

# MetaFusion



Own over 100 cryptocurrencies in

**JUST ONE ASSET**

using

**JUST ONE WALLET**

c     **EXITY** made SIMPLE = 

# Whitepaper

<https://metafusion.io>

6th June 2018

Draft 1.2

**“To make money by investing in  
Crypto, MetaFusion is the ONLY  
Token you need.”**

~ CJT, Hedge Fund Manager

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Fact: A modest investment into some cryptocurrencies over the last five years would have made you rich (in some cases very rich); investment into some others would have seen you lose most or all of your money.

Problem: How can you know in advance which ones will go up in price and which ones will go down, or even fall to zero? Which ones should you HODL?

Solution: HODL All ... or at least MOST.

Reason: Many of the ones that have gone up, have gone up by more than 100% (in many cases well over 1000%) whereas the ones that have gone down, have not gone down by the opposite negative percentages. The absolute maximum a crypto can go down is 100% at which point it is worth nothing; in other words, the maximum downside is only a hundred percent, but the maximum upside is thousands of percent. The scales are tipped in your favour, so use this and profit.

Method: MetaFusion combines all of the top 100 cryptos on <https://coinmarketcap.com> (except those screened-out as scams or for other investment analysis reasons) plus many of those outside of the top 100 that have certain “growth” characteristics or other unique or special features.

Summary: MetaFusion provides a COMPLETE cryptocurrency investment solution. By investing in MetaFusion you have the asset class fully covered in just one token.

## Abstract

MetaFusion is an ERC20 Token built using the Ethereum Blockchain. It is asset-backed by investment into other cryptocurrencies. It has been designed to effectively operate in the same way as a cryptocurrency fund, but participation is by way of tokens rather than shares. A group of professional investors will invest the relevant value from the crowdsale into underlying cryptocurrencies and MetaFusion tokenholders will benefit from any price increases in these underlying currencies (e.g. Bitcoin, Ethereum etc.) simply by holding MetaFusion. The investment strategy is broadly to own all of the top 100 cryptocurrencies, like Bitcoin, Ethereum, Ripple (XRP), Bitcoin Cash, EOS, Litecoin et cetera, except those cryptocurrencies which are screened-out for some reason (more details on screening below) and then to benchmark, underweight or overweight each position in exactly the same way that a fund manager benchmarks, underweights or overweights holdings in a stock market fund based on benchmarking to indices like the S&P 500 or the FTSE 100. In addition to holding ALL of the non-screened-out top 100, the portfolio will additionally hold a number of the lower market cap ranked cryptos IF they are screened-in, because for example they show significant growth attributes or are linked to an underlying business or commercial project which is especially attractive for some reason.

The value of MetaFusion will be both easily determinable at any given point in time and fully auditable by an independent auditor. MetaFusion has been designed such that its exchange price should reflect the aggregated value of the underlying cryptocurrencies held in the portfolio and that portfolio will be published on the MetaFusion website by UTC midnight on Monday of each week. The valuation will be calculated along the same lines as an investment fund and will be therefore completely transparent, showing each underlying cryptocurrency holding with the number of coins/tokens held and the price thereof at the valuation point.

All of these features are discussed in more detail below.



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## Introduction

Since the appearance of the world's first cryptocurrency, Bitcoin, in early 2009, the idea of interference free, distributed (i.e. decentralised) ledger technology, or blockchain, as a means of recording and verifying transactions has increasingly gained the public's attention such that today there is almost no-one who has not at least heard of cryptocurrency or Bitcoin. Such has been the rapidity of both awareness and adoption of this phenomenon, that many who took only a passing interest, and even some who intended to get involved but were too slow, just simply "missed it". Millions have already been made by those who adopted early and, in many cases, even those who adopted as late as 2016, early 2017. The overwhelming majority of the public are still without any Bitcoin or indeed any other cryptocurrency (Altcoin) investments and even the vast majority of those who took real and pertinent interest, and have numerous different blockchain wallets, still do not have all or even a majority. In fact, the authors of this Whitepaper have never met any individual, or even an institution, that has ALL of even the top 100 cryptos, let alone a significant number of those of the lower ranked coins/tokens in its wallets. There is clearly therefore, a huge – and at this point in time, mostly untapped – market for an asset capable of giving exposure to a broad and diversified portfolio of other cryptoassets, coins and tokens.

In writing this Whitepaper, we have assumed that the reader is broadly aware of what cryptocurrency is, its origins and attributes, and is already convinced that this represents a "must own" asset class in addition to property, bonds, stocks and conventional fiat currency. It is not the intention of the authors to persuade readers that investing in cryptocurrency can result in considerable capital gains as this is now widely known, reported on in the media and is in any case now a well-established fact. The only question we are going to address is: "What is the best way to invest in cryptocurrency?"

Similarly, due to the sheer number of ICOs currently announced and ongoing each day, the authors fully recognise that not many, if any, potential investors will have either the time or inclination to read a 20 plus page Whitepaper filled with schematics and technical jargon. We recognise that we need to make our point in a maximum of 30 minutes reading time and keep things to the bare necessities of explaining:

- (1) "What is it?",
- (2) "How does it work?", and
- (3) "Why do you need it?"

If we can do this, we have achieved our intention. We hope that you find it so.

Any additional points will be addressed in the website ([www.metafusion.io](http://www.metafusion.io)) FAQs and any questions will also be answered on <https://bitcointalk.org>.

## **(1) MetaFusion: “What is it?”**

With the considerations contained in the introduction in mind, and recognising that others have tried already - with varying degrees of success, to address this “need”, the creators of MetaFusion set about designing a Token that could quite literally be “the ONLY Token a cryptocurrency investor will ever need”.

Such questions as, “What would it look like?”, “What attributes would it have?”, “How would it be valued?”, “Which cryptocurrencies/cryptoassets would it be exposed to and in what proportions?” have all been diligently addressed, modelled and then re-addressed and re-modelled until we have now come to the point of being able to set out, clearly and in a completely transparent manner, a fully thought-out and reasoned analysis of the “best way” for the average investor to invest in cryptocurrency.

By “average investor” we mean, those with the intelligence, desire and financial means to invest, but who lack either or both, the time or will to open multiple wallets, make the necessary exchange trades and safely keep hold of and administer the number of seeds/private keys necessary to achieve what MetaFusion will achieve: owning hundreds of cryptocurrencies in JUST ONE PORTFOLIO – as per the name “MetaFusion” the underlying cryptocurrencies will be “fused” into a single asset having its own price and being storable in JUST ONE WALLET eliminating the need for multiple seeds and private keys.

MetaFusion, then - in short - is a Token which represents an investment into a portfolio of over 100 cryptocurrencies / cryptoassets / coins / tokens (depending upon your preferred terminology) fused into one new asset. This “fusion” at the time of writing would include nearly ALL of the top 100 cryptos listed on <https://coinmarketcap.com/> plus over 20 non-top 100 assets which our Portfolio Management Team (“PMT”) believe in for one reason or another, e.g. they are involved in mining thus generating more of the coins in the top 100; they represent a commercial project which the team consider bound for success; we expect the market cap to increase and the coin/token will enter the top 100 in future; et cetera.

## **(2) MetaFusion: “How does it work?”**

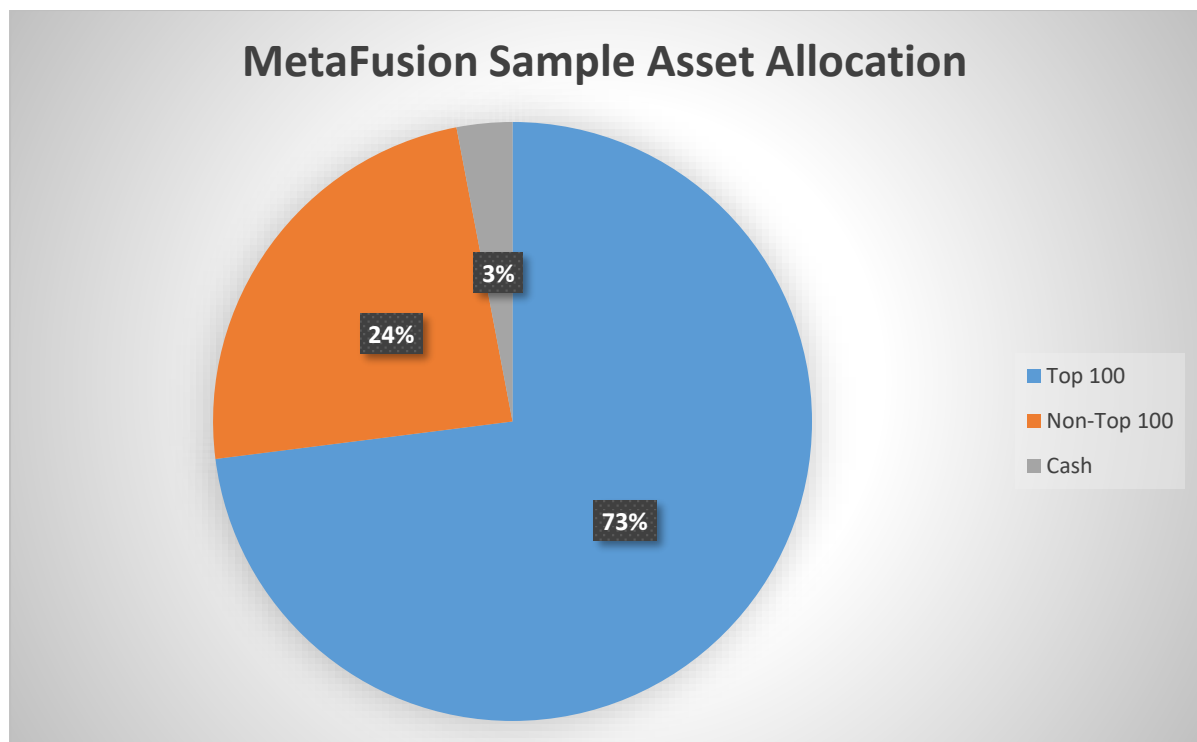
The “buying interface”, which is being provided and managed by ICONEMY ([www.iconemy.io](http://www.iconemy.io)) and which will be available through a direct link on MetaFusion’s website (<https://metafusion.io>) will allow investors to buy MetaFusion Tokens. The price of MetaFusion Tokens will initially be set at the equivalent of a convenient fiat currency amount at the date upon which the initial crowdsale starts. Due to market volatility and the often large daily changes in prices of crypto versus fiat, it would be rash to give an indication of such price in this Whitepaper as it will necessarily be first published many weeks before the crowdsale starts. The equivalent fiat price will be clearly published therefore just a few days in advance of the initial crowdsale.

Once investors have bought MetaFusion Tokens and the corresponding purchase proceeds have been transferred to the master wallet of the issuer, the issuer’s PMT will allocate the collected purchase proceeds to the buying of the underlying coins and tokens. These will all

be held in wallets which are ring-fenced for this purpose and the issuer will not be able to use the assets of such wallets for its own purposes – these assets will “belong” to the portfolio. It is also worth noting that due to MetaFusion being an Ethereum based ERC20 token, the public ledger will clearly reveal all linked wallet addresses so that tokenholders can be assured that value is actually being stored.

The PMT will allocate between 70% to 80% to the top 100 cryptos and between 20% to 30% to those cryptos not currently in the top 100 but which they believe represent good income, growth or safety (if they expect a general fall in crypto prices) prospects. The target asset allocation is shown in Figure 1; there is an allowance for cash also, as this may be required to reduce volatility if conditions dictate and to participate in ICOs.











**Figure 1**



In terms of the top 100 allocation, the benchmark will be the market-cap weighted percentage which each crypto represents of the top 100. In order to illustrate this point, we show below in Figure 2 a sample asset allocation based on just the top 10 – it would be cumbersome here to use the top 100 to illustrate as it would extend over several pages and be difficult to follow. The reader should note, however, that we are using the top 10 just to illustrate the point, in reality we will be investing in ALL of the top 100, unless screened-out as described below.



**Figure 2**

| #              | Icon  | Name         | Market Cap            | Price           | Benchmark Allocation |
|----------------|---|--------------|-----------------------|-----------------|----------------------|
| 1              |  | Bitcoin      | \$ 163,615,405,436.00 | \$ 9,613.670000 | 45.65%               |
| 2              |  | Ethereum     | \$ 78,190,103,523.00  | \$ 787.620000   | 21.82%               |
| 3              |  | Ripple       | \$ 33,980,088,002.00  | \$ 0.867320     | 9.48%                |
| 4              |  | Bitcoin Cash | \$ 29,649,931,574.00  | \$ 1,732.540000 | 8.27%                |
| 5              |  | EOS          | \$ 14,721,316,842.00  | \$ 17.550000    | 4.11%                |
| 6              |  | Litecoin     | \$ 9,595,287,897.00   | \$ 170.090000   | 2.68%                |
| 7              |  | Cardano      | \$ 9,013,831,270.00   | \$ 0.347661     | 2.51%                |
| 8              |  | Stellar      | \$ 7,706,418,910.00   | \$ 0.414947     | 2.15%                |
| 9              |  | IOTA         | \$ 6,393,419,966.00   | \$ 2.300000     | 1.78%                |
| 10             |  | TRON         | \$ 5,547,365,424.00   | \$ 0.084373     | 1.55%                |
| TOTAL (TOP 10) |   |              | \$ 358,413,168,844.00 |                 | 100.00%              |

*Illustration Based On Top 10 @ 6th May 2018*











We ask the reader to note that weightings shown are PURELY illustrative based on the top 10 only. Also, please keep in mind that this portfolio is being offered as an example only to show how benchmark weighting works.

As can be seen from Figure 2, “the benchmark” percentage allocations to each crypto are clear to see. The PMT having this information will then decide whether to invest at “benchmark weight” (exactly as indicated by the table), at “underweight” (less than as indicated by the table) or at “overweight” (more than as indicated by the table). Necessarily, if the PMT decide to overweight one of the cryptos because they think it has particularly good prospects (e.g. XRP) then they will also have to underweight another (e.g. Bitcoin) to balance the available investable portfolio. This technique is exactly the same as that employed in the traditional hedge fund management industry and is therefore well analysed as a means of producing outperformance.

Figure 3 shows the same top 10 example portfolio now benchmarked, underweighted and overweighted. The PMT may, and certainly will, dynamically adjust this underweighting and overweighting as the markets reveal to them if their expectations about the prospects of each particular crypto were right or wrong. They may for example, move a coin that was underweight to overweight if its price starts to leap up for some reason. The reader should understand hereby that MetaFusion not only represents a diversified portfolio of over 100

different cryptocurrencies, but one that is actively managed in the best long term interests of the tokenholders.

**Figure 3**

| #              | Icon  | Name         | Market Cap            | Benchmark Allocation | Portfolio Allocation | Weighting   |
|----------------|---|--------------|-----------------------|----------------------|----------------------|-------------|
| 1              |    | Bitcoin      | \$ 163,615,405,436.00 | 45.65%               | 25.00%               | Underweight |
| 2              |    | Ethereum     | \$ 78,190,103,523.00  | 21.82%               | 32.00%               | Overweight  |
| 3              |    | Ripple       | \$ 33,980,088,002.00  | 9.48%                | 5.00%                | Underweight |
| 4              |    | Bitcoin Cash | \$ 29,649,931,574.00  | 8.27%                | 15.00%               | Overweight  |
| 5              |    | EOS          | \$ 14,721,316,842.00  | 4.11%                | 4.11%                | Benchmarked |
| 6              |    | Litecoin     | \$ 9,595,287,897.00   | 2.68%                | 3.74%                | Overweight  |
| 7              |    | Cardano      | \$ 9,013,831,270.00   | 2.51%                | 5.00%                | Overweight  |
| 8              |    | Stellar      | \$ 7,706,418,910.00   | 2.15%                | 2.15%                | Benchmarked |
| 9              |   | IOTA         | \$ 6,393,419,966.00   | 1.78%                | 5.00%                | Overweight  |
| 10             |  | TRON         | \$ 5,547,365,424.00   | 1.55%                | 3.00%                | Overweight  |
| TOTAL (TOP 10) |   |              | \$ 358,413,168,844.00 | 100.00%              | 100.00%              |             |

*Illustration Based On Top 10 @ 6th May 2018*

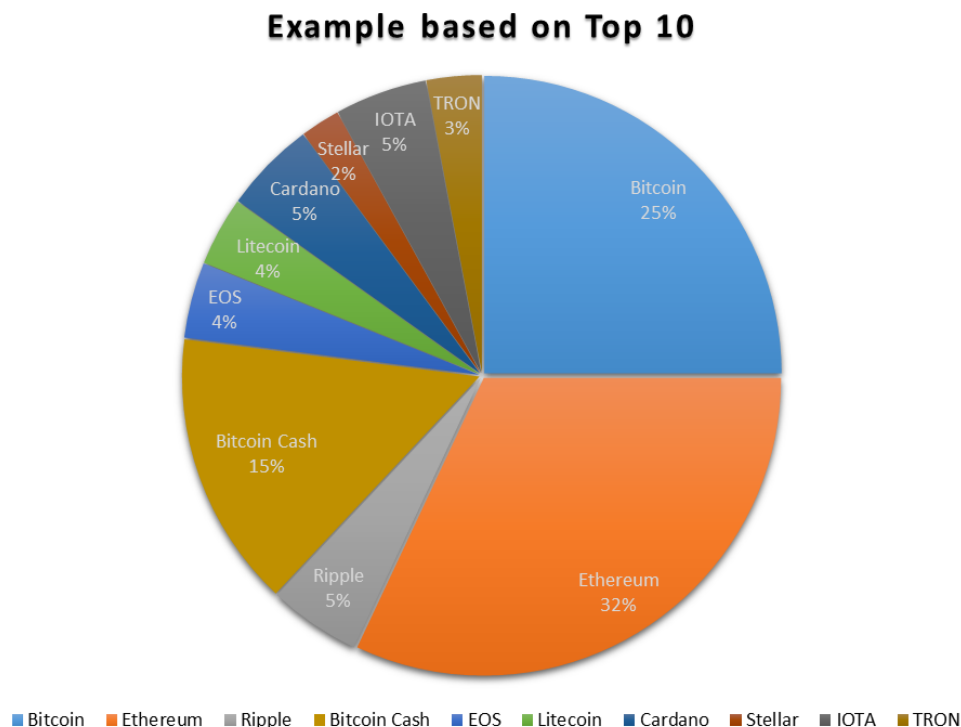
Looking at the portfolio allocations in Figure 3 and whether each crypto is benchmarked, underweighted or overweighted, an observer would easily conclude based in this example that the PMT were bullish on Ethereum, Bitcoin Cash, Litecoin, IOTA and TRON relative to the crypto market in general; were bearish on Bitcoin and Ripple; and held no particular view on EOS and Stellar in either direction, therefore just benchmarking in the portfolio at the levels indicated by their market caps in relation to the total crypto market cap. Please note, this is just an example of how it works and is NOT the actual view of the PMT.

The pie chart in Figure 4 reveals graphically what this portfolio would look like in terms of the selected allocations. Once again, an observer would immediately recognise a strong bias towards Ethereum, that being the largest holding. Again, this is purely for the purposes of example at this stage.

We ask the reader to please keep in mind that this portfolio is being offered as an example and does not necessarily reflect the views of the PMT at this time. It does, however, clearly show how a process of benchmarking and weighting can be employed within a portfolio to reflect the views of the managers. The next sections, entitled “Investment Policy” and “Screening” explain by way of a broad overview, how the PMT arrives at decisions to

benchmark, underweight, overweight or even completely exclude a particular crypto from the MetaFusion Portfolio.

**Figure 4**



### Investment Policy

When constructing an investment portfolio, a fund manager or asset management team (in the case of MetaFusion this team is labelled as the PMT) need to follow certain guidelines in order to know where to start in putting the portfolio together. In the case of MetaFusion, this template is dictated by the Issuer and set out in this Whitepaper. This forms what by analogy to the fund management industry, we may call the “Investment Mandate” or “Investment Policy”. In the case of MetaFusion the base investment policy is quite straightforward and may, and should, be viewed as type of rulebook or set of rules that the PMT must follow. As per an investment fund, the PMT are not allowed to deviate from these rules and the PMT’s adherence to these rules will be subject to an independent annual audit. The spelling out of the investment policy is important to any potential investor but will have particular and significant relevance to any institutional investor, especially a regulated investment fund, which buys MetaFusion in order to gain broad exposure to cryptocurrencies.

The MetaFusion Investment Policy Rules are as follow:

- A minimum of 70% of the Portfolio must be invested in the top 100 cryptos listed on <https://coinmarketcap.com/> BUT this allocation must not exceed a maximum of 80%.

- A minimum of 20% of the Portfolio must be invested in cryptos not listed the top 100 on <https://coinmarketcap.com/> BUT this allocation must not exceed a maximum of 30%.
- An amount of the Portfolio may be held on deposit in fiat currency, BUT this amount must not exceed 10% of the Portfolio. In the event of the PMT anticipating a crash or major fall in general crypto prices (such as happened from Dec 17 to Apr 18, and may well happen again in second move down later in the year) they may use “stable” coins to store value and reduce volatility in addition to cash.
- The percentage of the portfolio’s value allocated to the top 100 cryptos listed on <https://coinmarketcap.com/> must be allocated such that there is SOME exposure to EVERY coin/token listed in the top 100 UNLESS a particular coin/token has been screened-out in which case a record must be kept of the reason for the screening-out and delivered to the auditor as part of the annual audit.
- Notwithstanding that the default position is to hold ALL coins/tokens listed in the top 100, the allocations to each coin/token may be benchmarked, underweighted or overweighted. A record must be kept where underweighting or overweighting exceeds 20% from the benchmarked allocation and delivered to the auditor as part of the annual audit.
- The allocation of the section of the portfolio to cryptos not listed in the top 100 on <https://coinmarketcap.com/> must be spread between a minimum of 20 in order to maintain an acceptable level of diversification and avoid over-concentration risk.
- An absolute maximum of 35% of the Portfolio may be held in any one coin/token, with the exception of Bitcoin and Ethereum where a higher percentage may be held IF, but only IF, indicated by the benchmark.
- An absolute maximum of 10% of the Portfolio may be held on any one exchange overnight.

## Screening

In addition to the rules above, the PMT will make use of screening. This screening may be both positive and negative, but due to the constraint of space and our objective not to exceed 30 minutes reading time, we will confine ourselves to negative screening here. So, what is negative screening? Basically, in terms of crypto, this is a process that in our case is made up of multiple checks on a regular basis. We have developed our own internal systems and software to do this, but again due to space and time, we will concentrate on the principles involved rather than the somewhat complex fine detail.

One of the key screening checks we undertake (which is at least weekly) is to “News, Forum and Social” screen each coin/token. We refer to this as an NFS Screen. We have been running this screen for private crypto investment, including our own, for quite some time. The methodology is again based entirely on that of the Hedge Fund Industry in terms of Stocks. What we basically want to know is: “Is there any dirt on “X” crypto this week? If so, is it valid? If so, should we still hold “X” crypto in our Portfolio?” We must then look at what the upside is and what the downside is, and the PMT must then decide whether to HOLD or to SELL. We shall give an example of how this works in practice: and it does work very well.

First, let’s look at a previous constituent of the <https://coinmarketcap.com/> top 100: perhaps needless to say, it no longer is (see <https://en.wikipedia.org/wiki/Bitconnect>).

**Figure 5**



Figure 5 above is a screen capture of the price chart of BitConnect and anyone already into crypto will know well enough what happened to produce such an astonishing collapse in price from an intra-day high of over \$500 in late 2017 to less than 50 cents in early April 2018. This represents an investment loss of over 99%.

For anyone not familiar with this dark story, a simple Google search will soon reveal all, but suffice it to say that anyone who was employing negative screening would have sold BitConnect weeks before this happened and may very likely never have held it at all.

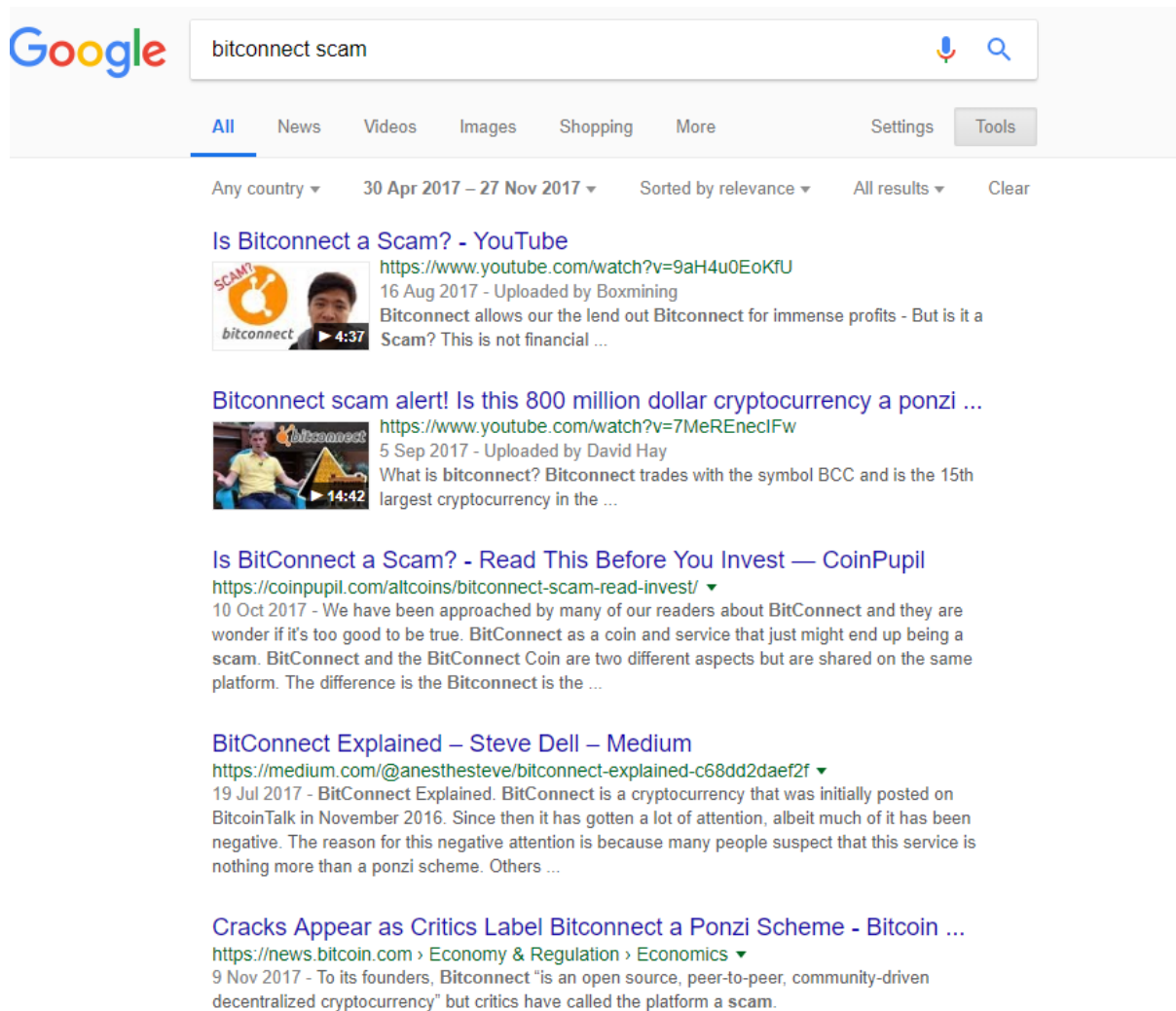
The screen capture overleaf in Figure 6 shows the results of a google search looking only at search results up to Nov 27<sup>th</sup> 2017, the point at which anyone paying even the least amount of attention could clearly see the end was nigh.

Negative screening can, to be fair, throw up some “false” results whereby some commentator or analyst just doesn’t like an idea and goes on to make adverse comments about it on Twitter,

for example. So, care does need to be taken that investments are not negatively screened out unjustly, but in the case of BitConnect the screening did what the screening needed to do.

All the warnings of the risk of a dramatic price drop were in place, one only needed to heed them. For the record, the authors of this Whitepaper are not accusing anyone of anything: just observing that this asset is one which our PMT would have screened-out.

**Figure 6**



## **Public Offering & Distribution of MetaFusion Tokens**

As stated above, once MetaFusion goes live, tokens can be bought via the website with ETH. The initial price will be announced just prior to the first stage of the crowdsale. At the conclusion of the first stage of the crowdsale, the value collected will be distributed as follows:

90% ... Ring-fenced MetaFusion Portfolio

5% ... Distributor Commissions (Wealth Managers, Financial Advisers, Introducers Etc.)

5% ... Developers, Designers, Concept Team, Co-workers Etc.

The Tokens themselves will be distributed as follows:

95% ... Crowdsale Token Buyers

3% ... MetaFusion Management Account (This also includes any fees to Iconemy)

2% ... Bounty Campaign

Total Tokens available: 100,000,000

The token allocations above will be crowdsale round based. So, if for example, 9,500,000 of the totally available tokens are sold in the initial crowdsale (ICO) then an additional 300,000 tokens will be allocated to the MetaFusion Management Account and up to 200,000 tokens will available to be distributed to participants in the Bounty Campaign.

Readers should note that although a maximum of 2,000,000 tokens will be made available to the Bounty Campaign, these will only be distributed for work actually done by participants so if there is low take up of participants and/or those participants do not carry out sufficient work to merit the use of all available tokens then less than the 2,000,000 available will be distributed. Any unused tokens will revert into the ring-fenced MetaFusion Portfolio to the benefit of tokenholders at the end of each round of the crowdsale. This mechanism prevents tokenholders value being dispersed between too few, or too inefficient, bounty campaigners to their own gain and the tokenholders loss. Full details of the Bounty Campaign are available upon request by filling in the webform.

The allocation towards the Issuer's Management Account provides for the Issuer to pay its own major ongoing expenses such as legal fees, accountancy fees, salaries, consultancy fees etc. All such major fees payable by the Issuer will be paid in Metafusion Tokens only once the Issue is live to avoid a situation where any person or entity (e.g. a consultancy firm) is accepting fees without believing in the concept. By paying ongoing fees from the Management Account only in the MetaFusion currency itself we ensure everyone involved regards MetaFusion as a valid means of payment. Some minor repeat fees, such as domain registration, web hosting et cetera may have to be paid in fiat due to their small size and lack of facility by an online registrar, for example, to actually take crypto. The only exception to this, is the Audit which will necessarily be paid in fiat to avoid any bias on the part of the auditor.

In a utility/business based ICO, in which the tokens represent a share, participation or some other economic right in an underlying commercial project (e.g. letting of office space or the development of some new technology) any unsold tokens are conventionally burnt at the end of the crowdsale. As MetaFusion is an asset-backed cryptocurrency and not a utility based cryptocurrency (i.e. the value of MetaFusion tokens derive from the underlying cryptocurrencies held in the ring-fenced portfolio not some economic activity of MetaFusion) there is no reason to burn the unsold tokens.

Only the SOLD tokens participate in the value of the MetaFusion Portfolio: the unsold tokens DO NOT. To use the analogy of a fund again, only issued shares (i.e. not authorised shares) have participating rights. So with MetaFusion, only sold tokens have a right to the portfolio, so the unsold tokens from the initial ICO may be sold in a second, third, fourth, et cetera

offering round WITHOUT any detriment to the existing Tokenholders as they will only be sold in a further offering at the higher of either: (1) the Net Asset Value per Token, or (2) the average exchange token price over the 10 days prior to the further offering. So, if for example, the tokens are trading on exchange at a 10% premium to the calculated Net Asset Value per Token, then the new offering price MUST include this premium.

This methodology guarantees protection of existing token holder value. As each round of tokens is sold, assets corresponding to such value will be purchased for the Portfolio thus there is no dilution of value at all for existing tokenholders, the opposite in fact is the case because as the overall portfolio gets bigger, expenses paid from the portfolio like audit fees will become smaller relative to the size of the portfolio: this works in exactly the same way that a mutual fund works, the bigger the portfolio, the less effect fixed fees have on the investment return.

The Issuer will determine with what frequency to hold any subsequent offering rounds and for how many of the unsold tokens. If the performance of MetaFusion is particularly good and there is rush by the market to acquire tokens, all further rounds after the first, may (at the absolute discretion of MetaFusion) also include a pre-sale in which the unsold tokens are offered to existing tokenholders ONLY using the formula above and then offered to new buyers at a further additional premium above any current exchange premium. In all subsequent funding rounds, the protection of existing tokenholders value will be paramount. If this mechanism is employed, then clearly any existing tokenholders wishing to participate will have to register an email address corresponding to the wallet address in which they are holding their MetaFusion tokens, as the offer will work via the emailing of a direct link to the pre-sale buy page, which will be emailed out and not published on the public website.

### **MetaFusion in the Secondary Market.**

Once MetaFusion has fully launched at the end of the initial crowdsale, it will be listed on several exchanges in order that tokenholders can cash-out at any time by selling their tokens in the secondary market. As a Net Asset Value per token will be published on the MetaFusion website each Monday as described above, the tokens should trade on the exchange at or about the Net Asset Value per token. Readers should keep in mind that as MetaFusion is not a utility based token but is in fact fully asset-backed by a readily auditable portfolio of other cryptocurrencies, its minimum valuation is not a matter of opinion but can actually be calculated very accurately. As noted above, the tokens may well trade on exchange at an additional premium to the calculated minimum value especially during times at which the crypto markets are rising strongly and new participants are coming in wanting to gain exposure.











To ensure the availability to tokenholders of being able to sell MetaFusion on exchange, the issuer itself may undertake market actions itself from time to time by means of which it will re-purchase its own tokens. It will do this only if necessary to ensure there is sufficient liquidity in the tokens to allow tokenholders to exit their investment as and when they should wish to do so. Again, in terms of analogy this will work in the exactly the same way that a Closed



Ended Investment Company, often referred to as an Investment Trust, operates except that instead of the net asset value being shares listed on stock exchange in the case of an Investment Trust, in MetaFusion's case it will be tokens listed on a cryptocurrency exchange, otherwise the situation is identical in most respects.

Figure 7 overleaf gives a good example of how the Net Asset Value of the tokens will be calculated; it will then be announced on the website. The reader will readily see that this is both extremely easy to follow and completely transparent. As the methodology for calculating the value of the ring-fenced portfolio is so easy to follow, there is no reason that the tokens should trade on exchange for any less than the calculated the Net Asset Value per Token: if any token holder sells on exchange for less than the Net Asset Value per Token then that seller is effectively giving free crypto (BTC, ETH, LTC et cetera, as represented by the portfolio) to the buyer of the token which makes no sense.

**Figure 7**

| #  | Icon   | Name         | Price per Coin/Token | Number of Coins/Tokens | Total Value per Position Line | Portfolio Allocation |
|--|--|--------------|----------------------|------------------------|-------------------------------|----------------------|
| 1  |   | Bitcoin      | \$ 9,613.670000      | 153.35                 | \$ 1,474,280.84               | 25.00%               |
| 2  |   | Ethereum     | \$ 787.620000        | 2,395.93               | \$ 1,887,079.47               | 32.00%               |
| 3  |   | Ripple       | \$ 0.867320          | 339,962.37             | \$ 294,856.17                 | 5.00%                |
| 4  |   | Bitcoin Cash | \$ 1,732.540000      | 510.56                 | \$ 884,568.50                 | 15.00%               |
| 5  |   | EOS          | \$ 17.550000         | 13,810.36              | \$ 242,371.77                 | 4.11%                |
| 6  |   | Litecoin     | \$ 170.090000        | 1,296.68               | \$ 220,552.41                 | 3.74%                |
| 7  |   | Cardano      | \$ 0.347661          | 848,114.02             | \$ 294,856.17                 | 5.00%                |
| 8  |   | Stellar      | \$ 0.414947          | 305,552.64             | \$ 126,788.15                 | 2.15%                |
| 9  |   | IOTA         | \$ 2.300000          | 128,198.33             | \$ 294,856.17                 | 5.00%                |
| 10                                       |  | TRON         | \$ 0.084373          | 1,397,869.78           | \$ 117,942.47                 | 2.00%                |
|  | \$   | USD Deposits | \$ 1.000000          | 58,971.23              | \$ 58,971.23                  | 1.00%                |
| TOTAL ASSETS (\$)                        |  |              |                      |                        | \$ 5,897,123.34               | 100.00%              |
| 1  | Accumulated Management Fees  |              |                      |                        | \$ -16,547.00                 |                      |
| 2  | Accumulated Performance Fees   |              |                      |                        | \$ -7,654.32                  |                      |
| 3  | Accumulated Audit Fees   |              |                      |                        | \$ -21,789.00                 |                      |
| 4  | Accumulated Legal Fees   |              |                      |                        | \$ -3,541.00                  |                      |
| 5  | Accumulated Misc. Fees   |              |                      |                        | \$ -1,258.00                  |                      |
| TOTAL LIABILITIES (\$)                   |  |              |                      |                        | \$ -50,789.32                 |                      |
| Net Asset Value of Ring-Fenced Portfolio |  |              |                      |                        | \$ 5,846,334.02               |                      |
| Total Issued MetaFusion Tokens           |  |              |                      |                        | 412,598.00                    |                      |
| Net Asset Value per MetaFusion Token     |  |              |                      |                        | \$ 14.169565                  |                      |

*Illustration Based On Top 10 @ 6th May 2018*

In producing Figure 7, we have again used just the top 10 cryptos by way of example but the actual weekly Net Asset Value sheet published will of course be several pages long to reflect the entire portfolio of over 100 cryptocurrencies being held: the principle, however, will be exactly the same. The reader will also note that it is ONLY the issued (i.e. sold) MetaFusion Tokens that are entitled to the Net Asset Value NOT the remaining unsold Tokens.

Based on the example figures in Figure 7, the reader will readily see that the value of each MetaFusion Token is the equivalent of \$14.17 and there is no reason why the tokens should trade in the secondary market for any less than this amount. As noted above, the tokens may well trade at a premium above this “minimum” Net Asset Value per Token, and if that is the case the Issuer will never engage in either primary or secondary market actions to damage this premium in any way.

### **What are the charges for Metafusion?**

As stated in several places in this Whitepaper, MetaFusion has been designed to operate in the same way as an investment fund - although of course, technically it is not a fund but rather “a cryptocurrency whose value is based on other cryptocurrencies held in its ring-fenced portfolio.” So, it will necessarily incur the same running costs that a fund does. These charges are thus pretty much identical to those of a fund and operate almost exactly in the same way in so far as they are accumulated daily in the portfolio’s balance sheet for payment at a point in the future. For example, the audit fees are payable once per annum but need to be put aside daily so that the portfolio is not hit with a €25,000 bill just in one go. Similarly, although the management fees will only be paid once a month to the Management Account of the Issuer, the cost needs to be accounted for on a daily basis in the portfolio’s accounts. As stated - all exactly the same as a fund. So, what are the charges? The charges fall into two classes: payments to the “manager”, of which the PMT form part; and payments to other “independent parties”, such as the auditor or lawyers. The other point of note is that in running the MetaFusion cryptocurrency some charges will be incurred by the issuer and other directly by the portfolio. It is, for example, not the liability of the portfolio to pay for the issuer’s website. So, the known (as per a fund, some unforeseen expense may arise unexpectedly) charges are:

|                                       |         |
|---------------------------------------|---------|
| Annual Management Fee ....            | 2%      |
| Performance Fee .....                 | 10%     |
| Auditor (Estimated Maximum) .....     | €25,000 |
| Legal Fees (Estimated Maximum) .....  | €30,000 |
| Accountancy (Estimated Maximum) ..... | €42,000 |
| Miscellaneous (Estimated) ..          | €17,000 |

These figures are based on a Portfolio size of €5million and are scalable both up and down accordingly. The reader will note that the fees payable to the issuer (equivalent of the manager in the fund industry) are actually LOWER than that of a typical hedge fund (2% + 20%) as we are charging only a 10% performance fee. The performance fee is based on the USD % change in the price of BTC over a calendar year. There is additionally a high water mark, for those familiar with hedge fund terms.

Please note that the fees may not necessarily be paid in Euro but we have chosen this currency rather USD for fee payments as we will necessarily not be using any US service providers for the same reasons that we are excluding investment by US persons: the reasoning behind this is well known by the crypto community. Obviously in terms of quoting the NAV and for accounting purposes, we will continue to reference \$ (USD) as that is the accepted norm and most exchanges and quotation services (e.g. CoinMarketCap) continue to use \$.

In short, unless the price of MetaFusion goes up in any year MORE than Bitcoin then NO performance fee gets paid. The reader will note that this is a good incentive for the PMT to make our tokenholders some gains!

### **(3) MetaFusion: “Why do you need it?”**

Of the three points we intended to address this is certainly the easiest. As we said above, it was not the intention of the authors to persuade readers that investing in cryptocurrency can result in considerable capital gains as this has already been proven beyond all doubt, our intention was to show that MetaFusion is quite likely the best way to invest in cryptocurrency for the majority of readers.

Clearly, MetaFusion does not do anything that anyone with sufficient time, expertise and will, could not do for themselves. MetaFusion essentially combines over 100 cryptocurrencies in just one portfolio, so if anyone so minded had the time and administrative skills to open 100 plus wallets, look after the seeds and keys, and acquire the corresponding coins/tokens such a person would clearly not need MetaFusion from that perspective.

In addition to opening and operating the wallets, MetaFusion will also run screening on all listed cryptocurrencies with a view to identifying which ones to avoid and which non top 100 to hold (it will automatically hold all the top 100 unless screened-out) but again, if anyone were so minded, they could do exactly the same thing.

Clearly to invest successfully in crypto, and with relative safety, interested parties will need to have the time, the skill and the inclination. Our contention is simply this: how many interested parties actually have all three?

Our target market for MetaFusion therefore is simply those people who want to get full exposure to the whole crypto market and want someone else to do all the work for them for which they will pay us just 2% per annum and no performance fee unless we beat the price rise in Bitcoin.

We think we have created a quite reasonable proposition and hope that the majority of readers will agree. Please read the risk warnings on the last page.

Thanks for reading.

*MetaFusion Concept Team*

## **Risk Warnings & Legal Disclaimers**

MetaFusion, although designed to look, feel and operate like an investment fund is NOT A FUND: it is a cryptocurrency whose value derives from other cryptocurrencies held in its ring-fenced portfolio. Accordingly, it is not regulated, as cryptocurrencies are not regulated investments. This means, amongst other things, that there is no compensation scheme available to tokenholders if something goes wrong and value is lost as a result.

MetaFusion Tokens are denominated in reference to ETH and not in a recognised fiat currency such as dollars or euros. Any references to any fiat currencies made in this whitepaper are for illustrative and explanatory perhaps only: ETH is the reference currency of the MetaFusion Tokens in terms of buy/sell price and BTC in terms of the performance fee.

As with all investments, and arguably more so with cryptocurrency investments, the value of your tokens can go down as well as up. Investment into cryptocurrency carries a high risk of loss of capital. No-one should invest more than they can afford to lose, and any investor should be both financially and psychologically capable of losing ALL of their value without such an event unduly damaging their overall economic position.

To put this clearly: **YOU RISK LOSING ALL OF YOUR VALUE.**

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MetaFusion is offered for sale using cryptocurrency only. It is being offered for sale on the internet only and this offer is aimed ONLY at people who reside in FREE countries in which such people are “allowed” by applicable law to freely participate in such offers at their own discretion.

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