White Paper
Vaultbanc Ltd.

Incorporated in Singapore
Company Registration No. 201728158C
(a member of a business group known as “Vaultbank”)

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IMPORTANT. If you are in any doubt about this White Paper, you should consult your stockbroker, bank manager, solicitor, accountant, or other professional adviser.

TABLE OF CONTENTS

ABSTRACT

Vaultbanc Ltd. (hereafter "Vaultbanc"), intends to bring together financial industry expertise, machine learning talent, and revolutionary blockchain technology. Vaultbanc is disrupting two divergent worlds: (i) Cryptocurrency, and (ii) Financial services.

Vaultbank.io will be a cryptocurrency-based investment platform with a cryptocurrency trading terminal, debit card capabilities, and offering tokens backed by secured credit assets. Vaultbank Tokens will enable industry leading foreign exchange rates and asset management with a portfolio of secured credit assets, insured, and robust returns translating into increased stability for investors.

INTRODUCTION

Vaultbank Tokens will disrupt two completely divergent spheres: cryptocurrency and financial services. Vaultbank Tokens stand to revolutionize banking with cryptocurrencies by tackling the five hurdles of the securities distribution market:

(i) Lack of ability to use a token as a fungible form of payment;
(ii) Slow liquidity - it can take as long as a week to execute a token transaction;
(iii) High transaction costs - entry and execution costs can be as high as five percent (5%) to seven percent (7%);
(iv) Volatility - cryptocurrencies have exhibited twenty percent (20%) to fifty percent (50%) swings in valuation within days, primarily because they have no underlying collateral supporting their values and are most commonly invested in by speculators; and
(v) Lack of Transparency/Integrity - most cryptocurrencies have no audit, compliance or oversight regime. Vaultbanc intends to provide annual audits to investors along with traditional quarterly reporting.

Vaultbanc plans to disrupt financial services by:

(i) Bringing Hedge Fund investments to the masses - typical hedge funds are only available to large institutions;
(ii) Creating liquidity for high yield investors - typical hedge funds have three (3) to twelve (12) year lock ups, meaning the investor cannot sell their stake until the termination of the fund, while Vaultbanc, using blockchain technology with its token, will provide immediate and efficient liquidity, enabling investors to enter and exit the fund at will, subject to transfer restrictions as set out in the offering memorandum ("Offering Memorandum") and applicable law; and
(iii) Providing enhanced yield to investors[1] - banks are only providing investors meager yields of less than one percent (1%) per annum.

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[1] As permitted by prevailing market conditions.

OFFERING SUMMARY

Vaultbank Tokens

Vaultbank Tokens are digital tokens that will be issued by Vaultbanc to the investor(s) and represent beneficial ownership interests in a separate class of non-voting equity shares in Vaultbanc Ltd. Legal title of the tokens will be held in trust by Watiga Trust Pte. Ltd. ("Watiga Trust" or the "Nominee") for the token holders, and token holders will hold a beneficial interest in Vaultbanc Ltd. The Nominee is independent of and not involved in the management or operation of the Fund or Fund Manager described below.

The Fund

The VB Fund, LLC, is a Limited Liability Company incorporated in the Cayman Islands under the Limited Liability Companies Law, 2016 of the Cayman Islands (the "Fund"), and is wholly owned by Vaultbanc Ltd. Vaultbanc and the Fund have entered into an Operating Agreement setting out the rights and obligations of each party. It is designed for sophisticated investors, and expects to commence investment operations in the fourth quarter of 2017. Participation in the Fund will primarily be conducted through the Vaultbank Token. The Fund will be managed by Random Forest Capital, a Delaware registered limited liability corporation, having its principal place of business at 2394 Broadway Street, San Francisco, California 94115 (the "Fund Manager"). The Fund Manager is comprised of experienced senior credit officers and bankers as well as industry leading technology engineers.

The Fund may enter into an arrangement with other investment funds managed by the Fund Manager with the same or substantially similar investment objectives as the Fund's to either allow other funds to contribute their assets to the Fund to invest, or to pursue its investment activities by investing all or a portion of its assets in a "Master Fund" that will conduct the investment activities described in this White Paper and the Offering Memorandum (the "Offering Documents").

Fund Manager

The Fund will be managed and advised by Random Forest Capital, (the "Fund Manager"). Random Forest Capital, LLC is a US registered advisor that utilizes Artificial Intelligence ("AI") and Machine Learning ("ML") to enable it to buy loans from originators in the secondary lending market and then pay the yields to their investors.

The Fund Manager will be responsible for the Fund's operations and will perform all services and activities relating to the management of the Fund's assets, liabilities, and operations. Vaultbanc, the Fund, and the Fund Manager, have entered into an Investment Advisor Agreement whereby the Fund Manager will provide the Fund with its management team, along with appropriate support personnel. The Fund will pay the Fund Manager a fee of approximately one percent (1%) of the Assets Under Management ("AUM") directly acquired on behalf of the Fund, as payment for its investment management services.

The Fund Manager will be responsible for identifying and sourcing appropriate credit assets to be purchased by the Fund. The Fund Manager will also be responsible for ensuring assets are directly serviced at all times (principally by the originator of the credit assets) as well as maintaining a back-up servicer. The Fund Manager will also be responsible for Asset Management Monitoring and Reporting ("AMMR") for the Fund, including the retention of accounting and legal service providers.

Credit Portfolio Backed Token to Reduce Volatility and Provide Cash Flow to Investors

Vaultbanc seeks to minimize the volatility of the Vaultbank Token by supporting its value through a portfolio of secured credit assets. In turn, the yields of the portfolio's credit assets will be then reinvested back into the portfolio of credit assets to attempt to increase the underlying fundamental value of each Vaultbank Token.

The portfolio of credit assets will further be secured by a surety wrap to enhance stability and returns. The Fund Manager will use artificial intelligence and machine learning to build a portfolio of secured credit assets. Vaultbanc intends to lever the portfolio with warehouse lines of credit, secured by the portfolio of between 4:1 and 10:1 leverage, depending on the class of assets.

Investment Objective and Strategy

The Fund's investment objective is to provide attractive returns on invested capital through a proprietary quantitative approach to underwriting credit assets, to be provided by Random Forest Capital. The Fund will adhere to an investment strategy driven by data science, in which machine learning within fully non-parametric statistical models are applied to the problem of expected gains in financial investments.

The Fund Manager seeks to identify "optimal" loans to invest in and utilizes a multistage approach to purchase such loans. The Fund seeks diversification of its assets through investments in loans of varying sizes and maturities, based on the type of loan. The net income earned by the Fund during any given month shall generally be retained for reinvestment, but a portion of potential periodic earnings may be used for distributing quarterly dividends to Vaultbank Token holders, where such dividends are approved by Vaultbanc's board and voting shareholders.

At its discretion, the Fund may change or use additional strategies to achieve its investment objective, and intends to employ leverage, as further described in the Offering Memorandum.

There can be no assurance that the Fund will achieve these objectives or that substantial losses will not be incurred.

Blockchain Technology Enables Efficient Liquidity for Investors

Blockchain technology has the potential to provide greater integrity, safety, security, and transparency. As such, Vaultbanc will use the blockchain to ensure immediate transaction adjudication at low costs in hopes of providing greater liquidity for investors.

Efficient Prepaid Debit Cards

Vaultbanc is working to provide debit cards that will be accepted worldwide, and will allow customers to pay with cryptocurrency through traditional plastic debit cards. The account holders will be empowered to select from multiple cryptocurrencies for use as tender, and when they initiate a transaction (e.g. a dinner that costs $83.65), either prepaid debit cash will be used, or the holder can elect to use a supported cryptocurrency, which will then be sold at spot price to complete the transaction. Since Vaultbanc debit cards will be accepted at all point of sale terminals, for the first time, cryptocurrency will be able to be used as tender for everyday purchases. Furthermore, Vaultbanc also plans to provide transaction services for partner tokens, enabling those tokens to be used as tender.

Competitive Fees

Historically, buying in and cashing out of cryptocurrencies has been prohibitively expensive, limiting much of the functionality of tokens to the domain of speculators. Since Vaultbanc will hold both cash and an array of cryptocurrencies at all times, it will be able to facilitate seamless exchange of cash in cryptocurrency to facilitate transactions, and will enable Vaultbanc to compete with Coinbase on both service and fees.

Vaultbanc is Launching into a Growing Market

The market for cryptocurrencies has grown by more than one hundred and sixty billion USD ($160,000,000,000) in the last year. Financial giants and Central Banks alike have invested in blockchain technology. Both large and small investors seek a more regulated market that allows for the safety nets and insurance coverage offered in any registered security market.

PROBLEM STATEMENT

There are few safe harbors in the financial system. Asset categories such as highway bonds, treasury bills, and Exchange Traded Funds ("ETFs"), resist all but cataclysmic collapses of the kind experienced during the Great Depression. It is largely due to regulations that came out of that period that this type of event has not occurred again. Such regulatory reforms have included rules governing securities, corporate governance and reporting requirements, and federally insured banking. However, one of the side effects is that these assets are often comparatively low yield.

The bond market is one of the largest and most stable markets globally, particularly United States government debt securities, which totaled $38.1 Trillion as of Q4 2016. This market is primarily composed of assets with very low liquidity, where terms are frequently over a fifteen (15) to thirty (30) year period. Yields are currently in the two percent (2%) range. As investment vehicles, they are primarily designed to offset inflation. The advantages of such debt vehicles were illustrated during the crisis of 2008 when they offered a rare source of stability. During this time, many of the portfolios of Wall Street were under pressure due to a wide variety of asset classes being significantly devalued simultaneously. For a high net-worth individual or institutional investor with low risk appetites seeking investment options, few available options offer the safety of bonds.

For many investors, the primary problem with bonds is their liquidity limitations. Financial markets dynamically and dramatically change through the passage of time, so much so that what may be considered a sound investment in a bear market, for instance, may seem relatively insufficiently lucrative in a bull market. While ETF Bonds might have shorter terms comparatively, they are in general terms of a period of years and remain subject to suffering the effects of macroeconomic downturns. It is a smaller market, in comparison, but still quite significant at two hundred seventy-three billion USD ($273B) as of 2015. The difference in yields between US Debt securities and ETF Bonds is not very significant, as most ETF Bonds offer little over two percent (2%). They might have shorter terms, but, they generally are over a period of years and remain liable to suffer from macroeconomic downturns.

This encourages long-term relationships between brokerages and their clients. At times, this can prevent the awareness of certain investment bank created securities from reaching the client of competing firms without the use of an intermediary institution that deals with all the institutions involved, resulting in increased fees for the investor. Even then, often the only opportunities the client may have access to learn about are the potential investments they can research in secondary sources, or the ones they are recommended from their individual brokerage firm.

These restrictions are often contributory to the inefficiencies of the system and can leave many busy investors at the behest of their individual brokers to make them aware of potential investments. This, in part, is caused by the limited channels in which many securities can be advertised to potential investors. In a pre-digital age, when secondary sources were hard to come by, often due to their expense, these inefficiencies were less burdensome to the system. Today, the Internet allows for potential investors to access a myriad of avenues to investigate potential investments (both registered with the SEC and not), and the opportunity to become knowledgeable about the investment opportunities outside of traditional channels. Generally, the fee structure of traditional brokerages means being charged at every step of the process, from inquiry, consultation, investment, buy in, and liquidation, in addition to the prospect of a monthly fee being assessed. These fees can result in the diminishment of the yield and liquidity of the investment overall (sometimes through the adding of financial barriers at each step of the process) of certain kinds of investment for certain kinds of investors on certain time scales.

Normally, a financial institution in the case of an asset-backed security such as a mortgage-backed security would be "securitized" or bundled so that investors can buy them. In some cases, the assets are bundled into what are called "tranches," which have a weighted priority in the repayment system. While most of these securities are bundled by federal organizations, some are implemented by private banks and are called "private label." Most of the federal organizations issue these securitizations backed by mortgages. Once issued, they can be bought and sold on the secondary market, although their functionality for fractionalization of the security comes with added expense and complexity. Ledgers are maintained to control security ownership to ensure holders receive their share of cash distributions. These security ledgers can serve to decrease liquidity during the time delay between the investor wanting to liquidate, and the database processes required to conduct the trade.

VAULTBANC'S SOLUTION

The Vaultbanc Credit Portfolio

The Fund will be managed by Random Forest Capital. Specifically, in conjunction with Random Forest Capital, the Vaultbanc portfolio investment strategy will be led by Christopher Cummock, Scot Matteson, and Austin Trombley. The primary assets are credit assets purchased from non-bank originators. The assets range from mortgages, second lien mortgages, real estate bridge loans, auto loans, equipment loans and leases, commercial mortgage loans, asset based loans, and factoring contracts.

The non-bank financial institutions originate the credit assets and will generally retain all servicing responsibilities. The Fund will purchase the credit assets from time to time, either in pools, discrete whole loans, or participations in whole loans. The typical originator will continue to be the primary servicer of the credit assets originated, charging the buyers of the credit assets a nominal servicing fee for performing the billing and collecting function, as well as doing any special servicing in the event of a default to ensure the loans are current and fully repaid.

In addition to the servicing function provided by the loan originators, a secondary "backup" servicer will be engaged in the event one or more of the originators fails to perform their duties, further ensuring the continuation of cash collections and repayments of the credit assets.

Today, sixty percent (60%) of U.S. mortgage credits are held by non-banks, up from thirty percent (30%) in 2013. Over four trillion USD ($4T) in U.S. mortgages alone are available to select from hundreds of non-bank credit platforms. The Fund Manager is tasked with approving the solvency and risk associated with the platforms themselves and identifying the credit profiles of originated assets, from regulatory compliance on originations, volumes, collateral, duration, and rate, to quality of management and servicing. The Fund Manager will be tasked with selecting the highest performing assets available within these platforms for the Vaultbanc portfolio, as well as purging the highest risk assets from the Vaultbanc portfolio.

Due to the number of credits available, machine learning and artificial intelligence will be used rather than having humans look at each individual loan marketplace. Machine learning employs statistical algorithms over thousands of variables and millions of observations that are capable of detecting persistent effects across all aspects of data. The asset selection strategy will be seeking the mathematical intersection of risk mitigation and maximum yield for each loan selected for the portfolio. A wide array of known and proven machine learning methods as well as proprietary methods developed in house will be utilized to optimize returns.

The Fund Manager has access to data pools that allow it to create a more complete profile of each credit thereby creating a more accurate risk assessment. Through the Fund Manager's platform, Vaultbanc will be able to identify the lowest risk and highest yield credits available on the vetted platforms. Vaultbanc will further develop a unique rigorous origination platform due diligence program, wherein Vaultbanc will be able to identify the best of breed origination engines from which it will buy loans.

Investment Roadmap

	1	2	3	4	5	6	7	8	9	10	11	12
Total Originations	457	457	457	517	517	664	664	664	664	664	664	664
Originated Credits	18,050,000	18,050,000	18,050,000	21,750,000	21,750,000	42,200,000	42,200,000	42,200,000	42,200,000	42,200,000	42,200,000	42,200,000
Weighted Average Coupon	13.9%	13.2%	12.6%	11.7%	11.2%	10.6%	10.3%	10.1%	10.0%	9.9%	9.8%	9.7%
Total Portfolio	17,248,623	33,667,727	49,228,044	68,219,638	86,940,131	125,269,727	162,751,391	199,378,025	235,142,471	270,037,508	304,055,857	337,190,172

The Vaultbanc Card

The Vaultbanc Card will be a physical, virtual, and prepaid/debit card and mobile application which will allow for the use of multiple currencies from a single card at competitive rates. In addition to the above, leading cryptocurrencies will be supported for seamless transactions and cryptocurrency exchanges and at competitive rates. Vaultbanc, through a series of strategic partnerships with major global card providers, currently in negotiations, will provide debit cards that will be accepted worldwide, and allow customers to pay with cryptocurrency through traditional plastic debit cards. Account holders will be empowered to select from multiple cryptocurrencies for use as tender, and when they initiate a transaction (e.g. a dinner that costs $83.65), either prepaid debit cash will be used or the holder can elect to use Ether, Bitcoin, or other cryptocurrencies totaling that amount, which will then be sold at spot price to complete the transaction. Since Vaultbanc Cards will be accepted at the point of sale terminals it will be used as tender for purchases. Furthermore, Vaultbanc intends to also provide transaction services for other partner tokens, enabling other tokens to be used as tender.

In summation, the Vaultbanc Card will be developed to provide increased liquidity in multiple global currencies as well as leading cryptocurrencies. The goal is to provide a level of convenience comparable to a debit account without the heavy maintenance fees.

Vaultbanc and the Blockchain

Description

The cryptocurrency market developed out of a perceived need for decentralized finance. The financial crisis of 2008 resulted in a deeply felt and widespread loss of faith in the financial establishment. With the fall of Lehman Brothers and Bear Sterns, it became apparent that even the largest players in the insurance industries are susceptible to suffering the consequences of over-investment and unsound portfolio management practices. The decentralized and, thereby, trust-agnostic nature of cryptocurrency gave people worldwide the tools to hold and transact unique digital goods and their associated value without any centralized intermediary.

Cryptocurrency was designed as a method for decentralized transactions with value held in scarce digital goods. It appeals most strongly in societies where governments have made their currency worthless through hyper-inflation. Today, fifty percent (50%) of people globally have bank accounts. In 2014, it was sixty-two percent (62%), and cryptocurrencies are taking greater footholds among the unbanked. In the first world, the banking system is designed and regulated to create an international insulation against volatility. While the new boom in cryptocurrency is spawning tremendous value. The U.S. retail banking industry is currently not prepared to provide a fluid exchange mechanism to customers with exposure to this market at present. Investment banking interest, however, is already notable and is steadily growing.

The total market for cryptocurrencies has grown past $160 billion USD in the last year. This is roughly equivalent to half of the value of the U.S. Exchange Traded Fund (ETF) bond market. The emergence of major traditional financial institutions participating in this market brings pressures across the cryptocurrency world to comply with established financial infrastructure standards mitigating volatility and making risk assessment easier for investors.

The market for fiat currency to cryptocurrency has only been operational for a few years. Illustrative of the current level of maturity of the industry are the relatively large differences between prices in fiat currency of Bitcoin on the various major exchanges. Opportunities for arbitrage between these exchanges exist on paper, but frequently cannot be realized due to high transaction costs between various crypto assets and fiat currency. In other words, the best prices will come from vendors with the lowest liquidity, and where the order may not be realized quickly, or at the price it was placed. Even the largest and most established providers charge fees as high as seven percent (7%) for fiat transactions.

Along with fiat transaction offerings, the Vaultbanc Card will offer the ability to hold funds in the major cryptocurrencies with the same liquidity and transaction costs. The business model is not based on revenue derived from spreads on these transactions, unlike other exchanges operating today. The Vaultbank Token is intended to offer investors exposure to a portfolio of other assets, but also to offer the potential for unique liquidity to customers with existing or desired exposure to cryptocurrency assets.[2]

Much like the technology boom of the early 1990s, many of the pioneers in this field were amateurs and hobbyists, and the infrastructure to support the demand for their innovations is taking time to build. The remarkable capital influx shows a widespread market consensus around the overall value of the technology in the economic long term. While a future correction is likely, as with any emerging technology, the players establishing themselves in the market using today's capital availability and a clearly sustainable and stress tested strategy are likely to dominate what is becoming a significant sector of the global economy.

Despite many tokens being purely speculative, the emergence of Ethereum and Smart Contracts has facilitated transparency through blockchain technology, along with many other applications.

Much as with Silicon Valley and the tech boom, the true transition from technology concept to economic segment happens in partnership with the establishment. Venture capital and investment banking were instrumental not only to financing the explosion in internet technology, but also in identifying the most promising value propositions. While a capital crunch was experienced in 1999 and 2000, the more established, conservative, and regulated players in the industry have been successful in the long term, and new giants emerge and continue to thrive.

Technology

Blockchain technology is still young, but it has already proved its capability as an immutable ledger. Bitcoin is a purely speculative token, and its value, much like diamonds or gold, outside of industrial uses, is entirely driven by scarcity and the guarantee for the holder that this good is unique and ready for transaction. The advent of smart contracts enabled this technology to be used for more than the creation of scarce digital assets with purely speculative value. Today we can create cryptocurrencies that, unlike Bitcoin, offer a legally binding stake or interest in a venture, a company, or a portfolio.

Companies seeking capital traditionally use a venture capital or public offering mechanism to raise the needed funds. Blockchain technology allows firms to issue the equivalent of shares through an initial coin

[2] Liquidity of assets cannot be guaranteed, and may be impacted by both market and regulatory conditions.

offering, which is a smart contract that registers the equity stake of every investor through the immutable ledger of the blockchain. The smart contracts representing equity stakes or other forms of participation in the project raising capital are distributed in the form of tokens, and offered on a platform that investors can access from anywhere in the world. The cost advantages of this method of financing compared to an Initial Public Offering (IPO), combined with unfettered access to international capital markets, offer a compelling value proposition for firms seeking to raise funds. This approach has garnered significant market validation as firms seeking capitalization conducted through ICOs have already raised more investment in 2017 than combined U.S. venture capital investments for 2016.

Vaultbank Security Token

Vaultbanc is unique in many ways:

(i) Vaultbanc intends to provide, but does not guarantee, the token holders with a quarterly dividend, which must be approved by the Board of Directors and holders of voting shares.

(ii) Vaultbanc intends to invest approximately eighty-five percent (85%) of the proceeds received by Vaultbanc from this Offering in the Fund, and the Fund in turn will invest in credit assets, thereby seeking to create a stable, growing cash flow yielding base for the Vaultbank Token;[3]

(iii) Vaultbanc intends to use modest leverage to further enhance the returns from its credit portfolio to facilitate ongoing and continued reinvestment to grow the credit portfolio underpinning the Vaultbank Tokens.[4]

(iv) Vaultbanc will enhance its ability to establish its credit portfolio with leverage by providing its warehouse lender a credit surety bond.

(v) Vaultbanc intends to maintain a cash, securities, and token reserve at all times to ensure liquidity for Vaultbank Token holders.[5]

(vi) Vaultbanc will enter into alliances with surety wrap providers that will be used to mitigate risk of total capital loss. However, use of these financial instruments do not constitute a guarantee against any and all eventualities.

The Vaultbanc approach to building a credit backed token is similar to the asset backed securities, viewed today as some of the best quality and stable securities investors can acquire, such as Residential Mortgage Backed Securities (RMBS) or Commercial Real Estate Mortgage Backed securities (CMBS).

In each case of RMBS and CMBS, the securities are typically tranched into risk categories, with each tranche being independently evaluated by rating agencies, such as S&P, Moody’s or Fitch. In the context of such securities, a system of preferential tranches is established such that investors are paid out in an established order, often according to the risk involved. Each tranche will have a coupon aligned with the risk profile of such tranche.

[3] Cash flow yields cannot be guaranteed, and may be impacted by both market and regulatory conditions.

[4] Enhanced returns cannot be guaranteed, and may be impacted by both market and regulatory conditions.

[5] Liquidity of assets cannot be guaranteed, and may be impacted by both market and regulatory conditions.

Typically, banks or other risk averse institutions will opt for the lower yielding and safer higher tiers tranches, such as BB - AAA. Average bank portfolio yields are between four percent (4%) to seven percent (7%). The higher risk segments of the tranched security will be typically sold to institutional investors, such as hedge funds whose model relies on maximizing the yield of risky assets. Average hedge fund yields can be between twelve percent (12%) and twenty percent (20%).

Vaultbanc intends to lie between the risk profile of a typical bank and the risk profile of a typical hedge fund, with a target portfolio yield of between eight percent (8%) and eleven percent (11%) on an unlevered basis.

The Fund will own the portfolio of loans and other credit assets, thereby, giving retail investors the ability to participate in a diverse credit portfolio, much like an institutional investor or private hedge fund. The portfolio composition is designed by Vaultbanc management, with oversight and guidance from its seasoned board of directors, and further optimized by the industry leading team of quantitative analysts at the Fund Manager. The Fund intends to invest in a diverse portfolio of credit instruments ranging from six percent (6%) mortgages to twenty percent (20%) factoring contracts, with an average yield of between eight percent (8%) and eleven percent (11%). As the Fund will ultimately benefit from leveraging its portfolio at a cost of about five percent (5%), the Fund expects its net levered portfolio yield to be between fifteen percent (15%) and twenty percent (20%).

Unlike a traditional security however, the immutable ledger of the blockchain is used as a legal vehicle to obtain, store, and transact the investment or any portion of the investment in the security. Vaultbanc allows investors to participate in the income generated by the portfolio of credit assets.

GO-TO-MARKET PLAN

Period	Milestones/ Targets
Q1 2018	• Build a secured credit portfolio with the Fund; • Hire engineers for integrating to build out cryptocurrency exchange and Debit Card features. • Negotiations with major global card providers.
Q2 2018	• Expand Vaultbanc Debit Card plan and capabilities, integrate Debit Card and extend the local fiat debit card capabilities including crypto wallets; • Test launch the Vaultbanc Debit Card Program in the United States. • Complete the cryptocurrency exchange and include cross exchange trading capabilities, increase the tokens listed on such exchange to other ERC20 tokens, and complete seamless integration of these exchange platforms to debit cards.
Q3 2018	Build decentralized applications to solve for complex banking needs, like smart contracts to facilitate the payment of sales tax at point of sale terminals.

VAULTBANC'S INITIAL COIN OFFERING

The offer of Vaultbank Tokens in Singapore is being made in reliance on the exemption under Section 302B(1) of the Securities and Futures Act ("SFA"). It is not made in, or accompanied by, a prospectus that is registered with the Monetary Authority of Singapore ("MAS"), and neither Vaultbanc nor the Vaultbank Tokens are authorized or recognized by the MAS as a collective investment scheme. The Vaultbank Tokens offered herein (and the corresponding non-voting shares in Vaultbanc Ltd. held by the Nominee) shall not be subsequently sold to any person pursuant to another offer in Singapore unless the provisions of the SFA are complied with.

The offer of Vaultbank Tokens in the United States is being made pursuant to Rule 506(c) of Regulation D of the Securities Act of 1933, as amended (the "Securities Act") and participation in the offering is limited to (i) ninety- nine (99) U.S. "accredited investors" (as defined under the Securities Act, Rule 506 of regulation D) considered "a safe harbor" for the private offering exemption of Section 4(a)(2) of the Securities Act as amended and (ii) non-U.S. persons (as defined in section 902) in an offshore transaction in reliance on Regulation S of the Securities Act.

Vaultbanc intends to rely on an exemption from the provisions of the United States Investment Company Act of 1940 ("Investment Company Act"), in reliance upon Section 3(c)(1) of the Investment Company Act, which excludes from the definition of "Investment Company" any issuer whose outstanding securities are beneficially owned by not more than one hundred (100) U.S. Persons and who meet the other conditions contained therein. Each subscriber's subscription documents will contain representations and restrictions on transfer designed to ensure that the relevant conditions are met.

Vaultbanc will be providing an Offering Memorandum that will be prepared solely for use by prospective investors in Vaultbanc, to be issued by Vaultbanc. The Offering Memorandum will be prepared in connection with a private offering to accredited investors, individuals who will be required to verify their accredited investor status through a questionnaire and other necessary documentation, and other individuals globally who meet the requirements for participation in the jurisdiction in which they reside.

Summary of the Offering

Offering:	Vaultbank Token - An Ethereum-based smart contract digital token representing beneficial ownership in non-voting shares in Vaultbanc, which will be held by Watiga Trust in trust for the holders of the Vaultbank Tokens.
Token Symbol:	VB
Price Per Token:	$1 USD per Vaultbank Token
Number of Tokens for Sale:	200,000,000
Start of Token Pre-Sale[6]:	January 19, 2018
End of Token Pre-Sale:	February 16, 2018
Pre-Sale Discount:	15%
Start of Token Sale:	February 17, 2018
End of Token Sale:	March 17, 2018
Currencies Accepted:	BTC and ETH

Participation in the Offering

During the ICO Period, potential investors will be asked for personally identifiable information upon creating an account on *http://invest.vaultbank.io* (the "Website") to participate in the sale. This information is to ensure compliance with the various securities laws of the United States and foreign jurisdictions, as well as the Know Your Customer (KYC) and Anti-Money Laundering (AML) requirements. The information is initially collected by CrowdEngine, a third-party provider hired by Vaultbanc Ltd., and is then made accessible to Vaultbanc Ltd. after all the information is collected. The data collection process will be automated via a secure software platform, and stored in an encrypted database compliant with applicable data privacy standards.

Potential investors will be asked for:

- Name;
- Date of Birth;
- Address or Principal Place of Business;
- Identification Number (e.g. SSN, tax identification number, passport number); and
- Government Issued Identification Documents; and
- Any other information that may be required under applicable law for KYC/AML.

[6] Each of the times and dates in the above timetable is subject to change at the absolute discretion of Vaultbanc. All references are to Pacific Standard Time (PST) time unless otherwise stated.

The provision of information related to the jurisdiction in which the potential investor resides will dictate their legal requirements for participation in the sale. Prospective investors from jurisdictions other than the United States, may be required to provide additional information depending on the KYC/AML requirements in their respective jurisdictions. For United States investors, they must satisfy the obligations promulgated under the "accredited investor" standard pursuant to Regulation D, Section 506(c) of the Securities Act. An investor can demonstrate that they qualify as an accredited investor by substantiating and uploading documents as prompted, and outlined below:

This Offering for prospective United States investors is limited solely to accredited investors as defined in Regulation D under the Securities Act, meaning only those persons or entities coming within any one or more of the following categories:

(i) Any bank, as defined in Section 3(a)(2) of the Securities Act, or any savings and loan association or other institution defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity; any broker-dealer registered pursuant to Section 15 of the Exchange Act; any insurance company, as defined in Section 2(13) of the Securities Act; any investment company registered under the Investment Company Act of 1940 or a business development company, as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the United States Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions for the benefit of its employees, if such plan has total assets in excess of five million USD ($5,000,000); and any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, that is either a bank, savings and loan association, insurance company or registered investment advisor, if the employee benefit plan has total assets in excess of five million USD ($5,000,000) or, if a self-directed plan, with investment decisions made solely by person(s) that are accredited investor(s);

(ii) Any private business development company as defined in Section 202(a)(22) of the Investment Advisors Act of1940;

(iii) Any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, any corporation, Massachusetts or similar business trust, or company, not formed for the specific purpose of acquiring the Common Stock, with total assets in excess of five million USD ($5,000,000);

   (a) Any director or executive officer of the Company;

   (b) Any natural person whose individual net worth, or joint net worth with that person's spouse, exclusive of the value of the person's primary residence net of any mortgage debt and other liens, at the time of his or her purchase exceeds one million USD ($1,000,000);

   (c) Any natural person who had an individual income in excess of two hundred thousand USD ($200,000), or joint income with that person's spouse in excess of three hundred thousand USD ($300,000), in each of the two most recent years and who reasonably expects to reach the same income level in the current year;

   (d) Any trust with total assets in excess of five million USD ($5,000,000), not formed for the specific purpose of acquiring the Common Stock, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of Regulation D; or

(e) Any entity all of whose equity owners are accredited investors

The term “net worth” means the excess of total assets over total liabilities, exclusive of the value of your primary residence net of any mortgage debt and other liens. In determining income, you should add to your adjusted gross income any amounts attributable to tax-exempt income received, losses claimed as a limited partner in any limited partnership, deductions claimed for depreciation, contributions to an IRA or Keogh retirement plan, alimony payments, and any amount by which income from long-term capital gains had been reduced in arriving at adjusted gross income.

All U.S. purchasers will be required to represent in writing that they are an accredited investor under Regulation D, as described above, and may also be required to provide certain documentation in support of such representation. In addition to the foregoing requirement, investors must also represent in writing that they are acquiring the Vaultbank Tokens for their own account and not for the account of others and not with a view to resell or distribute such securities.

To invest in this Offering, investors will need to first create an account and register on *http://invest.vaultbank.io*. Pursuant to Section 506(c) of the Securities Act, evidence of accreditation status is required to invest. This can be satisfied during the account creation process by completing the accreditation process in one of three general manners:

1.	Accreditation based on Investor’s Income:	Investor to provide: (a) Internal Revenue Service (IRS) forms that report the investor's income for the past two (2) years; and (b) written representation that he/she has a reasonable expectation of reaching the income level required to qualify as an accredited investor in the current year.
2.	Accreditation based on Investor’s Net Assets:	Investor to provide: (a) documents dated within the past three (3) months, including bank statements, brokerage statements and tax assessments (to confirm assets), and a report from one of the national consumer reporting agencies (to confirm liabilities); and (b) written representation that the investor has disclosed all liabilities necessary to make a net worth determination.
3.	Third-Party Verification Letter:	Investor to provide a written confirmation from a broker-dealer, a registered investment advisor, a licensed attorney or a CPA confirming that such person has taken reasonable steps to verify that the investor qualifies as an ‘Accredited Investor’ as defined in Rule 501(a) of Regulation D of the Securities Act, as amended (an “Accredited Investor”).

A template Third-Party Verification Letter can be provided for any investor in need of this format for uploading during the accreditation verification process.

Additionally, non-individual investors will need to provide additional entity information such as principal place of business and employer identification number to pass KYC (Know Your Customer) and AML (Anti Money Laundering) checks.

Once accreditation and KYC/AML steps are complete and approved, investors will be contacted by email or on their online account to follow the remaining prompts to specify the investment amount and see estimated Vaultbank Token amounts, confirm their investment, and initiate payment.

To finalize the transaction, all purchasers will be required to sign an electronic Subscription Agreement, a form of which appears at the end of the Offering Memorandum.

A subscription will not be considered "accepted" until the investor receives a duly executed copy of the Subscription Agreement, executed by Vaultbanc Ltd. Prior to acceptance, Vaultbanc reserves the right to refuse a subscription from any prospective investor at Vaultbanc's sole discretion and/or request additional information and documentation to verify an investor's suitability for this Offering. Additionally, subscriptions may not be accepted in the order received and Vaultbank Tokens may be allocated among Subscribers who subscribed early in the Offering period and for significant sums.

For participation from prospective investors in non-U.S. jurisdictions, Vaultbanc will adhere to the standards of the jurisdiction of the purchaser. The Offering Memorandum provides further specificity as to this process.

Post Offering Securities Compliance and Transfer Restrictions

The issuance and sale of the Vaultbank Tokens have not been registered under the Securities Act or any other applicable securities laws and, unless so registered, the Vaultbank Tokens may not be offered, sold, pledged, or otherwise transferred within the United States or to or for the account of any U.S. Person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws. The Vaultbank Tokens are being offered and issued to persons other than U.S. Persons in reliance upon Regulation S under the Securities Act.

Each Subscriber of Vaultbank Tokens will be deemed to represent, warrant, and agree as follows:

(1) Either it is:

(A) an "accredited investor" (as defined in Rule 501 of Regulation D under the Securities Act); or

(B) not a "U.S. Person" and is acquiring the Vaultbank Tokens in an "offshore transaction" (each as defined in Rule 902 of Regulation S under the Securities Act).

(2) If the Subscriber is an acquirer in a transaction occurring inside the United States, you acknowledge that until the Lock-Up Period lapses, you will not be permitted to offer, sell, or transfer the Vaultbank Tokens and that after such date you will not be permitted to sell or otherwise transfer the Vaultbank Tokens to any other U.S. Person unless they sell all of their Vaultbank Tokens to a single U.S. Person.

(3) If the Subscriber is an acquirer in a transaction that occurs outside the United States within the meaning of Regulation S, you acknowledge that you may not sell or otherwise transfer the Vaultbank Tokens at any time to a U.S. Person or for the account or benefit of a U.S. Person within the meaning of Rule 902 under the Securities Act. However, a Non-U.S. Persons can sell the Vaultbank Tokens to other foreign investors in an Offshore Transaction in compliance with Rule 903 and 904 under the Securities Act and subject to compliance with applicable laws in other jurisdictions.

(4) The Vaultbank Tokens shall not be subsequently sold to any person pursuant to another offer in Singapore unless the provisions of the SFA are complied with.

(5) Subscriber acknowledges that Vaultbanc will not be required to accept for registration of transfer any Vaultbank Tokens acquired by it, except upon presentation of evidence

satisfactory to Vaultbanc that the restrictions set forth herein have been complied with.

Reporting and Transparency for Investors

Vaultbanc intends to issue regular quarterly and annual progress reports. Such reports will detail the business practices and actions over the previous quarter, and provide a basic overview of how the organization functions. The reports will include current known risk factors, data on the performance of the portfolio, and statistics on the Vaultbank Token.

Fund NAV Reporting

Vaultbanc intends to publically report the Net Asset Value (NAV) of the Fund on a monthly and quarterly basis on the Vaultbanc website, *vaultbank.io*.

Fund's NAV Calculation Methodology

The NAV shall be calculated in the following manner:

NAV = (net interest accrued - net loss accrued)/(total principal outstanding + total cash).

The principal amounts, investments, currency balances and other assets of the Fund, the value of which is expressed in currency other than USD shall be valued after taking into account the market rate or rates of exchange in force on the applicable valuation date.

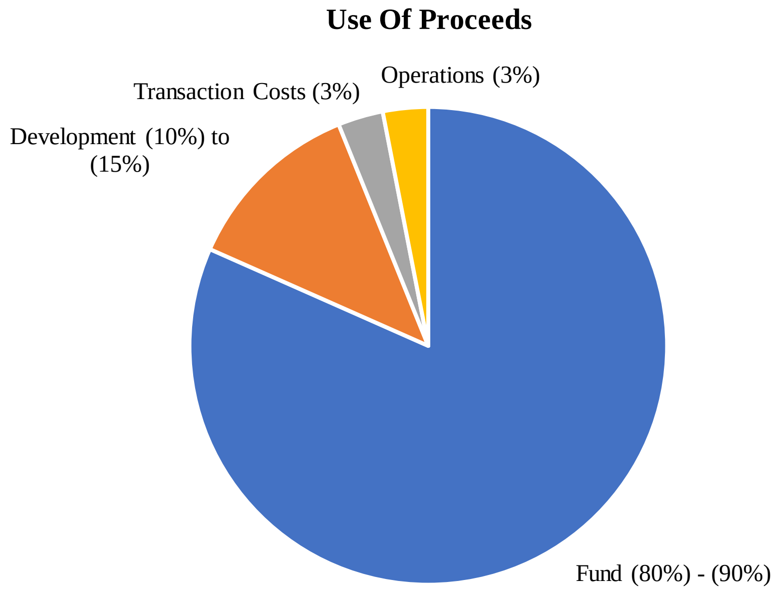
The above valuation procedures may be modified by the Fund Manager in its reasonable discretion, if and to the extent that the Fund Manager determines that such modifications are advisable in order to reflect factors which may impact the value or cost of any investment, including (i) restrictions upon marketability (including the suspension or termination of trading of any liquid investment in any market), (ii) the expected costs, including brokerage commissions, of liquidating any liquid investment or other asset, or (iii) any distribution made with respect to any liquid investment or any accruals thereon.

The NAV per Vaultbank Token will be calculated by dividing NAV by the number of outstanding Vaultbank Tokens at the calculation date rounded to the nearest cent. The number of outstanding Vaultbank Tokens is calculated as the total number of Vaultbank Tokens issued and outstanding, less any redeemed by Vaultbanc.

Use of Proceeds

The Vaultbank Token funds will be used to provide funding for the following:

Capital & Expense	**Estimated Fund Allocation**
Portfolio Investment	80% to 90%
Technology & Product Dev	10% to 15%
Working Capital	3%
Fees & Expenses	3%



VAULTBANC MANAGEMENT TEAM

Corporate Governance

Vaultbanc will be managed by its core team of senior executives with oversight from an active Board of Directors with specific experience in what Vaultbanc believes to be core and critical success factors for Vaultbanc.

Executive Team

Vaultbanc has assembled an industry leading technical and financial services team.

Austin Trombley, President and Chief Technology Officer

Austin Trombley, MBA, is an avid Data Engineer and Data Scientist, with a decade of consulting and leadership experience at seven (7) Fortune 500 companies. He recently ran the data strategy at Prosper, which upended banks from credit, and co-founded a Quantitative Credit Hedge Fund, Random Forest Capital. Mr. Trombley is also on Vaultbanc's Board of Directors.

Christopher Cummock, Managing Director

Christopher Cummock has over ten (10) years of experience in investment and portfolio management, investment banking, syndicate calendar trading, and corporate finance. He holds two (2) master's degrees from Florida International University, including an MBA and Masters of Science in Finance, and an undergraduate degree from the University of Southern California.

Scot Matteson, Senior Director, Capital Markets

Mr. Matteson has over twenty-five (25) years of commercial real estate, finance, and investment banking experience, including his own investment bank, which was the largest single credit tenant leasing company in America, with a portfolio of over 15 billion with funding from Credit Suisse.

Eric Clarke, Marketing Manager

Mr. Clarke is a serial B2B and B2C entrepreneur with a recent 2017 exit from a lifestyle brand. He has over ten years of experience in branding and marketing. Eric holds a B.S. in Business Administration from the University of Southern California.

Board of Directors

Tony Leng

Tony is a Managing Director at Diversified Search and has headed up the Technology, CIO and Private Equity practices for the firm. Tony also leads the firm's San Francisco office. Previously, Tony was Managing Partner of Hodge Partners and a Partner at Heidrick & Struggles. Tony's clients include public and private companies where he has placed Board Members, CEOs, CFOs, CIOs, and other C-level executives. The core of Tony's consulting has been with senior leaders who are seeking to transform their organizations as they face a future of rapid change, digitization, regulation, shifting markets, and increasingly connected and informed customers. Prior to his executive search experience, Tony was a board member of three (3) public companies, and the CEO of a $600 million public IT company. Prior to these positions, Tony ran a $1 billion division of a telephone company focused on corporate users and had responsibility for all data services and networking products. While at the telephone company, he was founder and Chairman of its ISP and a board member of its two million (2,000,000) subscriber cellphone associated company.

Jerry Hudspeth

Jerry Hudspeth is a highly successful senior executive with over thirty (30) years of experience in the financial services industry. Mr. Hudspeth has served as President and CEO for a number of public and private multinational corporations and is also retained by several major financial institutions and government agencies to provide consulting, analysis, and expert opinion regarding ongoing business and legal matters.

Aaron Oliver

Aaron Oliver is a fintech leader, board advisor, and venture partner with over twenty (20) years of experience in financial services technology and fifteen (15) years across the Asia Pacific and the Middle East and Africa region. He has experienced both a fintech exit and key leadership positions at payment giants Visa and MasterCard. He currently serves as Director of Next Money, a leading fintech organization focused on driving change for the better in financial services through design, innovation, and entrepreneurship.

Over the last four (4) years, Mr. Oliver was the Head of Digital Commerce and Emerging Payments at MasterCard, responsible for overseeing and managing the MEA digital strategy and serving as a member of the MEA Operating Committee.

With over twenty (20) years of financial services technology experience, Aaron began his career in the US as a futures and options software engineer for Sungard, leading e-commerce projects at PriceWaterhouseCoopers, and serving as the director of licensing technology for internet startup CBS

MarketWatch. In 2003, he moved to Singapore as Professional Services Director at SunGard AP before working with two (2) fintech exits, Utiba (exit to Amdocs) and Fundamo (exit to Visa) through his own firm, and finally joining Visa as the Head of Mobile Money Asia before his move to Dubai.

Mr. Oliver holds a Bachelor of Science degree in Quantitative Methods and Computer Science from the University of Saint Thomas, Minnesota.

Michael Gay

Mr. Gay is a specialty finance executive with expertise in equipment finance, leverage finance, and debt capital markets. He is EVP and GM of Sponsor Finance, large corporate and financial institutions business channels with CG Commercial Finance. He also has experience as Managing Director at Bank of America Leasing and Managing Director at NXT Capital.

Dr. Ken Kroner

Dr. Kroner is global head of Multi-Asset Strategies and CIO of Scientific Active Equity. He serves as a member of the Global Executive Committee and the Global Operating Committee. His service with the firm started in 1994 at Barclays Global Investors (BGI), which merged with BlackRock in 2009. At BGI, he served as head of the Global Market Strategies Group, head of the Hedge Fund Management Group and co-head of the Client Solutions Group. Prior to joining BGI, Dr. Kroner was an associate professor of economics and finance at the University of Arizona. Dr. Kroner holds a BA degree in mathematics and economics from the University of Alberta in 1983 and a PhD in economics from the University of California at San Diego in 1988.

CJ Macdonald

Mr. Macdonald has over fifteen (15) years of experience in launching early stage startups and has held various executive leadership roles. He has demonstrated an exceptional ability throughout his career to bring innovative products to market, attract large clients and deliver rapid sales expansion. Prior to co-founding Gyft (acquired by First Data), Mr. Macdonald led Sales and Business Development initiatives at ***Luminate*** (acquired by Yahoo) and ***Liveops***. He is a graduate from Wesleyan University.

Keri Findley

Ms. Findley currently advises startups and has joined the board of three (3) financial technology companies. She retired from Third Point in 2017 after joining in 2009 to start the Structured Credit business and was promoted to Partner in 2015. Internally at Third Point, she sat on the risk committee and compliance committee and externally was on the board of Fideicomiso Hipotecario and oversaw the board of Swift Financial. Her focus was on distressed investment opportunities globally, particularly distressed financial securities and mortgage securities. During her eight (8) years at Third Point, she oversaw investments in residential mortgage-backed security, commercial mortgage-backed security, collateralized debt obligations, collateralized loan obligations, asset backed security, esoteric assets, specialty finance companies and their corresponding assets. Prior to Third Point, Ms. Findley worked for Eos Partners and D.B. Zwirn. She received a B.S. in Operations Research from Columbia University.

Tracy McWilliams

Ms. McWilliams has over eighteen (18) years of experience as a private trust investor. She is the founding partner of Heritage Capital Ventures and the CEO of Heritage Advisory Partners. She is a graduate of the University of California.

Advisors

David Maughan

Mr. Maughan serves as the Managing Director and Supervisory Principal with Navigant Capital Advisors, the dedicated corporate finance business unit of Navigant Consulting, Inc. (NYSE: NCI), in the Valuation & Financial Risk Management practice. Mr. Maughan has dual citizenship in Canada and the United States, and is based out of the New York office. Mr. Maughan has provided specialty financial advisory services to operating and financial companies for more than forty (40) years. During that time, he has worked with major companies and in entrepreneurial environments in the U.S., Canada, and Japan.

Stuart Shelly, Chief Operating Officer

Stuart Shelly has thirty (30) years of finance and banking experience, with expertise in large institutions (KPMG, Bank of America, BMo, GE) and entrepreneurial situations. As head of Transitional Capital Management, he serves as a Merchant Bank to identify, structure, and finance investment opportunities in specialty finance. His specialties include debt, equity, and structured finance products.

RISK FACTORS

The Crypto Compatible Debit Accounts and investment program of the Fund are speculative and entail substantial risks. There can be no assurance that Vaultbanc and the investment objective of the Fund will be achieved, and that investors will not incur losses.

Vaultbanc has identified the following risks associated with this Offering. This list is not meant to be exhaustive as the market and regulatory environment are quickly evolving. The Offering Memorandum contains further information as to the risk factors involved, including with blockchain and cryptocurrency transactions.

General Business Risks

The company is subject to economic conditions in the broader global marketplace. In the event of an economic downturn, the company's business plan, ability to generate revenue, and overall solvency may be at risk. Early stage companies in general are highly risky, and the likelihood of failure of the business regardless of the overall business climate is possible.

Specific Business Risks

Investments in vehicles of this nature have various inherent risks, which could result in: (i) complete loss of investors capital, (ii) less than targeted investment results, or (iii) less than expected liquidity, amongst other things. Several key risk factors below could cause any of the results described above, as outlined below.

Credit Risk

While the investment program of the Fund is intended to be in secured credit assets, by its very nature, investing in credit assets means the portfolio is subject to the credit risk of each of its underlying investment instruments. There can be no assurance that the investment objective of the Fund will be achieved and that investors will not incur losses. To mitigate the risk of substantial credit losses, Vaultbanc will take appropriate credit loss reserves, which will be accrued on each asset according to our credit policy guidelines, which are consistent with typical financial institutions investing in similar credit assets.

Vaultbanc's portfolio may suffer credit defaults and losses given the event of default beyond its expectations, thereby undermining the value of the collateral supporting the value of the Vaultbank Token.

Portfolio Scale Risk

Vaultbanc may not be able to grow its portfolio of credit assets at the rate it desires, meaning that Vaultbanc may not be able to support the underlying collateralization of its token with performing credit assets. To the extent that Vaultbanc is unable to acquire credit assets supporting the Token, it will have cash and other securities on hand sufficient to support the token notional par value. Further, Vaultbanc seeks to mitigate the risk of inability to scale by already entering into forward purchase contracts with existing desirable origination channels, which Vaultbanc believes will be capable of fulfilling its credit asset aggregation plan.

Portfolio Yield Risk

Vaultbanc may not be able to achieve the average yield on its portfolio that it desires, accordingly, there exists the risk that Vaultbanc may not achieve its targeted results. The coupon and yield to maturity of the

Vaultbanc portfolio is critical to our ability to drive consistent dividends to token holders and continue to be able to reinvest in our portfolio, thereby increasing the sustained value of the portfolio and token. Vaultbanc seeks to mitigate this risk by acquiring a diverse range of credit channels and identify those origination partners in each channel which provides for the appropriate risk and return measures to satisfy our investment targets.

Portfolio Leverage Efficiency Risk

Vaultbanc may not be able to achieve its desired levels of leverage on its portfolio at the desired cost of debt. Accordingly, there exists risk that the net portfolio yield to investors may not be achieved.

Portfolio Leverage Risk

In that Vaultbanc intends to utilize senior secured leverage, the risk to the investor may be enhanced by the existence of a senior secured priority lien on the portfolio assets.

Token Liquidity Risk

The Vaultbank Token, may not achieve the levels of liquidity desired, resulting in less than expected liquidity for investors.

Regulatory Risk

Withdrawal or amendment of regulatory authorizations with respect to all or part of the business carried on by Vaultbanc or with respect to the fitness and propriety of one or more individuals to perform their current roles (including any of the Directors) might oblige Vaultbanc to cease conducting a particular type of business, or modify the manner in which it is conducted.

The failure by Vaultbanc to obtain prior regulatory authorization in a jurisdiction where it has operated or the refusal of a regulator to grant that authorization in a jurisdiction where it may wish to operate could prevent Vaultbanc from maintaining or expanding its business.

Further, changes to laws or regulations, including the enactment of new requirements in relation to regulatory authorization, advertising, the internet, or online commerce (or change in the application or interpretation of existing regulations or laws by regulators or other authorities), in any jurisdiction in which Vaultbanc currently carries on business, might oblige Vaultbanc to cease conducting business, or modify the manner in which it conducts business in that jurisdiction. Such changes could also have a material adverse effect on Vaultbanc's business, financial condition, and operating results and/or subject Vaultbanc or its Directors or customers to additional taxation or civil, criminal, regulatory, or other action.

Although Vaultbanc maintains policies and procedures that it considers adequate to detect any risk of failure to comply with its obligations, there is a risk of non-compliance arising from, among other things, human error, unauthorized access, technological failure, and fraud. Any non-compliance where applicable laws or regulations apply in any jurisdiction could have a significant impact on the way in which Vaultbanc conducts its business.

Any of the factors described above could have a material adverse effect on Vaultbanc's reputation, business, financial condition, and operating results.

Developments in regulation in the United States or within other countries may alter the nature of our business or restrict the use of blockchain assets or the operation of a blockchain network upon which we rely in a manner that adversely affects our business or the VB Tokens.

As blockchain networks and blockchain assets have grown in popularity and in market size, federal and state agencies have begun to take an interest in, and in some cases, regulate their use and operation. In the case of virtual currencies, state regulators have created new regulatory frameworks or have published guidance as to how existing regulatory frameworks apply to virtual currencies.

United States federal and state agencies have also begun to institute enforcement actions and place under investigation various token sales and ICOs. On July 25, 2017, the Securities and Exchange Commission issued its investigative report into the DAO Token (See SEC, *Report of Investigation Pursuant to Section 21(a) of the Securities Exchange Act of 1934: The DAO*, Exchange Act Release No. 81207 (July 25, 2017), available at https://www.sec.gov/litigation/investreport/34-81207.pdf (the "DAO Report"). Regulators globally, including, but not limited to, Canada, China, Australia, Brazil, Singapore, and South Korea, have issued some form of guidance regarding their position on initial coin offerings and token sales. Our business and the use of the Tokens could be adversely affected by depending on whether a given regulatory agency decides to exert authority over a blockchain network.

DATA PRIVACY AND SECURITY

Vaultbanc is committed to ensuring that investor data is secure. In order to prevent unauthorized access or disclosure, the company has put in place suitable physical, electronic, and managerial procedures to safeguard and secure the investor data.

The data provided to us is stored in a secure computing environment protected by secure firewalls to prevent unauthorized access. The company controls and limits access to the investor data, and only authorizes access to such data when an agent or employee needs it to fulfill their responsibilities. All team members of Vaultbanc are provided security training and are required to adhere to a comprehensive set of security policies, procedures, and standards related to their jobs.

It is possible that Vaultbanc may be required by law, court order, or other legal process to provide information about our customers to outside parties, including for compliance purposes for regimes, such as the General Data Protection Regulation and the California Online Privacy Protection Act. It is the company's policy to ensure adherence to the due process of law in all such instances, and if required to provide information under these circumstances, the company will, whenever possible, attempt to inform users whose information has been requested, unless prohibited by law.

Vaultbanc may also retain copies of personal information to comply with legal obligations, pursuant to the company's data retention policies, or for such reasonable period as is required to address potential disputes.

Vaultbanc has developed privacy policies and practices that strive to be compliant with the privacy rights of residents of the EU member states under the General Data Protection Regulation.

Vaultbanc strives to enact a supreme standard of confidentiality for the purpose of paying deference to the privacy assumed between a client and financial institutional relationship.

PRIVACY NOTICE

Vaultbanc strives to enact a supreme standard of confidentiality to ensure the privacy assumed between a client and financial institutional relationship. Vaultbanc is making available in a clear and conspicuous manner this Privacy Notification to our clients by Title V of the Gramm-Leach-Bliley Act of 1999 and its implementing regulations included but not limited to Regulation S-P. This notification serves as a supplementary material to any and all privacy policies, statements, notices, directives, and notifications that Vaultbanc may make available in association with individual services, features, and products.

CONCLUSION

It is your right to participate in the system of tokens. An individual token is a license to participate in the token market system much like a taxi medallion entitles one to participate in the market for cabs. The token does not give voting rights, but does provide direct ownership over the entire system itself, as well as the privilege of access to the opportunities/features of the token market system.

CONTACT INFORMATION

Prior to the consummation of the Offering, Vaultbanc will provide to each prospective investor and such investor's representatives and advisors, if any, the opportunity to ask questions and receive answers concerning the terms and conditions of this Offering and to obtain any additional information Vaultbanc may possess or can obtain without unreasonable effort or expense that is necessary to verify the accuracy of the information furnished to such prospective investor. No other persons have been authorized to give information or to make any representations concerning this offering, and if given or made, such other information or representations must not be relied upon as having been authorized by Vaultbanc. Prospective investors wishing to inquire about the Vaultbank Tokens are invited to contact Vaultbanc at:

Christopher Cummock, Managing Director
2394 Broadway Street, San Francisco CA 94115.
(415) 297-9997
info@vaultbank.io

DISCLAIMERS

TO INVESTORS GENERALLY:

IT IS THE RESPONSIBILITY OF ANY PERSONS WISHING TO SUBSCRIBE TO THE TOKENS DESCRIBED IN THIS WHITE PAPER AND ASSOCIATED OFFERING MEMORANDUM TO INFORM THEMSELVES OF AND TO OBSERVE ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTIONS. PROSPECTIVE INVESTORS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS AND TAX CONSEQUENCES WITHIN THE COUNTRIES OF THEIR CITIZENSHIP, RESIDENCE, DOMICILE AND PLACE OF BUSINESS WITH RESPECT TO THE ACQUISITION, HOLDING OR DISPOSAL OF THESE SECURITIES, AND ANY NON-U.S. EXCHANGE RESTRICTIONS THAT MAY BE RELEVANT THERETO.

THE INFORMATION CURRENTLY PROVIDED WITHIN THIS WHITE PAPER DOES NOT PURPORT TO BE COMPLETE, AND IS SUBJECT TO AND QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE ACTUAL TEXT OF THE OFFERING MEMORANDUM, AND OTHER RELEVANT DOCUMENTS, WHICH WILL BE PROVIDED TO EACH PROSPECTIVE QUALIFIED ACCREDITED INVESTOR UPON REQUEST.

AN INVESTMENT IN VAULTBANK TOKENS, OR ANY TOKEN, INVOLVES A HIGH DEGREE OF RISK, VOLATILITY, AND ILLIQUIDITY. A PROSPECTIVE PURCHASER SHOULD THOROUGHLY REVIEW THE OFFERING MEMORANDUM UPON ITS RELEASE AND CAREFULLY CONSIDER WHETHER AN INVESTMENT IN VAULTBANC IS SUITABLE TO THE INVESTOR'S FINANCIAL SITUATION AND GOALS. PRIOR TO ANY INVESTMENT, VAULTBANC WILL GIVE INVESTORS THE OPPORTUNITY TO ASK ADDITIONAL QUESTIONS AND RECEIVE ADDITIONAL INFORMATION FROM IT CONCERNING THE TERMS AND CONDITIONS OF ITS OFFERING AND OTHER RELEVANT MATTERS, TO THE EXTENT VAULTBANC POSSESSES THE SAME OR CAN ACQUIRE SUCH INFORMATION WITHOUT UNREASONABLE EFFORT OR EXPENSE. INVESTORS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS APPLICABLE TO THEM IN RESPECT TO THE ACQUISITION, HOLDING, AND DISPOSITION OF THE TOKENS UPON THEIR DELIVERY, AND AS TO THE INCOME AND OTHER TAX CONSEQUENCES TO THEM OF SUCH ACQUISITION, HOLDING, AND DISPOSITION.

VAULTBANC DOES NOT HOLD ITSELF OUT AS A BANK AND NOTHING CONTAINED IN THIS WHITE PAPER OR ANY OTHER DOCUMENT ISSUED BY VAULTBANC IN RELATION TO THIS OFFERING OR ANY OTHER BUSINESS ACTIVITIES SHALL BE CONSTRUED TO MEAN THAT VAULTBANC IS A BANK UNDER THE BANKING ACT OF 1933 OR ANY OTHER APPLICABLE LAW IN THE UNITED STATES, SINGAPORE, OR ANY OTHER JURISDICTION.

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