

# **GARNET COIN**

## **WHITE PAPER**

**GARNET COIN CROWD SALE**

## **About GARNET Coin:**

**Description:** GARNET Coin is the first venture fund formed entirely of cryptocurrency and managed by experts in classic venture market.

**ICO Days:** 90 Days, Last Day : 25 Jan 2018

**Goal:** min CAP \$30 000 000, max CAP \$50 000 000

**Location:** United States

## **Main advantages:**

- Our team has been working on the investments market since 2007
- Simple and time-proved revenue model: venture investments in REAL ESTATE startups
- Expected annual income is very high – 320%
- High liquidity of the coins: it can be sold on exchanges or it can bring its owner dividends
- Complied with SEC and MAS' requirements

If you want to take part in our ICO, follow the instructions on our official website [www.garnetcoin.com](http://www.garnetcoin.com)

Please do not trust any other sources of information in order to avoid frauds!

## **How it all began:**

In the beginning of 2017 our team of professional investors from a classic venture market were looking into a possibility of investing in Blockchain projects. We found out that there are a lot of promising projects, and yet few experts from the venture market. That's when we decided to set up a new fund with the help of ICO. We called it GARNET Coin.

With GARNET Coin anyone can become an investor in the professional venture fund with large income.

## **Our fund is based on three pillars:**

- Classic venture funds usually greet only those investors who have at least \$500 000. While our investors will have an opportunity to work with a professional venture fund, enjoy all the benefits and invest any sum of money, even if they have only \$1 in their wallet.
- Every day hundreds of new projects, technologies and companies appear on the Blockchain market and seek funding. Most of the projects are legit, but still there is a considerable amount of scam ones. Unprofessional investor would find it really difficult to define which project will succeed and which one will fail. Our team, on the other hand, does it every day, it's our job – finding the best legit groundbreaking projects and then investing in them.

- When you invest in classic venture funds or directly in startups (angel investments), you have to wait for profits for several years, because you simply can't get money for your share until the project is grown and sold. As for GARNET Coin, you will be able to sell them on exchanges any time you want. Or, of course, you could wait for the fund's realization and get maximum profits. We provide all of our portfolio startups with professional guidance, thus ensuring these profits.

## **Market:**

The Blockchain market is growing rapidly. At the beginning of the year 2017 capitalization of the global cryptocurrency market was only 18.2 billion dollars. In August 2017 it was 160 billion dollars. And it continues to grow.

Aggregate value of digital assets is significantly higher than Tesla's capitalization, it's even higher than several countries' GDP. This is how vast the cryptocurrency market is.

In 2016 technological companies raised \$86 200 000 000, and it's only on classic IPO.

GARNET Coin's experts believe that speculating transactions and growing number of ICO launches make the explosive growth of the cryptocurrency market possible. We are expecting a serious market correction in the next 2 years (because it is subject to a so-called

bubble effect). That's why if you invest together with the venture fund, you reduce the risk of making ineffective investments in Blockchain startups.

## **Venture Investments Market:**

Venture investments have become an entrenched part of market relations. In 2016 more than 70 billion dollars were invested in the venture market in the USA alone. 5571 REAL ESTATE projects were funded with this money.

Blockchain projects are in high demand and they present the fastest growing sector. Their market growth is 59% comparing to the previous year.

Most of the groundbreaking projects from this sector appear in Asia, Europe and FSU Region. We have offices in all of these regions, so there is no way we can miss a promising Blockchain startup.

## **Regulations:**

Most of the countries are not regulating cryptocurrency turnover and ICO in any way. Some of the countries are just starting to frame legislation in this sphere. Therefore, all of the investors must know that in the absence of any regulation of the sphere they must be willing to take all the risks.

There is a risk of any of these countries introducing regulations that might lead to significant changes and restrictions in the conditions under which the partner invests or receives the profits. The investor must monitor the occurrence of such changes by himself, and should they appear must take all the risks associated with it.

Cryptocurrency is currently formally recognized as one of the liquid means of payment only in Japan. Such countries as the USA, Canada, Switzerland and UK only have some recommendations and warnings for the investors, not full-fledged regulation.

The fund is officially located in UK, so it is working in compliance with the laws of this country. In case the country introduces any specifications or changes in the regulations over ICO or cryptocurrency, that might affect the fund's work in any way, we will notify all of our investors immediately.

GARNET Coin's token is a security; it implies (not guarantees) that our investors will be receiving profits. The tokens will be issued in compliance with MAS (UK) and SEC (the USA) regulations. The detailed description and status of the token as a security can be found in the "Legal Terms" section.

Anyone can take part in GARNET Coin's ICO, any country's citizens, if the law of the country permits them to do this. The only exception are UK citizens – their participation in the ICO is impossible.

For some countries residents, like the USA and Canada, it is obligatory to confirm that they have an “accredited investor” status.

And all of the investors will also have to go through KYC and ALM identification procedures.

GARNET Coin is trying to provide all of its investors with the required information, but we strongly recommend that each of our partners must study his country of residence’s laws regarding cryptocurrency and hire a professional lawyer that can help you make the most informed decision about investing in the fund.

### **GARNET Coin:**

GARNET Coin was founded in 2017 by professional investors of the global venture market from BLACK FOX Ventures venture fund and a group of Asian venture investors Asian LP.

The investment company BLACK FOX Ventures has been operating since 2007 and has offices in UK , Cyprus and Moscow. Over the past years our team has learnt how to choose the right project for funding and has accumulated considerable experience in managing and guiding startups. The team helps projects with daily management, teaches them how to complete their product development as fast as possible, and then helps them with capturing target markets and minimizing risks. There have been a lot

of different manufacturing and service companies in the fund's portfolio over the past 10 years (oil and gas industry, logistics, construction). But now the team is focused on REAL ESTATE projects. BLACK FOX Ventures is a partner of most of the innovative companies (IIDF, Skolkovo, RVC, Rusnano, etc) and works together with strategic infrastructural companies.

Our second fund, BLACK FOX Ventures Grows Venture Fund II was formed to invest in projects on A and B rounds. It contains 100 million dollars, with which our team funds only those projects, that have proved their business model to work and captured clients' demand. BLACK FOX Ventures prefers to invest in projects from: E-commerce & Mobile, Marketplace & Aggregators, Social media, SaaS & Smart Cloud, Advert technology.

Summarizing results of the previous periods, the total return of BLACK FOX Ventures is more than 122% per annum. Our experience, reputation and professionalism are at your service!

In GARNET Coin's main focus are projects on seed and A/B rounds, those that already have MVP and first clients. Investment in one project vary from \$500k to \$5m. The best startups will be funded with classic venture investments (fiat currency). We will also take part in crowdsales of some of the selected companies.

## **The Fund's investment strategy:**

Around 60% of the raised funds will be spent on short-term investments in carefully selected projects that are planning to launch their own ICOs. Up to 30% will go to long-term investments and no more than 10% will be left for classic venture investments. Such portfolio allocation assures balance between the risks of short-term and long-term investments. The strategy might be changed by the management whenever there is a need to do so.

- Participation in the portfolio company's follow-up is possible.
- The unused raised funds will be temporarily invested in four different lower risk securities (conservative investing).
- Making co-investments is possible for the purpose of minimizing risks.
- Portfolio's profits will be recalculated after each exit. The fund's total profits will be calculated after its realization.

In the end of August GARNET Coin was monitoring more than 70 different projects, some of which might be funded after the fund's ICO. We still continue to search carefully for more interesting projects.

### **GARNET Coin mission:**

Our mission is to maximize our partners' profits by helping new Blockchain companies to grow into unicorns.

## **GARNET Coin's goals:**

In the next 2 years our team will select, fund and assure rapid growth of 15 to 30 startups. All of these startups will afterwards be sold to the next round investors or strategic buyers. Eventually the fund will be fully realized, investors will get their money back, 7 to 14 times more than the initial sum they invested, and the world will get new worthy REAL ESTATE.

In our classic venture fund we ensure 120% per annum income (summarizing the portfolio projects growth during the previous periods), so if we take into account dynamics of Blockchain market development, we set a goal to have 520% per annum income.

## **How GARNET Coin will accomplish its goals ?**

We have been earning money on classic venture investments for several years now. Investments in Blockchain companies are a bit different, but the main issues are still the same. We know these issues, and we know for sure how to address them.

1. Projects selection. Once ICO is over, we will carefully select startups for funding.
2. Projects growth. After we invest in the most promising projects, we will help them to speed their development and improve their products.

3. Shares selling. When a startup reaches considerable growth, we sell our share and get high profits.

This cycle repeats several times until all the raised funds are distributed.

### **Why GARNET Coin:**

GARNET Coin is the first blockchain venture fund formed entirely of cryptocurrency. There are some venture funds on the market who invest in Blockchain startups, but they use classic venture scheme and do not allow partners invest small sums of money. Thanks to the smart contracts technology, we can invite unlimited number of unprofessional investors to invest together with us. So firstly, you should choose us because we make it possible for you to become an investor of a professional venture fund with the minimal investment of just \$1.

Secondly, unlike most of the new crowdfunding and investment platforms, we have been working in this sphere since 2007. We offer you everything we know. We are already making good money on the venture market.

Thirdly, we know the best ways to determine which project has a chance to succeed. Usually only 1 or 2 startups out of 100 show considerable growth. We analyze startups every day and always see the promising ones, that's why our funds show good figures. Dozens of startups appear every week, launching ICOs and seeking other ways to raise funds. Most of these projects might eventually turn

out to be scams. A private investor would never be able to analyze and process that much data just by himself.

And finally we know what is most important – portfolio projects' management. Most of the advisory platforms, that help you to make a decision about an investment, do not think about the next very important step. The pace of Portfolio Company's capitalization growth depends on how well the project is managed afterwards. The fund provides all of its portfolio projects with advisory and proper management. It helps them with product development, day-to-day affairs and capturing target markets, thus ensuring the startups growth. The fund spends around 50% of its time and resources on this, eventually, these are the things that assure high profits.

### **Why Our Tokens:**

1. You will be able to sell tokens on exchanges at any time
2. The token's value will be gradually growing after each share purchase or sale
3. Approximately every month you will be getting dividends – 80% of the fund's profits (the fund will be buying out your tokens after each exit, it will be happening almost every month starting from the fourth quarter of 2017).

If you bought cryptocurrency just hoping that it would grow and you would profit from the increase in the rate, you will receive less profits than your due. Instead of lying around

in your wallets, your cryptocurrency can earn extra money by being invested in the venture fund.

Any owner of a virtual wallet can invest in GARNET Coin and become a shareholder of several legit promising companies.

Members of our team spent years working on the venture market, they do not invest in projects which can bankrupt tomorrow. They know well how to ensure high profits and make good money for themselves and for all of the fund's investors.

### **Token's Description:**

GARNET Coin's ICO will be conducted in compliance with SEC and MAS' regulations. Anyone, except for UK citizens, will be able to purchase the fund's tokens legally

### **How we reduce risks and increase profits:**

One of the main risks that investors face, both on the classic venture market and ICO, is scam. According to experts, most of the Blockchain/Bitcoin startups can turn out to be fraud. Nowadays dishonest entrepreneurs use virtual economy to earn money: it is easy to invest in it, and unprofessional investors tend to fund projects without thorough analysis and investigation. GARNET Coin's team has met a lot of incompetent and fraud projects over the

years of their work. That's why for our team performing Due Diligence of each project is a must.

Our analysts, managing partners and invited experts carefully and thoroughly examine each project. Even startups that don't have a working product yet, but have an idea, founders, target markets, must be investigated. During Due Diligence specialists verify team members' biographies, experience, test their business model, and if the project is already up and running, they analyze how and why this startup is growing/making profits. We also analyze markets and competitors in order to figure out how big certain project's part on the target market will be. It might take months to complete Due Diligence, but eventually there will be a full report with all of the risks and perspectives of a certain startup.

GARNET Coin works together with outside agencies which also perform Due Diligence of the fund's potential portfolio projects. They provide us with an unbiased review of all the aspects, thus helping us to minimize the risks.

Our team are all experienced investors, their knowledge allows them to perform a high-quality Due Diligence of each project, thus ensuring safe investments and high profits.

And of course one of the most important things is a skilled strategic management of each portfolio company. Smart management significantly reduces risks.

## **ICO structure:**

GARNET Coin's ICO goal is to raise from 30 to 50 million dollars in cryptocurrency in order to invest them in Blockchain projects afterwards.

We have a simple and understandable model of making money on the funds tokens – buy-back mechanism. With the help of smart contracts GARNET Coin will be obliged to buy out your tokens after each portfolio company's shares sale. It means that each time the fund profitably exits one of its startups, all of the investors of the fund will immediately get dividends. 80% of the profits will be yours, the fund will get 20%. So, according to this structure, the members of GARNET Coin team will get their profits alongside other investors, which means that maximizing profits is in everyone's interest. The fund will be operating for 2 years, but the period might be changed.

Moreover, in addition to the buy-back mechanism, you will be able to sell your tokens on exchanges at the market price any time you want. And as the fund will start buying shares in startups straight away after the ICO, the token's market price will grow with each purchase. You won't be able to find a classic venture capital that offers an opportunity to quickly exit the fund with your profits secured.

This model is compelling for the investors because of its liquidity and volatility.

We are sure that classic investors, traders, venture investors, as well as cryptocurrency owners and financial investment funds will be interested in joining our ICO. For all of you we offer portfolio diversification and professional guidance for each project management.

### **Terms and definitions of the ICO:**

1. GARNET Coin will issue tokens, which will be distributed only during the ICO. There won't be additional distribution.
2. Any unprofessional investor will be able to buy tokens during the ICO.
3. Pre-ICO finished in Jan, 2018.
4. After the ICO, all of the funds' tokens will be available for sale on most of the popular cryptocurrency exchanges.
5. GARNET Coin takes on the obligation of buying back the tokens through the fund's profits, thus implementing dividend policy. Once the fund announces an exit from a portfolio company, there will be created a queue of investors who applied for selling their tokens back to the fund. The amount of tokens for buy-back will be announced together with the exit date.

6. The fund will buy out the tokens within one month after the exit from a startup. After that the tokens will be destroyed.

## Quick Overview

Total supply of GARNET Coin is 200 Million. 25% of total supply will be sold in pre-sale token event. Below is breakdown of 20% coins for pre-sale token event.

SLAB NO	TOKENS	PRICE (USD)
SLAB 1	1.00%	0.10
SLAB 2	1.20%	0.15
SLAB 3	1.30%	0.20
SLAB 4	1.40%	0.25
SLAB 5	1.50%	0.30
SLAB 6	1.75%	0.35
SLAB 7	2.00%	0.40
SLAB 8	2.85%	0.45
SLAB 9	3.00%	0.50
SLAB 10	4.00%	0.60

**Terms for dividend:**

You need to invest and hold minimum 1000 GARNET Coins for minimum time of 1 month to eligible for dividend of that month. Dividend will be automatically added to your GARNET Coin balance every month.

As you can see in our Whitepaper we are an experienced team of venture investors, who will successfully launch ICO and will do their best to make sure of having the expected profits. You can earn money as a shareholder on the fund's dividends, or you can just sell the tokens on exchanges.

Take part in our ICO and make money together with us! Submit your e-mail on our website and become our partner!