



RACE

REAL ASSETS COMMUNITY ECONOMY

W H I T E P A P E R

Contents

Preface	7
The Profitability of Real Estate Investment	8
Surpassing Constraints of An Antiquated Model	10
RACE™ Operation Model	12
Older Model Types	12
Legacy Model 1	12
Legacy Model 2	12
Selected Model - Tokenized Ownership Community Model	13
Rationalizing the Tokenized Ownership Model	13
Participation in the Tokenized Ownership Model	14
Staking RACE™ Tokens	14
Operating a RACE™ Node	14
Participating in the Ecosystem	14
RACE™ Staking Economy	15
Running and Access to a Node	16
Voting for Proposal Changes	16
Submission of Proposals	16
Validation and Audit of Identity of Other Stakers	17
RACE™ Cost of Staking, Rewards and the Macro Inflation Rate	17
RACE™ Platform Overview	18
Private Performance Reports	19
RACE™ Asset Token Exchange	19
Utility Token - RACE™ Community Token (RT)	20
Issue RACE™ Asset Tokens	21
Decentralised Project Consensus	21
Due Diligence	21
Ownership Transfer	21
Security Token - RACE™ Asset Token (AT)	22
Benefits of Security Tokens	22
Hierarchies of Tokens In The RACE™ Protocol	23
Real Estate Tokens	24
RACE™ Asset Tokens	25
Blockchain Features	27
Asset Token Functions	27
transferFrom()	27
deposit()	27
totalSupply	27
On-Chain Access Control	28
Security and Transparency	28
Smart Contracts	29
Ease of Use	29
The RACE™ Community	30
Network Participants	32
1. Project Proposers (GPs / Property Owners / Developers)	32
2. Investors (Limited Partners)	32

3. Investment Committee	33
Chief Investment Officers	33
Lawyers	33
Accountants	33
Researchers	33
Portfolio Managers	33
Tax Advisors	33
Real Estate Developers	33
Financial Modelers	34
Appraisers & Valuation Experts	34
Asset Manager	34
4. Qualified Service Provider	34
Property Manager	34
Auditors	34
Accountants / Tax Advisors	34
Insurance Providers & Brokers	35
Escrow / Custodian	35
Brokers	35
Research Analysts	35
Blockchain Developers	35
5. General participants	35

Project Consensus 36

General Participants	37
Investment Committee	38

Revenue Streams 39

Major Revenue Streams	39
Initial Listing	39
Success Fee	39
Subscription	39
Network Fee	39

RACE™ Token Ecosystem 40

Step 1: Launching an Asset Token	40
Step 2: Trading and Maintenance	41
Step 3: Closing of an Asset	42
Ecosystem Overview	43

Token Sale Details 44

Use of Proceeds	45
Product / Development Costs	45
Legal & Regulatory Costs	45
Marketing & Sales	45
RACE™ Labs	45
RACE™ Careers	45

Roadmap 46

2018	46
2019	46
2020	46
2021	46

Team 48

Legal 50

References 51

Legend/Terminology

TERM	DEFINITION
RACE™	Real Assets Community Economy
RACE™ COMMUNITY	All RACE™ users
RACE™ TOKENS / RACE™ COMMUNITY TOKEN (RT) [UTILITY TOKEN]	Native utility token: An ERC20 digital currency used as a medium of exchange for goods and services and other functions.
RACE™ ASSET TOKEN (AT) [SECURITY TOKEN]	Native asset token: A tradeable token with its own unique token symbol, denomination, prices, buy-in limits, etc. Each token represents fractionalized ownership of their respective asset in the RACE™ ecosystem.
ASSET TOKEN EXCHANGE (AT EXCHANGE)	Native asset token exchange: RACE™'s own secondary exchange for trading of asset tokens.
KNOW-YOUR-CUSTOMER (KYC)	Refers to the process of verifying the identity of customers/users of the RACE™ platform.
ANTI-MONEY-LAUNDERING (AML)	Refers to a set of procedures, laws and regulations designed to stop the practice of generating income through illegal actions as part of RACE™'s due diligence procedure.
TOKENIZED OWNERSHIP COMMUNITY (TOC) MODEL	The RACE™ operation model where ownership of system is collective and truly decentralized amongst its network. (For more information see page 13)
STAKING	Staking involves buying and holding RACE™ tokens in your RACE™ wallet/account/system in order to access certain services or functions on RACE™ platform.
STAKERS	Any user who purchases and holds RACE™ tokens (as in staking) as pledged interest to the system and its operation.

LEGEND/TERMINOLOGY

TERM	DEFINITION
RACE™ NODE	Any computer connected to the RACE™ network is a Node. Each node downloads the entire blockchain in the user's computer.
DECENTRALIZED PROJECT CONSENSUS	Involving the onboarding of projects, entities/stakeholders can vote and review potential projects/assets proposed to RACE™.
NETWORK PARTICIPANTS	Refers to anyone on the network, including general participants, service providers, general partners and asset token holders.
GENERAL PARTICIPANTS	Refers to users in the RACE™ ecosystem that still uses its platform and RACE™ UTs but with no direct influence in governance as a stakeholder with a node.
HASHED METADATA	Encrypted information of the entire RACE™ ecosystem.
INTERPLANETARY FILE SYSTEM(IPFS)	An open-source, peer-to-peer distributed protocol file system for storing and sharing hypermedia/ the same system of files among all computing devices.
PROPOSALS	Project proposals are suggestions of assets to onboard the RACE™ ecosystem to be tokenized into RACE™ Asset Tokens.
PROJECT PROPOSER	Project Proposers are typically either owners of assets, or general partners, or real estate developers. A proposer can also be a broker in the industry.
ASSET OWNERS	Owners of assets to onboard RACE™.
GENERAL PARTNER (GP)	A general partner makes business decisions and is personally liable for business debts. In RACE™, GPs mainly manage projects they bid for on the platform and provide the initial capital for transactions.

LEGEND/TERMINOLOGY

TERM	DEFINITION
LIMITED PARTNER (LP)	A limited partner provides capital but is not directly involved in the management of projects. In RACE™, LPs are co-investors in a real estate limited partnership along with the GPs.
QUALITY SERVICE PROVIDER	Includes a multitude of service roles such as Property Manager, Auditors, Accountants, Tax Advisors, Brokers, Custodians etc. These people facilitate the operations of the RACE™ ecosystem and are paid in tokens for their service.
DEVELOPER	Specifically Blockchain Developers, they are responsible for smart contract development for asset tokens and code audit checks for smart contract developed by other developers. This is to ensure codes are according to the specifications laid out by the RACE™ Platform.
INVESTMENT COMMITTEE	Refers to stakeholders who have direct influence in the voting outcome for the onboarding of an asset to RACE™ platform.
CAPITAL STACK	This details how a transaction is financed, referring to the legal organization of all of the capital placed into a company or secured by an asset through investment or borrowing.
RACE™ ACADEMY	The education arm of RACE™, the academy seeks to teach and provide the necessary knowledge to empower individuals keen on RACE™, the real estate and/or the blockchain industry.
RACE™ CAREERS	An innovation hub to generate disruptive innovations that supports, financially even, entrepreneurs or products to provide services plugged into the RACE™ Platform.
RACE™ LABS	Network participants enrolled in RACE™ Careers can attend training sessions to become qualified service providers, even with no prior experience, to develop or hone useful skills to bring into the RACE™ network.

Preface

RACE™ stands for Real Assets Community Economy. At RACE™, we are big on the community that we are building this project for.

The abbreviation of a community in contemporary understanding simply means a collective of people based on shared physical or social qualities. They can share a common language, or affiliation, or even likeness in physical traits. It need not be inherent physical or biological qualities, but an identity symbolic of an established cultural meaning. In the case of RACE™, we are fueling a new economy for our community. RACE™ Members believe in salting away sufficient cash flows for the future, via a combined community vision of owning institutional-grade real estate for cash flows and asset appreciation. The RACE™ community will pool together each of their professional strengths for the prosperity of the community and the system.

RACE™ is here to facilitate commercial real estate ownership as a multi-generational wealth transfer tool, to enable cash flow to the everyday man in his/her real estate investment. Investing in real estate is proven to be a profitable long-term venture, however the traditional model consists of far too many unnecessary costs and layers between investors and their assets, making it highly inaccessible to the common demographic. To remedy this, RACE™ aspires to disintermediate real estate finance to create a more conducive environment for everyday investors to partake in this sphere.

RACE™ is beyond the value of mere paper currency. They are assets that you can touch and feel and claim ownership of. The structures we have surrounded ourselves with and comfortably settled into, urban areas like residences, offices, malls, museums and infrastructure, these are all real. Our vision is for our RACE™ community to also possess real ownership of these assets, and not just paper money. These assets can actually grow in social and financial value. Via RACE™, people can own assets at the lowest level legally possible in a fractionalized way. This ownership can be achieved without unnecessary intermediaries and exorbitant fees, via asset tokens. Via special purposes companies where community members can hold fractions of the asset and wherein the transactions are blockchain ratified, RACE™ can allow the average man to enjoy the benefits of ownership like collecting rent, asset appreciation but with quiet enjoyment all at the same time without the day-to-day headaches of owning institutional grade real assets. If we pause to think about it, the idea is simplistic, but powerful.

Furthermore, with RACE™, all traditional real estate stakeholders are further empowered with a greater voice to how the ecosystem and industry should be run in a more prolific manner. RACE™ democratizes real estate investment through a sustained model of dual token ownership. We want to lend more power to the very people participating in our ecosystem. We want to give investors the full rights on ownership of real estate that they deserve via asset tokens. And we do not just mean big time investors; we mean everyone and anyone with some dispensable income looking to commit small contributions at a time can invest in their long-term future. RACE™ platform can enable ease of investment, transparency, reduced layers and friction costs, increase liquidity, and of course reduce fees. RACE™ brings to you the power of the community, the power of the crowds, network effects and knowledge.

Here, we are building a collaborative digital momentum of moving real estate investments online to drive exponential growth for the RACE™ platform and all of its users and believers. We want our people to be self-sufficient, to actually be in control of what they want and advance exponentially from their endeavours. At an institutional level, a company from Berlin can buy a piece of promising property in fast growing Vietnam via asset tokens, the same way a Japanese bank can buy a stake in Mumbai. Investing in real estate in this manner is indubitably made more convenient with asset tokens, yet such investments are not newly accessible by banks and companies. Instead, picture this: a hardworking individual from an African country like Nigeria accumulates enough to acquire ownership to a part of a cash-flowing property in a city like London or New York via our asset tokens. This individual, unrestricted by his/her positional circumstances, is given a well-deserving opportunity to elevate his/her financial situation that can one day be transferred to his/her children, fostering this pride in ownership of assets liberated from traditional property investing practices. This is the future we envision for our people one day.

To get to where RACE™ dreams to be, we plan on leveraging the network effects that our platform creates and utilize the power of the crowd to get the best results and value for our community. Metcalfe's Law states that a network's impact is the square of the number of nodes in the network, where end nodes are represented by connecting users. If a network has ten nodes, its inherent value is a hundred. The value of RACE™ network will thus rise exponentially over time as numbers in the network grow, which is inevitable as the technology is proven useful and becomes more widely adopted everywhere.

The Profitability of Real Estate Investment

Real Estate worldwide was valued at a massive USD\$280.6 trillion by end of 2017 and that number is still increasing. An article by London-based real estate advisor Savills obtained this statistic based on the value of all global property, including commercial and residential property and forestry and agricultural land. Out of this sum, residential property accounted for around 78% of the total value.

Real estate is by far the most significant store of wealth, representing more than three and a half times the total global Gross Domestic Product (GDP). Like other limited supply assets, real estate has historically performed as an excellent hedge to inflation. Even at its baseline, real estate represents a smart investment as part of an overall strategy to build wealth and generate an ongoing passive income, as indicated in a survey by Tiger 21 on how real estate is still the go-to investment amongst high net-worth individuals. Historically speaking your risk of loss is minimized by the length of time you hold the property, and real estate gives you more control of your investment because your property is a tangible asset that can be leveraged to capitalize on numerous revenue streams while enjoying capital appreciation. It has high tangible asset value and an investment in real estate can also diversify your portfolio.

The United States' (U.S.) real estate market remains at the top in the industry. Even excluding the residential markets, the U.S. is the largest amongst the world's top five most valuable national commercial real estate markets with a value of US\$8.1 trillion. A report co-authored by PwC has highlighted appealing real estate markets in 2018 including a list of promising cities to invest in the U.S., ranging from Boston to San Francisco. Smaller cities such as Salt Lake City and Austin are also attracting more attention. The U.S. real estate market remains favourable amongst investors with 20% of global capital predicted to flow into the U.S. Commercial Real Estate market in 2019.

Despite the fact that U.S. real estate has always been one of the most stable and desirable asset classes in the world, international investors could not access these investment opportunities easily and conveniently. Real estate investing platforms restrict investments to accredited investors only (of which the accreditation itself is a lengthy process), and Real Estate Investment Trust (REIT) funds have high fees and require investors to have access to stock-trading accounts. When investors own properties via REITS's, they usually do not have a say in which asset their investment is actually being deployed, as their investment could be in a bundle of properties. Using the RACE™ platform, investors can create their own portfolio of properties, which is a huge plus and puts investors in direct control of their macro decisions.

In addition, only a measly \$0.5 trillion going into real estate passes through technology-driven platforms into real estate. This suggests the potential we can realize by properly utilizing technology to transform the global real estate investment market. The 2018 report by Savills on world wide trends for global real estates also suggests the inevitable disruption of the real estate industry by technology with an appetite for diverse and or mixed-use portfolios to sustain stable long-term income streams.

¹ Yolande Barnes. "8 Things to Know About Global Real Estate Value." Impacts. 2018.

² Barnes.

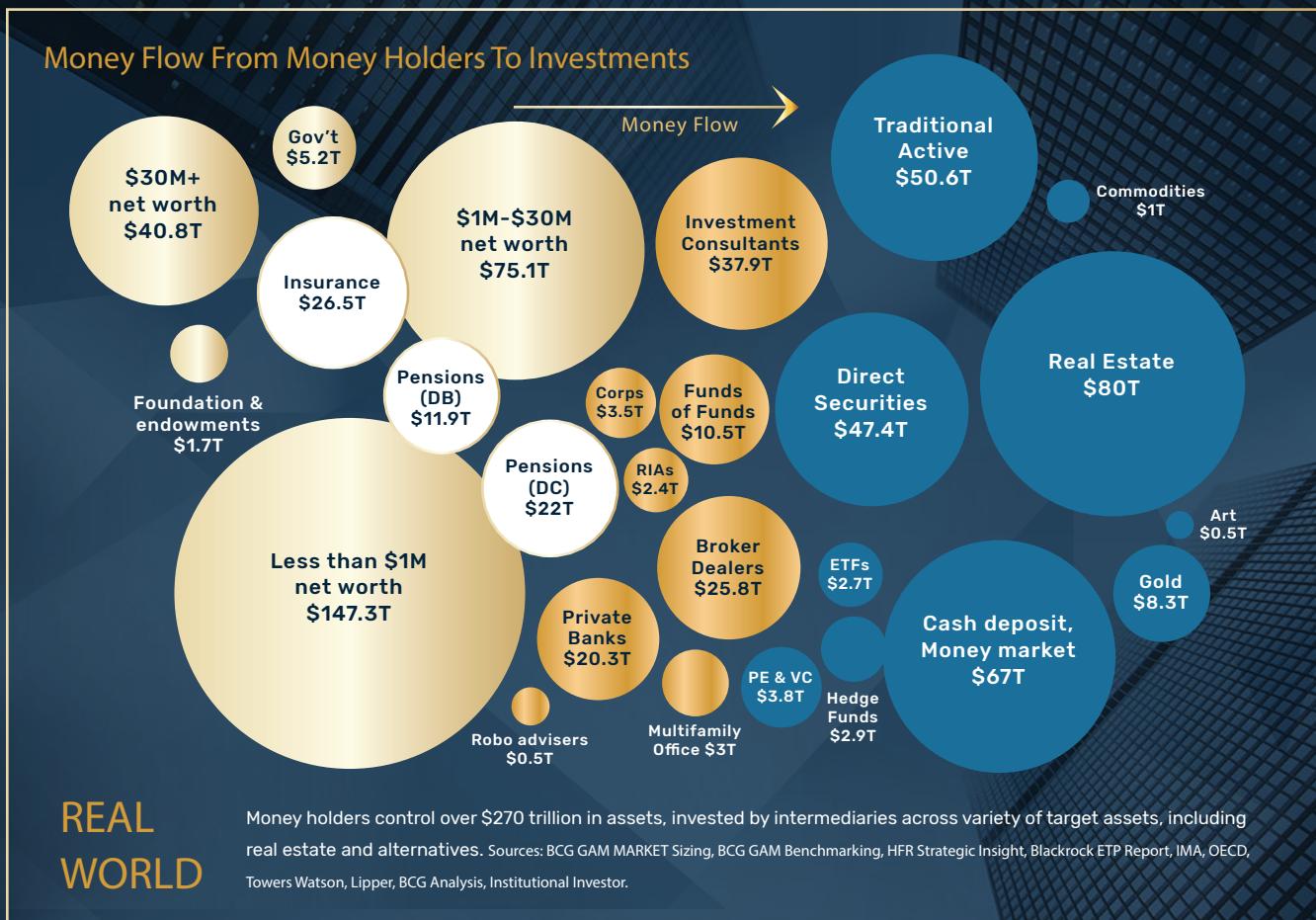
³ Gemma Acton. "Real Estate Remains the Go-to Asset Class for the Ultra-rich." CNBC, October 22, 2016.

⁴ Barnes.

⁵ Emerging Trends in Real Estate: The Global Outlook 2018. PwC and the Urban Land Institute.

⁶ Worldwide Trends 2018 Report. March 2018. p12-6

The real estate industry has been mostly undisturbed by technology for a long time. However, an astounding \$2.7 billion invested in real estate technology in September 2018 (a month-over-month increase of 132%) indicates that the older systems and processes may no longer be sufficient for the demands of the future, and opens up a new era of innovative tech-based real estate investment.⁷ In other words, as forecasted by Forbes Real Estate Council, application of technology especially blockchain in real estate is inexorable in the near future.⁸ Technology will reduce and eventually remove the need for realtors, while blockchain will be useful in terms of offering smart contracts and higher liquidity to owners with tokenization.



In response to this growing trend, RACE™ enters the market with the goal of disintermediating as much as possible to give the most value to actual investors via new world technologies in a blockchain-based economy. The key customers of RACE™ are (but not limited to) money holders whose net worth values between \$1M and \$30M, and extend to those under \$1M outside U.S. especially in Asia and Africa, as they make up the largest yet untapped group of money holders. This bracket of customers would present prospective funds enough to stimulate the fintech and blockchain based real estate market.

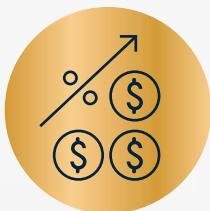
With a solution like RACE™ platform, flexibility in investing is now possible. We can disintermediate the likes of investment consultants, brokers, funds of fund, as well as money going into pensions for example, which are demarcated in the dark gold and white circles from Diagram 1. This means potentially returning you savings of up to 40% of the cost and skimming fees of a traditional process. More affordable fees spell higher profits for token holders. Along with proper KYC, our blockchain ledger technology will enable investors anywhere in the world to purchase shares in U.S.-based real estate properties as well as U.S. commercial real estate (CRE) in prime U.S. cities for high returns and low fees. Investors also get to liquidate assets or cash out any time via third-party exchanges. In short, we cut time and cost and drive liquidity in an unprecedented manner. We open up this market with greater affordability so that a) private investors gain access to wealth building opportunities, and b) property owners and operators gain access to a large pool of untapped capital.

⁷ Bill Lyons. "Three Predictions For The Future of Real Estate Tech." Forbes. December 10, 2018.

⁸ Hunter Perry. "Three Ways Blockchain Technology Will Revolutionize Real Estate in 2019." Forbes. November 15, 2018.

Surpassing the Constraints of An Antiquated Model

Traditional real estate investing entails a multitude of issues:



High transaction fees

The most glaring issue is the high transaction fees involved in any real estate deals, often including excessive charges for middleman fees.



Illiquid market

On top of fees, the long processing time needed to go through all the intermediaries unavoidably makes it a tedious process, which contributes to an illiquid market.



High barrier of entry

High transaction fees, including capital enough to sustain the long drawn-out process of investing in assets traditionally, set up a perceptively higher barrier of entry because the market appears to be suitable only for High Networth Individuals who are able to bear extravagant costs, and requiring significant coordination from numerous parties.



Inefficiency

The investment process is traditionally paper-driven, which becomes tedious and ineffective when many go-betweens are involved. Offline paper-based processes are generally inefficient, because of a need for coordination sharing information across parties, and can unnecessarily lengthen the time to close deals.



Uncoordinated information flow

When multiple people and companies are involved in a single transaction, from inception to closing, information is disseminated multiple times, to multiple parties, which can easily lead to misunderstanding, misdirection, and mishandling of information. For instance, having little real-time visibility into what activities are taking place at every step of the dealing process may lead to an oversight in the monitoring and regulation of transactions.

SURPASSING THE CONSTRAINTS OF AN ANTIQUATED MODEL

By bringing blockchain into this archaic system of dealing with investments and asset management, we are transforming the landscape by remedying the pain points mentioned above in the form of tokenization. Tokenizing physical components essentially means to create a digital version of items, in this case real-world assets, and transacting it on the virtual space where blockchain acts as a facilitator for more reliable business dealings. A blockchain is a decentralized, distributed and public digital ledger used to record transactions across a network of computers so that the record cannot be altered retroactively without consensus of the network. It is useful because it ensures greater reliability and transparency in any given transaction, and bridges the gap of time and distance for peer-to-peer (global) transactions since digital processing of data is almost instantaneous.

Yet security is not sacrificed for speed and clarity because institutional regulation of tokens is enforced, and compliance can be coded into tokens. Tokens comprise of smart contracts designed to automatically execute when specific criteria are satisfied. Smart contracts dictate how tokens can be traded in a compliant way, and because they are executed on the blockchain the transactions are transparent, traceable and immutable. Investors or traders are also only allowed to buy, sell, or trade if they have passed necessary Know-Your-Customer (KYC) and Anti-Money-Laundering (AML) accreditation and are considered accredited investors. Digitisation on a decentralized network also means easier monitoring of activity and more guarded against fraudulent behaviour. This gives greater accountability and security within the ecosystem as compared to traditional operations from before.

At the same time, assigning token value based on real-world assets allows for a much seamless transaction of these digital vehicles because time and money taken to process transactions can be disposed of. Such newfound efficiency entails greater liquidity for typically illiquid assets given that there is faster deal execution and compliance is verified virtually instantaneously. Equivalent confirmations for a traditional security or assets could take weeks in order for the trade to happen.

Having a native currency for the RACE™ ecosystem will also be useful for purposes within and outside the system. RACE™ Tokens will not only be used as the sole medium of exchange for every transaction made in the system but as 'gas' fee for the RACE™ Asset Token. We will also use this to incentivize and reward desirable behaviour of parties in the system.

RACE Operation Model

The RACE™ platform is conceived out of a consideration for the values and interests of our community. In modelling the RACE™ platform's operations, we compare against two legacy models that operate without blockchain, and identify why RACE™'s Tokenized Ownership Model capitalizing on blockchain technology is far more ideal for the success of the RACE™ ecosystem and its community.

Older Model Types

Legacy Model 1

In a legacy platform model, stakeholders such as Lawyers, Brokers, Investors, and entities connected to the platform are linked up and communicate with each other via a single point of contact that is the platform. The key limitation is that any interactions will solely be platform-facing, and transactions only occur between the platform and each entity. Not only is this model too dependent on the central entity/platform, such limit in direction of communication results in network latency and lower liquidity within the system because of an inability for cross-communication among entities in the same system. The system is naturally inefficient. Fees at each point of transaction either solely belong to the entity or the platform.



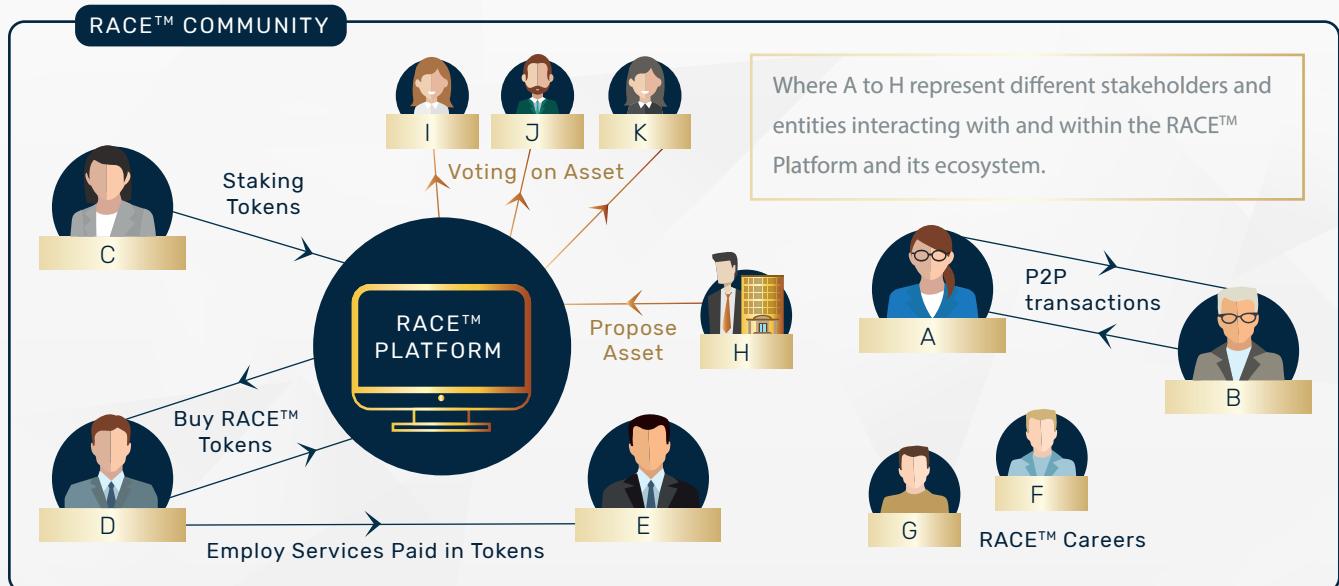
Legacy Model 2

In a legacy network model, stakeholders and entities are inter-connected with one another and with the platform. So unlike the more inefficient model in Legacy Model 1, interactions are omni-directional and not reliant on a single point of contact. More transactions are able to occur between entities now that we have expanded to multiple spending points, consequently resulting in greater amount of fees. The network model encourages greater liquidity and volume than the previous model.

However, in such a network model, all parties and entities still act in their own interest as individualistic entities making their own choices. This mindset drives greater efficiency within the network, but encourages parties to focus on their own interests above others' and hence possibly encouraging bad actors in the system for self profit. And without a checking system or technology in this model to ensure transparency in communication, undesirable behaviour in the system may become more easily overlooked.



Selected Model - Tokenized Ownership Community Model



To move beyond the old network model and utilise the key tenets of decentralisation in a trustless environment, we are building a Tokenized Ownership Community (TOC) model specifically for RACE™ and its core functions/requirements. The community acts as a single entity in this model, whereby all participants profit together. Through the mechanism of staking, participants are given a form of ownership and secures their interest in the overall welfare of the RACE™ ecosystem. Actors are discouraged from undesirable behaviour precisely because they have a stake in this system, addressing a key deficiency in Legacy Model 2.

In comparison to Legacy Models 1 and 2, communication in this model is even more open than before because of the transparency in blockchain transactions. Involved parties receive compensation democratically based on individual participation in projects or processes. In other words, task offers will be made open for anyone in the ecosystem with the right skillset to take up, and if accepted and met with success, will earn the actor remuneration for his effort in the project. Since we are building a peer-to-peer network a key benefit is connecting people and needs – bridging money holders to projects needing investment, service providers to projects needing manpower, and even allowing asset owners/General Practitioners (GPs) to propose projects and investments. Fees are kept open and competitive.

Rationalizing the Tokenized Ownership Community Model

The TOC model brings the most liquidity since token usage is ubiquitous on the operating aspect of the system. Transactional fees are kept minimal, if not near zero, since all stakeholders are also operating nodes and compensated on joint prosperity in the system rather than localised transactions alone. The system updates in real time, that is to say all operating nodes are equally updated on all aspects simultaneously, largely reducing the probability of a single point of failure or communication link failures.

Using TOC, opportunities exist to design monetary policies surrounding token inflation, based on economic activity within the system as well as secondary price action, to draw balance to a dynamic economy while increasing network effects of collective ownership by each additional asset or core function.

The focus of this platform is thus to create a self-governing, self-sustaining system that perpetuates the wealth and success of everyone using it.

Participation in the Tokenized Ownership Community Model

In order to participate in the model as described above, interested parties have to have some proof of ownership and indication of vested interest in the system. The core technical function of running nodes will require stakeholders to participate in the following three ways.

Staking RACE™ Tokens



Stakeholders are first and foremost required to stake a fixed amount of RACE™ tokens. Tokens staked will be locked up in a smart contract wallet with preset rules, which acts as a form of qualifier and pledging to the system. Stakeholders have to commit RACE™ tokens to run a masternode to prevent onboarding of malicious actors who may corrupt the system. Staking helps ensure that the masternode operator has a share in the whole game and naturally less likely to cheat and sabotage the system. Even if he chooses to do so he will be penalized in the form of devaluation of the significant amount of tokens he holds.

In addition, with a staking model of operation, a portion of tokens are by design taken out of circulation. Thus, rather than minting or creating tokens over time, especially with a projected commercial growth in usage of RACE™, staking would drive the value of circulating RACE™ tokens up.

Operating a RACE™ Node



Post-staking, stakeholders will be required to run an instance of the RACE™ system in the form of a software or node. In general, a node is a computer wallet that keeps a copy of the blockchain in real-time while performing special functions. In the case of RACE™, operating a RACE™ node grants special functions including participating in governance and voting.

To set up a node, apart from staking a minimum amount of RACE™ tokens, a stakeholder will need to download RACE™'s core wallet and use this to create a node. The core wallet integrates your computer as one of many nodes that supports the blockchain that runs on a server. One stakeholder's node is always communicating with other nodes in the system, making up the decentralized network.

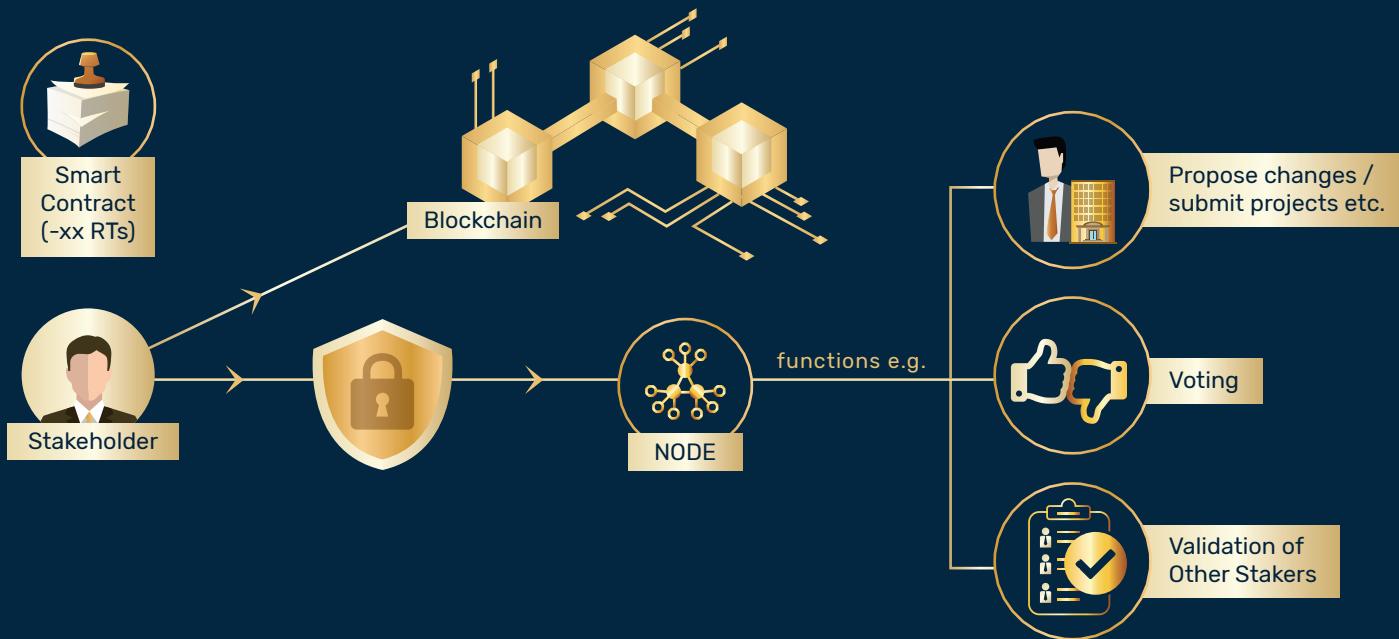
Participating in the Ecosystem



Stakeholders in the RACE™ ecosystem are required to provide a key competency or function to the system, for example as a service provider, or play a part towards the tokenization of an asset onboarded to RACE™. See 'Network Participants' in the section labelled 'RACE™ Community' below for more information.

RACE™ Staking Economy

Staking is a core technical functionality for the running of the nodes in the RACE™ ecosystem. By staking RACE™ tokens, a stakeholder would deposit RACE™ tokens into a smart contract on the Ethereum blockchain. The staked tokens in turn provide access to fundamental functions on the RACE™ ecosystem such as regulation enforcement, acting as arbiters, voting on changes to the network, and submission of proposals for voting. This is on top of their subject matter functions around competencies such as providing asset development services, legal counsel, brokering or asset management.



Staking RACE™ tokens is not equivalent to paying for access or transacting on the RACE™ ecosystem. The staked tokens are not acquired by the RACE™ ecosystem or any third parties. The tokens are instead locked securely on the Ethereum blockchain. The act of staking indicates that the stakeholder is prepared to put something significant enough on the line as affirmation of his/her involvement in the chain, and dedicates his/her competencies to grow the ecosystem. This then forms a natural network effect of early adopters who are highly incentivised to not just be participants but also ambassadors or affiliates of the network.

Staking is an important function to create a strong architecture of networked nodes. It is also key to a long-term, stable and resilient token economy. As a result of growing nodes and consequently higher number of stakes in an expanding ecosystem, there is a positive organic value-driven pressure on the RACE™ token value.

There are 4 main anchors to staking RACE™ tokens:

- 1 / Running and access to a node
- 2 / Participating in Voting for proposal changes
- 3 / Participating in submission of proposal for voting
- 4 / Participating in validation and/or audit of identity of stakeholders

Running and Access to a Node

All stakers (or stakeholders) will be granted access to a digital instance of a full node, which in effect stores RACE™ encrypted metadata containing critical information to the entire ecosystem. All RACE™ Nodes store the same information, updated near real-time. Larger files such as media files are stored on a decentralised database on the Interplanetary File System (IPFS), an open sourced system. Retrieval of data from IPFS would need to be called from the RACE™ nodes.

By running a node, stakers would be the gatekeepers to the entire wealth of storage and interactivity of the RACE™ ecosystem, which makes this a highly valued function.

Voting for Proposal Changes

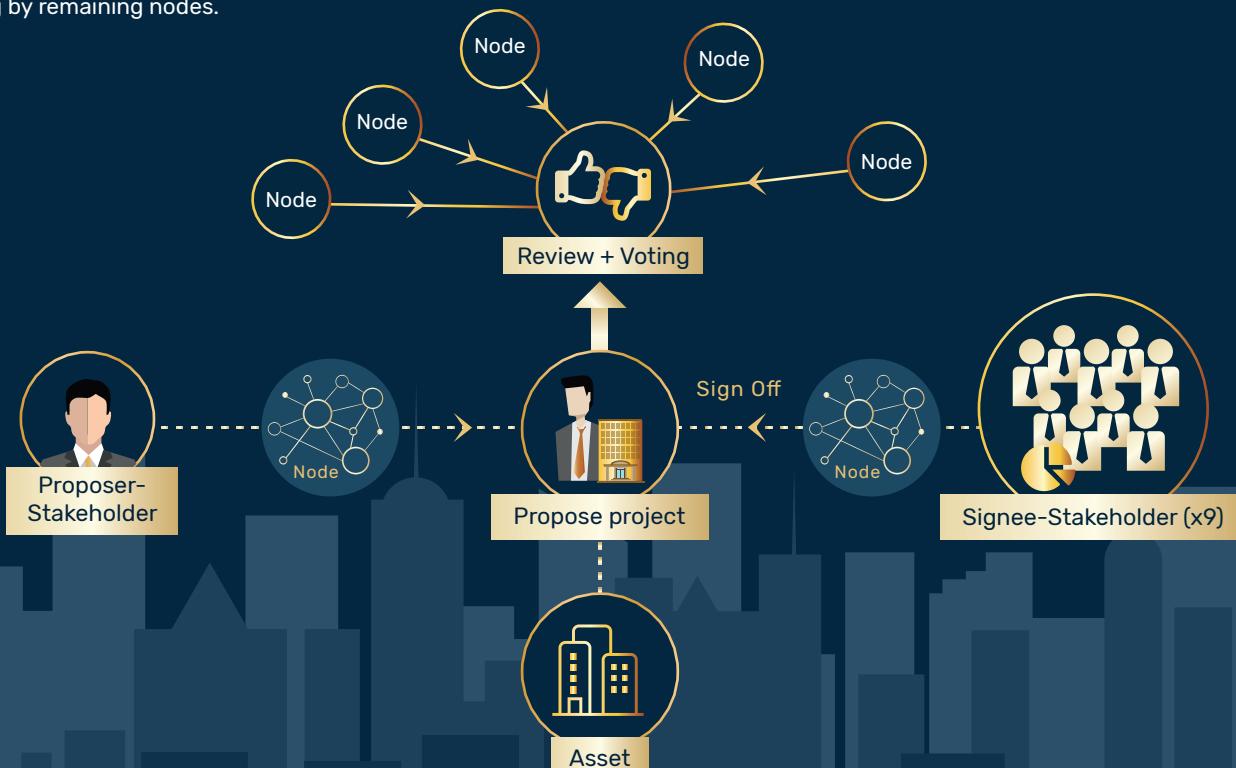
Governance in the RACE™ ecosystem is open, transparent and decentralised. Stakers will form the government and will vote for proposals to be passed that will determine the functions of RACE™ ecosystem. Some examples of such proposals include:

- Change in inflation rate of the macro system
- Change in rewards of running a node
- Change in number of RACE™ tokens required to stake
- Change in quorum
- Change in the code base

The quorum required to pass a proposal to be adopted in the RACE™ ecosystem would be 80% of all nodes. The reason for selecting a higher percentage is because, in its infancy, the number of nodes and stability of the system may not suffice to ensure bad actors do not launch a successful attack on the ecosystem.

Submission of Proposals

As above, proposals are submitted first to be approved for voting. Only stakers are able to submit proposals. In order to prevent overloading of the network from proposals, or causing heavy inconvenience to other stakers having to vote on spam proposals, every submitted proposal needs to be signed by at least 9 other nodes (total 10 including submittor), before it will be put forward for voting by remaining nodes.



Validation and Audit of Identity of Other Stakers

Any new staker must undergo KYC, and have the roles and responsibilities understood and acknowledged by the staker. This act must be conducted by fellow stakers and validated off-chain using RACE™'s robust checklist, before being approved as a staker. This precautionary step ensures robustness of the ecosystem and stresses the importance of the RACE™ validation process of participants. Every new staker must be 100% approved by 3 referees (co-signee stakers) as well as 3 randomly selected stakers on-chain.

Stakers can also be voted off, by 3 co-signee stakers and 3 randomly selected stakers. Stakers who are successfully voted off will have their staking deposit forfeited (burned on-chain). This dynamic method of voting on/off stakers rewards good behavior and heavily penalizes bad actors.

RACE™ Cost of Staking, Rewards and the Macro Inflation Rate

The token economy of RACE™ Tokens (RT) is a function of the number of nodes, staking costs, rewards of stake, and inflation rate. It is progressively dynamic.

- To qualify as a staker of RACE™ Nodes requires the individual to stake 50,000 RT. This amount of tokens must be transferred to the RACE™ predefined smart contract wallet. At any time that the balance of the wallet falls below the required amount, the staker will automatically lose all node privileges.
- The incentivisation/reward of staking is a function of the timeframe of staking:
 - › 0 - 3 months: 2% P.a
 - › 3 - 6 months: 2.5% P.a
 - › 6 - 9 months: 3% P.a
 - › 9 - 12 months: 3.5% P.a
 - › Every 3 month increment: +0.3% P.a capped at 5% P.a total.
- The inflation rate of the total circulated number of RACE™ Tokens (RT) is a function of the number of staking nodes and their respective rewards P.a.

For example, if there are

- › 100 Nodes with 2% P.a.
- › 100 Nodes with 2.5% P.a., and
- › 100 Nodes at 5% P.a.

with an assumed total amount of tokens at 1 million, then:

Number of tokens created P.a =

$$(100 \times 10,000\text{RT} \times 2\%) + (100 \times 10,000\text{RT} \times 2.5\%) \\ + (100 \times 10,000\text{RT} \times 5\%) = 95,000\text{RT per annum}$$

Token Inflation Rate =

$$\frac{95,000}{1\text{Billion}} \times 100\% = 9.5\% \text{ (Quantity)}$$

From the above exercise, the macro inflation rate is derived and front-driven by staking activity (a decrease in stakers would similarly affect the inflation rate); this dynamism ensures that the TOC model is in turn run by a Staking Economy.

Note that the token inflation rate is not price driven and does not take into account secondary market prices per token. However, the secondary markets (free market exchange) will always ensure an equilibrium price that takes into account the supply and demand of tokens, which are in turn driven/affected by token prices. In other words, it must be economically sound for the stakers to run and stake nodes. If the price per token is too high, it will reduce the amount of staking due to sell pressure and less buying pressure, which in turn 'corrects' the price through the free markets.

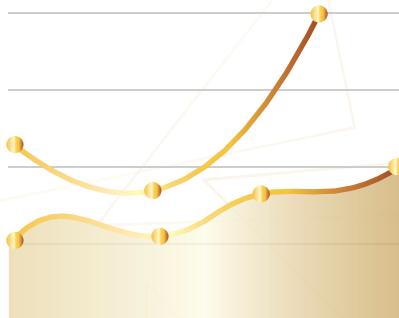
RACE™ Platform Overview

RACE™ platform consists of two token layers, namely a utility token and a security token layer to complement the former (when the platform is ready), to form a real estate asset investment platform powered by blockchain technology and blockchain solutions.

FEATURE	RACE Token (RT)	RACE™ Asset Token (AT)
SYMBOL	RACE™	Varies
TYPE	Utility Token	Security Token
USAGE	Main Currency of the RACE™ Ecosystem, gas for the RACE™ AT, used to reward AT holders	Tokenized Assets that are uniquely represented, each AT will be backed by the assets pledged onto the platform
SUPPLY	Capped at Token Sale, can be issued against AT	Dependent on the asset tokenization process
DIVISIBILITY	18 Decimal Places	0 Decimal Places

The two classes of tokens will be explored in greater detail further along the white paper.





Private Performance Reports

Quarterly performance reporting for various assets can be done on the RACE™ Platform, of which access is only granted to the respective asset token holders. AT holders will be able to see details of their assets on the RACE™ Platform.

Reports are encrypted and can only be decrypted through a private key stored within the token. This private key is only used to decrypt reports and to verify ownership of the asset tokens, giving rightful access to the owners and transparency among token holders.



RACE™ Asset Token Exchange (AT Exchange)

A RACE™ property security token that is tradable on an exchange is constructive in many ways; having RACE™ security tokens in our future development can bring a number of improvements to traditional financial products by removing the middleman from investment transactions. This leads to lower fees, faster deal execution, free market exposure, larger potential investor base, automated service functions, and lack of financial institution manipulation. The main benefit, of course, is liquidity and partial sale of upside. RACE™ can work with licensed third party exchanges as well as build our own AT Exchange, powered by RACE™ Tokens, to list RACE™ Assets.

Utility Token - RACE™ Community Token (RT)

A utility token is a digital token of cryptocurrency that is issued to be later used to purchase a good or service offered by the issuer of the cryptocurrency.⁹ RACE™ tokens are created for the network to govern the market infrastructure, and enable users to interact with the platform's services and activities. There will be a limited supply of 620M tokens within the system, of which at least half will be sold, circulated and utilized in the following ways as shown in the diagram below. More use cases for the RT may be implemented subsequently.



⁹ Merriam-Webster



Issue RACE™ Asset Tokens (ATs)

Asset owners and project proposers are required to pay a network fee in RTs to tokenize assets on the RACE™ Platform. The RACE™ Platform is designed with a dynamic pricing algorithm for the network fee. Variables include legal complexity of the offering, value of the offering, token technical requirements, and number of unique asset tokens on both primary and secondary markets at any given time.

ATs will subsequently be listed on the RACE™ AT Exchange for higher liquidity.

Project proposers with good performance and positive track record can receive a discount factor for their network fee, to incentivise quality projects. Inversely, a premium will be imposed on the network fee should an asset owner/project proposer have had a negative track record. Those with average track records may be subjected to review and subsequently imposed a premium as well.



Decentralised Project Consensus

Companies or individuals can vote and review projects which will be made transparent upon voting across the RACE™ platform. Reviewers are required to stake tokens for each review but can receive tokens for their work done upon a successful sale. Though the stakes are equal, project proposers will have individual ratings, of which their review weightage will be dependent on the number of successful proposals, acquisitions, sales and management associated to their reviews.

Projects that receive a low review rating score will not be listed on the RACE™ Platform for sale. They will require further re-evaluation and can adjust their sale parameters before attempting assessment a second time at a discounted rate (only limited to second attempt). In such an event, the proposer / asset owner forfeits the initial listing fee, which is distributed across to the various stakeholders for their work done, including the reviewers.



Due Diligence

Part of the standard due diligence process in acquiring a property involves valuation experts, lawyers, and property inspectors to vet and process documentation to ensure the interest of the asset token purchasers. These stakeholders are paid for their work done. Due diligence emolument will be taken from the network fee paid for by asset owners/project proposers.



Ownership Transfer

Each transaction, or trading an AT on the AT Exchange, will require both the maker and taker to pay a transactional fee in RACE™ Tokens. Since RACE™ ATs have a divisibility of zero decimal places, it would be impossible to take a fraction of an AT for fees, unlike the trading of other cryptocurrencies. That being the case, the RT operates as mode in which transactional fee will be paid in.

Security Token - RACE™ Asset Token (AT)

Benefits of Security Tokens

Securities are tradable financial assets, and security tokens are blockchain-based digital assets stored cryptographically, which enables investors to own or transact a tradable asset. A Security Token Offering (STO) offers investors a range of financial rights and functions similar to an Initial Coin Offering (ICO), except that it offers security tokens rather than utility tokens. These tokens are backed by something tangible, such as assets like real estate. Additionally, security tokens are useful for providing legal protection for investors in the crypto community since they are backed by regulatory frameworks, reducing the chances of fraud and safeguard parties involved.

RACE™ envisions real estate to be effortlessly transacted across geographical boundaries in a secure, compliant and efficient manner through the RACE™ Platform. By providing solutions for tokenizing real estate worldwide today, RACE™ will lead the way to power the same solutions for several asset classes worldwide.

There are five core benefits to tokenizing Real Estate Assets:



Better Liquidity

A constantly open market and fractional ownership of securities further enable trading volumes because securities are now much more easily affordable at a fraction of the cost and commitment. By tokenizing a security in this way, it can increase the traded item's value, known as a liquidity premium, of up to 30% more of its initial value.



Faster and Simpler Settlement

Disintermediation through automation and the use of blockchain makes the entire dealing process faster and secure. There is less capital lock up and more profits for all parties. With exchanges, algorithms and secure smart contracts that help bypass traditional choke points and bureaucracy.



Lower Transactional Fees

Dealing parties need only concern themselves with exchange fees. Transfer of ownership is made far easier since asset owners and traders do not have to deal with too many intermediaries, such as clearing houses or banks among the many organisations that would take a cut each step of the way. There is almost no cost to transactions that would hinder or discourage change of ownership and profit reduction.



Transparent and Anti-Fraud System

To falsify transparent transaction information on the blockchain is virtually impossible. Prices of properties will be objective and transparent, with users able to view statistics including supply versus demand volume, buying prices versus selling prices and spreads.



Fractionalisation

There is lower barrier of entry for securities. Access to institutional grade products that often carry higher return on investment is now made available at a lower price to entry.

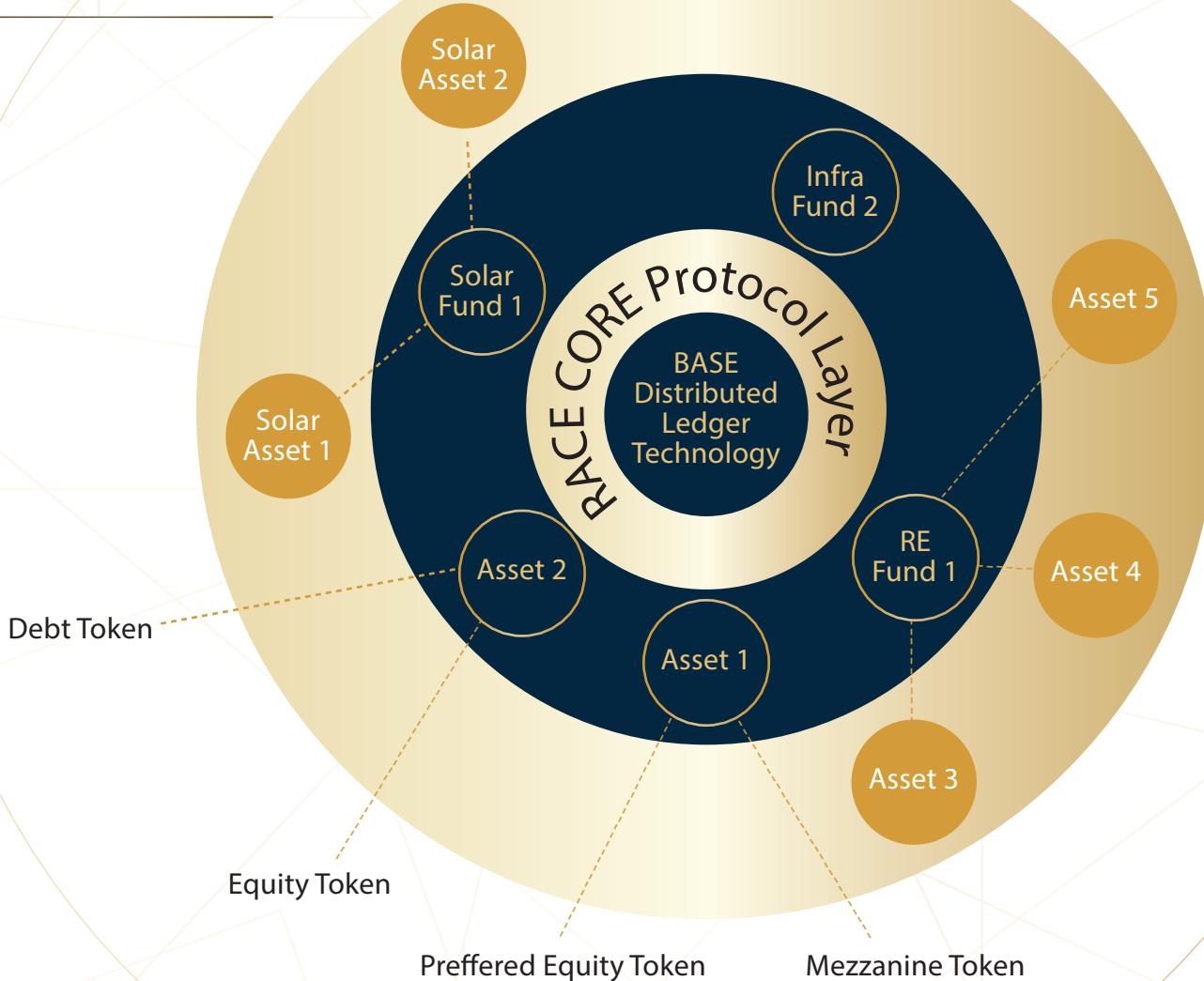
As such, security tokens in an industry such as real estate is highly applicable. Having security tokens means the potential to unlock trillions of dollars in illiquid assets by enabling liquidity to historically illiquid private assets or assets with long lock-up periods. Established player in the ST industry Polymath anticipates security tokens overtaking utility tokens with a value of \$2 trillion in 2018 alone and a projected \$10 trillion value by 2020.¹⁰

¹⁰ Trevor Koverko and Chris Housser. Polymath Whitepaper. December 2017.

Hierarchies of Tokens in the RACE™ Protocol

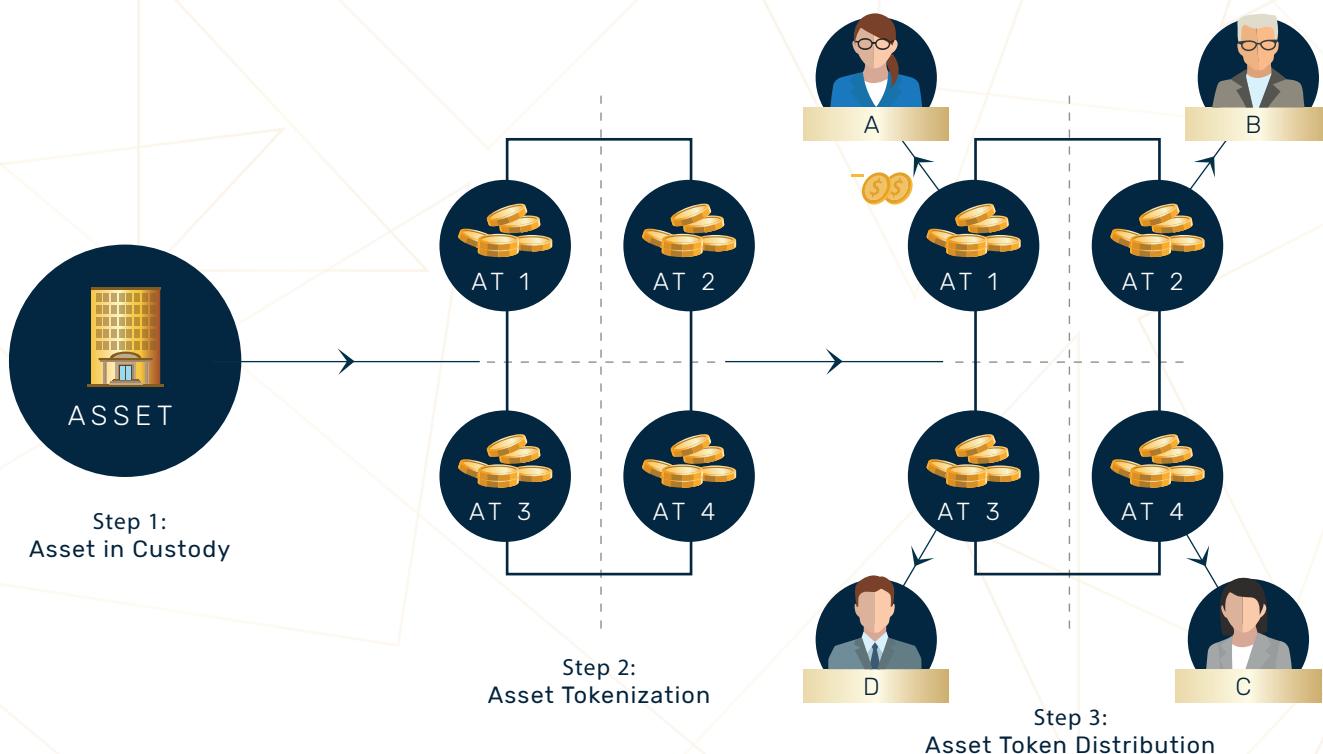
The vision of RACE™ is that it becomes the center of gravity attracting assets to be transacted via its token standards/protocol, with the community protocol connecting people who have money with institutional quality assets to hold for cash flow and asset appreciation. These assets can become smaller constellations revolving around the core RACE™ protocol, which in turn attract mini projects around them. These mini projects can be other asset projects, or real estate/infrastructure construction projects, or services projects. Each of these assets can follow the same dynamics as the main asset token and sub token issuances.

RACE™ Constellation



Real Estate Tokens

Traditional real estate limits investors. For those who are looking to start investing with a modest capital, it simply limits the individual since it requires him or her, at the minimum, to accommodate the entire value of a single property. Quality properties with above market yields or capital gain potential are also more costly, creating a higher barrier of entry for investors. For property owners who are looking to earn cash for only a fraction of their property's worth without the hassle of day-to-day maintenance, traditional real estate investment makes the situation impossible.



Tokenization makes these impossible situations possible. By converting the rights to an asset into a digital token, property owners can issue tokens, of which each token represents a fraction of the real estate's value. These tokens can then be freely bought and sold, and holders of these tokens gain a fraction of ownership in the asset. Put simply, buying all of the tokens means 100% ownership of the asset. Or if you only want to afford 25% of the tokens on sale, you can get 25% ownership without needing to commit fully to the entire property. Investors can now get better quality properties for a fraction of the price.

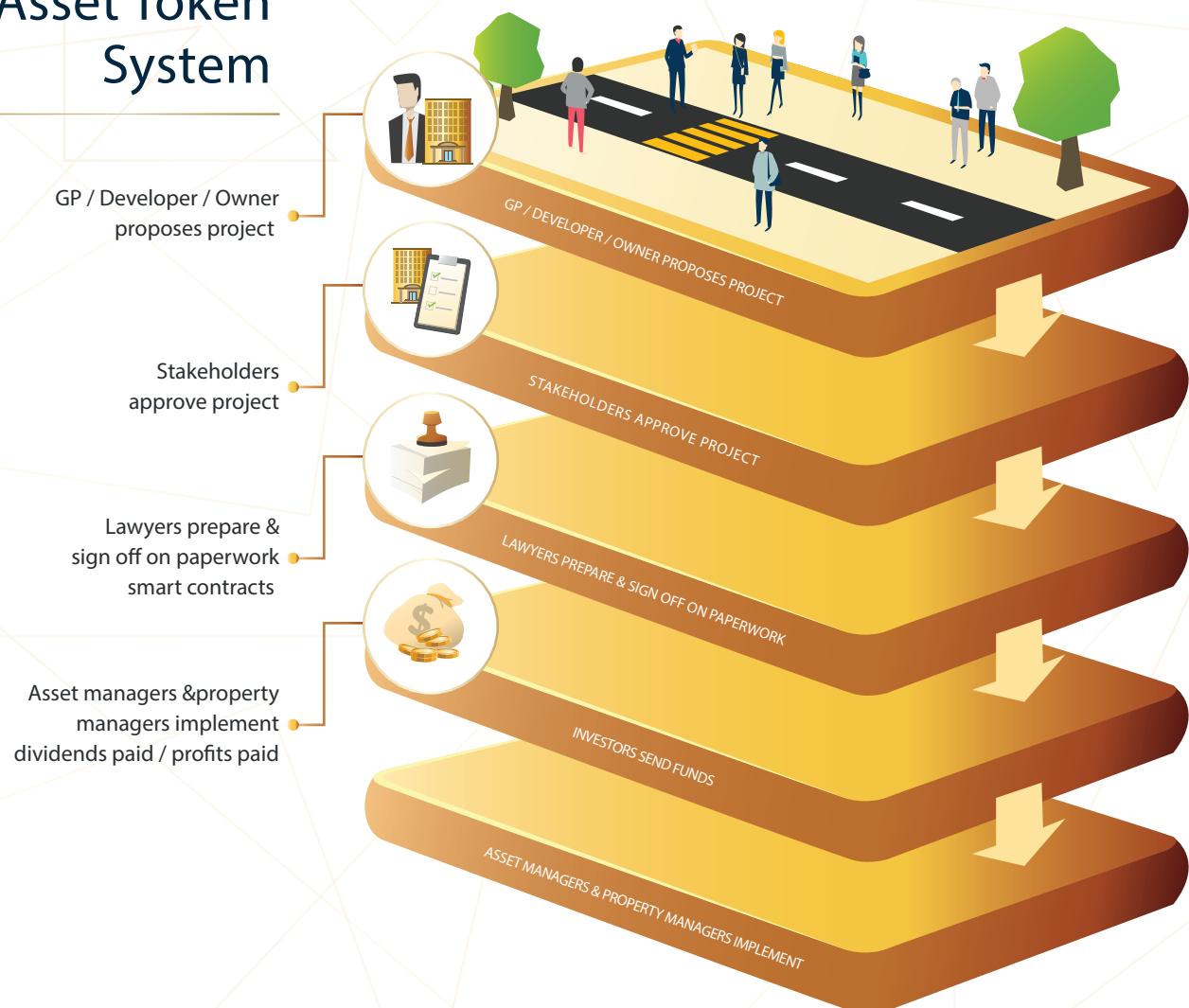
Blockchain enables this service. Real estate owners can issue their properties' tokens on a blockchain platform supporting smart contracts, to facilitate the necessary contractual agreements protecting buyer and seller's interests, and enable token transactions to occur on digital asset exchanges. Given blockchain's immutability, the decentralized ledger ensures that once you buy in tokens, it accounts for your rightful ownership even if it is not registered in a government registry.

Asset tokenization with RACE™ allows property owners to tokenize an asset, creating its digital representation on the blockchain along with immutable ownership data and record, and subsequently all owners to trade tokens representing the asset to increase liquidity. Special Purpose Vehicles (SPVs) will be created and designed for independent ownership, management and funding of assets on the RACE™ platform.

RACE™ Asset Tokens (ATs)

RACE™ ATs are unique tokens, each representing fractionalized ownership of an asset. Each asset is unique, tokenized with its own unique token symbol, denomination, prices, buy in limits, etc. Each token can be programmed with different rules to perform specific tasks which will use RACE™ Tokens as gas to interact with smart contracts or impose restrictions as needed according to different jurisdictions. Tokens can only be transferred to whitelisted users who are eligible to own and trade the asset tokens.

Asset Token System



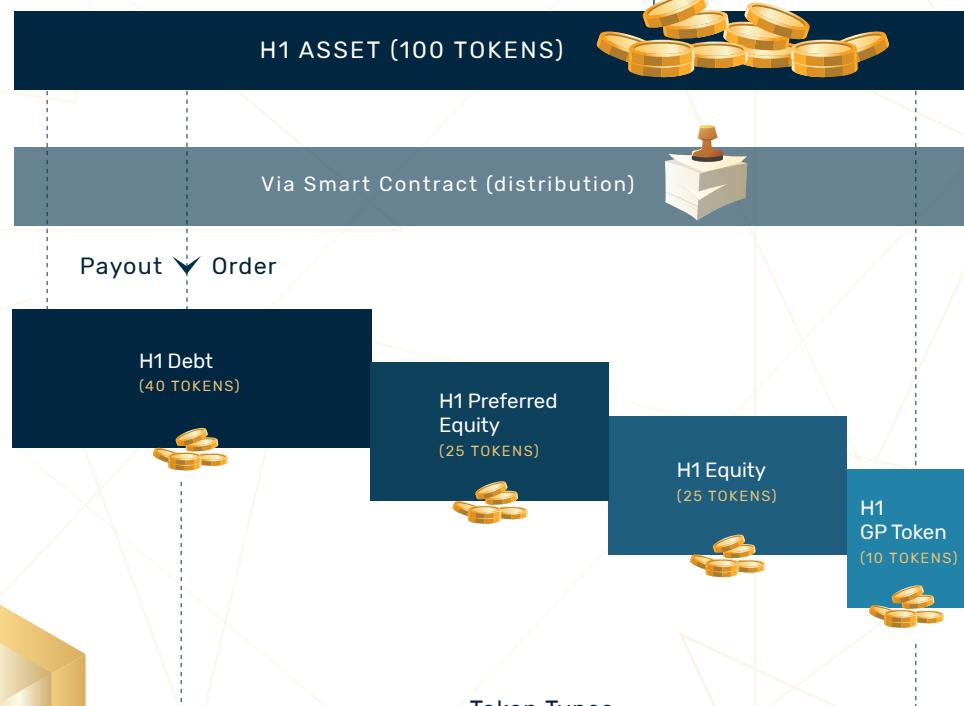
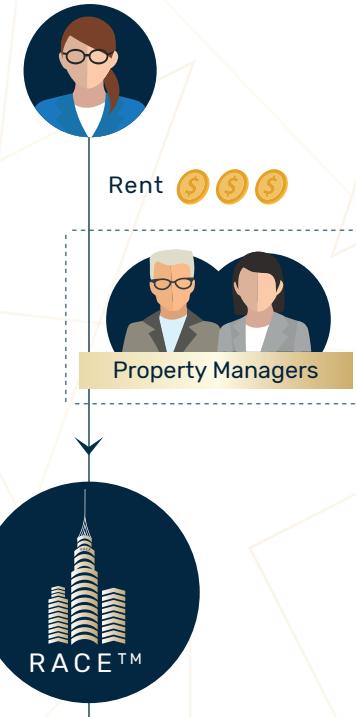
Issued ATs can consist of different sub token classes that act as different financing instruments. An asset could be further divided into multiple subclass types with the use of meta tags embedded in each token that is read on the exchange, or using a separate ERC20 token type all together. RACE™ will explore a future token standard that can accommodate this when implementing the asset tokens.

SECURITY TOKEN - RACE™ ASSET TOKEN (AT)

Token Distribution Flow for Asset Token Holders

Where H1 is an example of a tokenized asset

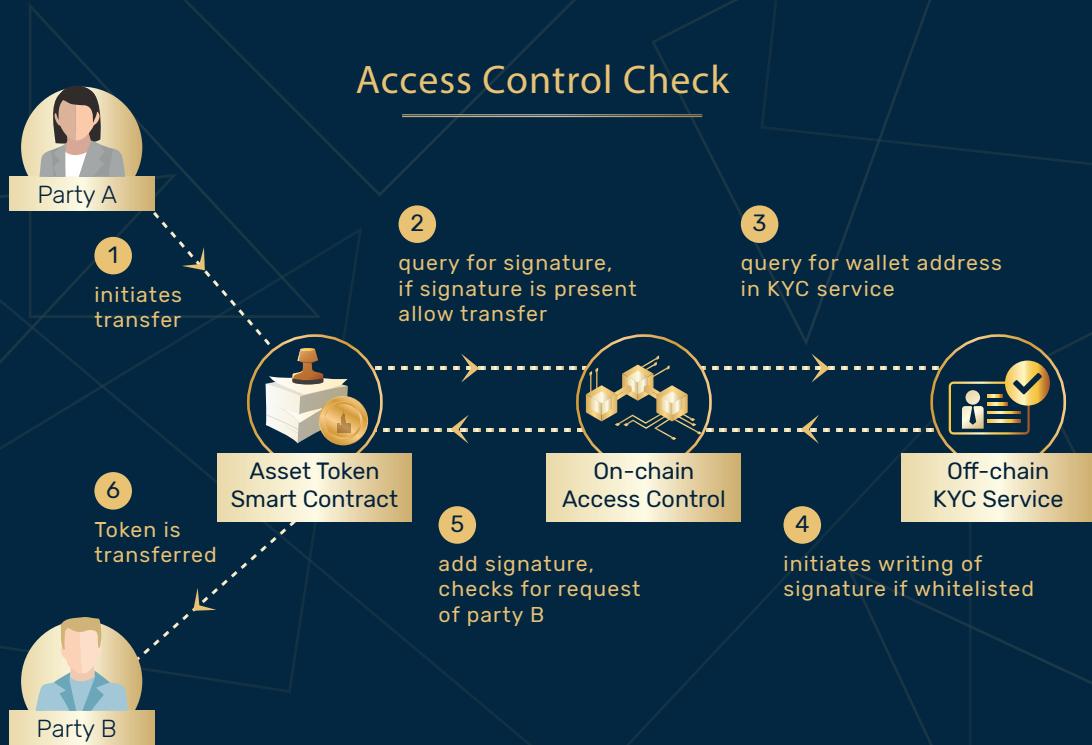
The subclasses are namely Senior Debt, Mezzanine Debt, Convertible Debentures, Common Equity, Preferred Equity and in some rare cases Warrants. Each sub token type will have separate functions and purposes in the smart contract for the asset. Each sub token will also have different risk profiles, profit sharing ratios, cashflow priorities and distribution timelines based on its place in the capital stack. The three commonly used asset token types are outlined below, however the needs of each project can vary as per asset type, project type and jurisdiction of the asset.



Blockchain Features

Asset Token Functions

Each asset token will be based on the Ethereum ERC-20 Protocol or any platform blockchain that will be most suitable at the point of development of the RACE™ Platform, containing the standard variables such as symbol and decimals. Each AT can be divided into subclasses that are turing complete. Depending on the requirements and specifications of each AT Issuer and the complexity of the subclasses, they can be programmed to perform specific tasks, specific to their classes.



transferFrom()

This will be used instead of a standard transfer() function. Each asset token will have a unique smart contract that functions like a whitelist. A whitelist type of function is required to ensure that only verified people are able to hold and transfer the respective asset tokens.

deposit()

Ethereum's ERC-223 deposit() function could also be deployed to ensure recipient of asset tokens has approved the transaction communicated prior to the sending of tokens. transfer() tokens has to be pre-approved by only whitelisted addresses controlled on RACE™'s platform instead of utilising the blockchain. This helps to prevent accidental transfer of tokens to people who are whitelisted but not the rightful owner of the token(s)/has not initiated a request to receive the token(s).

totalSupply

The totalSupply function is used to call and verify that only the declared amount of tokens are created during the process. No additional tokens should be minted given the nature of the asset. This is extremely important as assets are "double spent" if more tokens are created, especially outside of the sale.

On-Chain Access Control

Each AT smart contract will be given the ability to whitelist pre-selected accounts on chain, with off-chain whitelisting Know-Your-Customer (KYC) services controlling the logic. An AT smart contract will generate a signature granting access to a requestor (assuming the smart contract owner already consents). This access control is checked when performing both the `transferFrom()` and `deposit()` functions to ensure wallets have the required signatures and therefore whitelisted to own and transact the asset tokens.

Using signatures on the blockchain instead of hardcoding addresses into smart contracts will ensure scalability of the ecosystem with existing wallets. Given new signatures each time a new AT is being launched, ATs of same access nature can be given existing signatures. This process will be faster and is less gas intensive as compared to hard coded whitelisting.



Security and Transparency

Seamlessly integrated within the RACE™ Platform is a blockchain explorer that reads information and maps them on the platform. Important public information such as token symbols and wallet owners will be encrypted. Users on the platform can see information at each data point which is verified and presented as it is on the blockchain. The system will otherwise indicate and alert users. RACE™ Platform can also be automated to take action should a fraudulent smart contract be uploaded onto the platform that did not do what the asset owners presented on the platform.

Smart Contracts

Asset token contracts can be deployed automatically on RACE™ Platform through a smart contract with standard pre-set variables; project proposers are able to, if needed, customize the smart contract details on the platform to be deployed on the Ethereum Network or any suitable network at any point of the RACE™ Platform's life. Customisation is available as an option should the asset owners have their own developers. However, these custom smart contracts will be subjected to a code audit; RACE™ Platform will verify and/or validate the presented information, or warn users if the smart contract has failed audit or is malicious.



Cash flow received on the property will be distributed through smart contracts with RACE™ Tokens or stable coins as the medium, settled through a smart contract through the RACE™ Settlement Engine.

The engine collects fiat, pulls prices off third party exchanges and assigns a price to buy the respective currency. To ensure speed and to minimize exposure, a liquidity pool is needed to perform the transactions on both ends at the same time to disburse the tokens immediately and not wait for third party exchanges and their withdrawal processes.

Ease of Use

Ethereum was chosen as the blockchain standard because of its ease of use, widely available wallets, and for being the most supported blockchain standard across all existing crypto exchanges. Its network speed is relatively reasonable for asset tokens, unlike more volatile cryptocurrencies or tokens which require faster transaction speed since prices often fluctuate by the second. However, RACE™ will evaluate the blockchain platforms available again when the RACE™ Platform development is closer to completion.

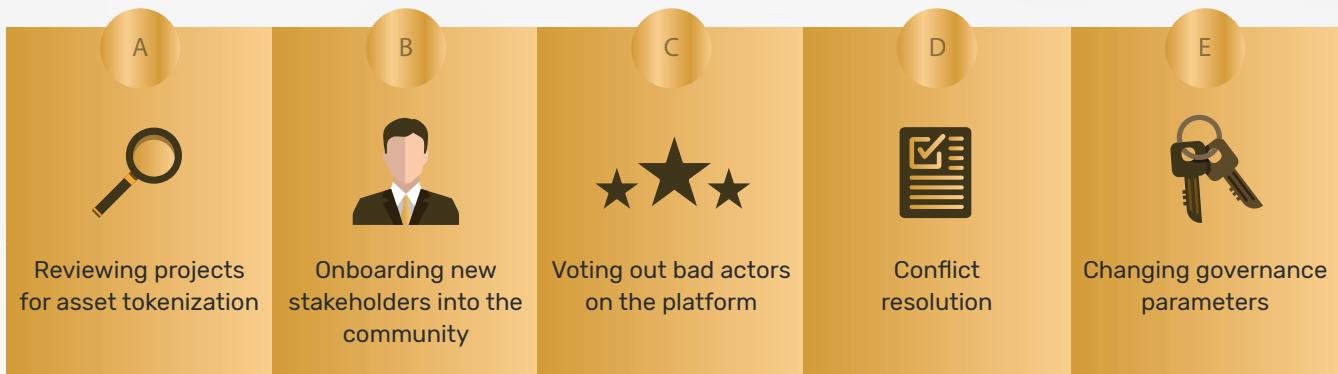
The RACE™ Community



Listing of ATs on RACE™ Platform will require project consensus. This involves many key stakeholders, which collectively forms the RACE™ Community. The RACE™ Community is a crucial driving force behind a self-governing system where transparency is important and, as much as possible, free from the biased influence of singular individuals. RACE™ esteems the intellectual capacity of its human capital, the community itself, and deems this one of the core value of its business. When more participants onboard RACE™, more people get on the platform to pool their cognitive merits together to push RACE™ to further heights. For example, the quality of projects and ideas on our platform will naturally go up, attracting more LPs (and other stakeholders) to participate in a thriving economy that self-propagates, thereby increasingly bringing value to every participant in the network. The key to the RACE™ Community is getting enough critical mass for the network effect to take root and propel forward.

The RACE™ Community consensus will be controlled by smart contracts to carry out specific functions, assigning stakeholders to each decision that are appointed by the system with a fixed set of rules. Participants are required to own RTs to participate in the community decision making.

The RACE™ community has five main decision-making functions. These include:



THE RACE™ COMMUNITY

Allowed network participants are stakeholders in the RACE™ ecosystem, and are listed in the next section below.



Network Participants



At RACE™, we believe the more quality users we can onboard the platform, to provide key functions to the operation of the platform (including impartial ratings by a well grounded investment committee to validate quality and post-transactions performance), the more lucrative it will be for all RACE™ token holders. There are three main groupings of participants in the RACE™ community, mainly 1) Project Proposers, 2) Investors (Limited Partners), and 3) Qualified Service Providers, of which multiple roles within the entire ecosystem that organizes an asset are fulfilled.

1. Project Proposers (GPs / Property Owners / Developers)

People who have access or a contract to the assets/properties to tokenize them such as direct owners, general partners, or even developers are welcome to submit their projects for asset tokenization on the RACE™ Platform by paying the network an initial listing fee.

A real estate limited partnership will consist of General Partners (GP) and Limited Partners (LP). GPs co-invests with LPs and hold the rights to manage the property. These GPs provide the critical initial capital to bind the transaction and continue to steer the transaction to fruitful results. They will pick projects on the RACE™ Platform and will pay a fee to bid for projects to manage. They will also have to pay a subscription fee for every type of asset token under management. GPs have a review system that will be matched against the assets under their management; their projections should closely follow the average yield as per reasonable market projections.

2. Investors (Limited Partners)

Limited Partners (LP) are co-investors in a real estate limited partnership along with the GPs. They are asset token purchasers, entitling them to partial ownership of properties, who will pay for the transaction fees in RACE™ Tokens during an asset token purchase. LPs are able to invest directly in every market, regardless of geographical constraints.

3. Investment Committee

Chief Investment Officers

Chief Investment Officers will get veto rights to only reject a project proposal on the RACE™ platform should they deem fit. In this context, a RACE™ Chief Investment Officer would be a real estate investment professional who has substantial experience in investments, in-depth knowledge of return generation strategies, asset classes and various investment products. Additionally, strong organizational and analytical skills. His role within RACE™ will be to analyze and ratify that the return expectations and the risk reward profiles of the investment are worth signing off on. His/her role will also be to identify risk areas and make sure that the transaction proposer addresses them.

Lawyers

Lawyers can provide a fiduciary task of ensuring that the paperwork protects the rights of the RACE™ AT Holders. Lawyers and regulatory professionals ensure all regulatory compliances are completed, and legal paperwork and requirements of the asset up for tokenization will be reviewed by lawyers or firms.

Accountants

Accountants work in a fiduciary capacity to provide transparent accounting. Analysts provide critical financial modeling and property analysis to the RACE™ Community.

Researchers

Market research is key to making the right decisions on location, demographics, demand and pricing. The RACE™ researchers have the job of assessing the research being provided by the proposer of a project, or to provide additional research to support the project or highlight concerns with the proposer's logic.

Portfolio Managers

Portfolio Managers are usually responsible for multiple assets, and to make sure that all assets are performing as per target criteria. During the acquisition process, portfolio managers are a gatekeeper to ensure that a proper investment paper has been submitted by the proposer and that the project has been wholistically analysed prior to it being submitted to the investment committee and CIO for approval.

Tax Advisors

Tax advisors are property and local tax experts. Property tax is significant in certain regions and cities all over the world and over paying on these taxes can impact the profitability of a transaction significantly. Tax advisors of the RACE™ community will have an important role to conduct yearly tax reviews, initiate litigations through lawyers and obtain the desired results. In exchange for their services, they would receive RACE™ tokens and fees and a recurring yearly income.

Real Estate Developers

Real estate development, or property development, is a complex process encompassing activities that range from the renovation and re-lease of existing buildings to the purchase of raw land and the sale of developed land or parcels to others. Real Estate Developers are the creators that orchestrate the entire process of development from start to end. Typically, developers purchase a tract of land, determine the marketing of the property, develop the building program and design, obtain the necessary public approval and financing, build the structures, and rent out, manage, and ultimately sell it.



Financial Modelers

This is a highly skilled professional who can financially model detailed cash flows for the property, entry and exit projections, provide financial risk mitigation as well as technical analysis. They will have the skill set to model real estate transactions for different asset types and document the most essential investment metrics that are usually used by large institutions and private equity groups to evaluate the attractiveness of a property acquisition or property development. They will usually have the mastery of the foundational analytical and be proficient in the financial modeling tools necessary to analyse commercial real estate transactions.

Appraisers & Valuation Experts

Appraisers in the RACE™ community will have to be licenced in the country or region where the property is located. They have the responsibility to weigh in, and provide the investment committee with comparative data to safeguard the RACE™ community to not overpay for a property, or undersell a property. They will use generally accepted valuation principles according to their licensing requirements.

Asset Manager

Asset Managers have the broad objective of maximizing property value and investment returns. This means reducing expenditures where possible, finding the most consistent and highest sources of revenue, and mitigating liability and risk, among other things. Property also faces the risk of damage, tends to deteriorate over time. Thus real estate asset management concerns itself with mitigating risks and promoting valuable improvements. It also navigates the complex legal and tax rules governing an investment property. General Partners and property owners will have a reasonable say along with the RACE™ community to hire and renew contracts of Asset Managers in the RACE™ community.

4. Qualified Service Provider

Property Manager

Property management staff is usually on the premises, as the 'face' of the property for tenants. Whereas the property manager acts as the ambassador to the outside world. The property management company interacts with residents, service providers, inspectors, and all other visitors to the property.

An on-site property manager is usually a professional company responsible for the day-to-day operations of the property. Property Managers are responsible for tenant screening, rent collections and general upkeep of the properties. They have the responsibility along with asset managers to propose upgrades, hire subcontractors from ideally inside the RACE™ community.

Auditors

The auditing role can be played by accountants or in special cases, by auditing firms and forensic experts to probe into the books of accounts of an asset or to conduct due diligence of an asset prior to its acquisition.

Accountants / Tax Advisors

These people are responsible for tax and audit compliance and other financial consulting services. These could include financing and cash flow analysis, tax planning, acquisition analysis, management consulting, cost segregation services for real estate purchases, construction, expansions or remodels, investment analysis, due diligence on potential acquisitions or joint venture agreements, operating budgets.

THE RACE™ COMMUNITY

Insurance Providers & Brokers

Property insurance providers and brokers provide fire, earthquake, liability, damage, flood and other types of insurances to secure the property against any dangers and calamities. Insurance brokers and experts who are part of the RACE™ community can work towards protecting the property at competitive rates.

Escrow / Custodian

Escrow Agents are typically title companies or specialized lawyers that can hold transaction monies until all conditions of a transaction are satisfied between buyer and seller, after which the title of the property is transferred to the new owner and agreements are logged in and timestamped.



Brokers

There are several kinds of brokers who are anticipated to be part of the RACE™ Community. Property, insurance, financial and debt brokers are the largest categories.

Research Analysts

Research Analysts are the intellectual power behind good property acquisitions and dispositions. These analysts are responsible for conducting macroeconomic, capital market and property market research and analysis. Researchers will be rewarded for providing periodic research to the Investment committee, General Partners, Property Owners, Investors, and Asset Managers. The community will reward top researchers with RACE™ tokens when their research makes a critical contribution to the lifecycle of a RACE™ community property.

Blockchain Developers

Smart contract development for asset tokens and code audit checks for smart contract developed by other developers. The code for any asset tokens must be according to the specifications laid out or presented on the RACE™ Platform. A code audit will ensure that there is no backdoor malicious codes that can alter the information that is presented both present and future.

5. General Participants

General public who do not fall into the above 3 roles can still be participants in the RACE™ Platform. They can take a look at the projects as prospective investors. They can lock up a small amount of tokens to predict the outcome of a project that is undergoing due diligence and community review, whether the project will be successfully listed. If they correctly predict the outcome, they will get rewarded with a small stake. An unsuccessful prediction will not result in any loss of tokens, but it'll be refunded when the results are out.

Project Consensus

As an additional consideration for greater engagement of community outside of those directly involved in the real estate ecosystem, we are gamifying project onboarding and extending expression of project interest to ordinary users such as prospects or platform users of RACE™.

This process involves 3 groups, Project Proposers, General Network Participants and an Investment Committee.

An asset has to be vetted before it can go through tokenization. RACE™ ATs can only be issued through consensus of both network participants and a professional investment committee.



Project proposers will get their project proposals reviewed by both general participants as well as the investment committee. These reviews are separate and will run in parallel. The fees for project listing will be paid into a smart contract unique to the project, that will go towards two functions: Voting reward pool for general participants and review fee to be distributed and paid to the investment committee for their work done. The review process will also be controlled by the same smart contract, and results will only be revealed when the investment committee has completed their review and submitted their votes. The very same contract will also perform the distribution for general participants as well as the investment committee for complete transparency of distribution.

General Participants

As an additional consideration for greater engagement of community outside of those directly involved in the real estate ecosystem, we are gamifying project onboarding and extending expression of project interest to ordinary users such as prospects or platform users of RACE™. These groups of people can review asset token projects on the platform and choose to participate by privately indicating their interest through a 'yes' or 'no' voting system. Though their decision does not necessarily have a significant impact on the successful listing outcome of a project, it not only allows ordinary users to participate and earn tokens for getting involved, the results of the poll can also serve as an indicator on public perception and interest of the project. As further explanation, the steps are as follows:

1. Any member of the Community will have the opportunity to submit a project or an investment proposal to the investment committee.
2. RACE™ community decides by consensus on the onboarding of the project based on preliminary research¹¹ and its perceived quality.
 - › If most of the Community members vote "No", the investment proposal is rejected.
 - › If most of the Community members vote "Yes", the investment committee will perform a more in-depth assessment and will potentially invest.
3. Meanwhile, users not involved in the decision making will get to participate in a poll on the outcome of the project. Should they wish to participate, they are required to stake RTs, amount of which they decide for themselves, which will be locked into the system until the decision outcome is revealed. Rewards are conceived in this manner.
 - › If the investment committee decides not to invest, the members of the Community that have voted "No" earlier will receive RTs
 - › If the investment committee decides to invest, the members of the Community that have voted "Yes" earlier will receive RTs. On top of that, the Community member that has submitted the investment idea will also get an additional reward paid in RTs.

Project Proposal Decision Making

		GENERAL PARTICIPANTS		
		HOT (Majority Polled)	NEUTRAL (Majority Polled)	COLD (Majority Polled)
INVESTMENT COMMITTEE	OUTCOME			
	YES	<ul style="list-style-type: none"> • Proceed with onboarding. Property is labelled as by Public Polling as "Hot" asset 	<ul style="list-style-type: none"> • Proceed with onboarding. 	<ul style="list-style-type: none"> • Proceed with onboarding. Property is labelled as by Public Polling as "Cold" asset
	NO	Proceed with rejection.	Proceed with rejection.	Proceed with rejection.

¹¹ Including relevant data points such as location etc.

General participants are required to lock in RTs as a stake for their vote until the outcome is determined by consensus at a given polling deadline. They will receive tokens if they had voted for the same outcome as that which was made by the RACE™ Investment Committee. There will be no penalty for voting on a different outcome; RACE™ Tokens that were staked are locked in for the period of polling and will be refunded upon results.

This system allows not just ordinary users to participate, earning tokens from getting involved but also serves as a mechanism to get everyday investors to know about the project and to be potentially involved in it in the future.

Investment Committee

The Investment Committee is the core strength of the RACE™ Community and its ecosystem. They too will require a lock up of their tokens before being able to undertake a project review. The more projects they'd want to take they'll require more tokens to participate in the network.

They will provide professional input and look at the project in detail. A strong investment committee will determine the quality of the projects that are approved on the platform, that will attract more interest and asset token purchasers, which in turn attract quality projects to list on RACE™. They are the centrepiece and cornerstone of the network.

I've been saying this a lot throughout my dozens of presentations this year,
"The only token that matters is the one actually being used."

William Mougayar
Author, *The Business Blockchain*

Revenue Streams

Major Streams

Revenue

Initial Listing

Projects can be submitted for asset tokenization on the RACE™ Platform by paying the network an initial listing fee. Initial fees for a project are to be sent to the RACE™ Community, for voting and screening services, that will be distributed to them for their work done.

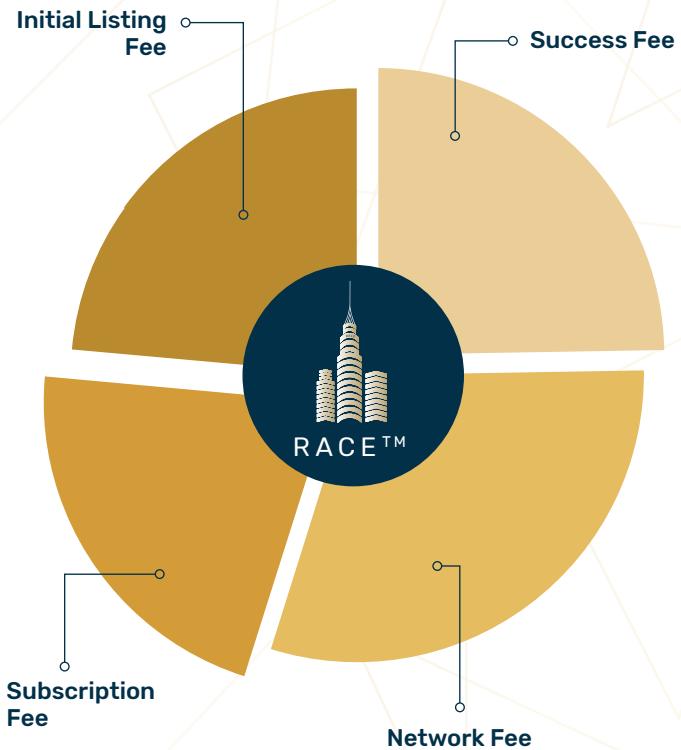
Success Fee

A success fee upon successful listing will be paid to RACE™ Platform before it is made available for LPs to access and purchase. The success fee will also cover secondary market listing on the RACE™ AT Exchange to ensure consistency that every project listed on RACE™ Platform will have its own liquidity market.

Subscription

GPs subscription fee covers access to the platform and every asset tokens held, which goes towards the usage of the smart contract to distribute tokens into the LP network, management of the LPs for reporting, tax filing, administrative and customer support provided for the RACE™ platform.

PLANNED REVENUE STREAM FOR RACE™

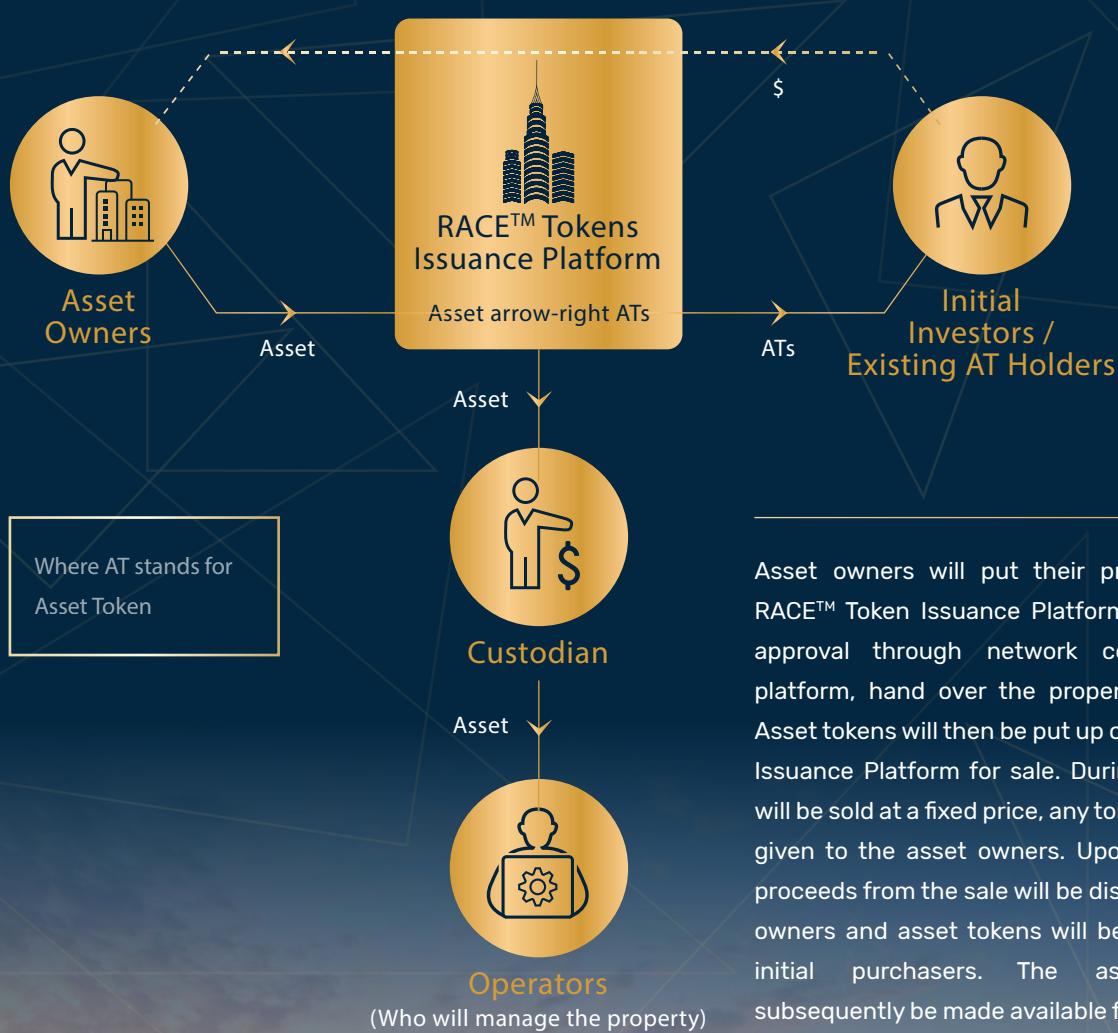


Network Fee

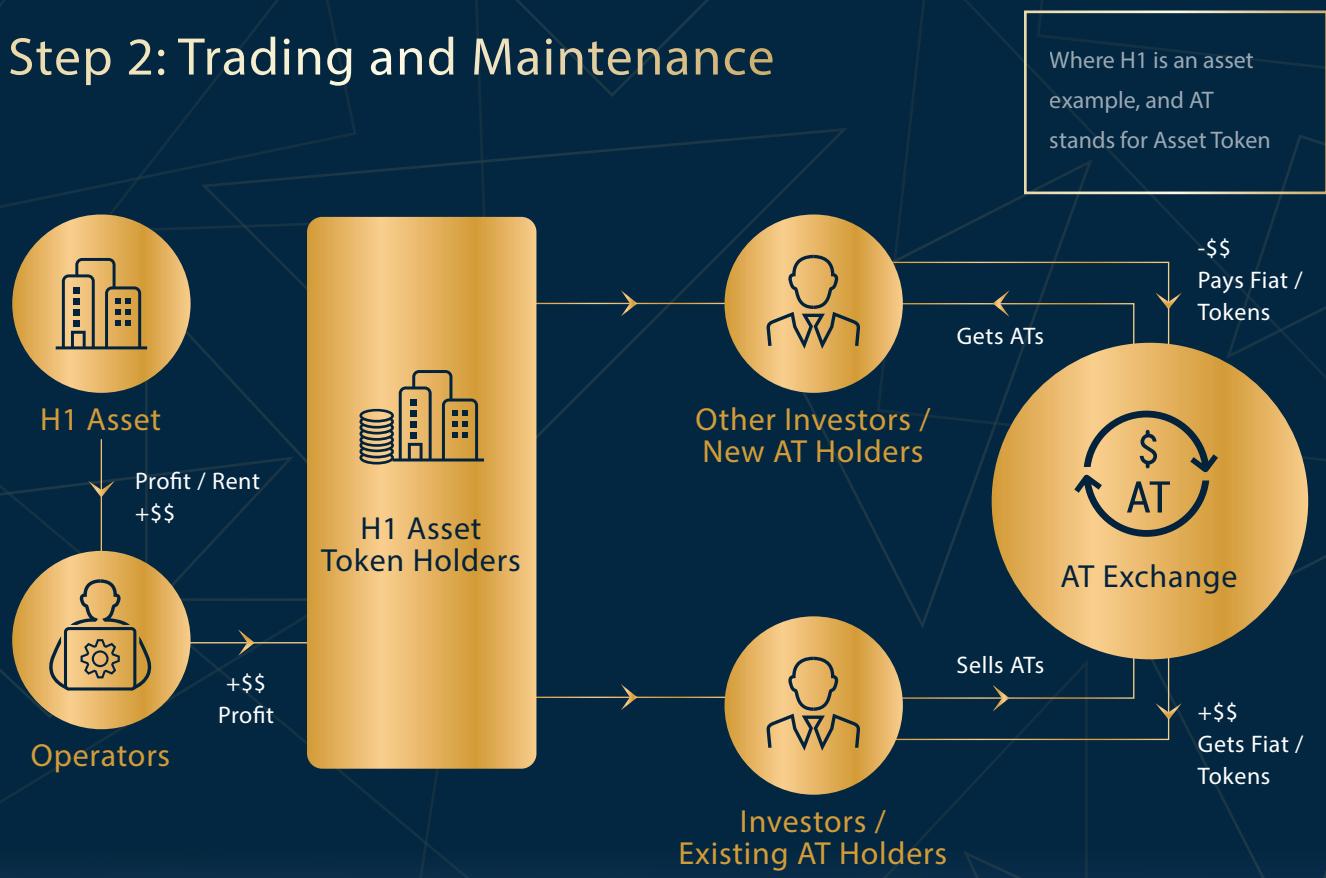
Any transactions or smart contract execution to be performed on the RACE™ Platform or RACE™ AT Exchange will require a portion of the fees to be paid to the blockchain network. RACE™ will receive the tokens in our native currency to pay for the transactional fees.

RACE™ Token Ecosystem

Step 1: Launching an Asset Token

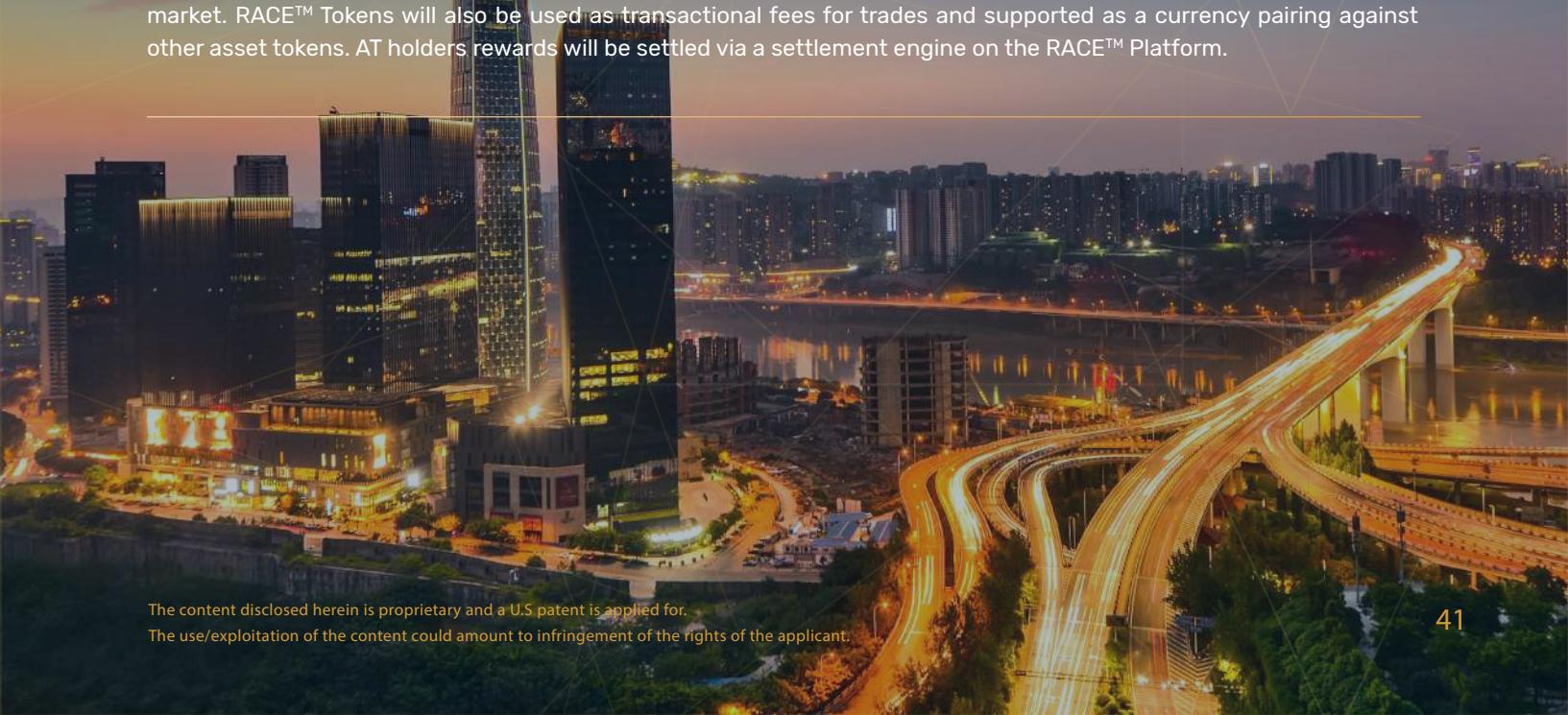


Step 2: Trading and Maintenance



To explain the trading and maintenance of an asset as shown in the diagram above, money flows from example H1 Asset, mainly rent, which will pass through the operators. After deducting expenses and fees, such as property management fee for maintaining the property and other operating costs, the remaining profit will be split among investors and token holders of this particular H1 asset tokens. These token holders can also sell the ATs on the secondary market to others, who will become the new H1 AT holders.

Once the STO is completed, initial investors can start selling their asset tokens on the AT Exchange. Users who did not purchase their tokens during the initial phase can purchase tokens here at market prices, prices are left to the free market. RACE™ Tokens will also be used as transactional fees for trades and supported as a currency pairing against other asset tokens. AT holders rewards will be settled via a settlement engine on the RACE™ Platform.

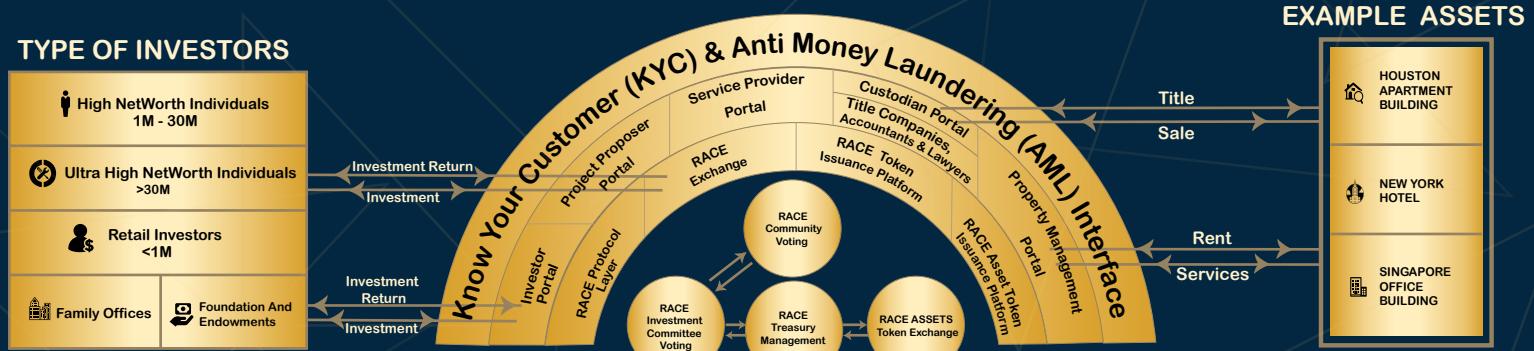


Step 3: Closing of an Asset



Upon the end-of-term of an asset, there are multiple ways of exiting including a) a buyback from initial property owner, b) full sale of property, or c) partial exit for investors. In the case that owners buy back the property, operators will hand over the asset to the custodian to initiate the closing process. The original asset owner or new asset owner will pay the custodian for the asset, a notice of sale will be issued to the unique AT holders. Secondary market trading will be suspended and transfer of ownership will be locked. All asset tokens will be forcefully recalled to the RACE™ Token Issuance Platform with a snapshot taken prior to being destroyed. The RACE™ Token Issuance Platform will then payout in proportion to the ownership, the sale amount minus any fees incurred during the sale. This then concludes the end-of-life of the project.

RACE™ ECOSYSTEM



Ecosystem Overview

The diagram above combines all the steps from conception until end-of-life of an asset within the RACE™ ecosystem, showing how each entity interacts with the others through transaction of fiat, utility tokens, assets and asset tokens.

RACE™ Platform will be mainly powered by RACE™ Token (RACE™), an ERC20 standard Ethereum token on the Ethereum blockchain that is compatible across Ethereum wallets. RACE™ tokens distributed and minted during the token sale will be the only RACE™ created, no additional RACE™ tokens will be minted after that.

RACE™ tokens are primarily used to launch new ATs on the RACE™ Platform, facilitate transactions within the RACE™ Token ecosystem. Stakeholders use RACE™ rather than other currencies such as Ethereum to ensure responsible behavior on the platform and to align all interests of every holder of RACE™ on the value of RACE™, and capture value within the ecosystem, just like how Ethereum tokens are the primary driver of demand for Ether.

In designing the core concept of our token ecosystem, we envision stakeholders of RACE™ Platform to be able to take up a career on RACE™. Large brokers make about 2% of the transaction size - we intend to distribute that among professional individuals to provide neutral check and balances. These are the core stakeholders that will be responsible for driving the RACE™ economy.

Token Sale Details

TOKEN	RACE™ Tokens (RACE™)
TOTAL SUPPLY	620,000,000 RACE™
TOKENS FOR SALE	248,000,000 RACE™ (40%)
RESERVED TOKENS	372,000,000 RACE™ (60%)
TOKEN PRICE	US\$0.0781
HARD CAP	US\$19.375M
CURRENCIES ACCEPTED	USD, ETH
MIN. PURCHASE	8000 RACE™ (~US\$500)
PRE-SALE DATE	26 Apr 2020
PRE-SALE BONUS	10%
PUBLIC SALE DATE	26 May 2020
COUNTRIES RESTRICTED	USA, China



The RACE™ Token Sale will be done on the Ethereum blockchain. RACE™ Tokens (ticker symbol: RACE™) will initially be sold as an ERC20 Token.

The team will be allocated 40% of all RACE™ generated at the end of the token sale, or a maximum of 248,000,000 RACE™ if the hard cap is reached. RACE™ Tokens will not be minable. Participation in the public sale shall be limited to natural persons, with each wallet cleared pursuant to Know-Your-Customer (KYC) checks. RACE™ Token is not available for purchase by U.S. citizens or a United States person and the countries stated above.

Use of Proceeds



Product / Development Costs

Platform development will include building upon and securing core smart contracts, additional frameworks such as a decentralized reputational engine, trading and management interfaces, service-level app templates and customization tools, and integrations with future Ethereum or other blockchain infrastructure such as exchanges, custodian service providers, and stablecoins. We will develop certain custodian components for RACE™ and AT holders and work with experts for custodian services.



Legal & Regulatory Costs

Legal requirements include corporate setups in different locations for crowdsale, operations, and other licenses. We will also work with legal advisors and regulators Post-launch in different jurisdictions to develop legal opinions of the interpretation with local laws, and become compatible with the infrastructure and AML/KYC and accreditation infrastructures in various markets.



Marketing & Sales

Marketing will be focused on promoting RACE™ to potential customer segments and markets for onboarding accredited assets and investors. Additional efforts will be spent on increasing awareness and knowledge of RACE™ for future mass adoption.



RACE™ Labs

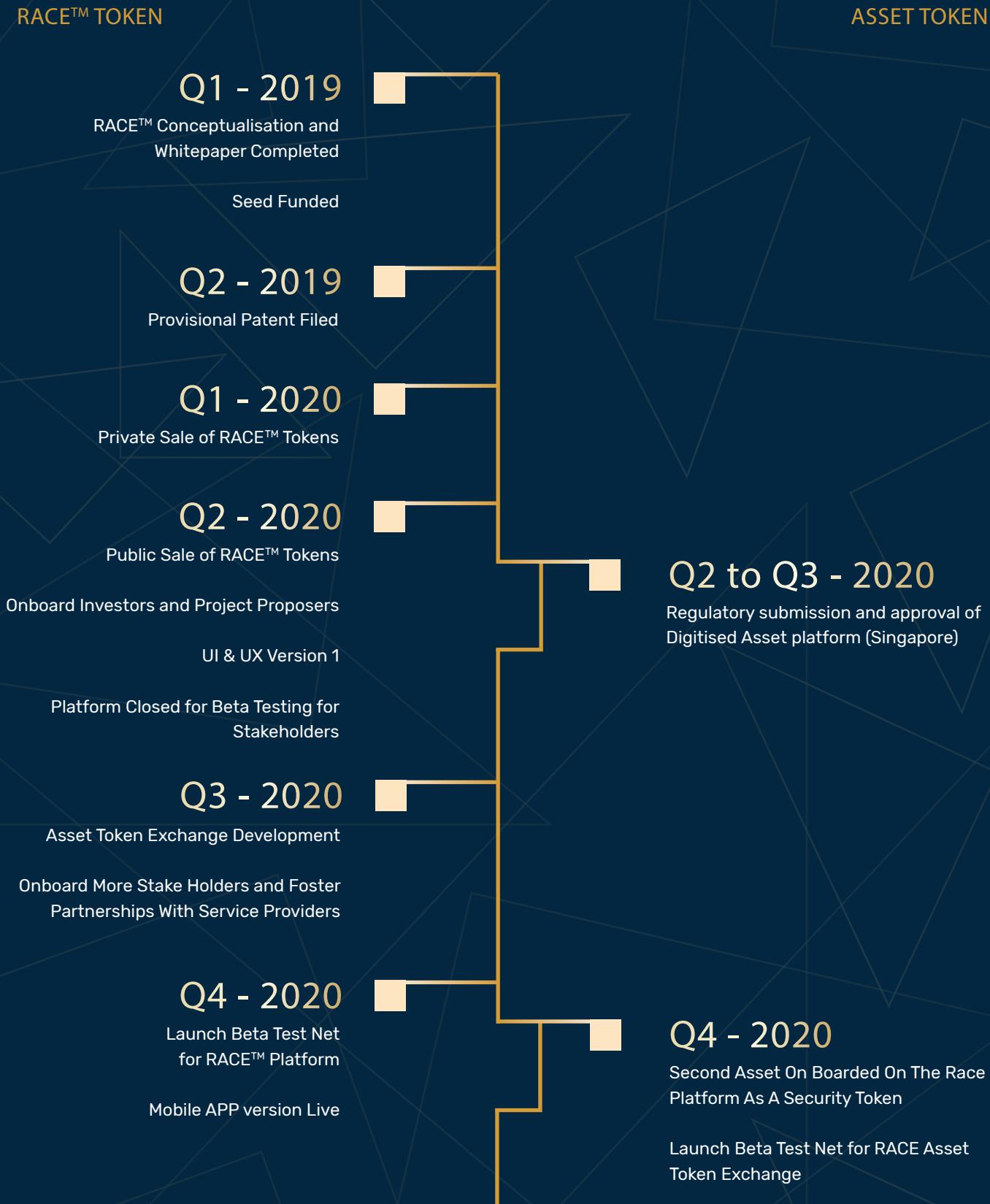
A portion of the proceeds will be dedicated to an innovation hub to generate disruptive innovations. This lab supports entrepreneurs or products to provide services plugged into the RACE™ Platform. RACE™ Labs will nurture and even offer monetary support to business services or any product innovation that can drive the value of the entire RACE™ Ecosystem. Regardless of experience or means, with RACE™ Labs, you will be supported through initial conceptual phase and propelled further to execution if idea is promising or addressing a significant consumer need. Since RACE™ is an ecosystem of stakeholders, naturally we encourage constructivity in the form of collaborating and sharing feedback and resources among members. The key purpose is to develop and implement new innovative solutions that can ultimately benefit everyone.



RACE™ Careers & RACE™ Academy

As one can already deduce, an integral part to the RACE™ Community is in its people participating in the network. We envision users being able to earn a living on RACE™, breaking down barriers to entry into the industry. Everyday network participants can attend training sessions to become a qualified service provider in an effort with another segment of the RACE™ Community, the RACE™ Academy. This is to enable any community member to develop or hone useful existing skills, even taking up multiple roles, if they desire, to bring cross-industry expertise into the community.

Roadmap



ROADMAP

RACE™ TOKEN

ASSET TOKEN

Q2 - 2021

Live RACE platform and RACE Asset Token Exchange

Q3 - 2021

Automated Reporting & Tax Filing Services

Q4 - 2021

Launch Main Net

Q2 - 2022

RACE™ Academy

RACE™ Labs

Q3 - 2022

RACE™ Careers

Q4 - 2022

RACE™ Asset Incubator

Q1 - 2021

Asset Token Secondary Sale and Trading (on RACE Token Exchange or Third Party Security Token Exchange)

Q2 - 2022

Onboarding Asset Tokens On New International Locations

Exploring Alternative Class Asset Tokens - Like Solar Parks

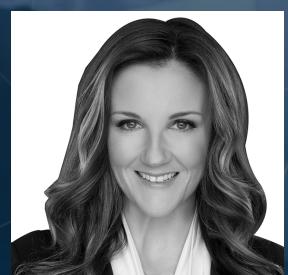
Team



Suresh Nichani
CEO



Shankar Iyer
Lead Director



Suzanne Jones
Chief Advisor - CRE Lending



Alan Bell
Advisory Board Member



Dr. Sampat Shivangi
Advisory Board Member - Investor
& Government Relations



Dr Binod K. Sinha
Advisory Board Member



Hari Eppanapally
Advisory Board Member



Michael Cordone
Investment Committee
Member



Nir Goldberg
Investment Committee
Member



Sreenivas Tanikella
VP Strategic Alliances and
Marketing



Vince Meens
CTO



Krisanth Sivarajh
Project Manager - US

Legal & Disclaimer

This whitepaper describes the initial offering through which the RACE™ Token (RACE™) is to be sold. RACE™ is a crypto token that is designed to be used for all services provided by this RACE™ platform and RACE™'s existing exchange platforms, as explained in this whitepaper. RACE™ can also be used as a crypto token to pay for any other services provided by other business entities. RACE™ will generally not limit the usage of RACE™ or the types of business entities that would like to use RACE™ for their business.

RACE™ token is not intended to constitute a security in any jurisdiction.

Please note that purchases of RACE™ tokens are final and non-refundable. Individuals, businesses, and other organizations should carefully weigh the risks, costs, and benefits of acquiring RACE™ tokens.

RACE™ Token is not available for purchase by U.S. citizens or a United States person and the countries stated above.

This confidential whitepaper (this "Whitepaper") is being furnished upon request and on a confidential basis to a limited number of sophisticated investors on a "one-on-one" basis for the purpose of providing certain information about RACE Technologies Pte Ltd. This Whitepaper is for informational and discussion purposes only and is not and may not be relied on in any manner as legal, tax, investment, accounting or other advice or as an offer to sell or a solicitation of an offer to purchase any securities related to the Project. An investment in the Project entails a high degree of risk and no assurance can be given that the Project's investment objective will be achieved or that investors will receive a return of their capital. This Presentation does not contain a complete description of the Project. The information contained in this Whitepaper must be kept strictly confidential and may not be reproduced (in whole or in part) or redistributed in any format without the express written approval of RACE Technologies Pte Ltd. By accepting this document, the recipient agrees that it will, and will cause its representatives and advisors to, use the information only to evaluate its potential interest in the Project and for no other purpose and will not, and will cause its representatives and advisors not to, divulge any such information to any other party. Neither RACE Technologies Pte Ltd nor any of its affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein, and nothing contained herein should be relied upon as a promise or representation as to past or future performance of the Project or any other entity. None of the information contained herein has been filed with the any securities administrator under any securities laws of any U.S. or non-U.S. jurisdiction or any other U.S. or non-U.S. governmental or self-regulatory authority. No such governmental or self-regulatory authority will pass on the merits of the offering of investments in the Project or the adequacy of the information contained herein. Any representation to the contrary is unlawful. Unless otherwise indicated, all internal rates of return are presented on a "gross" basis (i.e., they do not reflect the management fees, carried interest, taxes, transaction costs and other expenses to be borne by investors in the Project, which will reduce returns and, in the aggregate are expected to be substantial).

In considering investment performance information contained in this Whitepaper, prospective investors should bear in mind that past, targeted or projected performance is not necessarily indicative of future results, and there can be no assurance that targeted or projected returns will be achieved, that the Project will achieve comparable results or that the Project will be able to implement its investment strategy or achieve its investment objectives. Prospective investors are encouraged to contact representatives of RACE Technologies Pte Ltd to discuss the procedures and methodologies used to calculate the investment performance and other information provided above.

This whitepaper contains "forward-looking statements" as that term is defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as "anticipate", "estimate", "expects", "projects", "intends", "plans", "believes", "will", and words and terms of similar substance typically indicate forward-looking statements. All forward-looking statements represent RACE Technologies' views and expectations regarding future events as of the date hereof, based on information then available (but not necessarily all such information which might be reasonably available) and on certain assumptions and estimates, and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Additional information, including additional statistical data and/or further descriptions of proposed transactions, may be provided subsequently, but neither RACE Technologies nor any of its affiliates undertakes to update the enclosed information or any forward-looking statement made herein, except as may be required by any express agreements.

Certain information contained herein (including targets, forward-looking statements, economic and market information) has been obtained from published sources and/or prepared by third parties and in certain cases has not been updated through the date hereof. While such sources are believed to be reliable, neither RACE Technologies nor any of its affiliates assume any responsibility for the accuracy or completeness of such information.

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