitability assessment of the respective Token Issuer. It must also satisfy the requirement that it is not a U.S. person (as defined in Regulation S under the Securities Act) and not a person being a citizen or resident of such other restricted jurisdiction as listed in the beginning of this Memorandum. If, following a successful suitability assessment a prospective Investor is interested in purchasing Asset Tokens, such prospective Investor must acknowledge and agree with the Terms of Sale and with the general conditions on sale as specified in this Section 12 of the Memorandum. By submitting the Purchase Application, a prospective Investor shall be deemed to confirm that it has reviewed, understood and accepted the following:

- This Memorandum;
- Applicable Token KID;
- the purchase of the Asset Tokens is permissible for its own account for investment purposes only and not with a view to resale or distribution;

- it meets the eligibility requirements, including the requirement of being a non-US person;
- the Risk Factors of the investment as specified in Section 5 of this Memorandum and any relevant KID;
- Conflicts of Interest as outlined in Section 9 of this Memorandum;
- Investment Policy & Strategy of the Token Issuer and, if applicable, the Fund;
- its purchase of the Asset Tokens is permissible and complies in all respects with laws applicable to it and, if the Investor is an entity, that its investment in the Asset Tokens has been duly authorized;
- its compliance with applicable anti-money laundering laws; and
- Blackmoon's Privacy Policy.

The acceptance of the Terms of Sale constitutes an agreement of the respective Investor to be bound by the Terms of Sale and all the terms of other documents applicable to the specific Offering. Execution and submission of the Purchase Application constitutes a binding offer to purchase the Asset Tokens from the applicable Token Issuer and an agreement to hold such offer open until the transaction is accepted (in whole or in part) or rejected by the applicable Token Issuer.

Asset Token purchases will be effective only when the applicable Token Issuer accepts them. A Token Issuer will have the right to reject any such initial purchase in whole or in part, in its sole discretion. Purchases need not be accepted in the order received, although the Asset Tokens may be allocated (as applicable) among Investors who applied for the purchase earlier and/or for significant sums. If a purchase is not accepted for any reasons as may be specified in the KID submitted funds will be returned promptly to the Investor, without any interest. The price per Asset Token (or, as the case may be, the method for calculating the same) at the initial issuance thereof will be set forth in the KID. Purchases of the Asset Tokens may be funded using fiat currency, cryptocurrency or tokenized fiat currency set forth in the KID subject to the determination of the applicable Token Issuer to accept the same and any applicable additional AML requirements that it may impose in relation to the purchase in any particular cryptocurrency. Any funded amounts will not earn interest for any period held in an account of the Token Issuer prior to the effective date of the purchase.

Subject to requirements of all applicable laws and regulations, a KID may provide that certain other assets may be used as a consideration for purchase of the Asset Tokens, and such assets may be further held by the respective Token Issuer as an Underlying Asset.

The minimum initial purchase amount for the Asset Tokens attributed to any Token Issuer may be set out in the relevant KID.

Existing Token Holders may increase their investment in minimum amounts as stated in the applicable KID subject to the discretion of the applicable Token Issuer to accept smaller sums subject to the requirements of all applicable laws and regulations.

Each Token Issuer may reject any initial purchase of Asset Tokens by any person in its exclusive discretion (including without limitation if the same is late) without assigning any reason. To the extent that the Terms of Sale is not accepted, the relevant funds paid by the applicant will be returned, without interest, by wire to the applicant's account (wallet) from which they originated (or, in the case of joint applicants, the first named), at the expense of the applicant.

All new Asset Tokens issued by a particular Token Issuer will rank *pari passu* with the existing Asset Tokens issued by that Token Issuer.

Any initial purchase of Asset Tokens will not be accepted until the contributions, including monies and / or any cryptocurrencies as may be specified in this Offering Memorandum or relevant KID, have been paid in full and received (in cleared funds, as applicable) by or on behalf of the applicable Token Issuer in a form that is acceptable to such Token Issuer.

Any initial Offering by a particular Token Issuer will close on the Initial Closing Date set by such Token Issuer. Applicants for the Asset Tokens during any initial Offering should confirm the Terms of Sale and complete the relevant Purchase Application and send it to the applicable Token Issuer via the Platform on or prior to the Initial Closing Date by the cut-off time as specified in the relevant KID. Asset Tokens of a particular Token Issuer will not be finally issued unless the relevant Token Issuer is satisfied that contributions, including monies and cryptocurrencies, for the purchase have been received by that deadline together with a duly filed Purchase Applications and any supporting documentation required with regard to anti-money laundering matters or otherwise.

Eligible Investors that wish to apply for Asset Tokens of a particular Token Issuer following any initial Offering by such Token Issuer (to the extent such applications are allowed by such Token Issuer) should send a Purchase Application to such Token Issuer via the Platform on or prior to the Subsequent Offering Date by the cut-off time as specified in the KID. The contribution for the purchase must be paid by the same time. The Asset Tokens will not be allocated to the Purchaser unless Blackmoon is satisfied that the contribution funds for the Purchase have been received by that deadline together with a duly filed Purchase Applications. If the Purchase Applications and/or cleared funds are received after the deadline, the Token Issuer shall reject such Purchase Applications and refund the contribution to the refund address as specified by the Purchaser therein at the expense of the Purchaser. If for any reason the relevant Token Issuer or Blackmoon is not supplied with all of the information required in accordance with applicable regulation as well as any other supporting documentation required with regard to anti-money laundering matters, such Token Issuer or Blackmoon may reject the Purchase Applications and refund the contribution to the refund address as specified by the Purchaser in the Purchase Application at the expense of the Purchaser.

Purchase Applications will (save as determined by the applicable Token Issuer or in the relevant KID) be irrevocable. All Purchase Applications submitted in electronic form via the Platform shall be deemed, in all aspects as originals of such documents.

All contributions by Investors will be paid by Investors in a way and in a currency or cryptocurrency (or in the absolute discretion of the applicable Token Issuer) to be determined by the applicable Token Issuer and provided in the relevant KID. Other currencies will not be accepted until they are converted to the required currency by the Investor at the Investor's sole risk.

In case of contributions in kind, the relevant Token Issuer will use the same valuation procedures used in determining the Asset Token Value to determine the value to be attributed to the assets to be accepted as payment for the Asset Tokens. The procedure for valuation of the assets to be accepted as contribution in kind shall be described in detail in the relevant KID. Each of Blackmoon and any Token Issuer may decline to register any prospective Investor until he has been able to provide verification of authenticity and valuation of assets tendered for in-kind payment, as well as prove title to the assets in question and has made a valid transfer thereof to the applicable Token Issuer within the relevant Offering. Any costs incurred in connection with a contribution in kind of any assets shall be borne by the relevant Investor contributing the same.

Issue of fractions of Asset Tokens will not be possible unless the Token Issuer issuing the same, in its sole discretion determines otherwise.



No certificates or similar instruments will be issued with respect to any Asset Tokens. Title to Asset Tokens will be determined solely by reference to the blockchain applicable to such Asset Tokens.

#### 12.14 *Secondary Purchase of Asset Tokens*

Subject to terms, conditions and limitations provided in the respective KID, Token Holders may sell, and the Investors may purchase from them, Asset Tokens using the Platform.

If an Investor or prospective Investor is interested in purchasing existing Asset Tokens from Token Holder(s), it must carefully read this Memorandum, the Terms of Sale, the respective KID, the Website and other documents and materials, which may be available and relevant for the specific Asset Tokens.

In order to purchase existing Asset Tokens from Token Holders, an Investor or prospective Investor must meet the applicable general KYC and AML requirements of Blackmoon as well as satisfy the suitability assessment of the respective Token Issuer. It must also satisfy the requirement that it is not a U.S. person (as defined in Regulation S under the Securities Act) and not a person being a citizen or resident of such other restricted jurisdiction as listed in the beginning of this Memorandum. If, following a successful suitability assessment an Investor or prospective Investor is interested in purchasing Asset Tokens from Token Holder(s), it must read and acknowledge the Terms of Sale.

By acknowledging the Terms of Sale and, where applicable, executing the Purchase Application, parties will be required to confirm that they have reviewed, understood, accepted and consent to the following:

- This Memorandum;
- Applicable KID;
- The terms of the Terms of Sale in respect of the Asset Tokens being purchased;
- the purchase of the Asset Tokens is permissible for its account for investment purposes only and not with a view to resale or distribution;
- meet the eligibility requirements, including the requirement of being a non-US person;
- the Risk Factors of the investment as specified in Section 5 of this Memorandum;
- Conflicts of Interest as outlined in Section 9 of this Memorandum;
- Investment Policy & Strategy of the Token Issuer and, if applicable, the Fund;
- its purchase of the Asset Tokens is permissible and complies in all respects with laws applicable to it and, if the Investor is an entity, that its investment in the Asset Tokens has been duly authorized;
- its compliance with applicable anti-money laundering laws; and
- Blackmoon's Privacy Policy.

The General Terms of Asset Tokens on secondary sale and purchase, may provide that a transaction fee payable to the applicable Token Issuer shall be applied to each secondary Asset Token purchase, such transaction fee to be amended from time to time by the applicable Token Issuer, acting at its sole discretion.

The exact terms and conditions of each transaction of secondary purchase of the Asset Tokens (including the purchase price) are to be separately agreed between the respective seller and purchaser using the tools available on the Platform, however any such terms and conditions violating this Memorandum and any Offering documents related to the Asset Tokens subject to the transaction shall be deemed null and void. Secondary purchases need not be accepted by the Token Issuer to be effective, however if they are made on terms and conditions or in other circumstances violating the provisions of documents mentioned in this Clause 12.14, any such transaction may be recognized invalid by the relevant Token Issuer, acting at its own discretion. If a transaction is recognized as invalid, neither the relevant Token Issuer, nor Blackmoon, shall be liable for any funds paid by the purchaser within such transaction, including, without limitation, the applicable transaction fee.

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