

Neufund's Lightpaper



Community-owned
Fundraising Platform



Neufund Lightpaper Purpose

Our [Whitepaper](#) is very comprehensive and contains all of the details related to the [Neufund Initial Capital Building Mechanism](#) (ICBM). We have prepared for you a “Lightpaper” that summarizes the key points and information from the Whitepaper in a concise form.

It is important to note that this is an overview of the complete Whitepaper and you should refer to the Whitepaper itself for more details before you contribute to the ICBM.



The Neufund Platform – Community-owned Fundraising Platform

Neufund innovates investing for the digital generation. Neufund's platform is the new way for investors to participate in ventures through the use of blockchain technologies. Neufund is a community-owned fundraising platform built within an ecosystem of smart contracts operating on the Ethereum blockchain.

The Opportunity

Currently there are unnecessary barriers, including geographical and jurisdictional constraints, that prevent an alliance of investors from forming. While our networks have grown global and turned digital, traditional asset classes remain highly immobile. Investing through traditional channels is still unnecessarily difficult, expensive, paperwork intensive and depends on a variety of counterparties or intermediaries.

The current investment ecosystem and financial industry relies on governmental intervention to curb the worst excesses of the system. Financial regulations are designed to protect investors but ironically, with the vast scope and subtleties of these financial regulations the novice investor finds himself entirely excluded from the most attractive opportunities. To make things worse, due to regulation, many of the best opportunities to invest in attractive projects are only available through avenues like Venture Capital which is only open to high net-worth accredited investors.

Neufund's mission is to:

- Open private equity to everyone, not just accredited or high net worth investors.
- Make real world private equity fully liquid by tokenizing it.
- Create a decentralised capital pool for funding innovation.
- Onboard off-chain companies into the crypto economy.
- Provide a fully legal and regulated setting for token investment and trading.

There is tremendous potential for net positive disruption and innovation through distributed ledger technology in Neufund. In the beginning Neufund's strategy is based on being legally and technically secure and then to gradually decentralize all functions of the platform, thus "tokenizing the enterprise." This integrates all parts of the Neufund platform into the community by distributing its ownership widely.

Neufund has two key milestones:



1. Creating a primary market for equity tokens with three key components
 - a functioning investment platform
 - the Neufund token economy
 - an attractive portfolio of deals from which all token holders benefit.
2. Make Neufund redundant by transforming all legal entities into fully token-holder owned “public” companies.

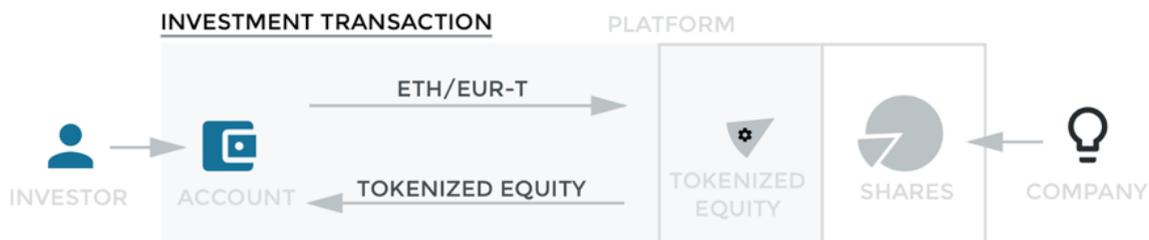
Neufund Platform Benefactors

The two main types of actors on the platform are investors and companies. Investors bring capital to the platform and look for interesting investment opportunities in companies. Companies are businesses of various kinds that look for funding by offering part or all of their shares to investors. The fundamental transaction of the platform is **investment**, where investors become shareholders in companies via Equity Token Offerings (ETO).

Neufund incentivizes investors from both crypto and non-crypto spaces to provide capital for innovation. Investors already active in the crypto space gain access to attractive investment opportunities from outside the space. Investors that have yet to join the crypto economy find in Neufund an easy way to get started. With our stable coin “EURT” (Euro Token, pegged 1:1 to Euro) we bring off-chain capital on-chain. This provides a stable reference for value of investments and may stabilize the price of Ether by preventing sell-offs.

With the advent of the EURT, Neufund’s solution to the volatility of cryptocurrency, all investments will be denominated in Euro, which serves as the base currency of the platform. This does not prevent fundraising in existing crypto-currencies of which Ether will be supported initially. Companies and investors are free to choose what currencies they accept during the ETO.

Companies can raise funds from investors in their existing network, as well as any cryptocurrency holder, or via the capital pool on the Neufund Platform dedicated for funding innovation. Once a company has successfully completed a campaign and issued its equity tokens, Neufund provides an easy-to-use user interface for interacting with shareholders. It is possible to hold votes for legally binding resolutions, issue updates and reports, open further fundraising rounds, enable secondary trading of equity tokens, and perform other functions necessary for responsible corporate governance.



Investors Own Neufund Platform

Neufund Platform's value grows when the number and volume of investments grows. The economy must be designed to stimulate investment and reward transacting participants. Here, the guiding principle is that **anyone who invests, should get a share in the whole platform**.

To be a self-sustaining system, Neufund is designed to be a true token economy. Its value is reflected by a protocol token called Neumark (NEU), **which participants get as a reward for committing capital to the platform**. This essentially allows people to economically own the ecosystem, a powerful incentive for investors to bootstrap the platform and grow it with further investment.

NEU Token Value

The value of NEU results from fee payouts and participation in a platform portfolio of equity tokens, and thus gives economic ownership of the network to said holders.

1. With each successful ETO, a fee is deducted from the invested amount. This **platform fee** is then distributed to NEU holders in proportion to amount of NEU they own ("pro rata").
2. Within the same ETO, a small fee in form of company equity tokens is deducted from the total number of tokens that were acquired. This **token participation fee** is added to a platform portfolio of all companies ever to conduct a token sale on the platform.

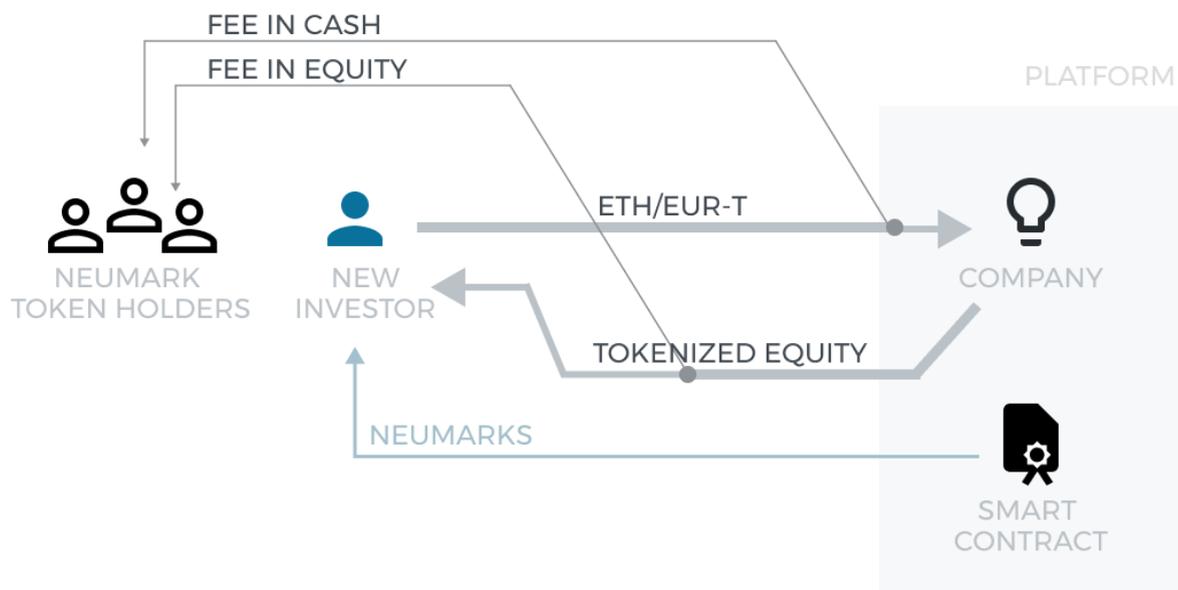
The platform fee mechanism is a simple one. It is taken from the investment upon each successful ETO on the platform and immediately distributed to NEU holders.

Uniquely, because of the token participation fee, NEU holders have a stake in every ETO that happens on the platform, even without investing in those tokens directly. This way, the NEU creates a strong alignment between investors, companies, and



success of the investment platform. The value of NEU grows because all sides of the transaction share the success.

NEUMARK TOKEN BENEFITS



The Initial Capital Building Mechanism (ICBM)

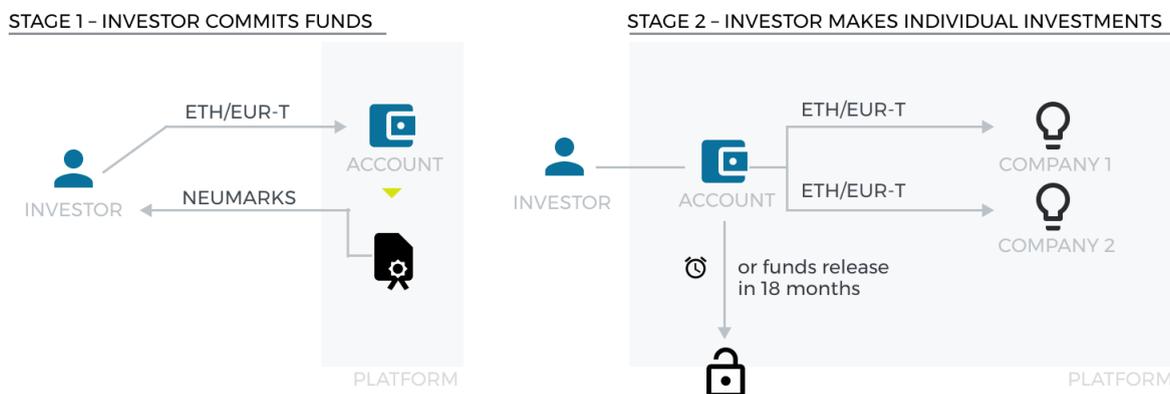
Neufund is not performing a “Neufund ICO”. It is also not performing a “sale” or “crowdfunding”. The aim of the ICBM is to share the Neufund Platform with early adopters and investors. This way ensuring a strong kick-start of the Neufund ecosystem. None of the entities within the Neufund ecosystem will be able to use funds committed by the Investment Community except the contributors themselves. Neufund is not going to use any of these funds, and indeed cannot do so (from a technical perspective). ICBM events are governed by smart contracts and corresponding legal documents setting forth legal terms and conditions for participation and commitment of funds. Those function as a binding of documents both on-chain and legally off-chain and are preserved on the Ethereum blockchain individually for each investor..

Risk- free commitment

Neufund’s ICBM, the Initial Capital Building Mechanism, is a call to commit capital to the Neufund Platform in exchange for tokens. It’s a way for the investors to gain early access to the platform with the intention to invest their capital into projects that will ETO on the Neufund Platform. Token holders have 18 months to pick their favorite investments. **If investors choose not to invest in ETOs, they can withdraw their balance from the platform in the full amount.**



When an investor commits capital, they are rewarded with NEU, which entitles their holders to fee payouts from all the future company fundings. NEU also allows token holders to participate in the economic benefit from a platform portfolio of all the start-ups tokens that will ever be launched.



No Vesting on NEU

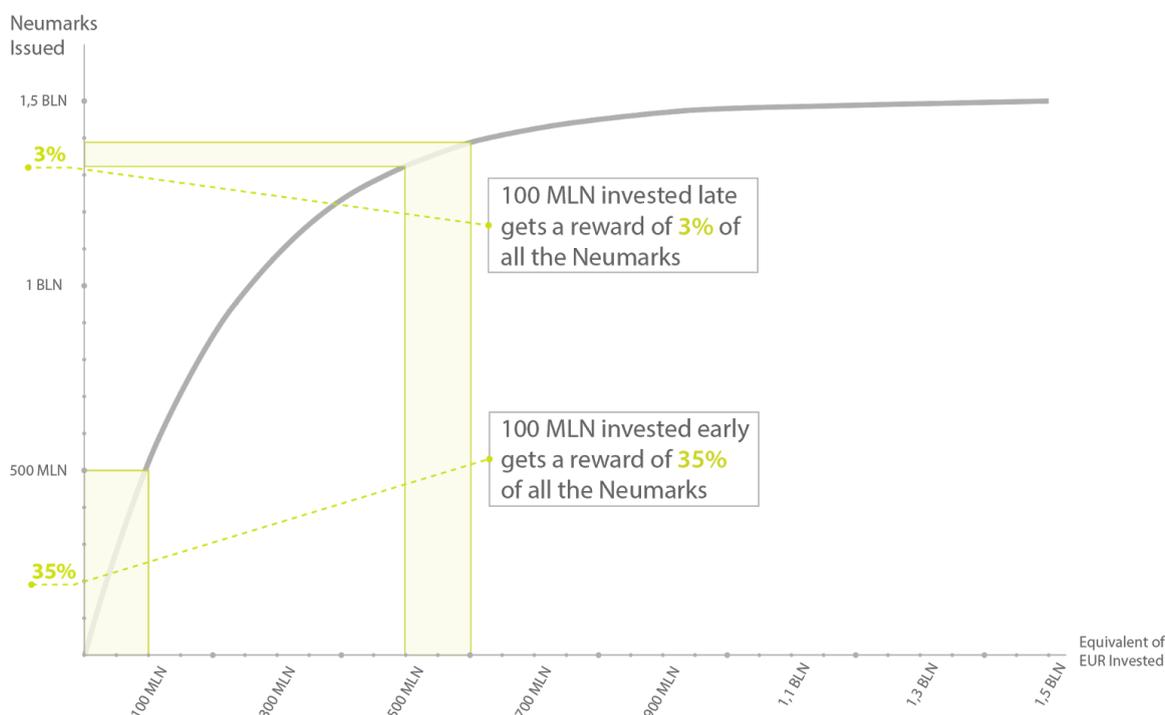
NEU is an ERC20 token. The transfer function is enabled right after the Ether ICBM ends, with the intention to enable trading on major exchanges. There is no vesting scheme applied to trading or rights to fees. Token Holders fully control their tokens.

NEU Issuance Model Incentivises Early Investors

From the platform's point of view, the primary role of the NEU is to incentivise investment. It should also reward risk taking by early adopters committing their money to the platform. This has led us to make the following assumptions for our token issuance model.

1. Specifically incentivise the commitment of the first 1.5 billion Euro.
2. NEU to be issued alongside investment transactions on the platform so the total supply of NEU will increase over time.
3. Higher reward for early adopters - they will receive more NEU for the same committed amount than latecomers.
4. The number of tokens to be deterministically capped so any token holder can compute his holdings (as a share of all NEU) in the future (no endless dilution).

These factors considered, the number of NEU a contributor receives will be highest at the commencement of issuance of NEU and based on formulas detailed in the Whitepaper Section 5.3 will reduce on a diminishing reward scheme. **The earlier you commit, the higher amount of NEU you will receive.**



ICBM Details Token Symbol: NEU

Token Type: ERC 20

ICBM Start: November 17th 2017, 11am UTC

ICBM End: 17th December 2017, 11am UTC

Blockchain Platform: Ethereum

Token cap in ICBM: According to market demand on diminishing NEU reward

The detailed terms of the ICBM can be found in the Whitepaper Section 6.3

Team & Advisors

Neufund is led by its Co-Founders **Zoe Adamovicz**, CEO and **Marcin Rudolf**, CTO who are two experienced entrepreneurs that are passionate about building technology businesses that are impactful, positive and at the same time profitable and powerful.

Prior to Neufund, Zoe founded Xyo, a company that re-imagines how people discover apps, Priori Data (app store intelligence) and Concise Software which provides software development and engineering services.

Marcin, CTO, currently leads the technology development at Neufund. Before joining Neufund, he also led technology development at Xyo. He has been a developer and



team leader in projects involving messaging and telecommunication (Orange), cryptography and mobile devices (Jamba Music), as well as insurance and government (Fiat, Hewlett-Packard).

Read more about the Neufund team [here](#) .

Additionally, Neufund is supported by an expert team of advisors both blockchain, legal and finance related, including, **Fabian Vogelsteller** (Ethereum and Mist Developer), **Michael Jackson** (Partner at Mangrove Capital & Board Director at Blockchain.com), **Julian Zawistowski** (CEO and Founder at Golem), **Adam Stradling** (Crypto Investor and Entrepreneur & Former Co-founder of Bitcoin.com in 2011/12), **Max Kordek** (President of Lisk Foundation), **Christophe Maire** (Founder and CEO at Atlantic Labs), **Paweł Bylica** (Ethereum Core Developer), **Alexander Lange** (VC Earlybird & Board Member Shapeshift) and **Minh Ha Duong** (Investment Manager at Project A Ventures). Read more about Neufund's advisors [here](#).

Reporting & Communication

Investors will commit funds on the commitment page: <https://commit.neufund.org>

We welcome your questions, concerns, and comments to this Lightpaper specifically, and regarding Neufund in general.

Please track our progress or get in touch using the following channels:

- Neufund Slack channel: <https://neufund.org/slack>
- Neufund Subreddit: <https://www.reddit.com/r/neufund/>
- Neufund Blog: <https://blog.neufund.org>
- Neufund Facebook page: <https://www.facebook.com/neufundorg>
- Neufund Twitter account: <https://twitter.com/neufundorg>
- Neufund Telegram channel: <https://t.me/neufund>