

The logo for Digital Investment Fund is located in the top right corner. It consists of the word "Digital" in a large, white, sans-serif font, with the letter "D" being significantly larger than the others. Below "Digital" is the phrase "Investment Fund" in a smaller, white, sans-serif font. The entire logo is enclosed within a white rectangular border.

Digital
Investment Fund

DIGITAL INVESTMENT FUND (DIF)

FAQs

www.digitalpartnersnetwork.com/fund

1**What is Digital Investment Fund PCC (DIF)?**

Digital Investment Fund PCC (DIF) is a Professional Fund registered in the Seychelles and regulated by the Financial Services Authority (FSA). DIF is the world's first fully regulated tokenised hybrid fund: DIF can bridge the gap between the conventional and digital investment worlds. DIF is being launched by GMEX Group in collaboration with Digital Partners Network (DPN).

2**What kind of investors does DIF appeal to?**

DIF appeals to professional investors. Under "The Mutual Funds and Hedge Fund Act, 1998" of the Seychelles, a professional investor is a person who, in the ordinary course of his business or employment, deals with the same kind, or substantially the same kind of assets as those dealt with by the fund or who has a net worth exceeding US\$1 million.

Professional investors can include High Net Worth Individuals (HNWs), Institutions and Corporates.

3**Why is DIF attractive for professional investors?**

DIF is attractive for professional investors as it:

- Offers the opportunity to invest in a portfolio of digital assets backed by conventional assets in a fully regulated environment;
- Gives access to a diverse range of investment opportunities across high potential growth sectors such as FinTech and Green Finance;
- Allows deployment of funds into equity and debt as part of a balanced investment approach; and
- Provides a new way to invest in high potential firms and projects through fractional ownership.

4**What is Digital Investment Fund PCC (DIF)?**

DIF has been set up as a Protected Cell Company (PCC), with 3 cells initially:

- **Digital FinTech Fund (DFF)** – This fund cell has been created as a digital technology incubation / early stage investment fund to support global FinTech blockchain and Artificial Intelligence (AI) businesses and has a worldwide target market and audience.
- **Digital Green Finance Equity Fund (DGFEF) & Digital Green Finance Debt Fund (DGFDF)** – These fund cells have been launched to support global green finance initiatives. The sustainability platform will aim to consolidate small and medium scale projects in Africa.

5**What is lacking in the digital asset market today?**

What is lacking in the market today is credibility and this is due to many reasons such as:

- There have been too many short-lived blockchain projects;
- The majority of such projects have been sold in unregulated environments;
- Comprehensive investor information is scarce in this sphere, making the evaluation of even quality projects difficult and time-consuming;
- Even good projects are rarely offered in a way that professional investors can easily include in their investment portfolios; and
- Most traditional funds available in the market today have limited exposure to digital assets and often those running them lack expertise in this area.

The result is understandably general loss of investor trust, confidence and interest in this emerging potentially high growth asset class which affects the credibility of the market today.

6**What is the market opportunity for digital assets?**

The opportunity and growth potential of digital assets is immense:

- A survey of executives and experts by the World Economic Forum (WEF) in 2015 predicted that 10% of Global GDP would be stored on blockchain technology by 2027, which amounts to USD 24 trillion according to 2027 GDP estimates by institutional banking provider Finoa.
- More recently Deloitte tweeted in May 2017 that 10% of global GDP will be on blockchain by 2025.

7**What are the benefits that a regulated tokenised Investment Fund such as DIF can offer?**

There is a need in the market for tokenised investment funds which:

- Are set up to mirror conventional funds and can provide investors with the same rights that investors have in conventional funds;
- Provide a new way to invest in high potential firms;
- Give access to previously exclusive investments or projects; and
- Address the issue of illiquidity by providing a secondary market for tokens.

8**What is different about DIF which makes it credible and reliable?**

DIF solves the problems and addresses the needs mentioned above as DIF is a ground breaking fully regulated tokenised hybrid fund:

- DIF is approved and regulated by the Seychelles Financial Services Authority (FSA);
- DIF offers the facets of a traditional fund structure combined with the ability to tokenise the whole fund, any individual cell or any component part;
- DIF Bridges the gap between the current world and the new world by way of its hybrid structure;
- DIF is set up to allow listing on regulated traditional and digital exchanges allowing ease of entry and exit for investors; and
- The DIF management team is well diversified with relevant experience and a proven track record in financial services, FinTech (including blockchain), wealth management, legal, real estate, CleanTech, private equity and transaction advisory.

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What is Digital FinTech Fund (DFF)

DFF is a cell of DIF. DFF has been created as a digital blockchain technology incubation & early stage investment fund to support global FinTech blockchain and AI businesses. It will be heavily focused on Blockchain and Artificial Intelligence (AI) with a worldwide target.

Growth opportunities for DFF are immense:

- Information provider IHS Markit estimates that the finance industry blockchain market may reach USD 462 billion by 2030 from USD 1.9 billion in 2017.
- Market research firm Tractica, predicts that the global artificial intelligence software market is expected to experience revenues increasing from around USD 9.5 billion in 2018 to an expected USD 118.6 billion by 2025.

Overview of DFF

- DFF supports Global FinTech, blockchain and artificial intelligence (AI) businesses;
- DFF acts as a private capital seed funder allowing start-ups to build advertise and organise without having to initially worry about a Security Token Offering (STO);
- DFF can deliver multiple benefits by giving start-ups and early stage companies freedom to build and expand their projects and then move to a listed STO if and when appropriate;
- DFF facilitates professional investors having exposure to FinTech companies with high growth potential as part of a diversified investment approach;
- As investment grows, DFF can at a later stage list its tokens on partner digital regulated exchanges to allow them to be bought and sold easily;
- DFF proposes to leverage the digital economy into an incubator that allows start-ups to raise capital;
- DFF will invest into companies allowing them to leverage GMEX Group's and the other founding members extensive global network of institutions, governments and partnerships and to collaborate with existing start-ups invested in or partnered with; and
- There are 300 initiatives that the promoters of the fund have access to via their network. The investment teams will exercise diligence, independence, and thoroughness in analysing these initiatives prior to taking investment actions with aim of minimising risk and maximising returns.

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What are Digital Green Finance Equity and Debt Funds

Digital Green Finance Equity Fund (DGFEF) and Digital Green Finance Debt Fund (DGFDF) are cells of DIF focussed on sustainable green finance initiatives in Sub-Saharan African.

Growth opportunities for DFF are immense:

- BP, the UK-based oil company said wind, solar and other renewables will account for about 30% of the world's electricity supplies by 2040.
- According to the Global Trends in Renewable Energy Investment 2019 report released by the United Nations (UN), global investment in renewable energy capacity hit \$272.9 billion in 2018, far outstripping investments in new fossil fuel generation. 2018 was the fifth successive year renewables capacity investment exceeded \$250 billion.

Overview of DGFEF and DGFDF:

- The sustainability platform will aim to consolidate small and medium scale green finance projects in Africa;
- Funds will be deployed through equity and debt in selected initiatives;
- There are interesting investment opportunities with public-private sustainable investments in the Seychelles, Mauritius and select regions of Sub-Saharan Africa;
- The promoters of the fund have access to an extensive number of bankable projects via their network;
- The investment teams will exercise diligence, independence, and thoroughness in analysing these initiatives prior to taking investment actions with the aim of minimising risk and maximising returns; and
- As investment grows, DGFEF and DGFDF can, if appropriate at a later stage, list their tokens on regulated digital exchanges to facilitate ease of entry and exit for investors.

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Why has DIF been set up in the Seychelles?

Seychelles is a secure investment location with established laws and is a business friendly country. Through fiscal discipline and sound management, Seychelles has transformed itself to a middle-income country. Economic policy is guided by the government's efforts to diversify the economy away from dependence on the tourism sector and towards financial services and technology.

Seychelles:

- Is tax efficient with no capital gains tax and no exchange controls whilst being compliant with international standards;
- Has strong regulatory and political systems coupled with sound governance; and
- Has an impressive track record, political stability and sustainable economic growth.

Seychelles also recently launched the following initiatives to grow as a regional technology hub:

- Regulatory Sandbox environment to consider all issues relating to Sandbox licensing for FinTech; and
- Announcement of a national FinTech strategy, which covers all types of emerging technology beyond just FinTech.

The Seychelles government and associated NGOs are committed to work towards social, ecological, economic & technological sustainability. In October 2018 Seychelles launched the world's first sovereign blue bond, with the World Bank involved.

Seychelles Economy in figures

Continent / Region	Africa / Sub-Saharan Africa	Real GDP	USD 1.59 million (2018)
Land Area (Sq Km)	459	Real GDP growth	3.6% (2018)
Capital	Victoria	Real GDP / Capita	USD 16,433 (2018)
Official Currency	Seychellois rupee	Unemployment rate	3.7% (2018)
Population	96,762 (2018)	Adult literacy rate	92% (2012)
Population Growth Rate	0.954% (2018)	Urbanisation rate	1.26%

Source: World Bank, UNESCO, CIA

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Who is GMEX Group?

GMEX Group is a set of companies that offer leading edge innovative solutions for a new era of global financial markets by being a global provider of innovative multi-asset exchange trading and post trade business solutions and technology ecosystems.

Their business solutions enable the creation and operation of cost effective electronic exchanges and post trade infrastructure in multiple asset classes including equities, debt, FX, derivatives, commodities, cryptocurrencies and digital tokenised assets.

GMEX Group operates in both developing and developed markets through the establishment of cohesive business and technology ecosystems. GMEX offers the added benefit of interconnection to multiple partner exchanges, to create global networks of liquidity.

The GMEX Market Advancement Programme (MAP) is all about partnerships and creating an ecosystem with exchanges and post trade market infrastructure operators to deliver centralised, decentralised & hybrid solutions in a collaborative fashion.

GMEX Group is comprised of four main businesses:

- **GMEX Technologies** is a provider of multi-asset traditional and digital exchange trading and post trade technology through a unique partnership driven approach
- **GMEX Innovation** conducts R&D of technologically advanced new product solutions for exchange trading, clearing and settlement including hybrid and DLT Blockchain solutions delivered by GMEX Technologies as GMEX Fusion
- **GMEX Services** provides strategic consultancy, implementing services & support for exchanges and market infrastructure providers across asset classes including digital tokenised assets
- **GMEX Investments** makes selective seed and early stage strategic equity and token investments into market infrastructure and related Fintech companies

For more information, please visit: www.gmex-group.com

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What is Digital Partners Network?

Digital Partners Network (DPN) provides tailored professional services to meet the demands of disruptive businesses, which focus on automation, digitalisation, use of artificial intelligence (AI) and Blockchain technology. These include specialist legal, finance, compliance, corporate structuring, finance, strategic consulting, technology-enabled digital transformation and potential investment through a digital fund.

DPN consists of 4 major partners:

- **Digital Associates Ltd** – providing legal services.
- **Digital Corporate Partners Ltd** – providing corporate structuring advice.
- **Digital Finance LLP** – providing accounting, finance, strategic advisory and digital transformation services.
- **Digital Investment Fund PCC** – providing equity investment into leading-edge FinTech firms and Green Finance (equity and debt) investments.

For more information, please visit: www.digitalpartnersnetwork.com

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What is Digital Associates Ltd (DAL)

DAL is dedicated to providing legal expertise and services in many areas of specialisation ranging from traditional legal services to digital services such as:

- Blockchain / Distributed ledger technology
- Digital Assets & Cryptocurrencies
- Security Token Offerings (STOs)
- Asset Token Offerings (ATOs)
- Initial Token Offerings (ITOs)
- Initial Coin Offerings (ICOs) – Offerings and exits

DAL is part of DPN and has led the legal structuring of DIF.

For more information, please visit: www.digitalpartnersnetwork.com/legal



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