



COFUND

Whitepaper

February 2023

Table of Contents

Executive Summary	3
Introduction	4
The CoFund Concept	5
Vision and mission of the project	5
Values	6
Market Opportunity and Competitive Landscape	7
Macro Perspective	7
Market Analysis	8
Real Estate Market Overview and Trends	8
Market Trends: Overall Real Estate	8
Real Estate Market Outlook: Asia-Pacific	8
Real Estate Market Outlook: Indonesia	9
Tokenization Opportunity in the Real Estate Market	10
Competitive landscape	11
CoFund Ecosystem	13
Investment Strategies	14
Legal and Structural Framework	15
Overview of the legal and regulatory framework	15
The Legal Structure of the CoFund Real Estate Tokenization	16
Tax Considerations for Investors	17
Corporate Governance in the CoFund Ecosystem	17
Tokenomics	18
Investment process	19
Earnings and Rewards	20
Team	21
Roadmap and Future Plans	23
The Roadmap	23
A Look at The Future	24
Risks and Mitigations	24
Conclusion	25
Call to action for interested investors	26
Appendix	27
References	30
Glossary of terms and definitions	33



Executive Summary

CoFund is a revolutionary investment platform that offers investors the opportunity to invest in high-value real estate properties in a safe, compliant, and transparent manner. The platform leverages blockchain technology to tokenize assets and securitize them as investment opportunities that are accessible to a wider audience.

Starting with Bali, CoFund offers a unique investment strategy that combines the best of real estate and crypto industries to provide investors with an easy and accessible way to own a fraction of high-value properties in Southern Asia. The company has designed its investment process to be simple and user-friendly, making it possible for investors to participate in Bali real estate for as little as \$1,000 and receive annual dividends over 10% APY. Early investors stand to benefit from even higher APYs.

The company's team is made up of experienced professionals with over 120 years of accumulated total experience in capital markets, banking, M&A, commercial real estate, digital information technology, and data analysis. The team is dedicated to providing investors with the best possible investment opportunities while ensuring compliance with all applicable laws and regulations.

CoFund is committed to providing transparency and accessibility to its investors, with all necessary financial data and forecasts available in the appendix for each specific investment opportunity. The company also takes investor security seriously, with extensive risk assessments and appropriate security measures in place to protect the interests of its investors.

As the Fintech industry continues to change the world, CoFund is at the forefront of this revolution, offering investors a unique opportunity to invest in high-value real estate properties in a secure and compliant manner. The company's focus on eliminating risks and providing robust due diligence checks has made it a popular choice for investors looking to diversify their portfolios.

Introduction



Starting in Bali, one of the best real estate markets in the Southeast Asia region, CoFund introduces a new way for investors to participate in the market. By leveraging blockchain technology and tokenization, CoFund makes it easy for anyone to invest in carefully selected, high-value properties for as little as \$1,000 and receive an annual passive income of over 10% APY.

This whitepaper provides a comprehensive overview of the CoFund project, its legal and structural framework, investment process, earnings and rewards, team, and roadmap. The purpose of this whitepaper is to provide investors with a clear understanding of how CoFund works, the benefits of investing in CoFund, and how to participate in the CoFund ecosystem.

It's important to note that specific investment opportunities are added as appendices to this whitepaper, providing readers with insights into the particular property they are interested in. Before investing, it is recommended that readers carefully review the whitepaper and relevant appendices to gain a thorough understanding of the investment opportunity.

In the following sections, we will explain the legal and structural framework of the CoFund project, including how the ownership and governance structure works. We will then provide a step-by-step guide on how to invest in CoFund, from registering on the platform to receiving security tokens. We will also explain how investors can earn rental income and receive rewards through the CoFund platform. Finally, we will provide an overview of the CoFund team and their relevant experience, as well as the roadmap and future plans for the project.

By the end of this whitepaper, readers will have a clear understanding of CoFund's innovative investment ecosystem and the unique opportunity it provides for investing in high-value real estate across Southeast Asia and beyond.

The CoFund Concept

Vision and mission of the project

CoFund is a revolutionary platform that combines institutional quality real estate investment with blockchain technology to create a new digital asset class that is backed by tangible assets.



Our vision is to become a leading asset-backed token marketplace that provides investors with the opportunity to invest in institutional-quality real estate assets through a decentralized and compliant investment structure, backed by cutting-edge blockchain technology.



Our mission is to democratize access to real estate investments by tokenizing high-value properties and making them available for investment to anyone, anywhere in the world. We seek to create a new trusted financial ecosystem by real assets and human capital, fully regulated by instruments and corporate governance.

Our goal is to establish a strong consensus between established banks, institutional investors, pension funds, VCs, retail investors, the crypto industry, and growth companies to establish a collective understanding regarding the technologies, investment opportunities, and goals of the individual parties.

At CoFund, we are committed to upholding the highest standards of ethics, integrity, and transparency in everything we do. We are trustworthy and ensure that only the best, high-value properties are tokenized and made available for investment on our platform through our rigorous due diligence process. We believe in transparency and accountability and are committed to providing our investors with complete visibility into our investment process, earnings, and rewards, as well as the governance and ownership structure of our projects.

Our platform is easy to invest in, with a low minimum investment of just \$1,000, and accessible to anyone, regardless of their wealth or location. Our automated rental income distribution and secondary market also make it easy for investors to manage their investments and realize their returns. We leverage cutting-edge technology, including blockchain and AI-powered analytics, to provide a secure and immutable investment platform that eliminates the need for intermediaries and delivers seamless transactions.

Our investment strategy includes investments in valuable and debt free real estates. We have a comprehensive set of criteria that companies must meet to be eligible for investment, including strong management, revenue generation, great growth potential, innovation, growth roadmap, and financial stability. Our investment strategy aims to ensure maximum returns on investment while protecting investors' interests.

We believe that CoFund is the future of real estate investing and the new era of value creation and exchange. Our ultimate mission is to provide investors with a trusted, secure, and transparent investment platform, supported by rigorous due diligence and regulatory compliance, that delivers consistent returns on their investments.

Values

At CoFund, we are committed to more than just providing a marketplace for institutional-quality real estate investments backed by blockchain technology. Our values are an essential part of who we are as a company, and we strive to uphold them in everything we do. We believe that our values of trustworthiness, transparency, ease of investment, and cutting-edge technology set us apart in the competitive landscape of the investment industry. Our commitment to these values is reflected in our rigorous due diligence process, complete visibility into our investment process and earnings, easy-to-use investment platform, and use of blockchain technology and AI-powered analytics to optimize the performance of our underlying assets. By prioritizing these values, we aim to create a new, trusted financial ecosystem that benefits all investors, regardless of their location or wealth.



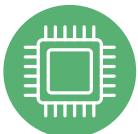
Trustworthy - We are committed to upholding the highest standards of ethics, integrity, and transparency in everything we do. Our rigorous due diligence process ensures that only the best, high-value properties are tokenized and made available for investment on our platform.



Transparent - We believe in transparency and accountability, and are committed to providing our investors with complete visibility into our investment process, earnings, and rewards, as well as the governance and ownership structure of our projects.



Easy to Invest - We aim to make investing in real estate as easy and hassle-free as possible. With a low minimum investment of just \$1,000, our platform is accessible to anyone, regardless of their wealth or location. Our automated rental income distribution and secondary market also make it easy for investors to manage their investments and realize their returns.



Cutting-Edge Technology - We leverage blockchain technology to provide a secure and immutable investment platform that eliminates the need for intermediaries and delivers seamless transactions. Our AI-powered analytics also optimize the performance of our underlying assets, ensuring consistent returns for our investors.

Market Opportunity and Competitive Landscape

Macro Perspective

The current global financial system is in a state of crisis, with broken and overvalued monetary systems, currencies, and stock markets. Governments, central banks, and stock markets are struggling to maintain the status quo, with severe challenges being debated at the highest levels of government all over the world. Doubts are arising as to whether several central banks have sufficient foreign exchange reserves to maintain fixed exchange rates.

As a solution to these issues, CoFund has developed a revolutionary platform that combines institutional quality real estate investment with blockchain technology to create a new digital asset class that is backed by tangible assets. The platform provides a decentralized and compliant investment structure that is fully regulated by the Swiss Financial Market Supervisory Authority (FINMA's) SRO, which enables border-free institutional quality tokenized real estate investment with cryptocurrency.

CoFund believes that the tokenization of tangible assets is the natural evolution of the tokenization of currencies. The platform offers a marketplace for asset tokens on the blockchain that provides full transparency and accessibility to investors. The market caps of asset tokens and digital assets have been increasing, which indicates the growing demand for these new high-performing asset classes.

In addition, CoFund foresees a future where people organize themselves in decentralized, self-controlled, billion-user groups using crypto social media platforms. As overvalued conglomerate properties backed companies continue to grow in size, AI, robotics, and automation will begin to take over much of the manual processes.

CoFund's mission is to democratize access to real estate investments by tokenizing high-value properties and making them available for investment to anyone, anywhere in the world. The platform is trustworthy, transparent, easy to invest in, and leverages cutting-edge technology to provide a secure and immutable investment platform that eliminates the need for intermediaries and delivers seamless transactions.

To support the argument for the introduction of new currencies, CoFund relies on numerous studies and history lessons that show that new currencies drive development and innovation. Currency competition is a driving force for future innovation, and the network adoption penetration rate will determine the value of any suggested currency. CoFund believes that the CoFund real estate tokenization security tokens are immune to and uncorrelated from global currencies, monetary systems, and political agendas, making it an increasingly valuable asset class backed by economic output translating to real company valuations, equities, and cashflows as well as user adoption at a global scale.

CoFund is excited to offer a new investment ecosystem that offers compliance with government laws and regulations while providing investors with unique, new investment opportunities with the highest possible returns on investments. The platform is the future of real estate investing, and CoFund is committed to disrupting the traditional investment market to create a more equitable investment ecosystem that benefits everyone involved.

Market Analysis

Real Estate Market Overview and Trends

The real estate market is a vital component of the global economy, with its value reaching trillions of dollars. Real estate can vary by region and country and can be affected by several factors, such as economic conditions, population growth, and interest rates. In 2021, many areas experienced strong demand for housing due in part to low mortgage rates and the ongoing effects of the COVID-19 pandemic on where and how people want to live. This led to high prices and a lack of inventory in some markets. While in 2022, the high inflation rates and uncertainty caused by the energy market crisis and war in Ukraine led to a slowdown in the real estate market. However, based on the PWC report “Emerging trends in real estate 2023,” the short-term risks are realistic in the real estate market, but with the long-term view, there is no time to panic.

Therefore, this might be a good time to invest in real estate for those looking for long-term returns and how to manage the high inflation risks.

Market Trends: Overall Real Estate

Key risks for the real estate market to grow to include the escalation of conflict in Ukraine, worse-than-anticipated deterioration of economic conditions in Europe, a hard landing in the US, China remaining mired in the economic doldrums, heightened currency volatility, and capital outflows turning disruptive. A global outlook on the core trends that are expected in 2023 is that the real estate market overall might be normalizing if no new unexpected political or economic changes happen, while residential and industrial sectors might cool down, and hotels and retail might heat up to historical levels. Returns and prices of most assets are declining as cap rates rise and transaction volumes fall from record levels, while rent gains for others are merely moderating as demand returns to a more sustainable pace.

Inflation can impact real estate investments, as it can affect the value of income from rent and the property's value. When inflation is high, the cost of goods and services increases, which can lead to a rise in rental rates. This can give landlords a higher income and yield for real estate investors. However, inflation can also make it more expensive to purchase and maintain a property, decreasing the overall investment returns. Inflation can also affect property values by decreasing the purchasing power of money. Additionally, high inflation rates can also make it more expensive for investors to borrow money, as interest rates tend to rise during inflationary periods. This can make it more difficult for investors to finance their real estate investments and decrease returns on the investment. On the other hand, when inflation is low, rent and property value can be more stable, and borrowing costs are lower, making it an attractive opportunity for investors.

Real Estate Market Outlook: Asia-Pacific

The real estate market in Asia can vary depending on the specific country or region. In general, the market has been experiencing strong growth in recent years due to factors such as population growth, urbanization, and increasing prosperity. According to Kevin Coppel, Managing Director, Asia-Pacific, the Asia-Pacific economy will face significant headwinds in 2023 but will remain a bright spot amid the shadows cast by the slowing global economy. Economies in the region will once again dominate growth worldwide, which will have implications for its real estate markets. That underlying growth will continue to underpin its attraction to occupiers, while its economic diversity offers ample opportunities for investors to target a range of asset classes to position their portfolios for the post-pandemic landscape.

Cap rates will move out. Years of cheap and easy liquidity have had a predictable effect on real estate, causing asset prices to soar and yields to compress. But as rising interest rates begin to revert to mean, property yields must rise with them to maintain a spread over the cost of debt. So far, this process has been slow to occur in Asia Pacific markets, although Australia and South Korea are beginning to see a degree of cap rate expansion.

In the end, though, many real estate experts expect the rise of the regional cap rates to an average of 100 to 150 basis points in 2023.

The increase in cap rates could impact the profitability of traditional real estate investments. However, with the emergence of real estate tokenization, this may present an opportunity for investors looking to enter the market in a more efficient and transparent way. Tokenization can offer fractional ownership of a property or portfolio of properties, allowing for increased liquidity and lower barriers to entry for investors.

Real Estate Market Outlook: Indonesia

In Asia, the real estate market is diverse, with different countries and regions experiencing unique trends and patterns. In Indonesia, the real estate market has been growing in recent years, driven by factors such as population growth, urbanization, and an expanding middle class. This has led to an increase in demand for both residential and commercial properties.

The apartment and condominium market in Jakarta is considered one of the strongest in Southeast Asia, with steady growth in prices and transactions in recent years. Residential property in Jakarta and Bali is considered more expensive than in other regions of Indonesia. However, the cost is relatively more affordable in cities like Surabaya and Bandung.

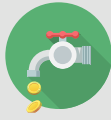
The tourism industry has also been a significant driver of real estate market growth in Bali and other tourist destinations, as the rise in tourist numbers has led to increased demand for hotel and resort properties. While the pandemic had a negative impact on the tourism industry in Bali, the rise of digital nomads has led to an increase in people moving to Bali to work remotely, which may present new opportunities for real estate investors.

Real estate yields in Bali have been growing in recent years, driven by population growth and tourism.

However, like any investment, the yields on real estate in Bali can vary depending on a number of factors, including the location and condition of the property, the current market conditions, and the type of property. For residential properties, yields can vary depending on the property's location, condition, and type. The yields in Bali could be around 4-7% for rental income from a villa or apartment in areas such as Seminyak, Canggu, or Ubud, whereas the capital gain could be up to 30% on yearly basis (based on commercial property index for hotel in Bali by central bank of the Republic of Indonesia). Property yields in more remote areas or less popular towns may be lower.

Tokenization Opportunity in the Real Estate Market

Real estate tokenization is a new way of investing in real estate that is gaining traction due to the numerous benefits it offers over traditional real estate investment methods. This process involves converting ownership rights of a real estate asset into digital tokens that can be traded on a blockchain platform. Some of the benefits of real estate tokenization include:



Increased Liquidity

Tokenization allows for fractional ownership of a property or portfolio of properties, which means that investors can buy and sell small amounts of the asset rather than purchasing the entire property. This can increase liquidity and make it easier for investors to enter and exit the market.



Lower Barriers to Entry

Tokenization can make it possible for a broader range of investors, including individuals, to invest in real estate. It also lowers the amount needed to buy a fraction of a property, making it more accessible to people with smaller investment funds.



More Efficient and Transparent Transactions

Transactions on a blockchain platform are recorded in a decentralized and transparent manner, making the buying and selling process more efficient and reducing the risk of fraud.



Increased Transparency

Tokenization allows for greater transparency in the ownership and management of the property, as all transactions and ownership details are recorded on the blockchain.



Improved Access to Capital

Tokenization can make it easier for real estate developers to raise capital by issuing tokens representing ownership in a project.



Portfolio Diversification

Tokenization can offer an alternative investment option for real estate investors to diversify their portfolios easily.

The regulatory environment for this type of investment is still being established and can vary depending on the country. Real estate tokenization is at the frontier of adoption and can be seen as experimental by potential investors and market experts. However, the tokenization market is projected to grow around 20% or more per annum within the next several years, with Asia Pacific expected to grow at the highest CAGR during the forecast period. The real estate tokenization market value within the next ten years is expected to grow ten times.

The CoFund team recognizes the importance of creating a sustainable and legitimate real estate tokenization model. As such, the team has invested significant time and resources into understanding the legal and regulatory frameworks of the countries in which they operate. The team also collaborates with local experts in law, accounting, and real estate to ensure that the CoFund platform and projects comply with all legal requirements and best practices.

Moreover, CoFund has placed a great emphasis on the security and transparency of the investment process. The CoFund platform is built on blockchain technology, which provides a secure and transparent way to manage and record transactions. The use of blockchain technology also enables the tokenization of real estate assets, allowing for the creation of fractional ownership and the broadening of the pool of potential investors.

CoFund is committed to creating a sustainable and legitimate model for real estate tokenization, one that will benefit both the investors and the communities in which the projects are located. The team is continuously improving and adapting its approach to align with the best practices and changing regulatory environment in order to provide a trustworthy and innovative platform for real estate investment.

Competitive landscape

CoFund has conducted a thorough analysis of its competitors in the real estate tokenization space. The identified companies can be divided into categories, including competitors, alternative ecosystems, white label platforms, developers/advisors, not yet launched, failed projects, and regional in Bali.

The core platforms for communication are Twitter and LinkedIn. The most common marketing strategies competitors use are business publications, which include educational materials about real estate tokenization and increasing the property's visibility to be tokenized.

The risk which comes out of competitor actions is trust in the real estate tokenization due to the disappearance of projects that have raised huge amounts.

SWOT Analysis

SWOT Analysis: CoFund	
Strengths	Weaknesses
- Well thought through legal structure backed up by Switzerland "brand" - Transparency - Legit legal structure - Return of all the invested funds if the soft cap is not reached - increase trust	Do not own the real estate before the funding is raised

Opportunities	Threats
• Estimated growth of the real estate tokenization market, especially in Asia Pacific region in the next decade • The real estate tokenization market still in very early stage and there are just a few important players in the market • Early adaptor of the market - provides an opportunity to build the concept and become “the first” important player	• Several important players in the market which offers white label real estate tokenization platforms and this lowers the entry barriers for new companies entering the market. • Trust issues to the real estate tokenization and legal proof for the rights of the property • Easy to duplicate the core features of real estate tokenization and revenue distribution • Early adaptor of the market - potential investors not aware of such concept and might not trust it.

Based on the SWOT analysis, CoFund's strengths include its well-thought-out legal structure backed up by the Switzerland brand, transparency, and legit legal structure. Its opportunities include the estimated growth of the real estate tokenization market, especially in the Asia Pacific region in the next decade, and being an early adopter of the market. The threats to CoFund include trust issues to the real estate tokenization and legal proof for the rights of the property, as well as easy duplication of core features of real estate tokenization and revenue distribution.

In conclusion, the market for real estate tokenization is still in its early stages, which means that any company building solutions now can be called an early adopter of the new technology. CoFund's approach to real estate tokenization is aligned with its core values of transparency, legitimacy, and sustainability. By focusing on building trust with potential investors and providing a clear and comprehensive legal structure, CoFund aims to become a trusted and reliable player in the real estate tokenization market. In addition, CoFund recognizes that education and visibility are key factors in the success of this new technology and plans to engage with the market to raise awareness about the benefits and opportunities of real estate tokenization. By adhering to its values and commitment to educating and building trust with potential investors, CoFund is well-positioned to become a successful early adopter in the real estate tokenization market.

CoFund Ecosystem



The CoFund ecosystem is a complete decentralized investment ecosystem installed at a permission, private blockchain.

CoFund is a community-driven fundraising and investment ecosystem that aims to streamline the investing and fundraising process, eliminating bureaucracy and overcharging challenges. The process of investing with CoFund involves deciphering the DNA of traditional contracts, applying content, rules, and logic in smart contracts, and digitizing assets in a regulated and compliant way. This process eliminates intermediaries and most administrative, legal, and commission fees typical of the current broker-investor relationship.

Using CoFund's investment process grows investor potential in the crypto industry, as crypto is accepted for Asset Tokens. The value and total transactions are stored in public ledgers, but account names remain private, ensuring transparency. CoFund's Security Tokens are programmed to ensure that fund spending matches the portfolio strategy and the business model of the properties-backed companies, offering control mechanisms. Decentralization eliminates platform risk, ensures long-term sustainability, and is viewed as valuable by regulatory bodies.

CoFund's investment goal is to maximize profits for investors and the CoFund community. CoFund selects dominant protocols using a structured process that involves considering use cases and demand, identifying trade-offs for the execution of the opportunity, considering which digital assets have positive future expectations, performing a comparative analysis among potential investments, and constructing a plan for how to move forward. The use cases with the most potential and the most exciting risk/reward will take up more prominent positions in the portfolio.

The CoFund ecosystem offers a transparent and efficient investment process for investors and property-backed companies, with a legal and technical framework that ensures compliance and legitimacy. The use of smart contracts and blockchain technology eliminates intermediaries and fees, while the diversified investment strategy and Fair Value models aim to maximize profits for the CoFund community.

Investment Strategies

Investment Strategy for Asset Tokens

CoFund provides investment in properties backed companies, and we have simplified our selection process below. Naturally, the selection of growth cases relies on many more factors. CoFund selects companies that meet the following criteria:

Companies must have existing strong management.

- Revenue-generating with great growth potential.
- Historically profitable businesses with stable and predictable cash flow and earnings before interest, taxes, depreciation and amortization.
- Innovative products or offerings.
- Roadmap for growth must be in place.
- Partner & distribution strategies must be successfully implemented on a minor scale.
- 5-year budgets showing growth.
- The company cannot have severe debt or legal claims against it.
- A sales pipeline of at least x4 revenue must be present.
- Not more than 80 percent of the revenue can come from 20 percent of the customers in the portfolio.
- The company's financial department must be able to present weekly or monthly status reports and send warnings in due time if actual returns do not meet agreed budgets.
- CoFund's overall investment goal is to maximize profits for investors and the CoFund community. CoFund looks at investment deals with minimum 8-12 percent yields, targeting a minimum allocation of 4 million US dollar per deal.

Cofund Valuation Methods

Estimating valuations for properties-backed companies is an advanced discipline. CoFund uses various valuation models, which are compliant with International Financial Reporting Standards (IFRS) and United States and EU Generally Accepted Accounting Principles (US GAAP) and (EU AAP), to provide a Fair Value measurement for investments. These methods are periodically evaluated and reported to investors as part of the investment reporting process.

CoFund uses a basis of valuation (Fair Value) models, which determine what the carrying amount represents. Different valuation techniques, such as earnings multiple techniques, are used to derive valuation and analyze important data inputs based on EBITDA.

The real estate assets owned through tokenization in CoFund will be valued based on market price each year, ensuring transparency and accuracy in the valuation of the asset. This value will indirectly impact the rental income, which will influence the earnings earned by the security token holders. Furthermore, this value can also be used for the information for those who are willing to sell their security tokens in the CoFund platform. As the market price of the property fluctuates, the value of the security token will be adjusted accordingly, providing investors with an up-to-date and accurate valuation of their investment. This ensures that investors can make informed decisions about their investment and that their investments are aligned with the market value of the underlying asset.



Legal and Structural Framework

Overview of the legal and regulatory framework

CoFund has selected Switzerland as the legal jurisdiction for its decentralized company, as the country has a positive attitude towards digital assets and blockchain technology. The Swiss government and FINMA are open to new developments, particularly in Zug, also known as the “Crypto Valley”. Switzerland provides a sandbox for asset-backed companies to test their offerings, and the Sandbox Exemption applies to property-backed companies that accept deposits below a certain threshold and disclose that Asset Tokens are not supervised by FINMA or protected by the Swiss deposit insurance regime. FINMA has clarified that these exemptions won’t apply to cryptocurrency-traders executing activities similar to foreign exchange traders. The Blockchain Task Force has suggested creating a “token map” to assess whether a cryptocurrency/token qualifies as a security or not.

Ownership and Licensing Requirements - Proposed General Structure

Company limited by shares. Set up a company limited by shares (LLC) which will act as the holding company holding the shares of the Indonesian company owning the individual real estate. Issuance of share tokens: Under the new Swiss Distributed Ledger Technology act enacted in 2021, it is possible to issue a token linked to a share in a legally certain way. Issuing actual shares of the SPVs as tokens would be the preferred approach. For the subsequent series, the idea is to offer different tokens for each subsequent real estate project. The leanest way to achieve this is to set up a new Swiss entity for each series. Both Cofund Investment AG and the Company Limited by Shares (LLC) that will own the property will be regulated under the Switzerland’s Financial Market Services Authority (FINMA) SRO as Financial Intermediaries.

Border and Reporting Requirements

Under Swiss law, any company can accept and hold cryptocurrency for its own account (so both the SPV and the representative office company). Regarding the sale of share tokens by the SPV: If the SPV accepts crypto, Cofund will comply with the Switzerland’s travel rule, i.e. ensure that the recipient’s wallet address is in fact controlled by the recipient. There is no issue with accepting FIAT and converting it into crypto and vice-versa as well as forwarding it to an Indonesian entity.

In summary, CoFund will comply with all legal and regulatory requirements and operate in Switzerland, a crypto-friendly country with its headquarters in Zug. To launch the Security Token Offering (STO) for CoFund, we will prepare and negotiate the key legal documents, including the Private Placement Memorandum (PPM), the Subscription Agreement, the Investor Questionnaire, and the Formation Documents for the CoFund fund, its General Managers, Portfolio Managers, and Service Agreement Providers, to comply with all token laws.

The Legal Structure of the CoFund Real Estate Tokenization

The CoFund real estate tokenization offers an innovative investment opportunity that combines the benefits of real estate and crypto industries. In this chapter, the legal structure of the CoFund real estate tokenization project, which ensures its legitimacy and compliance.

Real Estate Ownership by a Special Purpose Company

The CoFund real estate tokenization project involves the purchase of a valuable real estate asset, which will be owned by a special purpose company (SPC). The SPC will be the legal owner of the real estate, holding the title and rights to the property. The SPC will be fully compliant with local laws and regulations, ensuring transparency and legitimacy of the investment.

Ownership by a Limited Liability Company in Switzerland

The shares of the SPC will be 100% owned by a limited liability company (LLC) registered in Switzerland. This LLC will act as the holding company of the real estate, managing the investment and distributing the dividends to the shareholders. Switzerland is known for its stable and transparent legal system, making it an ideal location for the LLC.

Tokenized Shares for Investors

The shares of the LLC will be tokenized, which means that they will be converted into digital assets represented by security tokens. These security tokens will be offered to the investors in the CoFund project, who can buy them by investing any amount starting from \$1,000. The security tokens represent an equity interest in the company that owns the real estate, giving the investors the rights to receive dividends from net rental income and the rights to share the proceeds from its sale.

Blockchain Technology for Share Tokenization

The tokenization process is based on blockchain technology, which ensures the transparency, security, and immutability of the transactions. The blockchain will record the ownership of the security tokens, which can be traded on the CoFund platform. The CoFund project will also provide a secondary market for the security tokens, giving the investors the flexibility to sell their tokens and exit the investment when they want to.

Invest in a Legitimate and Compliant Project

The legal structure of the CoFund real estate tokenization project ensures that it's fully legitimate and compliant with the laws and regulations in the jurisdiction where the property is located, as well as in Switzerland, under Switzerland's Financial Services Authority (FINMA) SRO. The use of tokenization and blockchain technology makes the investment process transparent, secure, and accessible to anyone with as little as \$1,000. Early investors may be rewarded with higher APYs, providing a great opportunity to get in on the ground floor.

More details on the specific investment opportunity can be found in the appendix.

Tax Considerations for Investors

When it comes to investing in real estate, it's important to consider the tax implications. With the CoFund real estate tokenization project, the tax implications are minimized by the use of profit-sharing derivatives issued under Swiss jurisdiction. Firstly, through Tokenised Financial Instrument that grants a contractual right to a share in Tokenized LLC's EBIT, allows investors to share in the profits of the real estate investment through the LLC that owns the SPC. In addition, Tokenised Financial Instrument that grant a contractual right to a share in Tokenized LLC's EBIT are often exempt from certain taxes, such as withholding taxes on dividends.

Another benefit of a contractual right to a share in Tokenized LLC's EBIT would be more flexible than traditional equity dividend pay-out. For example, they can be structured to include specific profit-sharing percentages or other terms that are customized to suit the needs of the investors. This means that the investors can tailor the investment to their specific tax situation, which can result in a more tax-efficient investment.

The use of Swiss jurisdiction for the issuance of a contractual right to a share in Tokenized LLC's EBIT also offers several benefits. Switzerland is known for its stable and transparent legal system, which provides a safe and secure environment for investors. In addition, Switzerland has a network of double taxation treaties with other countries, which can help to reduce the tax burden on international investors. Cofund Investment AG works with Top-Tier Tax Advisor from one of the Big-4 Global Accounting firms both in Switzerland and the country where the underlying property asset operates.

Corporate Governance in the CoFund Ecosystem

Blockchains offer a revolutionary approach to solving old problems through the application of cryptography and information technology. The financial industry has already begun investing in this new technology, with exchanges proposing using blockchains for trading equities and tracking ownership. The CoFund project aims to create a governed way of structuring governance in this new ecosystem, with a focus on transparency, accuracy, and lower costs.

The advantages of the CoFund system include quicker, cheaper acquisitions and management of Property Fund, as well as greater transparency of ownership. Insider buying and selling will be detected in real time, making manipulations such as the backdating of stock compensation more difficult. Corporate voting will become more accurate, making strategies like "empty voting" more difficult if not impossible to execute secretly.

The CoFund organization itself will also be virtual and decentralized, with dynamic, voting-regulated smart contracts defining all parts of the company's decision-making. However, legal and ethical frameworks, exceptions, and corporate laws must be considered in the coding of the smart contracts. The CoFund project is introduced as a security and complies with all applicable laws and regulations, including KYC and fraud detection tools.

When used in an open form with free entry and exit, blockchains generate an archive of transactions known as distributed ledgers. For a company with shares listed on a public blockchain, all shareholders and other interested parties will be able to view the arrangement of ownership at any time and identify changes instantly as they occur.

However, CoFund shares will be on a private, permissioned blockchain to provide more anonymity to investors.

Blockchain technology will allow voting to be instantly and securely recorded, streamlining the proxy voting process. CoFund suggests a voting system using voting coins, which will be given to investors along with their security tokens.

Real-time accounting on the blockchain gives investors an instant view of all transactions. The CoFund project takes all of these considerations into perspective, with community voting powers to affect direction, features, and more. The CoFund project aims to disintermediate financial transactions, making powerful third parties obsolete and creating a more equalized investor environment.

Tokenomics

The CoFund project introduces the CoFund security token, which is an ERC3643 security token design standard-based asset token. The CoFund security token represents tokenized shares in CoFund and its portfolio of growth properties backed companies. The value of the token reflects the value of the assets invested over time. The CoFund security token is a security token and is used for the digitalization, fractionalization, and storage of the value of the investment portfolio and its underlying assets.

The CoFund security token is backed by the collective investment of the property-owning company/foundation itself, including the portfolio of properties backed companies, as well as the investment portfolio. This makes the CoFund security token a store of value token and an instrument for investing in Asset Tokens through the blockchain. The CoFund security token is a programmable ownership token representing the ownership of company shares from unlisted properties backed companies and digital assets.

The CoFund security token shares many of the characteristics of the ERC20 token but is designed to represent complete and fractional ownership interests in assets and/or entities. The CoFund security token has restrictions on identity, jurisdiction, and asset category. The ERC 3643 Security Token Standard has been used in the token design, alongside other categories such as differentiated ownership, error signaling, document references, gatekeeper functionality, and redemption semantics.

The general strategy of CoFund is long-term buy and hold of dominant protocols within their respective use cases. This is followed by short, hedge, and fiat positions when they expect a bear period to be arriving after the conclusion of a hype cycle. The selection of dominant protocols starts with considering which unique use cases that decentralized networks with native tokens can execute on and which the world has real demand for. After defining these use cases, they consider which set of trade-offs is best for executing on the opportunity.

To see the detailed tokenomics for each CoFund project, please refer to the appendix for each specific investment opportunity. Each project will have its unique SPV, which is why we have tailored our approach to each investment opportunity. Our team ensures that the tokenomics are designed to meet the specific needs of that project and its investors. We are committed to transparency and will ensure that all tokenomics are clearly outlined and readily available for review in the project's appendix.

As with any real estate investment, the value of the underlying asset can fluctuate based on market conditions. The CoFund security token will be valued based on market price each year, and this value will indirectly impact the rental income, which will influence the earnings earned by CoFund security token holders. This value also can be used for the information for those who are willing to sell their CoFund security tokens on the CoFund platform. It's important to note that the earlier the investment, the higher the potential returns. While the CoFund security token does not guarantee any specific return, investors can potentially benefit from the appreciation of the underlying assets and the rental income generated from them.

Investment process

The CoFund investment process is designed to make investing in real estate accessible to everyone, regardless of resources or capital. CoFund offers a new and innovative investment opportunity through its real estate tokenization projects.

Here's how the investment process works for the CoFund projects:



Earnings and Rewards

At CoFund, we are committed to providing our investors with the best investment opportunities, which also comes with attractive returns and rewards. We believe that our investors deserve to benefit from their investments in a meaningful way. In this chapter, we'll explain how our investors can earn income and rewards, including the Annual Percentage Yield (APY) and other incentives that are available through our investment opportunities.

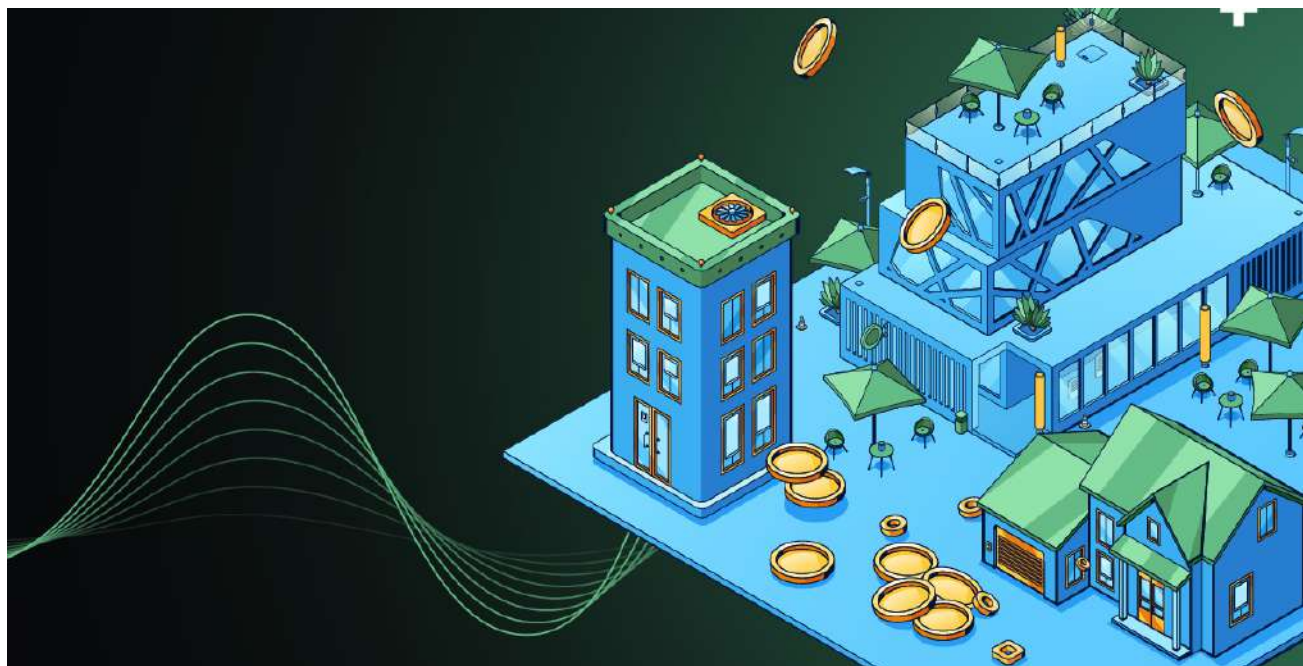
Annual Percentage Yield (APY)

One of the primary ways that investors can earn income through our investment opportunities is through APY. The APY represents the rate of return on an investment over a year, taking into account the effect of compounding. The APY can vary based on the specific investment opportunity, and the returns are disclosed in the appendix for each specific investment.

At CoFund, we strive to provide our investors with a high APY. For example, our first real estate tokenization project in Bali offers an APY of over 10%, making it an attractive investment opportunity for those who are interested in investing in real estate but don't have the resources or capital to do so.

Other Incentives

In addition to the APY, there are other incentives available to our investors, including early investor rewards and referral bonuses. Early investors may be rewarded with higher APYs, making it a great opportunity to get in on the ground floor. Referral bonuses may also be available to investors who refer others to our investment opportunities. These incentives are designed to reward our investors for their commitment to our investment opportunities.



Team

At CoFund, we are committed to providing our investors with the highest level of transparency and quality information available. We believe in direct access between sponsors and investors, and we encourage the packaging of investment opportunities in a form suitable for accredited portfolio investors through Securitized Real Estate Investment Tokens. Our team is made up of experts with extensive experience in various fields, such as capital markets, banking, M&A, commercial real estate, digital information technology, and data analysis, which enables us to provide our clients with a comprehensive range of investment options.



One of our co-founders and CEO, Girindra Kayogiswara, has over 10 years of experience in financial services and investment banking globally, having worked in Jakarta, Singapore, New York, London, Tokyo, and Hong Kong. His expertise and knowledge have been instrumental in the success of our investment strategies.



Our co-founder and Chairman, Victor Fungkong, is an early investor and co-founder of Tokopedia, a \$7 billion company that is one of the largest online retail marketplaces in Indonesia. His experience in growing businesses and generating returns has been invaluable to our team.



Muljo Rahardjo, another co-founder and Commissioner at CoFund, has over 40 years of experience in real estate, IT, and private equity. He has been instrumental in the development of the iconic Shangri-la Hotel in Jakarta, Indonesia, while serving as a director of Lyman Group. His experience and expertise in real estate investments have been critical to the success of our investment strategies.



Finally, our co-founder and advisor, Utama Gondokusumo, has more than 20 years of experience in real estate and currently serves as the Deputy CEO of Intiland Development Tbk, which is one of the largest and most successful real estate and property business groups in Indonesia. His extensive knowledge and experience in the real estate industry have been valuable to our investment strategies.

The CoFund team is rounded out by other experienced professionals, and we invite you to visit our website to learn more about each member of our team and their relevant experience. Our team's expertise and knowledge have been integral to the success of our investment strategies, and we are committed to continuing to provide our clients with the highest level of service and investment opportunities available.

LIST OF SOME ARTICLES ON TEAM MEMBERS ACTIVITIES AND ACHIEVEMENTS:

<https://www.scmp.com/presented/business/companies/topics/indonesia-country-report-2016/article/1980002/indonusa-dwitama>

<http://kolaborasiindonesia.org/2017/06/26/victor-fungkong-keadilan-sosial-dan-kemajuan-teknologi/>

<https://e27.co/angin-welcomes-a-new-day-with-new-investors-advisors-and-portfolio-companies-20160617/>

<https://www.techinasia.com/wallex-raises-series-money-bace-capital>

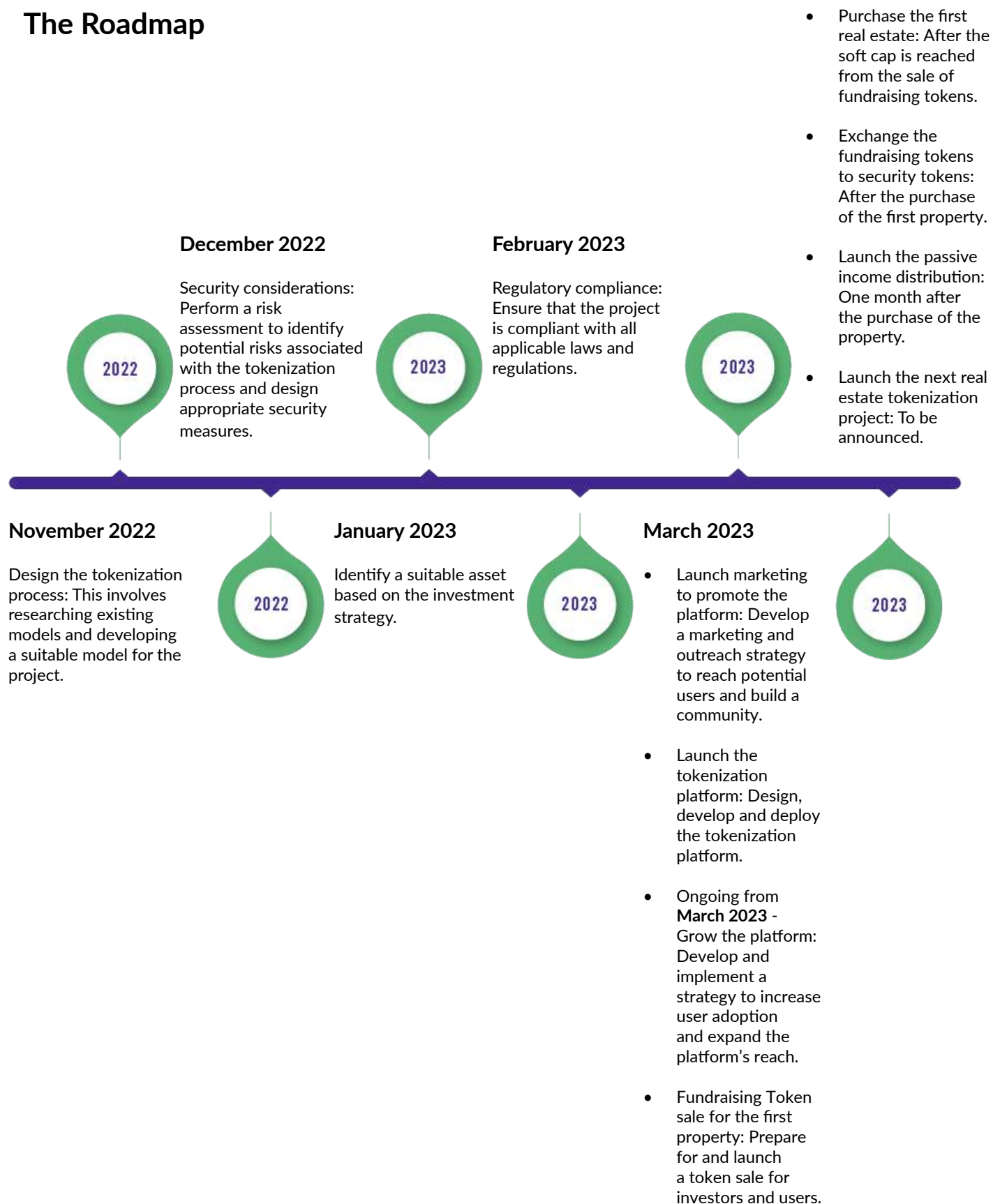
<https://amp.kontan.co.id/release/mekari-akuisisi-qontak-untuk-memperkuat-layanan-produk-dengan-solusi-yang-lebih-end-to-end>

<https://fintechnews.sg/59385/payments/m-daq-inks-deal-to-buy-wallex-on-the-first-stop-of-its-acquisition-spree/>



Roadmap and Future Plans

The Roadmap



A Look at The Future

The world is currently experiencing a technological movement that is disrupting everything, from products and services to asset classes. CoFund's approach for Asset Tokens and raising funds to grow properties backed companies, while securing investors through a change in their investment strategies by allocating a percentage of their portfolios from noted stocks into digital assets and Asset Tokens, is just one of the infinite ways the Fintech industry as a whole can change the world.

We have demonstrated how the real estate tokenization security token value and community can grow over time, sharing the methodology for investors to gain outsized returns on investments due to a unique, diversified investment strategy. To comply with regulations, we have put suggested programmable policies in place, while keeping the privacy and corporate privacy of the people and property-backed companies, and protecting the CoFund ecosystem from hackers and bad actors.

Moreover, we have introduced fairness models based on elements of game theory put to practice, culminating in corporate governance and voting procedures through blockchain. These steps lead to a compliance model that is robust on both the blockchain level as well as the operational level.

We believe that CoFund's platform will enable investors to achieve long-term financial goals while complying with regulatory requirements. With the success of our first project, we plan to expand our successful structure from one project to others coming and to be announced. We aim to introduce more projects for investment to enable our users to diversify their investment portfolios while earning passive income.

At CoFund, we are continuously innovating and adapting to emerging trends in the Fintech industry. Our goal is to provide a platform that is secure, efficient, and accessible to all. We believe that our efforts will help shape the future of real estate tokenization, creating more opportunities for investors, sponsors, and the real estate industry as a whole.

Risks and Mitigations

Investing in digital assets and cryptocurrencies comes with inherent risks and challenges that investors should carefully consider. At CoFund, we understand the importance of investor protection and have implemented a robust due diligence process to mitigate risks.

One of the key areas we focus on is assessing the security risks of the blockchain protocol underlying the CoFund tokenized tokens. We also recognize the inherent price volatility in the crypto space and assess any vulnerabilities of open-source software that underlies our technology.

Keeping up to date with regulatory developments is also a top priority for us, as regulations concerning tokenized tokens may vary significantly among jurisdictions. We regularly pressure test our business model and growth strategy to ensure they are compatible with existing and upcoming regulatory requirements.

In addition, we assess the risks of illegal activity occurring with our products/services and understand the effect on our business. Cybersecurity risks are also taken into consideration, with ongoing compliance with cybersecurity requirements resulting in additional costs.

We understand the risks associated with the misuse or misappropriation of encrypted personal data and the potential consequences of breaches of privacy laws. We have implemented policies and procedures to keep personal information secure and protect our investors' interests.

Our due diligence checklist includes a range of other factors, including assessing CoFund's ability to develop competitive advantages, understanding regulatory capital requirements, and evaluating our IT systems and cybersecurity risks.

We take investor protection seriously and have developed a comprehensive due diligence process to mitigate risks. Our focus on regulatory compliance and the security of our platform and investors' personal information allows us to provide a safe and secure investment opportunity in the digital asset space.

Conclusion

In summary, CoFund offers a new and innovative investment opportunity for individuals looking to invest in high-value properties. By using tokenization, investors can own a fraction of the property, receive annual dividends over 10% APY and have the flexibility to trade their tokens on the platform.

CoFund's senior team members have more than 120 years of accumulated total experience in capital markets, banking, M&A, commercial real estate, digital information technology and data analysis. The team's extensive experience in the industry provides investors with the necessary expertise to navigate the complex world of real estate investments.

The CoFund project is highly regulated to ensure that all investments comply with the applicable laws and regulations. CoFund is committed to safeguarding investors' interests by implementing programmable policies, compliance models, and advanced security measures to protect against hackers and bad actors.

The platform provides a comprehensive due diligence checklist for investors to assess potential risks and vulnerabilities associated with blockchain protocols, data breaches, regulatory requirements, cybersecurity, and more. CoFund's focus is on eliminating risks by offering a highly compliant and regulated investment platform.



If you're interested in investing in real estate but don't have the resources or capital to do so, CoFund offers a unique and accessible investment opportunity. Register on the CoFund platform to get started and pass the KYC process to gain access to all details about the project, including financial data and forecasts.

Join the **CoFund Community** and invest
in **Bali Real Estate** for as little as **\$1,000**.

The earlier you invest, the higher the APY, so get in on the ground floor to maximize your returns. With CoFund, you can be confident that your investment is highly regulated and secure while also providing you with an exciting opportunity to be a part of the future of real estate investments.

Appendix

First Project: 4-Star hotel in Bali

ABOUT

The 4-star hotel is located in the popular town of Ubud, Bali with a land area of 6,550 square meters and a building area of 2,939 square meters. The hotel is surrounded by lush tropical forests and rice fields, and is rated 5 stars by Trip Advisor. It is made up of 5 villas and 20 rooms, yielding a total of 25 hotel keys. Construction of the hotel has been completed and was built by European architects and contractors to international standards. The hotel boasts one of the largest natural stone pools in Bali.



UBUD

Ubud is a great area for the hotel due to its proximity to Gusti Ngurah Rai Airport (1 hour 20 minutes or 40 kilometers away) and Canggu (1 hour or 32 kilometers away).

The town is home to many popular attractions, including the

- Sacred Monkey Forest Sanctuary (21 minutes or 6.4 kilometers away),
- Campuhan Ridge Walk (25 minutes or 6.4 kilometers away),
- Saraswati Temple (20 minutes or 5.8 kilometers away), and
- Ubud Art Market (20 minutes or 5.7 kilometers away).

EXPERIENCES

Wellness & Spa: An experience that involves being treated by Balinese therapists who will help you relax and feel revitalized, matching the calm surroundings of the hotel. This experience can provide a momentary taste of nirvana.

YogaShala: An experience that involves meditating in the midst of paddy fields and the Ubud jungle, which can help energize and calm the mind.

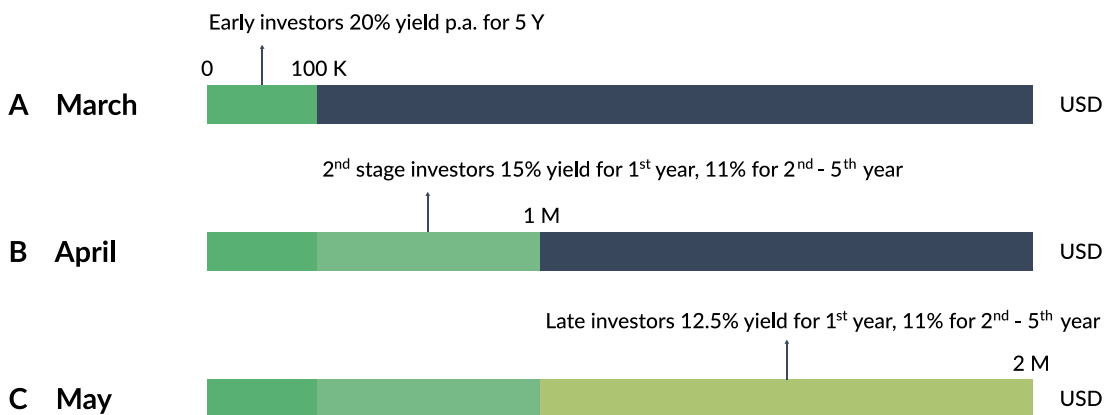
Healthy Club: An experience that involves a selection of gastronomic choices with many menu options that are fresh and healthy. This experience is called “eat love pray.”

Co-working space: An experience that involves a communal modern kitchen and the co-living space, where guests can network and make new friends.

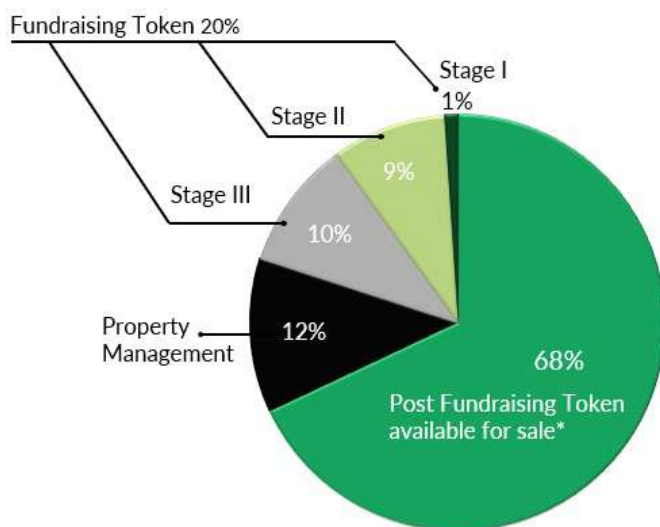
INVESTMENT OPPORTUNITY

The investment opportunity involves purchasing a fractional part of a 4-star hotel located in Ubud, Bali. The expected average yield over a period of 5 years is projected to be above 10%. The hotel has a proven track record of strong performance and operating villas. Buyers who invest a certain amount will be entitled to various benefits, such as complimentary stays, discounts on food and beverage or spa services, and more. Investors will have the opportunity to earn different APYs depending on the timing of their investment. The earlier the investment, the higher the expected returns, with guaranteed APYs provided for those who invest prior to the 2 million USD raise. However, for those who invest after the raise, APYs will be based on the actual return results, which are expected to be around 10%.

INVESTORS



TOKENOMICS



Total Supply: 10,000,000 USD
Token Price: 1,000 USD
Token Qty: 1,000

The first investment opportunity available on the CoFund platform has a total supply of 10,000,000 USD, with each token priced at 1,000 USD. The fundraising tokens will account for 20% of the total supply, or 2 million USD, and will be divided into three stages. Stage 1 will comprise 1% of the total supply and will receive a guaranteed APY of 20% for 5 years. Stage 2 will comprise 9% of the total supply and will receive a guaranteed APY of 15% for the first year and a guaranteed APY of 11% for the subsequent years, with the possibility of earning even higher APYs if the actual results are better.

*) Owned by current property owner that will be sell on platform (P2P)

Stage 3 will comprise 10% of the total available tokens and will receive a guaranteed APY of 12.5% for the first year and a guaranteed APY of 11% for the subsequent years. Additionally, 12% of the total supply will be allocated to property management to cover any required upgrades, with the remaining 68% of the supply available for public sale on the CoFund platform.

Invest now in the 4-star hotel in Bali and take advantage of this unique opportunity to own a fractional part of a luxurious property in one of the most beautiful places in the world. With a proven track record of hotel performance and operating villas, you can expect a 5-year average yield above 10%. Don't miss out on the chance to own a piece of paradise and receive exclusive benefits, such as free stays, F&B or spa discounts, for a certain amount of investment. Invest early to secure higher APY and start enjoying the benefits of owning a luxurious property in Ubud, Bali.

LINKS

Website: <https://cofund.ai>

Telegram: https://t.me/cofund_ai

Twitter: https://twitter.com/cofund_ai

Linkedin: <https://www.linkedin.com/in/cofund-ai>

Medium: <https://medium.com/@cofund>

Instagram: <https://www.instagram.com/cofund.ai/>

References

Real Estate Tokenization Industry Report 2022 by DigiShares
Real Estate Tokenization Industry ROI 2022 by DigiShares
Tokenization of Real Estate Best Practices by DigiShares
Emerging Trends in Real Estate. Global Outlook 2022 by PWC
Emerging Trends in Real Estate. USA, Canada 2023 by PWC
2023: Pivoting Towards Opportunities Asia-Pacific Outlook by Knight Frank
Global Real Estate Tokenization Market: Industry, Size, Share, Growth, Trends and Forecast, 2019–2029 by Prophecy Market Insights
Guide to Real Estate Crowdfunding 2023 by Vairt
<https://knowledge.uli.org/en/Reports/Emerging%20Trends/2023/Emerging%20Trends%20in%20Real%20Estate%20Asia%20Pacific>
<https://cointelegraph.com/news/harbor-tokenizes-100-million-in-real-estate-funds-on-ethereum-blockchain>
https://www.marketsandmarkets.com/Market-Reports/tokenization-market-76652221.html?gclid=Cj0KCQiA_P6dBhD1ARIsAAGI7HCcAOUI5D7GUA9MeB8PJrgmqDFGRXzQqhpocdGPBGIO2TZnsQrD15EaAvGIEALw_wcB
<https://www.globenewswire.com/en/news-release/2022/03/10/2400892/0/en/Global-Real-Estate-Tokenization-Market-is-estimated-to-grow-with-a-significant-CAGR-during-the-forecast-period-By-PMI.html>
<https://medium.com/geekculture/top-5-real-estate-tokenization-companies-in-2022-2023-31f41094765e>
<https://builtin.com/blockchain/blockchain-real-estate-companies>
<https://milkroad.com/real-estate>
<https://www.dentons.com/en/insights/articles/2022/september/6/the-tokenization-of-real-estate#:~:text=Real%20estate%20tokenization%20converts%20the,share%20in%20that%20real%20estate.>
<https://www.mynd.co/knowledge-center/reits-vs-rental-property-vs-fractional-vs-tokenized>
<https://www.theglobeandmail.com/investing/markets/stocks/OCCI-Q/pressreleases/3951286/ofs-credit-company-provides-september-2022-net-asset-value-update/>
<https://www.wordstream.com/blog/ws/2021/08/31/real-estate-advertising-benchmarks>
Bain team (2019) The Bain report 2019
Global Insights (2019) Global Insights 2019
Mulesoft (2019) Building a Digital Platform in the API Economy Ressource Frainsois Normandeau (2019) Cost of Raising capital (2019)
David Yemack, (2017) Corporate Governance and Blockchains
Currency.com White Paper (2019)
Cybavo Vault White Paper, (2019)
The Global Family Office Report (2019)
William J. Luther (2018), Getting Off the Ground: The Case of Bitcoin Dash White Paper, by Evan Duffield & Daniel Diaz, (2017)
Dfinity White Paper, (2017)
Filecoin White Paper, (2018)
GDPR Checklist by Gangsted-Rasmussen Law Firm
Chainplus One, how to launch a successful STO
LU – the tokenization of digital assets is disrupting the financial industry – are you ready?
Forbes (various articles)
Gartner (various articles)
Nick Szabo (2002), op. cit. "Attributions of Collectibles"
Nick Szabo (2002), op. cit.
William Stanley Jevons (1875), Money and the Mechanism of Exchange
https://en.wikipedia.org/wiki/Gresham%27s_law
Wall Street Journal
<https://www.wsj.com/articles/bitcoins-wild-ride-shows-the-truth-it-is-probably-worth-zero-1505760623>

Robert Mundell (1981), "Uses and Abuses of Gresham's Law in the History of Money" (<http://www.columbia.edu/~ram15/grash.html>)

Robert Mundell (1981), op. cit. "3. Good Money Drives Out Bad?"

Michael Mauboussin (2013), Measuring the Moat (https://csinvesting.org/wpcontent/uploads/2013/07/Measuring_the_Moat_July2013.pdf),

Michael Mauboussin and Paul Johnson (1997), Competitive Advantage Period (CAP) (<http://people.stern.nyu.edu/adamodar/pdfiles/eqnotes/cap.pdf>),

Stefan Michel (2014), Capture More Value (<https://hbr.org/2014/10/capture-more-value>),

Peter Thiel (2014), Competition is for Losers (https://www.youtube.com/watch?v=5_OdVHMpJlo)

Peter Thiel (2014), Zero to One

Admati, A. and Pfleiderer, P. (2009) The "Wall Street walk" and shareholder activism: exit as a form of voice, *Review of Financial Studies* 22, 2445–2485.

Back, A., Corallo, M., Dashjr, L., Friedenbach, M., Maxwell, G., Miller, A., Poelstra, A., Timon, J., and Wuille, P. (2014) Enabling blockchain innovations with pegged sidechains. Unpublished working paper, Blockstream.com.

Baiman, S. and Verrecchia, R. (1996) The relation among capital markets, financial disclosure, production efficiency, and insider trading, *Journal of Accounting Research*.

Bebchuk, L. and Jackson, R. (2012) The law and economics of blockholder disclosure, *Harvard Business Law Review*

Bettis, C., Bizjak, J., and Kalpathy, S. (2015) Why do insiders hedge their ownership? An empirical investigation, *Financial Management*

Bheemaiah, K. (2015) Why business schools need to teach about the blockchain. Unpublished manuscript, Grenoble _Ecole de Management.

Bohme, R., Christin, N., Edelman, B., and Moore, T. (2015) Bitcoin: economics, technology, and governance, *Journal of Economic Perspectives*

Boucher, P. (2016) What if blockchain technology revolutionized voting?

Brav, A. and Matthews, D. (2011) Empty voting and the efficiency of corporate governance, *Journal of Financial Economics*

Brochet, F. (2010) Information content of insider trades before and after the Sarbanes– Oxley act, *Accounting Review*.

Bushman, R., Piotroski, J., and Smith, A. (2005) Insider trading restrictions and analysts' incentives to follow firms, *Journal of Finance*

Christoffersen, S., Geczy, C., Musto, D., and Reed, A. (2007) Vote trading and information aggregation, *Journal of Finance* 62, 2897–2927.

Cicero, D. (2009) The manipulation of executive stock option exercise strategies: information timing and backdating, *Journal of Finance*

Cohen, D., Dey, A., and Lys, T. (2008) Real and accrual-based earnings management in the pre and post- Sarbanes–Oxley periods, *The Accounting Review*

Collin-Dufresne, P. and Fos, V. (2016) Insider trading, stochastic liquidity and equilibrium prices, *Econometrica* 84, 1441–1475.

Cunningham, L. (2006) Too big to fail: moral hazard in auditing and the need to restructure the industry before it unravels, *Columbia Law Review*

Corporate Governance and Blockchains Downloaded from <https://academic.oup.com/rof/article-abstract/21/1/7/2888422> by guest on 14 July 2019

Graham, J., Harvey, C., and Rajgopal, S. (2006) Value destruction and financial reporting decisions, *Financial Analysts Journal*

Grossman, S. and Hart, O. (1980) Takeover bids, the free rider problem, and the theory of the corporation, *Bell Journal of Economics*

Haber, S. and Stornetta, S. (1991) How to time-stamp a digital document, *Lecture Notes in*

Kahan, M. and Rock, E. (2008) The hanging chads of corporate voting, *Georgetown Law Journal*

Kahn, C. and Winton, A. (1998) Ownership structure, speculation, and shareholder intervention, *Journal of Finance* 53, 99–129.

Kocherlakota, N. (1998) Money is memory, *Journal of Economic Theory* 81, 232–251.

Kraft, A., Vashishtha, R., and Venkatachalam, M. (2016) Frequent financial reporting and managerial myopia. Unpublished manuscript, City University London and Duke University.

Kyle, A. and Vila, J. (1991) Noise trading and takeovers, *RAND Journal of Economics* 22, 54–71.

Lazanis, R. (2015) How the technology behind bitcoin could transform accounting as we know it, *TechVibes*, January 22.

- Lee, L. (2016) New kids on the blockchain: how bitcoin's technology could reinvent the stock market, *Hastings Business Law Journal* 12, 81–132.
- Leland, H. (1992) Insider trading: should it be prohibited? *Journal of Political Economy* 100,
- Listokin, Y. (2008) Management always wins the close ones, *American Law and Economics Review* 10.
- Malinova, K. and Park, A. (2016) Market design for trading with blockchain technology. Unpublished manuscript, University of Toronto.
- Manne, H. (1966) *Insider Trading and the Stock Market*, Free Press, New York.
- Maug, E. (1998) Large shareholders as monitors: is there a trade-off between liquidity and control? *Journal of Finance* 53, 65–98.
- Metz, C. (2015) The bitcoin schism shows the genius of open source. *Wired*, August 19.
- Nakamoto, S. (2008) Bitcoin: a peer-to-peer electronic cash system. Unpublished manuscript.
- Norli, Ø., Ostergaard, C., and Schindele, I. (2015) Liquidity and shareholder activism, *Review of Financial Studies* 28, 486–520.
- Ronen, J. (2010) Corporate audits and how to fix them, *Journal of Economic Perspectives* 24, 189–210.
- Rosenbloom, P., Schlingemann, F., and Vasconcelos, M. (2014) Does stock liquidity affect incentives to monitor? Evidence from corporate takeovers, *Review of Financial Studies* 27, 2392–2433.
- Roulstone, D. (2003) The relation between insider trading restrictions and executive compensation, *Journal of Accounting Research* 41, 525–551.
- Schroeder, J. (2015) Bitcoin, and the uniform commercial code. Unpublished manuscript, Yeshiva University.
- Sisli Ciamarra, E. (2012) Monitoring by affiliated bankers on board of directors: evidence from corporate financing outcomes, *Financial Management* 41, 665–702. 30 D. Yermack <https://academic.oup.com/rof/article-abstract/21/1/7/2888422> Downloaded 2019
- Swanson, T. (2015) Watermarked tokens and pseudonymity on public blockchains. Unpublished manuscript, R3CEV.
- Szabo, N. (1994) Smart contracts. Unpublished manuscript.
- The Economist (2015) The great chain of being sure about things.
- Wright, A. and DeFilippi, P. (2015) Decentralized blockchain technology and the rise of lex cryptographia. Unpublished manuscript, Yeshiva University, and Université Paris II.
- RANDAO (2017). A DAO working as RNG of Ethereum. <https://github.com/randao/randao>,
- J. Garay, A. Kiayias, and N. Leonardos. (2017) The Bitcoin Backbone Protocol with Chains of Variable Difficulty. In *Annual International Cryptology Conference*, Springer,
- R. Gennaro, S. Goldfeder, and A. Narayanan. Threshold-optimal DSA/ECDSA signatures and an application to Bitcoin wallet security.
- R. Gennaro, S. Jarecki, H. Krawczyk, and T. Rabin. *Advances in Cryptology – EUROCRYPT* (1999)
- Y. Gilad, R. Hemo, S. Micali, G. Vlachos, and N. Zeldovich. *Algorand: Scaling Byzantine Agreements for Cryptocurrencies*.
- D. E. Knuth. (1997) *The art of computer programming*. volume 1: Fundamental algorithms. Volume 2: Seminumerical algorithms. Bull. Amer. Math. Soc.,
- B. Libert, M. Joye, and M. Yung. (2016) Born and raised distributively: Fully distributed non-interactive adaptively-secure threshold signatures with short shares.
- S. Mitsunari. (2017). Barreto-Naehrig curve implementation and BLS. <https://github.com/dfinity/bn>,
- AM Colman, *Game Theory and Experimental Games*, the study of strategic interaction volume 4.
- John Harsanyi, *A General Theory of Equilibrium Selection in Games*. Andrew Schotter, (2008) *The Economical Theory of Social Institutions* Nick Hanley, Henrik Folmer, (1998) *Game Theory and the environment*.

Glossary of terms and definitions

ADR	American Depositary Receipt
AI	Artificial Intelligence
AML	Anti-Money Laundering
API	Application Programming Interface
AUM	Assets Under Management
CACD	CoFund Security Token
DAO	Decentralized Autonomous Organizations
DeFi	Decentralized Finance
Earnings	The profits or income generated by an investment or business
Earnings from profit sharing derivatives	A form of compensation in which investors receive a share of the profits from an investment or financial instrument
EEA	European Economic Area
EPS	Earnings per Share
ESG	Environmental
ETF	Exchange-Traded Fund
EU	European Union
FCA	Financial Conduct Authority
FIAT	Traditional currency
Financial Services and Markets Act 2000	A UK law that regulates financial services and markets in the country
GDPR	General Data Protection Regulation
ICO	Initial Coin Offering
IPO	Initial Public Offering
IRS	Internal Revenue Service
KYC	Know Your Customer
ML	Machine Learning
MVP	Minimum Viable Product
Prospectus	A legal document that provides information about an investment opportunity to potential investors
Prospectus Directive	A European Union directive that sets out rules for the publication of prospectuses when securities are offered to the public or admitted to trading on a regulated market.
QIBs	Qualified Institutional Buyers
Qualified investor	A type of investor who is deemed to have sufficient knowledge and experience in financial matters to be able to make informed investment decisions. In many jurisdictions
Regulated market	A type of market that is subject to certain regulations and oversight
ROI	Return on Investment
SEC	United States Securities and Exchange Commission
Security Token	A type of cryptocurrency that represents ownership or interest in an asset or company
Security Token Offering (STO)	A type of initial coin offering (ICO) that involves the sale of security tokens
Stablecoin	A type of cryptocurrency that is designed to maintain a stable value
STO	Security Token Offering
UI	User Interface
UK	United Kingdom
UX	User Experience
White Paper	A detailed report or guide that explains a company's business

The background is a dark green gradient with a complex network of light green dots and lines, resembling a molecular or digital structure, primarily concentrated in the top right and bottom right corners.

COFUND