ISONEX CAPITAL

The World's First Tokenized Equal Weighted Digital Currency Index Fund

IX15

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Digital Currency Top 15 Index Fund – IX15 (The “Index”)

Digital Currency Top 15 Index Fund follows the developments of the wider market, tracking the price of the 15 largest digital currencies, equally weighted.

Methodology

Equal-weighted original price indices of 15 largest digital currencies by market capitalisation (as measured by various sources) available for trading globally.

NUMBER OF CONSTITUENTS:	**15**
CALCULATION FREQUENCY:	**30 Days**
CALCULATION CURRENCY:	**USD**
LAUNCH DATE:	**7th December 2019**

Index Ticker IX15
Exchange Listing January 2020
Fund Inception Date 2019
Net Expense Ratio 0.50%
Fiscal Year-End December 31
Index Name IX15 Digital Currency Equal Weight Index Fund

white paper version 3.0

PREFACE

Launching IX15

A "Self Funded" Token

As investors continue to shy away from the token sale market, which is plagued by high risks, token scams, unrealized promises and cash-flow strapped projects, Isonex Capital has made great strides in restoring investors' confidence in token investing and reviving digital currency as a sound choice of financial investment.

In contrast to traditional token issuers, Isonex Capital is self funded and has worked tirelessly over the past two years to deliver a fully developed Token - IX15: the World's First Tokenized Equal Weighted Digital Currency Index Fund.

What Is IX15?

IX15 leverages digital currencies' low correlation to stocks and bonds, and is purpose built to diversify investments from traditional asset classes heavily linked to general economic fundamentals - a true hedge against inevitable market cyclicality and impending economic turmoil. When properly employed in back-testing, IX15 enhanced the returns of a traditional stock and bond portfolio by a significant 20% over five years without compromising on risk.

With IX15, investors hold the top 15 digital currencies ranked by market cap, re-balanced every 30 days. This means, whatever happens to any individual digital currency, IX15 holders will always hold the top 15 upon each rebalancing.

IX15 - Characteristics

Your IX15 Token has the following characteristics:

- *net asset value (NAV) per token calculated based on the NAV of the underlying assets*
- *has intrinsic and verifiable value*
- *fully developed upon launch of Token sale*

An Investment Fund of the Digital CurrencyWorld

Without having to hold individual instruments directly, each Token has its own intrinsic value based on the value of the underlying investment portfolio as well as revenues generated by its holdings.

A Simple Way to Enter The Digital Currency Market

A proxy of the Digital Currency universe: Holds and tracks the top 15 digital currencies, representing over 75% of the market

Fully back-tested: Portfolio holdings and rebalancing frequency are optimized to ensure return consistency, tracking accuracy, acceptable turnover, and attractive risk-return characteristics

Intrinsic value: Backed by digital currencies held by the fund with real monetary value

Smart contract: Ensuring security, transparency and 24/7 liquidity from day one

Floor price protection: Ensuring token price quoted on exchanges never falls below its underlying NAV (calculated hourly)

With IX15, investors can confidently invest in a token of real value, real returns, with real results. Read on.

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EXECUTIVE SUMMARY

Consider this analogy—In 1995, there were only about seven million internet users. Ten years later, the number had jumped to over one billion. Today, there are approximately 30 million digital currency users, which is less than 0.5% of the global population, and in 10 years we may be looking at billions.

The digital currency market is developing at a phenomenal pace. The total market capitalisation currently stands at over $205 billion. According to Coinmarketcap.com, there are over two thousand digital currencies and growing. As a response, platforms are rapidly being created for its integration alongside traditional fiat currencies.

Venture capitalists and financial institutions are investing heavily in distributed-ledger technology projects that seek to provide new financial services as well as deliver old ones more efficiently. It is believed that post regulation, coins and tokens without a utility or real-world purpose will not stay the course. Categorisation and speculation aside, one thing is certain, and that is digital currencies are here to stay.

With the sheer number of coins within this emerging but potentially lucrative market, between purchasing complications, exchange legitimacy, and understanding how best to securely store your digital currency, it can all become very perplexing.

THAT IS WHY ISONEX CAPITAL IS INTRODUCING THE WORLD'S FIRST TOKENIZED EQUAL WEIGHTED DIGITAL CURRENCY INDEX FUND—IX15.

The index fund autonomously maintains a diverse and equally weighted portfolio of the top fifteen digital currencies, and operates in the same way that the MSCI Equal Weighted Index maintains a portfolio based on the equal weighting of the MSCI. In order to continue to track the market (index) over time, the Index Fund's holdings are adjusted regularly in a process called rebalancing.

The Index Fund is fully backtested to select an optimal combination of coins and rebalancing period that displays the most favourable risk–return characteristics over five, four, three, two, and one-year periods. The resulting analysis found rebalancing the top 15 coins every 30 days to be optimal.

Diversification translates to safety in numbers. This is where the advantages of an index fund begin to make sound financial sense. By diversifying your investment across the top coins by market cap as well as the generally uncorrelated crypto market, we gain a greater market exposure, thereby eliminating single-coin risk. When volatility is high, diversification is your ally.

Perhaps most compelling, is the case to be made for incorporating a small allocation of IX15 in an overall investment portfolio. A backtest was performed with historical data from August 2013 through Feb of 2019 comparing a traditional, two asset, 60/40 stock and bond portfolio against a similar three asset portfolio containing just 1 percent IX15. The findings were both surprising and exciting—a USD 1 million portfolio would have earned an additional USD 200,000 (or 20% extra) with a broadly similar risk profile despite significant swings that occurred in the crypto market during that time period.

While there are certainly risks involved and past behavior is no guarantee of future performance, it is often said past behavior is the *best predictor* of future performance. By taking some risks today, holding for the next five years, and with a little luck, you may have just found the next Amazon, Yahoo or Google of digital currency.

LEGAL DISCLAIMER

The distribution of this White Paper and the offer and sale of the IX15 Tokens in certain jurisdictions may be restricted by law. This White Paper does not constitute an offer to sell or the solicitation of an offer to buy to any person for whom it is unlawful to make such offer or solicitation.

The Company is not providing you legal, business, financial or tax advice about any matter. You may not legally be able to participate in this private, unregistered offering. You should consult with your own attorney, accountant and other advisors about such matters (including determining whether you may legally participate in this token sale). You should contact us with any questions about the token sale or the IX15 Tokens.

It is the responsibility of any persons wishing to acquire the IX15 Tokens to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions. Prospective token-sale participants ("Participants") 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 IX15 Tokens, and any restrictions that may be relevant thereto.

This White Paper constitutes an offer of IX15 Tokens only in those jurisdictions and to those persons where and to whom they lawfully may be offered for sale. This White Paper does not constitute an offer to subscribe for securities except to the extent permitted by the laws of each applicable jurisdiction.

Nothing in this White Paper is intended to create a contract for investment into the Index Fund, and each potential Participant acknowledges that the Company will rely on this assertion in the event of a token sale.

Isonex Capital is incorporated in the Cayman Islands. Its company registration number is 343787.

This document should not be construed as an offer or solicitation of an offer for the sale of IX15 Tokens.

The individuals listed in this document are not and will not be selling IX15 Tokens and have drafted this document on behalf of the legal entity that will be conducting the relevant token sale.

The English-language version of all Company and Index Fund communications, media and documentation is the only official version.

INTRODUCTION: BENEFITS OF A DIGITAL CURRENCY INDEX FUND

Index funds provide investors with a number of benefits that can simplify their portfolios, lower risk and increase returns.

1 One-Stop Shop

Investors can access the entire digital currency market with one investment, giving a quick and easy way to implement an investment strategy.

2 Simple To Understand

Investing in individual digital currencies requires time for research and analysis. The number of exchanges, services and payment methods available to purchase digital currencies is increasing significantly, resulting in more complexity and confusion. In contrast, index funds aim to follow the performance of a set number of digital currencies, which makes them straightforward investments.

3 Diversification

Index funds are a simple way to achieve a high level of diversification with a single token. Increasing diversification can also reduce the overall risk of a portfolio. J.P. Morgan recently noted that digital currency[1] correlation with other asset classes is virtually nil, making it a perfect diversifier in any portfolio.

4 Transparency

Index funds provide a high level of transparency regarding the individual digital currencies that make up the portfolio. For the Index Fund, a list of digital currencies held is available on the Isonex Capital website (https://isonex.io/) and is updated daily, allowing token holders to make an informed choice when deciding between different investment options.

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[1] https://www.zerohedge.com/news/2018-02-11/jpmorgan-publishes-bitcoin-bible

5 Lower Costs

As an index fund tracks the underlying digital currencies of the broader market, there's no need to employ expensive analysts to pick investments. The cost of managing an index fund is therefore much lower than that of actively managed funds. This has a greater bearing on the long-term performance of a fund than many people realise.

Take for example an investment fund that is currently worth $200,000 and receives new contributions of $10,000 per annum. With a return of 6% per annum after fees and tax, the fund would be expected to grow to $1,009,283 in 20 years' time. However, higher fees of 1% reduce that annual return to 5%; the fund might only be worth $861,319, a marked reduction of $147,964 paid in management fees.

An index fund's expense ratio is generally lower as compared to other managed funds, particularly when compared to actively managed funds. According to Morningstar[2] the average ETF expense ratio was 0.6%, which compares with 0.73% for index mutual funds, 1.45% for actively managed mutual funds and 1.65%[3] for actively managed hedge funds. The annual fees for the Index Fund are conservatively set at 0.5%.

6 Easily Traded

Digital Currency index funds can be bought and sold online on an exchange or directly withdrawn via the smart contract.

7 Economies of Scale

Because investors' money is pooled together, dealing fees are lower and savings are passed onto investors.

8 Liquidity

Unlike traditional digital currencies, IX15 Tokens can be liquidated 24/7 directly via the smart contract regardless of exchange liquidity.

[2] https://www.fidelity.com/learning-center/investment-products/etf/etfs-cost-comparison
[3] https://www.ft.com/content/ab1ce98e-c5da-11e6-9043-7e34c07b46ef

9 Scheduled Automatic Investments
(for token-sale investors only)

Token-sale investors may set up automatic investments to make it easier to stick to their investment plans. Setting up automatic investments is a way to simplify your life and is considered smart investment behaviour. Setting up automatic scheduled investments is also a good way to get into cost averaging, so that the holdings you own will have had a variety of purchase prices because you bought at different times.

10 Proceeds from Staking

Proceeds received from potential staking will be reinvested back into the Index Fund.

Staking: *Holding a Proof-of-Stake (PoS) coin in a special wallet (usually the official wallet of the currency) and getting rewarded through validating transactions.*

THE EQUAL WEIGHTED ADVANTAGE

Market-Cap Weighted Indices

A type of market index whose individual components are weighted according to their market capitalisation, so that larger components carry a larger percentage weighting.

Equal Weighted Indices

A type of market index whose individual components are given the same weight, or importance, to each component in a portfolio or index fund.

Equal weighting is a simple idea: a token holder holds the same dollar value in each digital currency, representing an equal part of the value of the portfolio. Equally weighted indices are some of the oldest and best-known factor strategies that have aimed to identify specific characteristics of digital currencies generating excess returns.

Applying an equal-weight methodology to a portfolio is a simple, smart beta investment approach.

Smart beta captures exposures using a systematic and rule-based approach. It also aims to achieve returns higher than, or minimise risk relative to, a traditional market-capitalisation weighted benchmark by avoiding "size" bias.

The use of smart beta is on the rise throughout developed markets as evidenced by the growth in the number of exchange traded funds that track smart beta indices. Globally, smart beta is the fastest-growing segment of the asset management industry as a whole.

Equal-weighted index performance has been achieved from:

- *Its inherent contrarian trading strategy*
- *Its higher relative exposure to smaller coins, which have greater potential for growth, rather than over-large coins*
- *Its propensity to extract more returns over the long term compared with market cap funds*

The Explanation: An Inherent Contrarian Trading Strategy

Thaler and De Bont[4] (1985 & 1987) suggest that as markets "overreact" to unexpected and dramatic news events, a strategy that buys past losers and sells past winners will outperform. Equal-weight index funds do this each time when they rebalance their constituents so that all holdings are reset to be equally weighted.

This process involves an inherent contrarian trading strategy as it requires:

- *Sale of holdings that have risen more than average since the last rebalance*
- *Buying of holdings that have fallen since the last rebalance*

This strategy exploits short-term mispricing. It is this rebalancing process underlying an equal-weight strategy that is cited by Plyakha, Uppal and Vilkov[5] (2012) as an equal-weight portfolio's highest source of alpha.

The Explanation: Exposure to Smaller Holdings Rather Than to Bigger Holdings

Lajbcygier, Chen and Dempsey[6] (2015) concluded that equally weighting a portfolio outperforms market capitalisation because of three factors:

- *Higher exposure to smaller holdings rather than to bigger holdings*
- *Higher exposure to so-called value holdings, meaning those holdings with a high book-to-market ratio*
- *Better market timing*

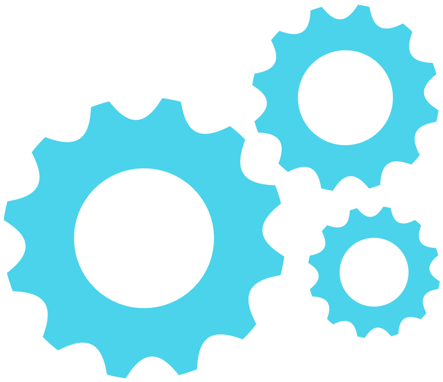
Therefore, an equal-weighted digital currency index fund provides investors with a number of benefits that can simplify their portfolios and potentially increase risk-adjusted returns.

[4] http://breesefine7110.tulane.edu/wp-content/uploads/sites/110/2015/10/Debondt-and-Thaler.pdf
[5] http://docs.edhec-risk.com/mrk/000000/Press/EDHEC_Working%20Paper_Equal-Weighted_Portfolio.pdf
[6] https://doi.org/10.1016/j.intfin.2015.02.004

OBJECTIVE & METHODOLOGY

The investment objective of the Index Fund is to replicate as close as possible, before fees and expenses, the daily performance of the top 15 digital currencies by market capitalisation. The portfolio will be rebalanced in accordance with MSCI Equal Weighted Index Methodology.[7]

Below describes the methodology that the Index Fund uses to calculate the equal-weighted indices. It applys equal weights to the constituents of the top 15 corresponding market-capitalisation weighted global digital currencies as listed by various sources.



At construction and at each rebalancing, each coin in the equal-weighted index is given an equal weight (i.e., 1/N, where N is the number of issuers). Between two rebalancings, the weightings of constituents will change due to price performance.

The equal-weighted indices are rebalanced every 30 days, and the changes are implemented immediately on the day of the rebalancing.

The following additional criteria are considered, at the discretion of the Index Fund's managers, before digital currencies are included:

- *Actively traded on multiple recognised exchanges*
- *Trading volume not over-concentrated on a single exchange*
- *Minimum active trading history of at least one month*
- *Monthly trade volume exceeding 25% of circulating supply for the past one month*
- *Free-floating price; the price should not be pegged to fiat currencies, e.g., Tether*

The Company may, at its discretion, liquidate all the Index Fund's holdings and return to investors the equivalent of their holdings in Ethereum (ETH) minus transaction costs.

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[7] https://www.msci.com/eqb/methodology/meth_docs/MSCI_Equal_Weighted_Indices_Methodology_May11.pdf

PERFORMANCE INFORMATION

The following simulated performance information provides details of the rationale behind the chosen index strategy, showing why the top 15 equally-weighted coins rebalanced at 30 days is optimal.

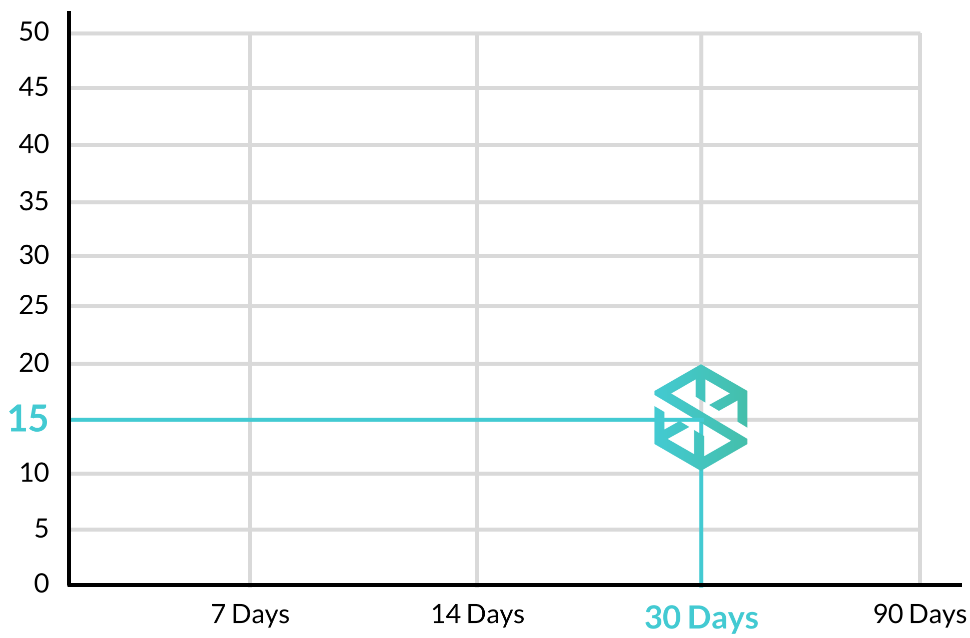
TEST ASSUMPTIONS & CONDITIONS

Back-testing was carried out for different hypothetical equal-weighted digital currency index funds ranging from 5 - 50 coins in increments of five. The tests were performed against a database containing a daily price, volume and market cap snapshot of the digital currency coins in the market across the past 5,4,3, 2 and 1 year periods.

Running a historical search against all available coins, we were able to produce historical snapshots dating back to 15th February 2014. These daily snapshots contain the above mentioned data for all of the coins that were available at a specific point in time. Using the data above, simulations of equal-weighted index funds were performed in order to analyse the returns and risks.

For the back-testing simulation, the initial fund value was set to USD$1m for each of the hypothetical equal-weighted index funds.

A total of 40 tests were performed for each time period, one at each intersecting interval.



REBALANCING FREQUENCY

Rebalancing is the act of periodically adjusting a portfolio so that its asset composition reflects the intended target allocations of the index. Rebalancing an index fund not only reduces risk but also increases the median return. Weekly, fortnightly, monthly and quarterly periods were assessed and the rebalancing of the portfolios are reflected in the results.

ROLLING WINDOWS

The "rolling window" helps to determine whether a portfolio is time invariant. Back tests for each portfolio were carried out for 90-day rolling windows, each separated by seven days, within the specified date range.

The same methodology was applied in order to determine which of the funds performed well consistently throughout the windows.

CONSISTENCY

Consistency is a weighted average of the monthly returns of each of the portfolios. The portfolios are given points depending on their performance on each month.

For example:

Jan 2016—Feb 2016			**Feb 2016—Mar 2016**		
1st:	20 Coins with 7-Day Rebalancing	40 Points	1st:	20 Coins with 7-Day Rebalancing	40 Points
2nd:	35 Coins with 90-Day Rebalancing	39 Points	2nd:	50 Coins with 30-Day Rebalancing	39 Points
⋮	⋮	⋮	⋮	⋮	⋮
40th:	5 Coins with 90-Day Rebalancing	1 Point	40th:	10 Coins with 30-Day Rebalancing	1 Point

For each portfolio, the sum of the allocated points would determine their consistency in outperforming the rest of the portfolios. Consider the case where 20 coins with seven-day rebalancing would outperform the rest of the funds every month. This fund would obtain 40x24 (months) = 960 points, which is the maximum points it would be able to obtain in that specific period.

RISK

Risk was measured using maximum drawdown. Maximum drawdown (MDD) is an indicator used to assess the relative riskiness of one portfolio's performance versus another, as it focuses on capital preservation, which is a key concern for most investors. For example, two portfolios can have the same average outperformance, but their maximum drawdowns can be very different. The MDD measures the largest peak-to-trough decline in the value of a portfolio (before a new peak is achieved).

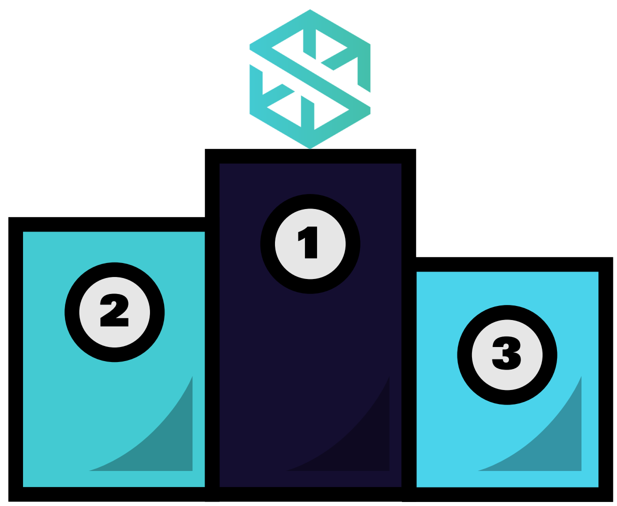
Return over maximum drawdown (RoMaD) is a risk-adjusted return metric used as an alternative to the Sharpe Ratio or Sortino Ratio. It can be expressed as RoMaD = portfolio return / maximum drawdown.

GROWTH

The compound annual growth rate (CAGR) is a useful measure of growth over multiple time periods. It can be thought of as the growth rate that gets you from the initial investment value to the ending investment value if you assume that the investment has been compounding over the time period.

RESULTS

The results* of backtesting the above measures are presented below.



**A conservative estimate of expenses are calculated as 1% of every trade required to rebalance the portfolio. This includes both the selling off and purchasing of entire coin holdings that enter or exit the top N number of coins, as well as trades required to maintain the appropriate cap ceiling.*

Blockchain forks were treated as anomalies and any new coins created were seen as disparate from any other coin holdings for the purpose of these tests. This was done to ensure that test results do not incorrectly value a smaller number of coins or a higher cap ceiling due to this particular anomaly being present in the data set.

Fig. 1 – Displays the results of the top five performing portfolios **sorted by CAGR** for the period of **15th February 2014 – 15th February 2019**

Strategy	CAGR ▼	MDD	RoMaD	Consistency	Rolling	Return
20 every 30 days	57.18	-92.54	9.18	1263	5813	849.65
15 every 30 days	54.6	-91.05	8.5	1343	6464	774.27
10 every 30 days	51.96	-91.67	7.66	1334	6232	701.97
45 every 90 days	49.95	-93.56	6.95	1150	5103	650.43
45 every 30 days	49.55	-93.43	6.85	1235	5406	640.41

Fig. 2 – Displays the results of the top five performing portfolios **sorted by 90 day rolling windows** each separated by seven days for the period of **15th February 2014 – 15th February 2019**

Strategy	CAGR	MDD	RoMad	Consistency	Rolling ▼	Return
15 every 30 days	54.6	-91.05	8.5	1343	6464	774.27
10 every 30 days	51.96	-91.67	7.66	1334	6232	701.97
10 every 14 days	46.07	-91.25	6.12	1348	6018	558.33
10 every 90 days	46.97	-91.91	6.3	1278	5899	578.77
15 every 90 days	38.44	-91.99	4.39	1332	5818	403.37

Fig. 3 – Displays the results of the top five performing portfolios **sorted by RoMaD** for the period of **15th February 2014 – 15th February 2019**

Strategy	CAGR	MDD	RoMad ▼	Consistency	Rolling	Return
20 every 30 days	57.18	-92.54	9.18	1263	5813	849.65
15 every 30 days	54.6	-91.05	8.5	1343	6464	774.27
10 every 30 days	51.96	-91.67	7.66	1334	6232	701.97
45 every 90 days	49.95	-93.56	6.95	1150	5103	650.43
45 every 30 days	49.55	-93.43	6.85	1235	5406	640.41

Fig. 4 - Displays the results of the top five performing portfolios **sorted by CAGR** for the period of **15th February 2017 – 15th February 2019**

Strategy	CAGR ▼	MDD	RoMaD	Consistency	Rolling	Return
5 every 90 days	414.56	-92.57	27.17	612	2231	2515.6
10 every 30 days	356.7	-92.63	21.17	638	2501	1960.81
15 every 30 days	350.41	-92.17	20.66	627	2456	1904.47
10 every 90 days	276.33	-90.92	14.29	570	2259	1299.65
45 every 90 days	275.23	-93.28	13.85	441	1720	1291.51

Fig. 5 - Displays the results of the top five performing portfolios **sorted by 90 day rolling windows** each separated by seven days for the period of **15th February 2017 – 15th February 2019**

Strategy	CAGR	MDD	RoMad	Consistency	Rolling ▼	Return
15 every 7 days	238.72	-90.77	11.39	579	2711	1034.05
15 every 14 days	247.43	-91.04	12.01	561	2567	1093.11
10 every 30 days	356.7	-92.63	21.17	638	2501	1960.81
15 every 30 days	350.41	-92.17	20.66	627	2456	1904.47
10 every 14 days	265.82	-91.19	13.41	591	2429	1222.64

Fig. 6 - Displays the results of the top five performing portfolios **sorted by RoMaD** for the period of **15th February 2017 – 15th February 2019**

Strategy	CAGR	MDD	RoMad ▼	Consistency	Rolling	Return
5 every 90 days	414.56	-92.57	27.17	612	2231	2515.6
10 every 30 days	356.7	-92.63	21.17	638	2501	1960.81
15 every 30 days	350.41	-92.17	20.66	627	2456	1904.47
10 every 90 days	276.33	-90.92	14.29	570	2259	1299.65
45 every 90 days	275.23	-93.28	13.85	441	1720	1291.51

Fig. 7 - Displays the results of the top five performing portfolios **sorted by CAGR** for the period of **15th February 2018 – 15th February 2019**

Strategy	CAGR ▼	MDD	RoMaD	Consistency	Rolling	Return
10 every 30 days	-78.45	-84.21	-0.93	297	1358	-78.64 %
15 every 7 days	-78.49	-84.88	-0.93	334	1318	-78.68 %
15 every 30 days	-78.89	-85.16	-0.93	317	1240	-79.08 %
15 every 90 days	-79.41	-85.78	-0.93	293	1255	-79.59 %
10 every 14 days	-79.46	-84.9	-0.94	289	1356	-79.64 %

Fig. 8 - Displays the results of the top five performing portfolios **sorted by Consistency** each separated by seven days for the period of **15th February 2018 – 15th February 2019**

Strategy	CAGR	MDD	RoMaD	Consistency ▼	Rolling	Return
15 every 7 days	-78.49	-84.88	-0.93	334	1318	-78.68 %
15 every 30 days	-78.89	-85.16	-0.93	317	1240	-79.08 %
10 every 30 days	-78.45	-84.21	-0.93	297	1358	-78.64 %
20 every 90 days	-81.06	-86.22	-0.94	297	977	-81.23 %
15 every 14 days	-79.5	-85.53	-0.93	295	1255	-79.68 %

Fig. 9 - Displays the results of the top five performing portfolios **sorted by MDD** for the period of **15th February 2018 – 15th February 2019**

Strategy	CAGR	MDD ▼	RoMaD	Consistency	Rolling	Return
10 every 30 days	-78.45	-84.21	-0.93	297	1358	-78.64 %
10 every 90 days	-79.78	-84.32	-0.95	273	1281	-79.96 %
15 every 7 days	-78.49	-84.88	-0.93	334	1318	-78.68 %
10 every 14 days	-79.46	-84.9	-0.94	289	1356	-79.64 %
15 every 30 days	-78.89	-85.16	-0.93	317	1240	-79.08 %

ANALYSIS

In order to interpret the results of the back testing so that it is free from any direct subjective influence or bias, the portfolio results were ranked according to five measures: CAGR, MDD, RoMaD, consistency and rolling windows for five-, four-,three-, two-, and one-year periods ending 15th February 2019.

The table below summarizes the results of the top 3 ranked portfolios sorted by the total points received of each portfolio. For example, a portfolio that ranked 1–3 received three points for each of the measure, a portfolio that ranked 4–6 received two points, a portfolio that ranked 7–10 received one point, and a portfolio that ranked less than 10 received zero points.

Coins	Days	Count of rank 1-3	Count of rank 4-6	Count of rank 7>	Sum of total score
15	30	63	6	1	70
10	30	48	8	2	58
15	14	18	12	12	42

The 15-coin equal-weighted portfolio rebalanced every 30 days outperformed all other portfolios using consolidated results across all tested periods, measured by CAGR, MDD, RoMaD, consistency and rolling windows methodologies.

Fig. 10 - Displays rolling windows for the period of 1st September 2017 – 1st September 2018 for the most consistent portfolio, 15 coins every 30 days, against the highest, lowest and average values of the entire series of portfolios.

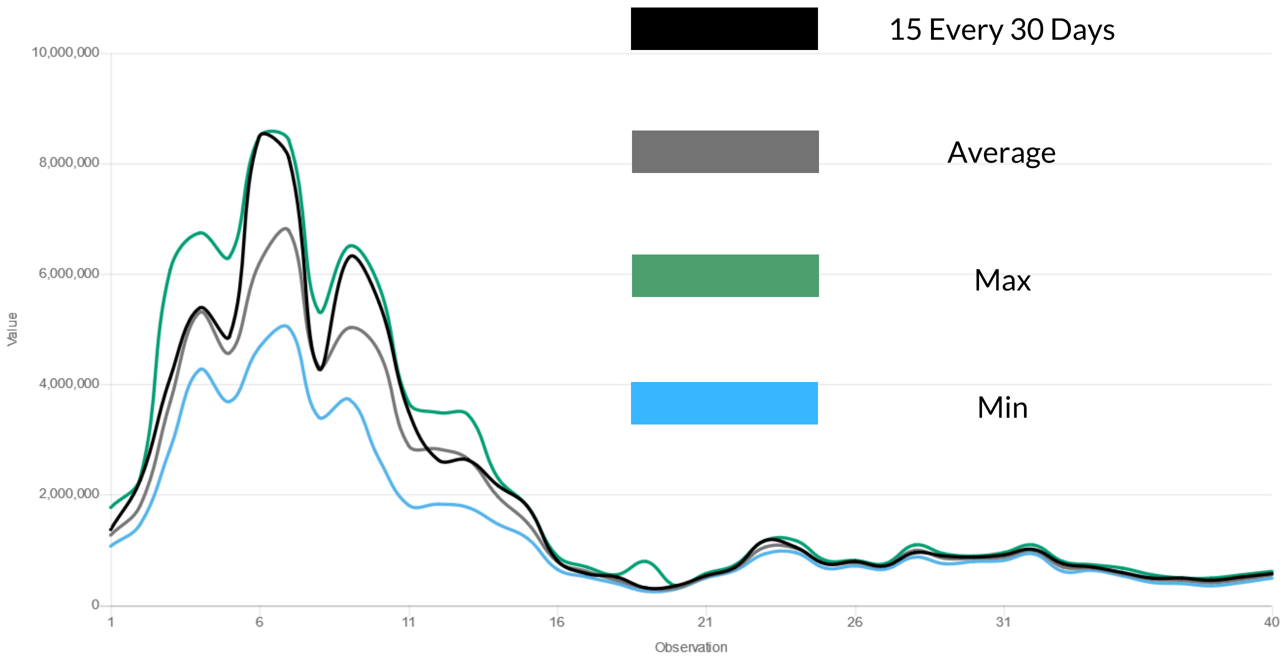
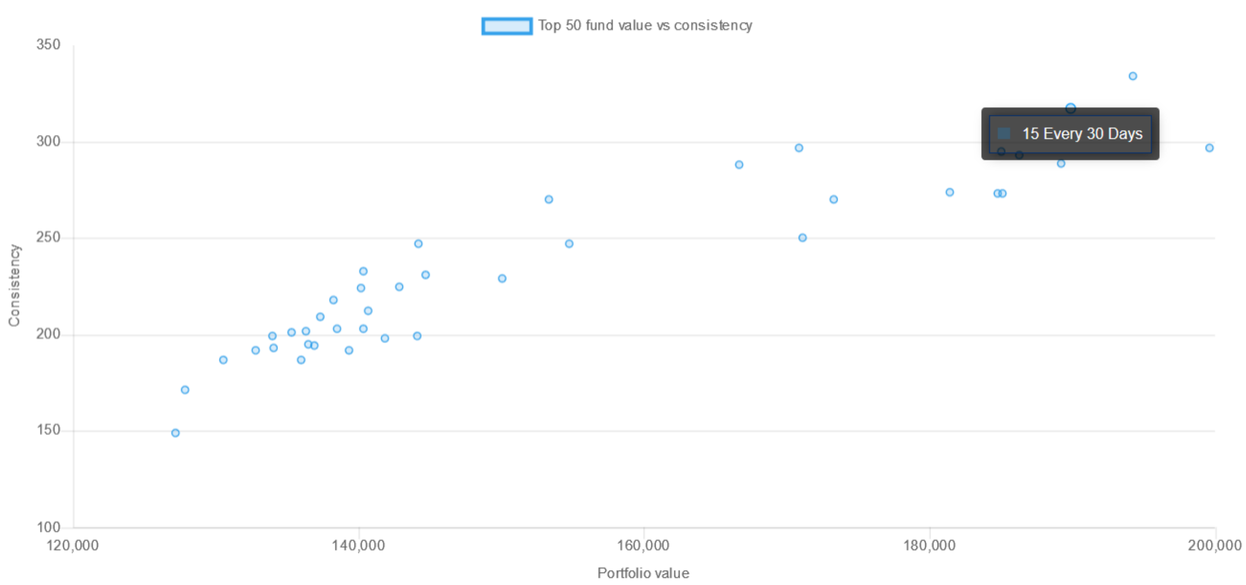


Fig. 11- Displays returns versus consistency for 15th February 2018 to 15th February 2019. The portfolios were given points depending on their performance each month. A scatter plot of the top 50 performers are shown below. The further to the right and the higher a portfolio, the better overall performance measured by returns and consistency.



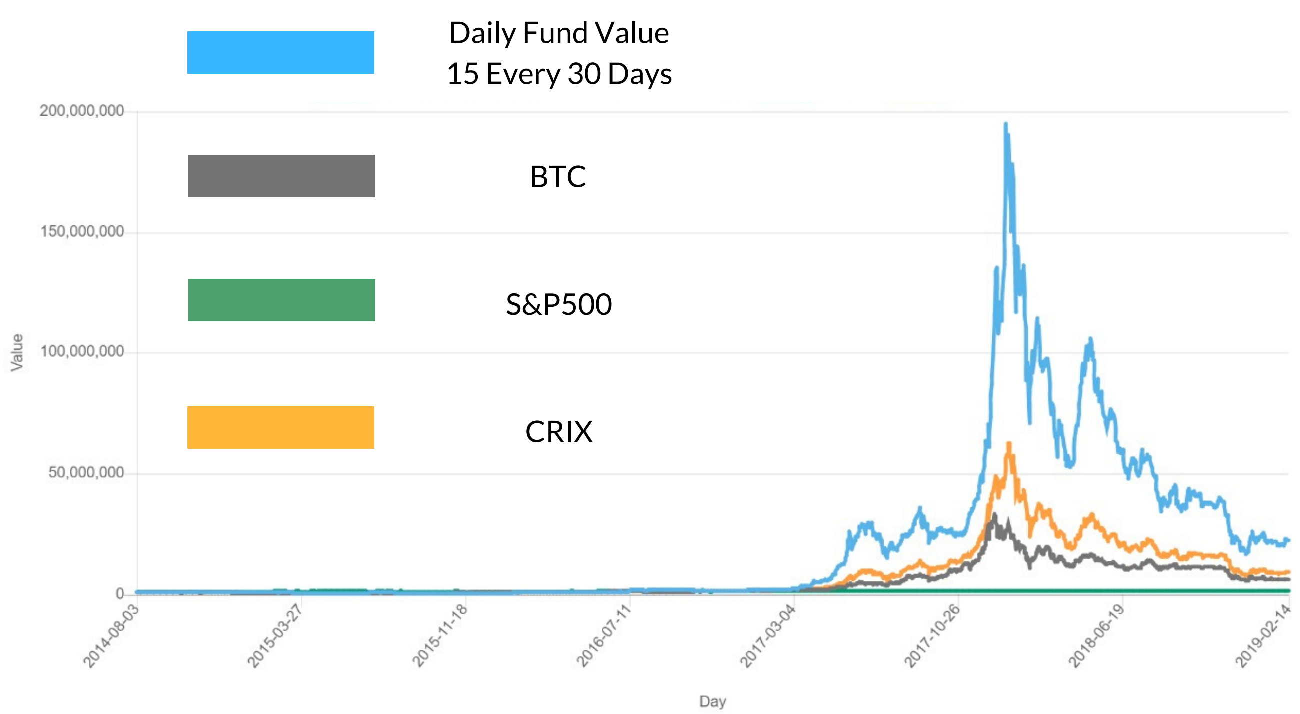
SUMMARY

A portfolio utilising an equal-weighted index strategy that tracks 15 digital currencies provides broad market exposure with acceptable turnover and mitigates risk by evenly weighting the tracked assets. A 30-day rebalancing frequency offers an acceptable balance between portfolio turnover and the ability to accurately track the underlying index.

The performance of the Index Fund relative to comparative portfolios both in digital currencies and in the stock market is impressive.

PERFORMANCE COMPARISON

Fig. 12 - Displays the performance of IX15 versus Bitcoin, the S&P 500 and CRIX market-cap weighted index for the past five years ending 15th February 2019



THE POWER OF 1%

Besides an overall lack of understanding surrounding the blockchain technology that drives digital currencies such as Bitcoin, a primary concern for traditional institutional and private investors alike when it comes to digital currency investing centers on its relatively high volatility against traditional assets such as stocks and bonds.

As an example, while Bitcoin demonstrated impressive returns of around 7,400% over the past five-year period compared with Vanguard Total World Stock (VT) ETF's respected return of 54%, its daily standard deviation of 4.45% is also significantly higher than VT's 0.8% across the same period—a level generally considered to be too high for most investors' risk–return preference.

With that in mind, the team conducted an intriguing analysis that investigated changes in risk–return characteristics of incorporating only 1% of IX15 tokens into a traditional 60/40 stock (Vanguard Total World Stock ETF) and bond (Vanguard Total Bond Market ETF) portfolio over a five and a half-year period (Aug 2013 through Feb 2019). Note this timeframe includes periods of extreme volatility in both directions within the digital currency market. The results were both exciting and highly unexpected.

Consider the following portfolio combinations where a rebalanced portfolio follows an allocation tolerance rule of 3% in either direction. For example with a 60% target allocation on stocks, the portfolio will automatically rebalance back to 60% whenever stock allocations exceeds 63% on any given trading day due to market appreciation.

Scenarios

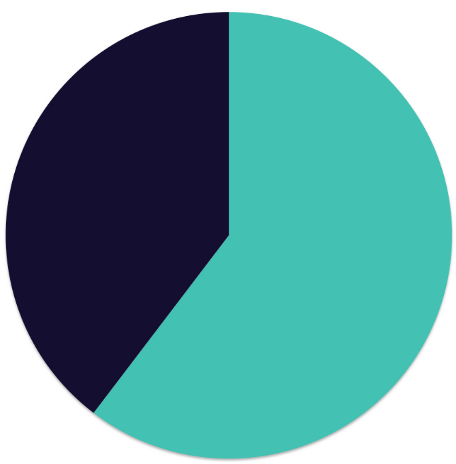
Portfolio 1*—A traditional 60/40 stock and bond portfolio **with rebalancing.**

Portfolio 2—A 60/40 stock and bond portfolio with 1% of IX15 (59.4%/39.6%/1% after prorating allocation) **with no rebalance.**

Portfolio 3*—A 60/40 stock and bond portfolio with 1% of IX15 (59.4%/39.6%/1% after prorating allocation) **with rebalancing.**

**For these examples, portfolio combinations follow an allocation tolerance rule of 3% in either direction. For example with a 60% target allocation on stocks, the portfolio will automatically rebalance back to 60% whenever stock allocations exceeds 63% on any given trading day due to market appreciation.*

Portfolio 1: Zero IX15 Allocation

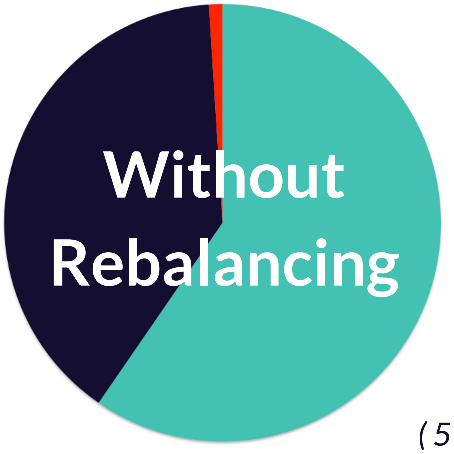


A traditional 60/40 stock and bond portfolio with rebalancing

Portfolio	Total Return (5.5 years)	Max Draw Down (5.5 years)	Daily Standard Deviation	Sharpe Ratio
Traditional 60/40	33.34%	-13.56%	0.5098%	2.94%

This portfolio configuration generated a respectable 33% return over a five-year period. More importantly, return was steady with daily volatility of only 0.5098% and a Sharpe ratio of 2.94%. The fund's max drawdown was at 13.56%, which occurred during the global equity markets pullback in Feb 2016.

Portfolio 2: Adding an "Inconsequential" 1% Allocation to IX15 Tokens



A 60/40 stock and bond portfolio with 1% of IX15

(59.4% / 39.6% / 1% after prorating allocation)

Portfolio	Total Return (5.5 years)	Max Draw Down (5.5 years)	Daily Standard Deviation	Sharpe Ratio
1% IX15 (No Rebalance)	158.05%	-82.53%	2.0334%	2.99%

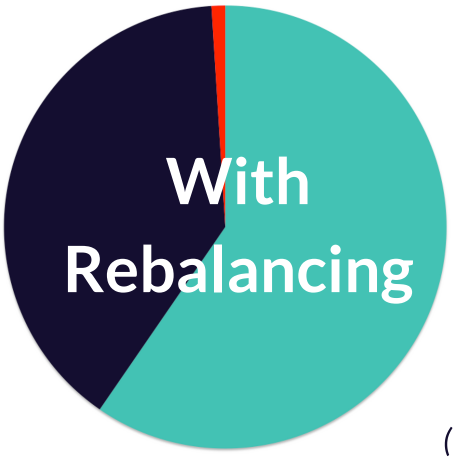
This "inconsequential" allocation of IX15 had a dramatic impact where total return of the portfolio shot up to 158% over the same five-year period.

On the other hand, there is a spike of equal magnitude in risk measures where maximum drawdown and daily standard deviation both reached an uncomfortable level of –82.53%, and 2.0334%, respectively.

More notably, the dramatic rise in the digital currency market caused the original 1% allocation to peak at a whopping 89% of the overall portfolio value.

While the Sharpe ratio of 2.99% narrowly edges out the traditional portfolio, significant increases in volatility along with intolerable deviation from the original 1% target allocation render this portfolio combination inappropriate for just about any investor.

Portfolio 3: Adding 1% Allocation to IX15 Tokens



A 60/40 stock and bond portfolio with 1% of IX15

(59.4% / 39.6% / 1% after prorating allocation)

Portfolio	Total Return (5.5 years)	Max Draw Down (5.5 years)	Daily Standard Deviation	Sharpe Ratio
Traditional 60/40	33.34%	-13.56%	0.5098%	2.94%
1% IX15	54.31%	-12.71%	0.4051%	4.62%

This is where the story becomes truly remarkable. With a disciplined rebalancing methodology, incorporating a 1% allocation of IX15 has the surprising combined effect of:

1) Enhancing total portfolio return from 33.34% to 54.31%

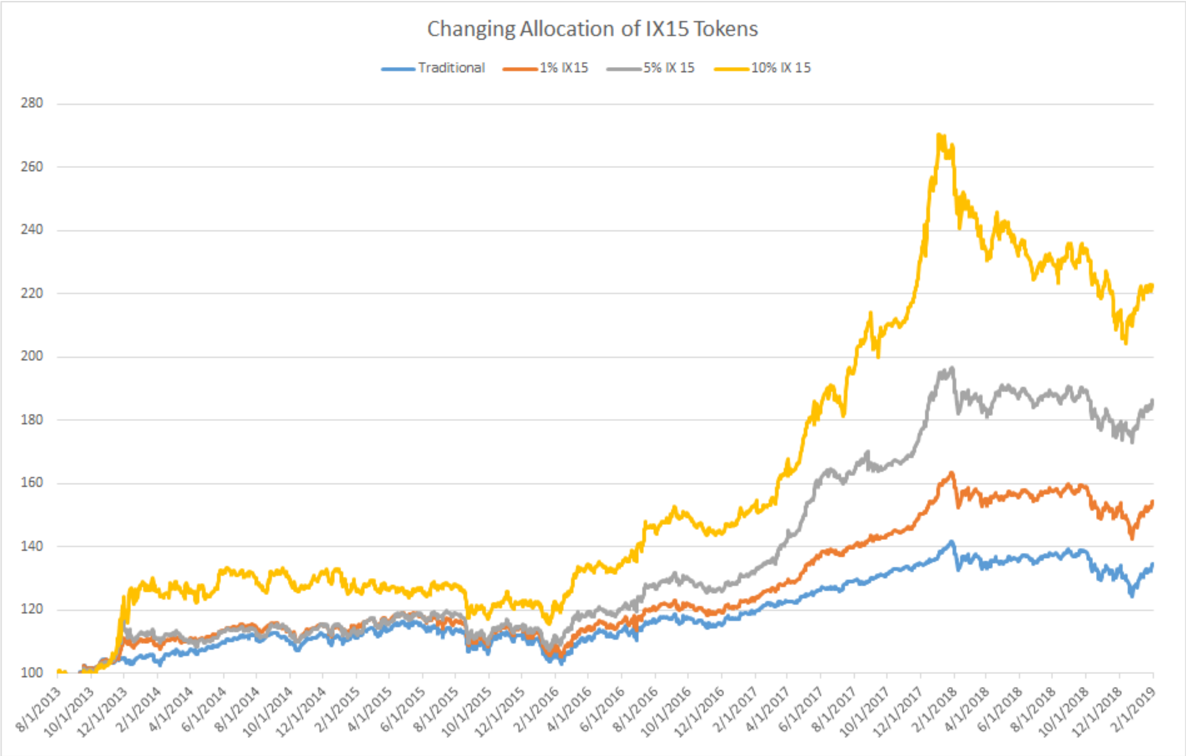
2) Maintaining broadly the same risk measures

3) generating a more favourable Sharpe ratio of 4.62% because of higher returns and reasonable risks. The tolerance-based rebalancing strategy also limited the overweight of IX15 tokens to a peak of only 4.62% from over 89% previously.

What Is the Optimal Allocation of IX15?

Incorporating varying allocation of IX15 has an impact on a portfolio's risk–return profile that may be suitable for investors of differing risk tolerance.

Portfolio	Total Return (5.5 years)	Max Draw Down (5.5 years)	Daily Standard Deviation	Sharpe Ratio
Traditional 60/40	33.34%	-13.56%	0.5098%	2.94%
1% IX15	54.31%	-12.71%	0.4051%	4.62%
3% IX15	57.38%	-13.08%	0.4247%	6.02%
5% IX15	86.04%	-12.07%	0.4662%	6.96%
10% IX15	122.44%	-24.51%	0.6332%	7.84%



While digital currencies such as bitcoin offer potentially high returns as well as incomparable diversification benefits due to a lack of correlation to the tradition stocks and bonds market, they also carry with it significantly higher volatility not tolerable by the broader investment community.

Notwithstanding the above, this analysis shows that with an individually optimized IX15 tokens allocation, investors can still reap significant rewards offered by the digital currency market in the form of higher risk-adjusted return, providing investors follow a disciplined rebalancing strategy to ensure that allocations stay in line with target asset weights.

SMART ARBITRAGE MECHANISM

The Net Asset Value (NAV)

Once the IX15 Tokens are issued, the buying and selling prices of the IX15 Tokens from day to day will be related to the NAV of the IX15 Tokens. It is important for investors to understand the NAV concept.

Just as investors in digital currencies watch the prices in order to know how their investment is faring, with an index fund investors can keep track of the progress of the token by looking at the movement of the NAV as well as the price traded on exchange.

The NAV will be automatically calculated as the current market value of the Index Fund's assets (digital currencies held by the Index Fund) divided by the number of IX15 Tokens outstanding (not including any IX15 Tokens held by the Company). Thus, if the Index Fund has total assets of US$5 million and there are 5 million IX15 Tokens of the Index Fund, then the NAV is US$1 per IX15 Token.

This can be expressed as assets / number of IX15 Tokens = NAV per IX15 Token.

The NAV will be calculated every hour to find the “fair” price of the Index Fund. The NAV of the Index Fund will average the last available prices from list of vetted and approved exchanges of each of the digital currencies in the Index Fund and multiplied by the number of units held. After doing this for each digital currency in the Index Fund, the ETH component in the smart contract will be added back into the calculation and the totals will be summed (Smart Contract Specifications chapter). To convert the final results to a per token value, the final value is divided by the number of tokens outstanding (not including any IX15 Tokens held by the Company).

Hypothetical Portfolio NAV Calculation:

Cryptocurrency	Average fair price	Quantity held	Value
Bitcoin	6,614.49	2.3	$15,269.00
Ethereum	210.45	64.8	$13,639.00
XRP	0.45	28,752.9	$13,068.00
Bitcoin Cash	459.58	34.2	$15,728.00
EOS	5.42	2,674.7	$14,497.00
Stellar	0.22	66,367.9	$14,883.00
Litecoin	55.05	249.4	$13,727.00
Cardano	0.08	185,887.0	$14,067.00
Monero	106.81	138.0	$14,742.00
TRON	0.02	639,037.4	$15,774.00
IOTA	0.5	33,532.6	$16,916.00
Dash	163.98	92.5	$15,167.00
Binance Coin	10.04	1,377.9	$13,834.00
NEO	16.3	910.5	$14,841.00
Ethereum Classic	9.75	1,474.5	$14,376.00
Total fund value (sum of cryptocurrency values)			**$220,528.00**
ETH in Smart Contract ("cash element")			**$4,021.00**
NAV (sum of cryptocurrency values + ETH)			**$224,549.00**
Tokens outstanding (excluding tokens held by Company)			**182,089**
NAV per IX15 token (NAV divided by tokens outstanding)			**$1.23**

Why IX15 Tokens' Market Price and NAV Can Differ

In theory, the Index Fund's NAV and market price should be almost identical because they aim to provide the fair value of the same underlying holdings. In real life, however, there are times when an index fund's market price can be higher than its NAV (trading at a premium) or lower (trading at a discount).

Generally, strong demand for an index fund will push its market price above its NAV, resulting in a premium. Strong selling pressure has the opposite effect, often pushing the market price toward a discount. However, given the ability of the investor to withdraw their holdings via the smart contract, the market price should not go lower than the NAV, explained in detail below.

Arbitrage is the practice of taking advantage of a price differential between two or more markets. An arbitrage opportunity is inherent in index funds because the index fund's intraday market price fluctuates during the trading day. Due to this fluctuation, the index fund's intraday market price may not equal the index fund's NAV.

In the stock market Authorized Participants (AP)[8] arbitrage this difference (and make a profit) because AP's they can trade directly with the index fund at NAV as well as on the market. The expected result of the arbitrage activity is that the market value of the index fund moves back in line with the index fund's NAV per share on the stock market and investors are able to buy the index fund's shares on an exchange at a price that is close to the index fund's NAV per share.

The creation and redemption mechanism is a process by which the market value and NAV are kept close together by an authorised participant.

Authorised participants provide liquidity into the market; however, they also form another layer of costs for investors. The Smart Arbitrage Mechanism built into the smart contract takes on the role of the authorised participants by accepting token withdrawals from investors, therefore ensuring that the price of the token in the market does not go below the NAV price. A holder of IX15 Tokens can either go onto an exchange to sell his tokens or exercise the withdrawal function on the token.

The smart arbitrage withdrawal mechanism will return to the investor the NAV price minus incurred trading costs, therefore creating a floor protection of the token price on exchange because rational investors would execute the sale order on the higher of the two prices and thus drive the off the exchange price back to the NAV price of the token.

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[8] https://www.etf.com/etf-education-center/21021-who-are-authorized-participants.html?nopaging=1

Exchange Eligibility Requirements

Isonex Capital considers an entity to be an eligible digital currency exchange if it meets all of the following criteria:

- It is not domiciled in a geographic location that enforces significant regulations on foreign investors
- Has a functioning, secure and reliable application programming interface (API) that facilitates the prompt processing of trade and volume data
- Allows for the exchange of at least one digital currency for either another digital currency or for a fiat currency
- Is in compliance with local regulations and not subject to extraordinary regulatory or legal action
- Charges fees for trading that avoids “wash sale” activity that may distort volume and pricing
- Has no significant downtime, withdrawal or known security issues

Isonex Capital will review this list of exchanges on a monthly basis to ensure they continue to meet eligibility requirements and that data coming from these exchanges continue to be reliable and of high quality.

Under extraordinary circumstances, Isonex Capital can immediately revoke an exchange’s eligibility to prevent bad data from feeding into the Index Fund.

Digital Assets Eligibility Requirements

IX15 draws constituents from a list of eligible digital assets, which comprise those items that meet each of the following:

Eligibility Requirements

1. Has turned over at least 10% of its market cap on vetted digital currency exchanges over the past 30 days.

Why? This ensures there is enough liquidity for any given coin that is held within IX15 to facilitate acts of rebalancing and withdrawals.

2. Trades on two or more eligible digital currency exchanges. Moreover, no one single exchange should trade more than 90% of the coin's total 30-day USD trailing volume

Why? This avoids over-concentration and reliance on any one exchange for any given coin to ensure uninterrupted trading in the event of potential exchange outages.

3. Is freely traded and can be freely held

Why? This ensures that eligible digital currencies can be traded and stored throughout the life of the fund

4. The coin needs to have a price that is not pegged to another fiat currency, digital currency, or any group of assets.

Why? IX15 is created to generate investment returns for investors. Pegged digital currencies (or stablecoins) such as USDT are inconsistent with the investment objectives of the fund.

5. Can be stored using cold storage such as paper or hardware wallets

Why? This ensures assets within IX15 is held in a secure manner.

6. Tokens need to be trading more than 30 days

Why? This is to ensure credibility before inclusion in the fund.

Loss of Eligibility and Exemptions

1. Regular Loss of Eligibility: Assets will lose eligibility and be removed from the fund at the next scheduled rebalancing if they violate any of the listed requirements for 30 consecutive days.

2. Irregular Loss of Eligibility: Under curtain circumstances, digital assets may be removed on the same day without notice in order to minimize risks to the fund.

3. Hard Forks Exemption: Hard forks receive a 45-day exemption to rule c, above. New digital currencies created through a hard fork can be a significant development in the marketplace, and this exemption exists to allow time to build up an adequate trading history.

SMART CONTRACT SPECIFICATIONS

The IX15 smart contract provides a transparent way to participate in the IX15 Token sale. The smart contract is the public ledger that tracks IX15 Token ownership. It runs on the Ethereum blockchain and is ERC20 compliant,[9] allowing for interoperability across applications and exchanges that support this standard.

The smart contract specifies the token-sale start date and end date. These define the period during which participants will be able to deposit ETH (or other digital currencies) and receive IX15 Tokens in return. In the initial phase, participants will receive one IX15 Token for USD$1 equivalent deposited in ETH. The exchange rate is adjusted over time to follow the bonus scheme defined in the token-sale stages (see token schedule summary table below).

The token cap is set at 16.17 million IX15 Tokens. This means that the contract will stop accepting deposits once this number of IX15 Tokens are created.

Each participant will be asked to complete a AML/KYC[10] process in order to determine eligibility for participation in the token sale. The smart contract checks whether a participant has been whitelisted by the KYC process before processing any deposits. This is done to safeguard the integrity of the Index Fund by preventing money-laundering activities.

Once the token-sale end date has passed, participants will be able to liquidate their holdings in return for ETH through the Request Withdrawal and Withdraw functions. The exchange rate for liquidation is determined by the NAV of the Index Fund's underlying assets. This value is periodically updated in the contract. Once a withdrawal has been requested, the participant will be asked to wait for the next NAV price (hourly) update in order to implement the forward pricing policy. A small, dynamically allocated percentage of IX15's assets will be held by the smart contract (in Ethereum) to facilitate the liquidation option.

Withdrawn tokens will either be sold in the secondary market or supplied to token-sale participants who requested an increase in their investments via the scheduled automated reinvestment scheme. Tokens sold in the secondary market will be auctioned at the calculated NAV or market price, whichever is higher. Tokens sold to token-sale participants via the scheduled automated reinvestment scheme will be auctioned at the NAV price. Tokens held by the Index Fund pending resale will not be used in the calculation of the NAV of the Index Fund. All withdrawal payments will be subject to the smart contract confirming that AML/KYC compliance is complete for the particular wallet address.

By providing this liquidation process, the price of the IX15 Token trading on exchanges is expected to remain at or above NAV price. Eligible participants have the option to convert their IX15 Tokens to Ethereum for the NAV price minus incurred trading costs through the smart contract; there would be no reason for them to exchange it for a lower price on an external exchange.

The smart contract defines a two-year vesting period in which the Isonex Capital team are able to withdraw their own IX15 Tokens.

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[9] https://theethereum.wiki/w/index.php/ERC20_Token_Standard
[10] https://www.investopedia.com/terms/k/knowyourclient.asp

TRADE EXECUTION

Trade execution algorithms have been developed in-house for placing trade orders to execute at the best possible prices, reduce transaction costs and reduce risks of trade errors. These allow for a dynamic evolution of trade execution according to changing market conditions and in-house quant research innovation.

In order to cope with the fragmentation of the crypto markets, execution algorithms are designed to trade on any available source of liquidity, and benchmarked algorithms integrate multimarket price sources. The opportunity to connect to and trade liquidity pools will be permanently screened in-house with a view to finding the perfect balance between latency, coverage and costs while maximising execution quality.

The Index Fund will automate the trade execution by integrating over 90 exchanges through their APIs. However, the number of exchanges used upon rebalancing will depend on the optimisation algorithm, which will determine the optimum rebalancing strategy including the optimum set of exchanges needed to execute the rebalancing trades. The optimisation algorithm will factor in costs, availability, liquidity, security, and time. Trading across several exchanges will also serve to minimize counterparty risk.

All exchanges used will be vetted by the Index Fund's manager periodically to ensure full AML and KYC compliance.

SECURITY

Security will be implemented in line with industry standards that includes the following:

Cold Storage

Currencies are reserved on secure offline servers where possible, disconnected from the internet and thus secured against hacking and theft.

Multiple Hardware Wallets

Purpose-built, tamper-proof wallets designed specifically to hold digital currencies. These hardware wallets hold private keys and digital signatures in secure, offline devices.

Secret Locations

The physical devices will be kept in secret locations.

Exchanges

Holding digital currencies on exchange results in counterparty risks. To this end, the Index Fund will distribute holdings across multiple exchanges and also conducting due diligence before holding a material balance on an exchange for any significant period.

Business-Continuity, Disaster Recovery Plans

A business-continuity and disaster-recovery plan will be implemented specifically for unexpected and expected circumstances that could jeopardise the security and operations of the Index Fund.

The security department will continuously seek to implement technical and organisational measures to increase the level of security and improve protection against cyber threats.

INVESTMENTS & TOKEN ALLOCATION

The Index Fund will invest 97% of token-sale funds into the underlying digital currencies and the remaining 3% will be used to pay administrative expenses.

Deposits can be made in ETH or BTC at the USD equivalent amount of ETH at the markets rates of the day received.

Token Allocation

100% token-sale participants

Pricing Schedule

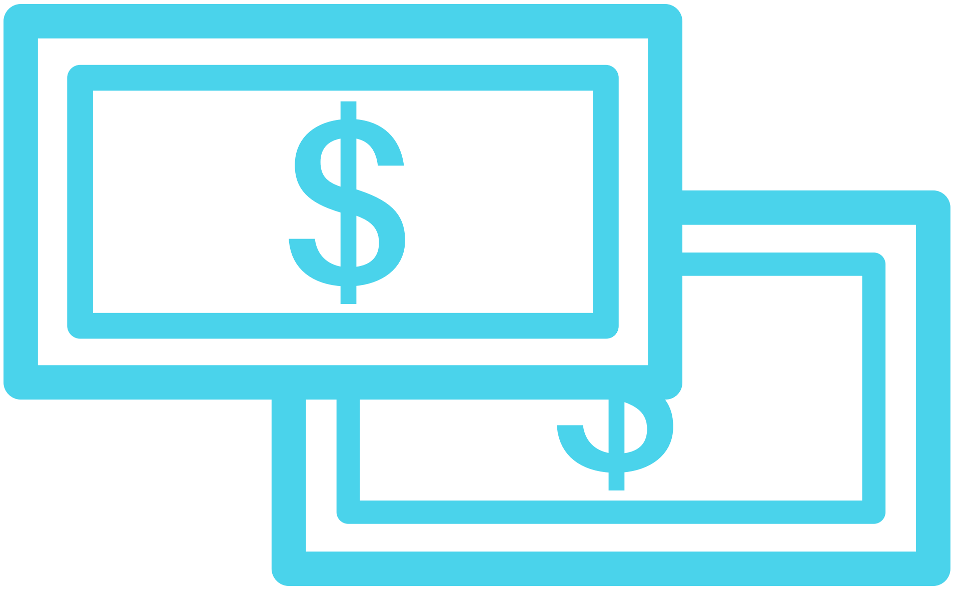
NAV price per token

Fund Allocation

97% purchase underlying assets
3% admin fees

Total Supply (USD)

Hard Cap: $16.35m
Available: 15m



TIMELINE

Research, Development and Testing

For the period November 2017 through to April 2019; research, development and testing were performed for the prospective Index Fund.

Token Sale

Available for non IEO investors after first fund rebalance

Fund Launch

Acquire underlying digital currencies and initiate rebalancing procedure, immediately at end of token sale.

Public Exchange Listing

List the token on a publicly traded exchange, +1 month.

Fund Audit

Public audit of the Index Fund's holdings, +2 months.

Reporting

Publish first quarterly report of the Index Fund's performance, +3 months.

REPORTING

The financial statements of mutual funds, closed-end funds, exchange traded funds and unit investment trusts in the US are prepared in terms of an investment company US GAAP standard; as issued by the Financial Accounting Standards Board (FASB) as well as disclosure requirements set forth in regulation S-X established by the Securities and Exchange Commission (SEC).

This standard is an industry-specific reporting model that reflects the unique characteristics of pooled investment vehicles. With respect to the rest of the world, ETF's financial statements are prepared either in terms of full IFRS, as issued by the International Accounting Standards Board (IASB), local country GAAP, statements of regulated practice endorsed by an accounting or regulatory body and/or industry frameworks.

The financial reporting and accounting framework applied in the preparation of the financial accounts of the Index Fund will be the stricter of the two accounting standards and report in line with strict applicable laws for similar financial instruments.

Annual reports will include but not be limited to the following:

- **Performance At a Glance**
- **Profile** (Portfolio characteristics, volatility measures)
- **Performance Summary**
- **Financial Statements** (Basis of preparation, accounting policies, income statement, balance sheet, statement of net assets, statement of operations, changes in net assets, notes to financial statements)
- **Report of Independent Registered Public Accounting Firm**
- **Expenses**
- **Directors' Report** (Review of operations, future development, risk management, remuneration, corporate governance, internal control, audit committee, statement of directors' responsibility)
- **Financial Risk Assessment** (Credit risk, liquidity risk, settlement risk, capital management, sensitivity analysis, market risk, fair value hierarchy

Quarterly reports will include but not be limited to the following:

- **Facts about the Index Fund**
- **Performance** (see Global Investment Performance Standards (GIPS) Compliance)
- **Fees**
- **Invested positions**
- **Market Update and Commentary**

Think of these reports as a "report card" on the Index Fund's progress. Reading these reports can help determine how well the Index Fund has met its goals and investment strategy during the period covered in the report.

AUDIT

An audit is an official inspection of an organisation's accounts, typically by an independent body. A key piece of the audit is custody of the assets. Typically for investment funds, assets are held at a qualified custodian or prime broker to whom the auditor can send a confirmation that they are indeed holding the assets. With digital currencies, the problem is that custodians are not readily available in the market yet. And to the extent such service providers are available, the fees that are charged are quite high.

Therefore, the Index Fund is forced to self-custody, which means the holdings of the fund will be audited periodically by an independent body, not only to verify holdings but also and more importantly, to comb the key internal controls for securing the holdings.

GLOBAL INVESTMENT PERFORMANCE STANDARDS (GIPS) COMPLIANCE

The Global Investment Performance Standards were developed by CFA Institute (formerly the Association for Investment Management and Research) in partnership with many other organisations worldwide and with experts from a variety of fields within the global investment industry.

The standards were developed in order to provide an ethical framework for the calculation and presentation of the investment-performance history of an investment-management firm.

The Index Fund will seek compliance with GIPS standards so that prospective token holders will have a greater level of confidence in the integrity of the Index Fund's performance presentations.

Compliance with the GIPS standards demonstrates Isonex Capital's commitment to ethical best practices and strong internal control processes.

SCHEDULED AUTOMATIC INVESTMENTS
(Token-Sale Investors Only)

Token-sale investors will have the opportunity to set up recurring automatic investments. After the launch of the token, token-sale investors will be able to invest directly in the token by sending ETH to the smart contract at the NAV price minus incurred trading costs. The Isonex Capital platform will eventually provide functionality for token-sale investors to set up a recurring automatic investment (for instance, invest $150 equivalent of ETH every single month).

This functionality will be **available only to token-sale investors** and the dollar amount available to invest will be dependent on the following considerations at the discretion of the Index Fund:

- **Fund's ability to absorb additional investments**
- **The hard cap**
- **Initial investment size during token sale**

The Index Fund may match off withdrawals with automatic investments directly, thereby reducing trading costs to investors.

RISK FACTORS

As with all investments, risk cannot be eliminated and there can be no assurance or guarantee that the Index Fund will meet its investment objective. Investment in the Index Fund is only available to investors who fully understand and are willing to assume the risks involved.

Below are certain risk factors with respect to Bitcoin, but they would also be applicable for other digital currencies such as Ethereum, USDT, Litecoin, Ripple, and the IX15 Token and must be taken into consideration before investing in the Index Fund.

While the Index Fund believes the following to be the most significant, this list is not intended to be exhaustive, and some of the risk factors listed may not necessarily apply to the Index Fund. Prospective investors are urged to consult their financial adviser before investing.

Definitions

"Bitcoin" means a type of a virtual currency based on an open-source cryptographic protocol existing on the Bitcoin Network.

"Bitcoin Exchange" means an electronic marketplace where exchange participants may trade, buy and sell bitcoins based on bid–ask trading. The largest bitcoin exchanges are online and typically trade on a 24-hour basis, publishing transaction price and volume data.

"Bitcoin Exchange Market" means the global Bitcoin exchange market for the trading of bitcoins, which consists of transactions on electronic bitcoin exchanges.

"Bitcoin Network" means the online, end-user-to-end-user network hosting the public transaction ledger, known as the blockchain, and the source code comprising the basis for the cryptographic and algorithmic protocols governing the Bitcoin Network.

"Blockchain" means the public transaction ledger of the Bitcoin Network on which miners or mining pools solve algorithmic equations, allowing them to add records of recent transactions (called "blocks") to the chain of transactions in exchange for an award of bitcoins from the Bitcoin Network and the payment of transaction fees, if any, from users whose transactions are recorded in the block being added.

Risk Factors Related to the Bitcoin Network and Bitcoins

The development and acceptance of the Bitcoin Network and other cryptographic and algorithmic protocols governing the issuance of transactions in bitcoins and other digital currencies (or cryptocurrencies), which represent a new and rapidly changing industry, are subject to a variety of factors that are difficult to evaluate. The slowing or stopping of the development or acceptance of the Bitcoin Network may adversely affect the Index Fund's investments and consequently an investment in the IX15 Tokens.

The use of digital currencies such as bitcoins to, among other things, buy and sell goods and services, is part of a new and rapidly evolving industry that employs digital assets based upon a computer-generated mathematical and/or cryptographic protocol. Bitcoin is a prominent but not unique part of this industry. The growth of this industry in general, and the Bitcoin Network in particular, is subject to a high degree of uncertainty. The factors affecting the further development of this industry include but are not limited to: (i) continued worldwide growth in the adoption and use of bitcoins and other digital currencies, (ii) government and quasi-government regulation of bitcoins and other digital assets and their use, or restrictions on or regulation of access to and operation of the Bitcoin Network or similar digital asset systems, (iii) changes in consumer demographics and public tastes and preferences, (iv) the maintenance and development of the open-source software protocol of the Bitcoin Network, (v) the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies, (vi) general economic conditions and the regulatory environment relating to digital assets, and (vii) negative consumer perception of bitcoins specifically and digital currencies generally. A decline in the popularity or acceptance of the Bitcoin Network may adversely affect the Index Fund's investments and consequently an investment in the IX15 Tokens.

Currently, there is relatively small use of bitcoins in the retail and commercial marketplace in comparison to relatively large use by speculators, thus contributing to price volatility that could adversely affect the Index Fund's investments and consequently an investment in the IX15 Tokens. Bitcoins and the Bitcoin Network have only recently become accepted as a means of payment for goods and services by certain major retail and commercial outlets, and use of bitcoins by consumers to pay such retail and commercial outlets remains limited. Conversely, a significant portion of bitcoin demand is generated by speculators and investors seeking to profit from the short-term or long-term holding of bitcoins. A lack of expansion by bitcoins into retail and commercial markets, or a contraction of such use, may result in increased volatility that could adversely affect the Index Fund's investments and consequently an investment in the IX15 Tokens.

The Bitcoin Network uses a cryptographic protocol to govern the peer-to-peer interactions between computers connected to the Bitcoin Network. The code that sets forth the protocol is informally managed by a development team known as the core developers. The members of the core developers evolve over time, largely based on self-determined participation in the resource section dedicated to Bitcoin on GitHub.com. The core developers can propose amendments to the Bitcoin Network's source code through software upgrades that alter the protocols and software of the Bitcoin Network and the properties of bitcoins, including the irreversibility of transactions and limitations on the mining of new bitcoins. Proposals for upgrades and related discussions take place on online forums including GitHub.com and Bitcointalk.org. To the extent that a significant majority of the users and miners on the Bitcoin Network install such software upgrade(s), the Bitcoin Network would be subject to new protocols and software that may adversely affect the Index Fund's investments and consequently an investment in the IX15 Tokens.

If a malicious actor or botnet obtains control of more than 50% of the processing power on the Bitcoin Network, such actor or botnet could manipulate the blockchain. If a malicious actor or botnet (a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers) obtains a majority of the processing power dedicated to mining on the Bitcoin Network, it may be able to alter the blockchain on which the Bitcoin Network and most bitcoin transactions rely by constructing fraudulent blocks or preventing certain transactions from completing in a timely manner, or at all. The malicious actor or botnet could control, exclude or modify the ordering of transactions, though it could not generate new bitcoins or transactions using such control. The malicious actor could "double-spend" its own bitcoins (i.e., spend the same bitcoins in more than one transaction) and prevent the confirmation of other users' transactions for so long as it maintained control. To the extent that such malicious actor or botnet did not yield its control of the processing power on the Bitcoin Network or the Bitcoin community did not reject the fraudulent blocks as malicious, reversing any changes made to the blockchain could be impossible. Although there are no known reports of malicious activity or control of the blockchain achieved through controlling over 50% of the processing power on the network, it is believed that certain mining pools may have exceeded the 50% threshold. The possible crossing of the 50% threshold indicates a greater risk that a single mining pool could exert authority over the validation of bitcoin transactions. To the extent that the Bitcoin ecosystem, including the core developers and the administrators of mining pools, do not act to ensure greater decentralisation of bitcoin-mining processing power, the feasibility of a malicious actor obtaining control of the processing power on the Bitcoin Network will increase, which may adversely affect the Index Fund's investments and consequently an investment in the IX15 Tokens.

If the award of bitcoins for solving blocks and transaction fees for recording transactions are not sufficiently high to incentivize miners, miners may cease expending processing power to solve blocks, and confirmations of transactions on the blockchain could be slowed temporarily. A reduction in the processing power expended by miners on the Bitcoin Network could increase the likelihood of a malicious actor or botnet obtaining control. If the award of new bitcoins for solving blocks declines and transaction fees are not sufficiently high, miners may not have an adequate incentive to continue mining and may cease their mining operations. Miners ceasing operations would reduce the collective processing power on the Bitcoin Network, which would adversely affect the confirmation process for transactions (i.e., temporarily decreasing the speed at which blocks are added to the blockchain until the next scheduled adjustment in difficulty for block solutions) and make the Bitcoin Network more vulnerable to a malicious actor or botnet obtaining control in excess of 50% of the processing power on the Bitcoin Network, which would allow such actor or botnet to manipulate the blockchain and hinder transactions. Any reduction in confidence in the confirmation process or processing power of the Bitcoin Network may adversely affect the Index Fund's investments and consequently an investment in the IX15 Tokens.

If fees increase for recording transactions in the blockchain, demand for bitcoins may be reduced and prevent the expansion of the Bitcoin Network to retail merchants and commercial businesses, resulting in a reduction in the price of bitcoins that could adversely affect the Index Fund's investments and consequently an investment in the IX15 Tokens. As the number of bitcoins awarded for solving a block in the Blockchain decreases, the incentive for miners to contribute processing power to the Bitcoin Network will transition from a set reward to transaction fees. In order to incentivise miners to continue to contribute processing power to the Bitcoin Network, the Bitcoin Network may either formally or informally transition from a set reward to transaction fees earned upon solving for a block. If miners demand higher transaction fees to recording transactions in the blockchain or a software upgrade automatically charges fees for all transactions, the cost of using bitcoins may increase and the marketplace may be reluctant to accept bitcoins as a means of payment. Existing users may be motivated to switch from bitcoins to another digital currency or back to fiat currency. Decreased use and demand for bitcoins may adversely affect their value. To the extent that the profit margins of bitcoin-mining operations are not high, bitcoin miners are more likely to immediately sell bitcoins earned by mining in the Bitcoin Exchange Market, resulting in a reduction in the price of bitcoins that could adversely affect the Index Fund's investments and consequently an investment in the IX15 Tokens.

Over the past two years, Bitcoin Network mining operations have evolved from individual users mining with computer processors, graphics processing units and first-generation ASIC (application-specific integrated circuit) machines. Currently, new processing power brought onto the Bitcoin Network is predominantly added by incorporated and unincorporated “professionalised” mining operations. Professionalised mining operations may use proprietary hardware or sophisticated ASIC machines acquired from ASIC manufacturers.

They require the investment of significant capital for the acquisition of this hardware, the leasing of operating space (often in data centres or warehousing facilities), incurring of electricity costs and the employment of technicians to operate the mining farms. As a result, professionalised mining operations are of a greater scale than prior Bitcoin Network miners and have more defined, regular expenses and liabilities.

These regular expenses and liabilities require professionalised mining operations to more immediately sell bitcoins earned from mining operations on the Bitcoin Exchange Market, whereas it is believed that individual miners in past years were more likely to hold newly mined bitcoins for more extended periods. The immediate selling of newly mined bitcoins would increase the supply of bitcoins on the Bitcoin Exchange Market, creating downward pressure on the price of bitcoins.

The extent to which the value of bitcoins mined by a professionalised mining operation exceeds the allocable capital and operating costs determines the profit margin of such operation. A professionalized mining operation may be more likely to sell a higher percentage of its newly mined bitcoins rapidly if it is operating at a low profit margin, and it may partially or completely cease operations if its profit margin is negative. In a low profit margin environment, a higher percentage of the new bitcoins mined each day will be sold into the Bitcoin Exchange Market more rapidly, thereby reducing bitcoin prices.

Lower bitcoin prices will result in further tightening of profit margins, particularly for professionalised mining operations with higher costs and more limited capital reserves, creating a network effect that may further reduce the price of bitcoins until mining operations with higher operating costs become unprofitable and remove mining power from the Bitcoin Network. The network effect of reduced profit margins resulting in greater sales of newly mined bitcoins could result in a reduction in the price of bitcoins that could adversely affect the Index Fund’s investments and consequently an investment in the IX15 Tokens.

The acceptance of Bitcoin Network software patches or upgrades by a significant, but not overwhelming, percentage of the users and miners in the Bitcoin Network could result in a "fork" in the blockchain, resulting in the operation of two separate networks. There is no official developer or group of developers that formally controls the Bitcoin Network. Any individual can download the Bitcoin Network software and make any desired modifications, which are proposed to users and miners on the Bitcoin Network through software downloads and upgrades, typically posted to the Bitcoin development forum on GitHub.com. A substantial majority of miners and bitcoin users must consent to such software modifications by downloading the altered software or upgrade; otherwise, the modifications do not become a part of the Bitcoin Network. Since the Bitcoin Network's inception, modifications to the Bitcoin Network have been accepted by the vast majority of users and miners, ensuring that the Bitcoin Network remains a coherent economic system.

If, however, a proposed modification is not accepted by a vast majority of miners and users but is nonetheless accepted by a substantial population of participants in the Bitcoin Network, a fork in the blockchain could develop, resulting in two separate Bitcoin Networks. Such a fork in the blockchain typically would be addressed by community-led efforts to merge the forked blockchains, and several prior forks have been so merged. However, if a permanent fork were to occur, there is a remote possibility that Bitcoin would evolve into two slightly different versions. For example, in 2016, Ethereum experienced a permanent fork in its blockchain that resulted in two slightly different versions of the digital currency. Community-led efforts to merge the blockchains were not successful, and a small minority of Ethereum holders continued to support the old blockchain. This led to the development of two distinct blockchains that produced two slightly different versions of Ethereum: Ethereum and Ethereum Classic. Therefore, holders of Ethereum Classic were given an equal number of the new Ethereum currency and therefore held equal numbers of Ethereum Classic and Ethereum when the fork became permanent. A permanent fork could materially and adversely affect investors.

Third parties may assert intellectual property claims relating to the operation of digital currencies and their source code relating to the holding and transfer of such assets. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in a digital currency network's long-term viability or the ability of end users to hold and transfer the relevant digital currency may adversely affect the Index Fund. Additionally, a successful intellectual property claim could prevent the Index Fund from accessing the digital currency network or holding or transferring their digital currency, which could force the Index Fund to terminate and liquidate the Index Fund digital currencies (if such liquidation is possible).

The open-source structure of the Bitcoin Network protocol means that the core developers and other contributors are generally not directly compensated for their contributions in maintaining and developing the Bitcoin Network protocol. A failure to properly monitor and upgrade the Bitcoin Network protocol could damage the Bitcoin Network.

The Bitcoin Network operates based on an open-source protocol maintained by the core developers and other contributors, largely on the GitHub resource section dedicated to Bitcoin development. As the Bitcoin Network protocol is not sold and its use does not generate revenues for its development team, the core developers are generally not compensated for maintaining and updating the Bitcoin Network protocol. Consequently, there is a lack of financial incentive for developers to maintain or develop the Bitcoin Network and the core developers may lack the resources to adequately address emerging issues with the Bitcoin Network protocol.

Although the Bitcoin Network is currently supported by the core developers, there can be no guarantee that such support will continue or be sufficient in the future. To the extent that material issues arise with the Bitcoin Network protocol and the core developers and open-source contributors are unable to address the issues adequately or in a timely manner, this may adversely affect the Index Fund's investments and consequently an investment in the IX15 Tokens.

Risk Factors Related to the Bitcoin Network and Bitcoins

Fluctuations in the price of bitcoins could materially and adversely affect the Index Fund's investments and consequently an investment in the IX15 Tokens. The price of bitcoins has fluctuated widely over the past four years and may continue to experience significant price fluctuations. Bitcoin markets have historically experienced extended periods of flat or declining prices, in addition to sharp fluctuations. Several factors may affect the Index Fund, including, but not limited to:

(i) total bitcoins in existence (estimated at approximately 16.08 million as of 30th December 2016 according to www.blockchain.info)

(ii) global bitcoin demand, which is influenced by the growth of retail merchants' and commercial businesses' acceptance of bitcoins as payment for goods and services, the security of online bitcoin exchanges and digital wallets that hold bitcoins, the perception that the use and holding of bitcoins is safe and secure, the lack of regulatory restrictions on their use and the reputation of bitcoins for illicit use

(iii) global bitcoin supply, which is influenced by similar factors as global bitcoin demand, in addition to fiat currency needs by miners (for example, to invest in equipment or pay electricity bills) and taxpayers who may liquidate bitcoin holdings around tax deadlines to meet tax obligations
(iv) investors' expectations with respect to the rate of inflation of fiat currencies
(v) investors' expectations with respect to the rate of deflation of bitcoin
(vi) interest rates
(vii) currency exchange rates, including the rates at which bitcoins may be exchanged for fiat currencies
(viii) fiat currency withdrawal and deposit policies of bitcoin exchanges and liquidity of such bitcoin exchanges
(ix) interruptions in service from or failures of major bitcoin exchanges
(x) cyber theft of bitcoins from online bitcoin wallet providers, or news of such theft from such providers, or from individuals' bitcoin wallets
(xi) investment and trading activities of large investors, including private and registered funds, that may directly or indirectly invest in bitcoins
(xii) monetary policies of governments, trade restrictions, currency devaluations and revaluations
(xiii) regulatory measures, if any, that restrict the use of bitcoins as a form of payment or the purchase of bitcoins
(xiv) the availability and popularity of businesses that provide bitcoin-related services
(xv) the maintenance and development of the open-source software protocol of the Bitcoin Network
(xvi) increased competition from other forms of digital currency or payments services
(xvii) global or regional political, economic or financial events and situations
(xviii) expectations among bitcoin-economy participants that the value of bitcoins will soon change
(xix) fees associated with processing a bitcoin transaction

The global market for bitcoins is characterised by supply and demand constraints that generally are not present in the markets for commodities or other assets such as gold and silver. The Bitcoin Network's mathematical protocols under which bitcoins are created or "mined" permit the creation of a limited, predetermined number of bitcoins not to exceed 21 million. Furthermore, the rate of creation or issuance of bitcoins cannot be increased ahead of the protocol's schedule. However, investors should be aware that there is no assurance that bitcoins will maintain their long-term value in terms of future purchasing power or that the acceptance of bitcoin payments by mainstream retail merchants and commercial businesses will continue to grow. In the event that the price of bitcoins declines, this may adversely affect the Index Fund's investments and consequently an investment in the IX15 Tokens.

The price of bitcoins on public bitcoin exchanges has a limited, four-year history. During such history, bitcoin prices on the Bitcoin Exchange Market as a whole, and on bitcoin exchanges individually, have been volatile and subject to influence by many factors including the levels of liquidity on bitcoin exchanges. Even the largest bitcoin exchanges have been subject to operational interruption, limiting the liquidity of bitcoins on the Bitcoin Exchange Market and resulting in volatile prices and a reduction in confidence in the Bitcoin Network and the Bitcoin Exchange Market.

The price of bitcoins on public bitcoin exchanges may also be impacted by policies on or interruptions in the deposit or withdrawal of fiat currency into or out of larger bitcoin exchanges. On large bitcoin exchanges, users may buy or sell bitcoins for fiat currency or transfer bitcoins to other wallets. Operational limits (including regulatory exchange policy or technical or operational limits) on the size or settlement speed of fiat currency deposits by users into bitcoin exchanges may reduce demand on such bitcoin exchanges, resulting in a reduction in the bitcoin price on such bitcoin exchanges.

Operational limits (including regulatory exchange policy or technical or operational limits) on the size or settlement speed of fiat currency withdrawals by users into bitcoin exchanges may reduce supply on such bitcoin exchanges, resulting in an increase in the bitcoin price on such bitcoin exchanges. To the extent that fees for the transfer of bitcoins either directly or indirectly occur between bitcoin exchanges, the impact on bitcoin prices of operation limits on fiat currency deposits and withdrawals may be reduced by "exchange shopping" among bitcoin exchange users. For example, a delay in USD withdrawals on one site may temporarily increase the price on such site by reducing supply (i.e., sellers transferring bitcoins to another exchange without operational limits in order to settle sales more rapidly), but the resulting increase in price will also reduce demand because bidders on bitcoins will follow increased supply on other bitcoin exchanges not experiencing operational limits. To the extent that users are able or willing to utilise or arbitrage prices between more than one bitcoin exchange, exchange shopping may mitigate the short-term impact on and volatility of bitcoin prices due to operational limits on the deposit or withdrawal of fiat currency into or out of larger bitcoin exchanges.

Due to the largely unregulated nature and lack of transparency surrounding the operations of bitcoin exchanges, the marketplace may lose confidence in bitcoin exchanges. The bitcoin exchanges on which the bitcoins trade are relatively new and, in most cases, largely unregulated. Furthermore, while many prominent bitcoin exchanges provide the public with significant information regarding their ownership structure, management teams, corporate practices and regulatory compliance, many bitcoin exchanges (including several USD denominated bitcoin exchanges and many Chinese yuan denominated bitcoin exchanges) do not provide this information. As a result, the marketplace may lose confidence in bitcoin exchanges, including prominent exchanges that handle a significant volume of bitcoin trading

Over the past five years, many bitcoin exchanges have been closed due to fraud, business failure or security breaches. In many of these instances, the customers of such bitcoin exchanges were not compensated or made whole for the partial or complete losses of their account balances in such bitcoin exchanges. While smaller bitcoin exchanges are less likely to have the infrastructure and capitalisation that make larger bitcoin exchanges more stable, larger bitcoin exchanges are more likely to be appealing targets for hackers and malware and may be more likely to be targets of regulatory enforcement action. Due to the recent nature of these regulatory changes, the long-term impact on the marketplace is uncertain this time. A lack of stability in the Bitcoin Exchange Market and the closure or temporary shutdown of bitcoin exchanges due to fraud, business failure, hackers or malware, or government-mandated regulation may reduce confidence in the Bitcoin Network and result in greater volatility. These potential consequences of a bitcoin exchange's failure could adversely affect the Index Fund's investments and consequently an investment in the IX15 Tokens. Neither the Company nor the Index Fund will be liable to investors for any losses arising from closure or temporary shutdown of bitcoin exchanges.

The Bitcoin Network and bitcoins, as an asset, hold a "first-to-market" advantage over other digital assets. This first-to-market advantage is driven in large part by having the largest user base and, more important, the largest combined mining power in use to secure the blockchain and transaction verification system. Having a large mining network results in greater user confidence regarding the security and long-term stability of a digital asset's network and its blockchain; as a result, the advantage of more users and miners makes a digital asset more secure, which makes it more attractive to new users and miners, resulting in a network effect that strengthens the first-to-market advantage. Despite the marked first-mover advantage of the Bitcoin Network over other digital assets, it is possible that an altcoin could become materially popular due to either a perceived or exposed shortcoming of the Bitcoin Network protocol that is not immediately addressed by the core developers, or a perceived advantage of an altcoin that includes features not incorporated into Bitcoin. If an altcoin obtains significant market share (either in market capitalisation, mining power or use as a payment technology), this could reduce Bitcoin's market share and have a negative impact on the demand for, and price of, bitcoins. Demand for bitcoins is driven, in part, by its status as the most prominent and secure digital asset. It is possible that a digital asset other than bitcoins could have features that make it more desirable to a material portion of the digital asset user base, resulting in a reduction in demand for bitcoins, which could have a negative impact on the price of bitcoins and adversely affect the Index Fund's investments and consequently an investment in the IX15 Tokens.

As an alternative to fiat currencies that are backed by central governments, digital assets such as bitcoins, which are relatively new, are subject to supply and demand forces based upon the desirability of an alternative, decentralized means of buying and selling goods and services, and it is unclear how such supply and demand will be impacted by geopolitical events. Nevertheless, political or economic crises may motivate large-scale acquisitions or sales of bitcoins either globally or locally. Large-scale sales of bitcoins could adversely affect the Index Fund's investments and consequently an investment in the IX15 Tokens.

Cybersecurity Risks

Bitcoins are controllable only by the possessor of both the unique public key and the private key relating to the local or online digital wallet in which the bitcoins are held. While the Bitcoin Network requires a public key relating to a digital wallet to be published when used in a spending transaction, private keys must be safeguarded and kept private in order to prevent a third party from accessing the bitcoins held in such wallet. To the extent a private key is lost, destroyed or otherwise compromised and no backup of the private key is accessible, the Index Fund will be unable to access the bitcoins held in the related digital wallet and the private key will not be capable of being restored by the Bitcoin Network. Any loss of private keys relating to digital wallets used to store the Index Fund's bitcoins could adversely affect the Index Fund's investments and consequently an investment in the IX15 Tokens.

Security threats could result in the halting of the Index Fund's operations and a loss of assets. It is not uncommon for businesses in the bitcoin space to experience large losses due to fraud and breaches of their security systems. Security breaches, computer malware and computer hacking attacks have been a prevalent concern in the Bitcoin Exchange Market since the launch of the Bitcoin Network. Any security breach caused by hacking, which involves efforts to gain unauthorised access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, and the inadvertent transmission of computer viruses, could harm the Index Fund's operations or result in loss of the assets. Bitcoin transactions are irrevocable, and stolen or incorrectly transferred bitcoins may be irretrievable. As a result, any incorrectly executed bitcoin transactions could adversely affect an investment in the IX15 Tokens.

Bitcoin transactions are not reversible without the consent and active participation of the recipient of the transaction. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer of bitcoins or a theft of bitcoins generally will not be reversible, and the Index Fund may not be capable of seeking compensation for any such transfer or theft. It is possible that, through computer or human error, or through theft or criminal action, the Index Fund's bitcoins could be transferred in incorrect amounts or to unauthorized third parties or to uncontrolled accounts. To the extent that the Index Fund is unable to seek a corrective transaction with such third party or is incapable of identifying the third party that has received the Index Fund's bitcoins through error or theft, the Index Fund will be unable to revert or otherwise recover incorrectly transferred Index Fund bitcoins. The Index Fund will also be unable to convert or recover Index Fund bitcoins transferred to uncontrolled accounts. To the extent that the Index Fund is unable to seek redress for such error or theft, such loss could adversely affect the Index Fund's investments and consequently an investment in the IX15 Tokens.

The Index Fund's bitcoins may be subject to loss, damage, theft or restriction on access. Further, there is no third-party insurance to cover any loss that may be suffered with respect to the Index Fund's bitcoins. If the Index Fund's bitcoins are lost, stolen or destroyed under circumstances rendering a party liable to the Index Fund, the responsible party may not have the financial resources sufficient to satisfy the Index Fund's claim.

Regulatory Risks

As bitcoins have grown in both popularity and market size, the US Congress and a number of US federal and state agencies (including FinCEN, SEC, CFTC, FINRA, CFPB, the Department of Justice, the Department of Homeland Security, the Federal Bureau of Investigation, the IRS, and state financial-institution regulators) have begun to examine the operations of the Bitcoin Network, bitcoin users and the Bitcoin Exchange Market, with particular focus on the extent to which bitcoins can be used to launder the proceeds of illegal activities or fund criminal or terrorist enterprises and the safety and soundness of exchanges or other service providers that hold bitcoins for users. Many of these agencies and state financial-regulatory agencies have issued consumer advisories regarding the risks posed by digital currencies, including Bitcoin. Certain state regulators have found that bitcoins do not constitute money, and that mere transmission of bitcoins does not constitute money transmission requiring licensure. Other regulators authorise the use of bitcoins as an alternative form of money. The inconsistency in applying money transmitting licensure requirements to certain bitcoin businesses may make it more difficult for bitcoin businesses to provide services, which may affect consumer adoption of Bitcoin and its price. To date, the SEC has not asserted regulatory authority over the Bitcoin Network or bitcoin trading or ownership and has not expressed the view that bitcoin should be classified or treated as securities for purposes of US federal securities laws. However, the SEC has indicated that the subject of Bitcoin's regulatory status is under review.

In addition, it has commented on Bitcoin and Bitcoin-related market developments and has taken action against investment schemes involving Bitcoin. On 25th July 2017, the SEC took the position that securities laws will apply to offerings of tokens, Initial Coin Offerings (ICOs) and other digital assets based on the underlying economics of a transaction, irrespective of the technology used and irrespective of whether the investments are made in fiat currencies or digital currencies. The CFTC has indicated that it considers bitcoin to be a "commodity" under the Commodity Exchange Act (CEA), which makes it possible for futures, swaps and other CFTC-regulated derivatives based on bitcoin to be offered and traded in the United States. The CFTC has not, to date, taken the view that bitcoin is a "commodity interest," which is defined under the CEA to include futures, swaps and other derivatives based on commodities. Commodity interests are subject to CFTC regulation. To the extent that future regulatory actions or policies limit the ability to exchange bitcoins or utilize them for payments, the demand for bitcoins will be reduced. Furthermore, regulatory actions may limit the ability of end users to convert bitcoins into fiat currency (for example, USD) or use bitcoins to pay for goods and services. Such regulatory actions or policies would result in a reduction of demand, which may adversely affect the Index Fund's investments and consequently an investment in the IX15 Tokens.

Bitcoins currently face an uncertain regulatory landscape not only in the United States but also in many foreign jurisdictions such as the European Union, China, Japan and Russia. While certain governments have issued guidance as to how to treat bitcoins, most regulatory bodies have not yet issued official statements regarding their intention to regulate or determinations on regulation of bitcoin, bitcoin users and the Bitcoin Network. Conversely, regulatory bodies in some countries have declined to exercise regulatory authority when afforded the opportunity. Certain other countries banned the use of Bitcoin and other digital currencies. Various foreign jurisdictions may, in the near future, adopt laws, regulations or directives that affect the Bitcoin Network. Such laws, regulations or directives may conflict with those of the other jurisdictions and may negatively impact the acceptance of bitcoins by users, merchants and service providers and may therefore impede the growth or sustainability of the bitcoin economy in the European Union, China, Japan, Russia and the United States and globally, or otherwise negatively affect the value of bitcoins. The effect of any future regulatory change on the Index Fund or bitcoins is impossible to predict, but such change could be substantial and may adversely affect the Index Fund's investments and consequently an investment in the IX15 Tokens.

Banks may not provide banking services, or may cut off banking services, to businesses that provide bitcoin-related services or that accept bitcoin as payment, which could damage the public perception of Bitcoin and the utility of Bitcoin as a payment system and could decrease the price of bitcoins and adversely affect the Index Fund's investments and consequently an investment in the IX15 Tokens.

A number of companies that provide bitcoin-related services have been unable to find banks that are willing to provide them with bank accounts and banking services. Similarly, a number of such companies have had their existing bank accounts closed by their banks. Banks may refuse to provide bank accounts and other banking services to bitcoin-related companies or companies that accept bitcoin for a number of reasons, such as perceived compliance risks or costs. The difficulty that many businesses that provide bitcoin-related services have and may continue to have in finding banks willing to provide them with bank accounts and other banking services may be currently decreasing the usefulness of bitcoin as a payment system and harming public perception of bitcoin, and could decrease its usefulness and harm its public perception in the future. Similarly, the usefulness of Bitcoin as a payment system and the public perception of bitcoin could be damaged if banks were to close the accounts of many or of a few key businesses providing bitcoin-related services. This could (i) decrease the price of bitcoins and therefore adversely affect the Index Fund's investments and consequently an investment in the IX15 Tokens, and (ii) it may affect the Index Fund's operations, its ability to make fiat currency distributions to investors, and its ability to accept any new fiat currency investments.

Although currently bitcoins are not regulated or are lightly regulated in most countries, including the United States, one or more countries such as China and Russia may take regulatory actions in the future that severely restrict the right to acquire, own, hold, sell or use bitcoins or to exchange bitcoins for fiat currency. It may be illegal now, or in the future, to acquire, own, hold, sell or use bitcoins in one or more countries. Further regulatory action could materially restrict liquidity in trading and could have a significant impact on the price of bitcoin globally. Such regulatory actions or restrictions could adversely affect the Index Fund's investments and consequently an investment in the IX15 Tokens.

Current and future legislation, CFTC and SEC rulemaking and other regulatory developments may impact the manner in which bitcoins are treated for classification and clearing purposes. The Index Fund and the Index Fund manager cannot be certain as to how future regulatory developments will impact the treatment of bitcoins under the law. In the face of such developments, the required registrations and compliance steps may result in extraordinary, nonrecurring expenses to the Index Fund. The Index Fund manager may decide to liquidate the Index Fund or the Index Fund's investments in response to the changed regulatory circumstances and/or material operational challenges (including, without limitation, banks not providing banking services or cutting off banking services to the Index Fund) at a time that is disadvantageous to shareholders.

Launch Risk

IX15 Token purchasers will be refunded if for unforeseen reasons the fund cannot launch after token sale.

General Risks of Investing

Management Risk

The Index Fund may not fully track its formulated index and may hold coins not included in its index. As a result, the Index Fund is subject to the risk that the strategy and the implementation thereof, which may be subject to a number of constraints, may not produce the intended results.

Index Risks

The performance of the Index Fund may be negatively affected by a general decline of the market segment relating to its index. The Index Fund invests in digital currencies included in, or representative of, the index regardless of their investment merit.

There can be no assurance that an index will continue to be calculated and published on the basis described in this White Paper or that it will not be amended significantly. The past performance of the Index Fund is not necessarily a guide to its future performance.

Exchange Risk

The Index Fund will be exposed to the credit risk of the counterparties or exchanges through which it deals transactions. As such, it may be subject to risk of loss of its assets held in an exchange in the event of the bankruptcy or fraud of an exchange.

Concentration Risk

To the extent that the Index Fund's portfolio holdings reflect a concentration in digital currencies of similar utilities, the Index Fund may be adversely affected by the performance of those digital currencies, and may be subject to increased price volatility and other risks.

Absence of Active Market Risk

Although IX15 Tokens are traded on more than one exchange, there can be no assurance that an active trading market for such tokens will develop or be maintained.

Index Tracking Risks

Unless otherwise stated, the Index Fund is not expected to track or replicate the performance of its respective index at all times with perfect accuracy. The Index Fund is, however, expected to provide investment results that, before expenses, generally correspond to the price and yield performance of its respective index.

The following factors may adversely affect the tracking by a fund of its respective index:

- A fund must pay various expenses, while its index does not reflect any expenses
- The Index Fund must comply with regulatory constraints that do not affect the calculation of its respective index
- The existence of uninvested assets in the fund (including cash and deferred expenses)
- The timing difference between when the index reflects the event of staking of coins
- The temporary unavailability of certain coins comprising the index
- The presence of small, illiquid components in the index which the Index Fund may not be able to, or may choose not to, acquire
- The extent that the Index Fund is not invested identically in respect of the composition and/or weighting of the constituent coins of its respective index, and coins in which it is under weighted or over-weighted in relation to its respective Index perform differently from its respective index as a whole

In seeking to track an index, the Index Fund manager will not normally reduce or increase the Index Fund's holdings in or exposure to any constituent of an index when to do so would reduce the tracking accuracy. Therefore, if a constituent of an index is decreasing in value, the Index Fund will generally continue to hold such digital currencies (or any other digital currency that give exposure or equivalent price performance to such a constituent price performance) until the weight of the constituent is reduced in the index, or the constituent is removed from the index.

The Index Fund will purchase and sell digital currencies having regard to the effect on portfolio turnover. Higher portfolio turnover will cause the Index Fund to incur additional transaction costs.

Market Risk

As the investments of the Index Fund are subject to normal market fluctuations and the risks inherent in investment in international digital currency markets, there can be no assurances that capital will not be lost and that appreciation will occur.

Liquidity Consideration

The Index Fund's ability to invest and liquidate assets that have invested in smaller digital currencies by market capitalisation may, from time to time, be restricted by the liquidity of the market for smaller digital currencies in which the Index Fund is invested.

Counterparty Risk

The value of the Index Fund assets may be subject to uncertainties such as changes in a country's governmental policies, taxation, restrictions on foreign investment, currency decisions, applicable laws and regulations, or any natural disasters or political upheaval that could weaken a country's financial markets.

Country Risk

The value of the Index Fund assets may be subject to uncertainties such as changes in a country's governmental policies, taxation, restrictions on foreign investment, currency decisions, applicable laws and regulations, or any natural disasters or political upheaval that could weaken a country's financial markets.

Suspension Risks

The Index Fund may suspend calculation of the NAV and redemption of tokens under certain circumstances. During such suspension, it may be difficult for an investor to sell tokens, and the market price may not reflect the NAV per token. In the event that the Index Fund has to suspend the redemption of tokens, or if an exchange on which the Index Fund's underlying tokens are traded is closed, it is expected that larger discounts or premiums could arise.

DISCLAIMER OF LIABILITY

DISCLAIMER OF LIABILITY, NO REPRESENTATIONS AND WARRANTIES, REPRESENTATIONS AND WARRANTIES BY YOU, CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS, MARKET AND INDUSTRY INFORMATION AND NO CONSENT OF OTHER PERSONS, NO ADVICE, NO FURTHER INFORMATION OR UPDATE, RESTRICTIONS ON DISTRIBUTION AND DISSEMINATION, NO OFFER OF SECURITIES OR REGISTRATION AND RISKS AND UNCERTAINTIES CAREFULLY.

THE OFFER, SALE, AND ISSUANCE OF THE IX15 TOKENS (DEFINED BELOW) HAS NOT BEEN REGISTERED OR QUALIFIED UNDER THE LAWS OF ANY JURISDICTION IN THE WORLD. THE IX15 TOKENS ARE BEING OFFERED, SOLD, AND ISSUED ONLY IN JURISDICTIONS WHERE SUCH REGISTRATION OR QUALIFICATION IS NOT REQUIRED, INCLUDING PURSUANT TO APPLICABLE EXEMPTIONS THAT LIMIT THE PURCHASERS WHO ARE ELIGIBLE TO PURCHASE THE IX15 TOKENS AND THAT RESTRICT ITS RESALE. NO GOVERNMENTAL AUTHORITY HAS REVIEWED THIS WHITE PAPER OR ANY RELATED DOCUMENTS OR COMMUNICATIONS OR CONFIRMED THE ACCURACY, TRUTHFULNESS, OR COMPLETENESS OF THIS SECURITY OR ANY RELATED DOCUMENTS OR COMMUNICATIONS. ANY REPRESENTATION TO THE CONTRARY IS ILLEGAL. YOU ARE REQUIRED TO INFORM YOURSELF ABOUT, AND TO OBSERVE ANY RESTRICTIONS RELATING TO, THIS WHITE PAPER, THE IX15 TOKENS, AND ANY RELATED DOCUMENTS AND COMMUNICATIONS IN YOUR JURISDICTION. THE IX15 TOKENS MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER APPLICABLE LAWS. SEE BELOW FOR ADDITIONAL NOTICES REGARDING APPLICABLE JURISDICTIONAL LIMITATIONS.

You should consult with your legal, financial, tax and other professional advisors(s) before taking any action in connection with this White Paper.

The tokens described in this White Paper are not intended to constitute securities in any jurisdiction. This White Paper does not constitute a prospectus or offer document of any sort and is not intended to constitute an offer of securities or a solicitation for investment in securities in any jurisdiction. This White Paper does not constitute or form part of any opinion on any advice to sell, or any solicitation of any offer by Isonex Capital, an exempted company registered under the laws of the Cayman Islands (the “Company”) to purchase any tokens (“IX15 Tokens”) nor shall it or any part of it, nor the fact of its presentation, form the basis of, or be relied upon in connection with, any contract or investment decision. The Company will deploy the proceeds of sale of the IX15 Tokens to fund the project, businesses and operations, as outlined in this White Paper. Any agreement between the Company and you as a purchaser, and in relation to any sale and purchase, of IX15 Tokens is to be governed by only a separate document provided by the Company (the “T&C”). The T&C will set out the terms and conditions of such agreement. In the event of any inconsistencies between the T&Cs and this White Paper, the T&C shall prevail.

This White Paper has been prepared in multiple languages. In the event of any inconsistencies between one version and another, the English-language version shall prevail.

You are not eligible and you are not to purchase any IX15 Tokens in the IX15 Token sale (as referred to in this White Paper) if you are a citizen, resident (tax or otherwise) or green card holder of the United States of America or a member of the "Public" in the Cayman Islands. "Public" for these purposes does not include (i) any limited liability company registered under the Limited Liability Companies Law (2018 Revision) as amended, (ii) any exempted company or ordinary non-resident company registered under the Cayman Islands Companies Law (2018 Revision), as amended, (iii) a foreign company registered pursuant to Part IX of the Cayman Islands Companies Law (2018 Revision) as amended, (iv) any such company acting as general partner of a partnership registered under Section 9(1) of the Cayman Islands Exempted Limited Partnership Law (2018 Revision) as amended, or (v) any director or officer of the same acing in such capacity or the trustee of any trust registered or capable of registration under Section 74 of the Trusts Law (2018 Revision) as amended, acting in such capacity.

No regulatory authority has examined or approved of any of the information set out in this White Paper. No such action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction. The publication, distribution or dissemination of this White Paper does not imply that the applicable laws, regulatory requirements or rules have been complied with.

The Company is not a mutual fund under the Mutual Fund Law (2015 Revision) of the Cayman Islands because it is not issuing shares or any other equity interests. As such, the Company is not regulated as a mutual fund under the Mutual Funds Law (2015 Revision) of the Cayman Islands or otherwise in the Cayman Islands and therefore a filing has not been made with the Cayman Islands Monetary Authority, the main regulator in the Cayman Islands. The Offering of IX15 Tokens is not registered or regulated in the Cayman Islands and the Company's activities are not approved or guaranteed by the Cayman Islands Monetary Authority or by the Cayman Islands Government. Neither the Cayman Islands Monetary Authority nor any other governmental authority in the Cayman Islands has any obligation to any purchaser of IX15 Tokens as to the performance or credit worthiness of the Company. Neither the Cayman Islands Monetary Authority nor any other governmental authority in the Cayman Islands has passed judgment upon or approved the terms or merits of the offering of IX15 Tokens or the terms of such offering as set out in this White Paper. The Cayman Islands Monetary Authority shall not be liable for any losses or default of the Company or for the correctness of any opinions or statements expressed in this White Paper. Any representation to the contrary is unlawful.

There are risks and uncertainties associated with the Company and its business and operations, the IX15 Token sale and the underlying assets, as described below.

This White Paper, any part thereof and any copy thereof must not be taken or transmitted to any country where distribution or dissemination of this White Paper is prohibited or restricted. No part of this White Paper is to be reproduced, distributed or disseminated without including this section and the following sections entitled Disclaimer of Liability, No Representations and Warranties, Representations and Warranties By You, Cautionary Note On Forward-Looking Statements, Market and Industry Information and No Consent of Other Persons, Terms Used, No Advice, No Further Information or Update, Restrictions On Distribution and Dissemination, No Offer of Securities Or Registration and Risks and Uncertainties.

Simulated past performance is no guarantee of future results. Given the Index Fund's investment objective of attempting to track a basket of digital currencies, the IX15 Token does not follow traditional methods of active investment management, which may involve buying and selling digital currencies based upon analysis of economic and market factors. The Index Fund seeks to invest in the hypothetical index components in approximately the same weighting that such components have at the applicable time. However, under various circumstances, it may not be possible or practicable to purchase all of the digital currencies in the approximate index weight. In these circumstances, the Index Fund may purchase a sample of digital currencies.

THIS MATERIAL IS FOR INFORMATIONAL PURPOSES ONLY AND IS PROVIDED SOLELY ON THE BASIS THAT IT WILL NOT CONSTITUTE INVESTMENT OR OTHER ADVICE OR A RECOMMENDATION RELATING TO ANY PERSON'S OR PLAN'S INVESTMENT OR OTHER DECISIONS, AND ISONEX CAPITAL IS NOT A FIDUCIARY OR ADVISOR WITH RESPECT TO ANY PERSON OR PLAN BY REASON OF PROVIDING THE MATERIAL OR CONTENT HEREIN FIDUCIARIES SHOULD CONSIDER THEIR OWN CIRCUMSTANCES IN ASSESSING ANY POTENTIAL COURSE OF ACTION.

The Index Fund seeks to provide investment results that closely correspond, before fees and expenses, to the performance of the top 15 large cap weighted digital currencies available on the market (as measured by Coinmarketcap.com and/or other sources), which delivers broad exposure to digital currencies. The Index Fund is subject to market risk, which means that the value of the digital currencies in which it invests may go up or down in response to the prospects of individual digital currencies, particular sectors and/or general economic conditions. Because the Index Fund may concentrate its investments in an industry or group of industries to the extent that the top digital currencies are concentrated, the Index Fund may be subject to greater risk of loss as a result of adverse economic, business or other developments affecting that industry or group of industries. The Index Fund is not actively managed, and therefore the Index Fund will not generally dispose of a digital currency unless the digital currency moves out of the top 15 digital currencies determined by market capitalisation. Performance may vary from the performance of the top 15 coins determined by market capitalisation as a result of transaction costs, expenses and other factors.
The returns represent simulated past performance. Actual performance may be lower or higher than the simulated performance quoted below. Simulated past performance does not guarantee future results, which may vary.

To the maximum extent permitted by the applicable laws, regulations and rules, neither the Company nor the Index Fund shall be liable for any indirect, special, incidental, consequential or other losses of any kind, in part, contract or otherwise (including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection with any acceptance of or reliance on this White Paper or any part thereof by you.

No Representation and Warranties

The Company does not make or purport to make, and hereby disclaims, any representation, warranty or undertaking in any form whatsoever to any entity or person, including any representation, warranty or undertaking in relation to the truth, accuracy and completeness of any of the information set out in this White Paper.

Representations and Warranties of the Investors

By accessing and/or accepting possession of any information in this White Paper or such part thereof (as the case may be), you represent and warrant to the Company as follows:

- You have been advised that the IX15 Tokens may be deemed a security in certain jurisdictions and that the offers and sales of the IX15 Tokens have not been registered or qualified under any country's securities laws and, therefore, cannot be resold except in compliance with the applicable country's laws
- You agree and acknowledge that this White Paper does not constitute a prospectus or offer document of any sort and is not intended to constitute an offer of securities in any jurisdiction or a solicitation for investment in securities and you are not bound to enter into any contract or binding legal commitment and no digital currency or other form of payment is to be accepted on the basis of this White Paper
- You agree and acknowledge that no regulatory authority has examined or approved of the information set out in this White Paper; no action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction; and the publication, distribution or dissemination of this White Paper to you does not imply that the applicable laws, regulatory requirements or rules have been complied with
- You agree and acknowledge that this White Paper, the undertaking and/or the completion of the IX15 Token sale or future trading of the IX15 Tokens on any digital currency exchange, shall not be construed, interpreted or deemed by you as an indication of the merits of the Company, the IX15 Tokens, the IX15 Token sale and the underlying assets (each as referred to in this White Paper)
- The distribution or dissemination of this White Paper, any part thereof or any copy thereof, or acceptance of the same by you, is not prohibited or restricted by the applicable laws, regulations or rules in your jurisdiction, and where any restrictions in relation to possession are applicable, you have observed and complied with all such restrictions at your own expense and without liability to the Company

- You agree and acknowledge that in the case where you wish to purchase any IX15 Tokens, the IX15 Tokens do not contain the rights and entitlements that would ordinary be associated with the following:You agree and acknowledge that this White Paper does not constitute a prospectus or offer document of any sort and is not intended to constitute an offer of securities in any jurisdiction or a solicitation for investment in securities and you are not bound to enter into any contract or binding legal commitment and no digital currency or other form of payment is to be accepted on the basis of this White Paper

    1. Any kind of currency other than digital currency
    2. Debentures, stocks or shares issued by any person or entity
    3. Rights, options or derivatives in respect of such debentures, stocks or shares
    4. Rights under a contract for differences or under any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss
    5. Units in a collective investment scheme
    6. Units in a business trust
    7. Derivatives of units in a business trust
    8. Any other security or class of securities

- You are fully aware of and understand that you are not eligible to purchase any IX15 Tokens if you are a citizen, resident (tax or otherwise) or green card holder of the United States of America or a member of the "Public" in the Cayman Islands. "Public" for these purposes does not include (i) any limited liability company registered under the Limited Liability Companies Law (2018 Revision) as amended, (ii) any exempted company or ordinary non-resident company registered under the Cayman Islands Companies Law (2018 Revision), as amended, (iii) a foreign company registered pursuant to Part IX of the Cayman Islands Companies Law (2018 Revision) as amended, (iv) any such company acting as general partner of a partnership registered under Section 9(1) of the Cayman Islands Exempted Limited Partnership Law (2018 Revision) as amended, or (v) any director or officer of the same acing in such capacity or the trustee of any trust registered or capable of registration under Section 74 of the Trusts Law (2018 Revision) as amended, acting in such capacity.

- You are fully aware and understand that in the case where you wish to purchase any IX15 Tokens, there are risks associated with the Company and its respective business and operations, the IX15 Tokens, IX15 Token sale and the underlying assets (each as referred to in the White Paper)
- You agree and acknowledge that the Company or the Index Fund is not liable for any indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection with any acceptance of or reliance on this White Paper or any part thereof by you
- All of the above representations and warranties are true, complete, accurate and non-misleading from the time of your access to and/or acceptance of possession this White Paper or such part thereof (as the case may be)

Cautionary Note on Forward-Looking Statements

All statements contained in this White Paper, statements made in press releases or in any place accessible by the public and oral statements that may be made by the Company or the Index Fund on behalf of the Company, that are not statements of historical fact, constitute forward-looking statements. Some of these statements can be identified by forward-looking terms such as aim, target, anticipate, believe, could, estimate, expect, if, intend, may, plan, possible, probable, project, should, would, will or other similar terms. However, these terms are not the exclusive means of identifying forward-looking statements. All statements regarding the Company's financial position, business strategies, plans and prospects and the future prospects of the industry that the Company is in are forward-looking statements. These forward-looking statements, including but not limited to statements as to the Company's revenue and profitability, prospects, future plans, other expected industry trends and other matters discussed in this White Paper regarding the Index Fund are matters that are not historic facts, but only predictions.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual future results, performance or achievements of funds, digital currencies, or the Company to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. These factors include, amongst others:

- Changes in political, social, economic and stock or digital currency market conditions, and the regulatory environment in the countries in which the Company conducts its respective businesses and operations
- The risk that the Company may be unable to execute or implement their respective business strategies and future plans
- Changes in interest rates and exchange rates of fiat currencies and digital currencies
- Changes in the anticipated growth strategies and expected internal growth of the Company

- Changes in the availability and fees payable to the Company in connection with their respective businesses and operations
- Changes in the availability and salaries of employees who are required by the Company to operate their respective businesses and operations
- Changes in preferences of customers of the Company
- Changes in competitive conditions under which the Company operate, and the ability of the Company to compete under such conditions
- Changes in the future capital needs of the Company and the availability of financing and capital to fund such needs
- War or acts of international or domestic terrorism
- Occurrences of catastrophic events, natural disasters and acts of God that affect the businesses and/or operations of the Company
- Other factors beyond the control of the Company
- Any risk and uncertainties associated with the Company and its business and operations, the IX15 Tokens, the IX15 Token sale and the underlying assets (each as referred to in the White Paper)

All forward-looking statements made by or attributable to the Company and of the Index Fund or other persons acting on behalf of the Company are expressly qualified in their entirety by such factors. Given that risks and uncertainties that may cause the actual future results, performance or achievements of the Company to be materially different from that expected, expressed or implied by the forward-looking statements in this White Paper, undue reliance must not be placed on these statements. These forward-looking statements are applicable only as of the date of this White Paper.

Neither the Company nor any other person represents, warrants and/or undertakes that the actual future results, performance or achievements of the Company will be as discussed in those forward-looking statements. The actual results, performance or achievements of the Index Fund may differ materially from those anticipated in these forward-looking statements.

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

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

Market and industry information and no consent of other persons: This White Paper includes market and industry information and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Such surveys, reports, studies, market research, publicly available information and publications generally state that the information that they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information.

Save for the Company and its respective directors, executive officers and employees, no person has provided his or her consent to the inclusion of his or her name and/or other information attributed or perceived to be attributed to such person in connection therewith in this White Paper and no representation, warranty or undertaking is or purported to be provided as to the accuracy or completeness of such information by such person and such persons shall not be obliged to provide any updates on the same.

Neither the Company nor any of the IX15 Team has conducted any independent review of the information extracted from third-party sources, verified the accuracy or completeness of such information or ascertained the underlying economic assumptions relied upon therein. Consequently, neither the Index Fund nor its directors, executive officers and employees acting on its behalf makes any representation or warranty as to the accuracy or completeness of such information and shall not be obliged to provide any updates on the same.

Terms Used

To facilitate a better understanding of the IX15 Tokens being offered for purchase by the Company, and the businesses and operations of the Company, certain technical terms and abbreviations as well as, in certain instances, their descriptions, have been used in this White Paper. These descriptions and assigned meanings should not be treated as being definitive of their meanings and may not correspond to standard industry meanings or usage.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations

No Advice

No information in this White Paper should be considered to be business, legal, financial or tax advice regarding the Company, the IX15 Tokens and IX15 Token sale and the underlying assets (each as referred to in the White Paper). You should consult your own legal, financial, tax or other professional adviser regarding the Company and its business and operations, the IX15 Tokens, the IX15 Token sale and the underlying assets (each as referred to in the White Paper).

You should be aware that you may be required to bear the financial risk of any purchase of IX15 Tokens for an indefinite period of time.

No Further Information of Update

No person has been or is authorised to give any information or representation not contained in this White Paper in connection with the Company and its business and operations, the IX15 Tokens, the IX15 Token sale and the underlying assets (each as referred to in the White Paper) and, if given, such information or representation must not be relied upon as having been authorised by or on behalf of the Company. IX15 Token sale (as referred to in the White Paper) shall not, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change, or development reasonably likely to involve a material change in the affairs, conditions and prospects of IX15 or in any statement of fact or information contained in this White Paper since the date hereof.

Restrictions on Distribution and Dissemination

The distribution or dissemination of this White Paper or any part thereof may be prohibited or restricted by the laws, regulatory requirements and rules of any jurisdiction. In the case where any restriction applies, you are to inform yourself about, and to observe, any restrictions that are applicable to your possession of this White Paper or such part thereof (as the case may be) at your own expense and without liability to the Company or any member of the Isonex Capital team.

Persons to whom a copy of this White Paper has been distributed or disseminated, provided access to or who otherwise have the White Paper in their possession shall not circulate it to any other persons, reproduce or otherwise distribute this White Paper or any information contained herein for any purpose whatsoever nor permit or cause the same to occur.

No Offer of Securities or Registration

This White Paper does not constitute a prospectus or offer document of any sort and is not intended to constitute an offer of securities or a solicitation for investment in securities in any jurisdiction. No person is bound to enter into any contract or binding legal commitment and no digital currency or other form of payment is to be accepted on the basis of this White Paper. Any agreement in relation to any sale and purchase of IX15 tokens (as referred to in this White Paper) is to be governed by only the T&Cs of such agreement and no other document. In the event of any inconsistencies between the T&Cs and this White Paper, the former shall prevail.

No regulatory authority has examined or approved of any of the information set out in this White Paper. No such action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction. The publication, distribution or dissemination of this White Paper does not imply that the applicable laws, regulatory requirements or rules have been complied with.

Risk and Uncertainties

Prospective purchasers of IX15 Tokens (as referred to in this White Paper) should carefully consider and evaluate all risks and uncertainties associated with the Company and its business and operations, the IX15 tokens, the IX15 token sale and the underlying assets (each as referred to in the White Paper), all information set out in this White Paper and the T&Cs prior to any purchase of IX15 tokens. If any of such risks and uncertainties develop into actual events, the business, financial condition, results of operations and prospects of the Company could be materially and adversely affected.

In such cases, you may lose all or part of the value of the IX15 tokens.

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