

**BC III DLVF GP, LLC**  
**Blockchain Capital III Digital Liquid Venture Fund, LP**  
**Blockchain Capital TokenHub Pte Ltd**

**10,000,000 BCAP Tokens**

The Blockchain Capital Token (each, a “**BCAP Token**”) is a new series of Ethereum-based smart contract digital tokens issued by Blockchain Capital TokenHub Pte. Ltd. (“**BCTH**”) for USD \$1.00 per BCAP Token. BCTH is a newly organized Singaporean private limited company with no operating history. On or before May 10, 2017 following a successful closing of this offering of BCAP Tokens (this “**Offering**”), Blockchain Capital III Digital Liquid Venture Fund, LP (“**BC III DLVF**”), an evergreen venture capital fund investing in blockchain and cryptocurrency technology and managed by BC III DLVF GP, LLC (“**BC Manager**”), will issue the sole limited partnership interest of BC III DLVF to BCTH in exchange for the net proceeds of this Offering. BCTH may redeem any or all BCAP Tokens at any time (i) after ten years from the original issue date for the then net asset value of BC III DLVF (see “**Description of BCAP Token—Optional Redemption**”) or (ii) as it deems necessary upon receipt of information that a BCAP Tokenholder’s possession of such BCAP Tokens causes regulatory concerns for BCTH or BC III DLVF (see “**Description of BCAP Tokens—Regulatory Redemption**”).

Subscriptions for BCAP Tokens may be paid in United States dollars (“**USD**”), Bitcoin (“**BTC**”) or Ether (“**ETH**”). This Offering will end at the earlier of: (1) May 10, 2017, (2) the date at which this Offering is earlier closed by BCTH in its sole discretion, or (3) the date at which this Offering is earlier terminated by BCTH in its sole discretion. The closing of this Offering is expected to occur on May 10, 2017, unless earlier closed as noted above. Subscribers will be alerted to the closing and whether they were successful in subscribing by email and an update to their accounts on the TokenHub (as defined below) platform at <https://blockchaincapital.tokenhub.com/>. BCTH intends to list the BCAP Tokens on multiple cryptocurrency exchanges. The BCAP Tokens may be a suitable investment only for those investors who are able to understand the unique nature of this Offering, BCTH, the BCAP Token, digital tokens and cryptocurrency exchanges. See “**Risk Factors**” beginning on page 30 of this offering memorandum to read about important factors you should consider before buying the BCAP Tokens.

The BCAP Tokens have not been and will not be registered under the Securities Act of 1933, as amended (the “**Securities Act**”), or any other law or regulation governing the offering, sale or exchange of securities in the United States or any other jurisdiction. This Offering is being made (1) inside the United States to up to 99 “accredited investors” (as defined in Section 501 of the Securities Act) in reliance on Regulation D under the Securities Act who are U.S. persons (as defined in Section 902 of Regulation S under the Securities Act) and (2) outside the United States to non-U.S. persons in reliance on Regulation S. Persons purchasing as U.S. accredited investors will be required to maintain their BCAP Tokens on TokenHub until the first anniversary of the issuance of the BCAP Tokens and will be required to make undertakings to TokenHub if they remove their BCAP Tokens from TokenHub thereafter, they will not sell such BCAP Tokens to any U.S. person unless they sell all of their BCAP Tokens to a single U.S. person. Persons purchasing as non-U.S. persons will only be entitled to resell their BCAP Tokens to other non-U.S. persons in an offshore transaction (as defined in Rule 902 of the Securities Act). See “**Notice to Investors**,” “**Transfer Restrictions**” and “**Risk Factors**.” We will not be required to, nor do we currently intend to, offer to exchange the BCAP Tokens for any securities registered under the Securities Act or any other law or register the BCAP Tokens for resale under the Securities Act.

BCTH expects to deliver the BCAP Tokens through the TokenHub platform against payment through the TokenHub platform, directly or by other means on or before May 10, 2017.

Offering memorandum dated April 10, 2017.

*Issuer*

**ARGON GROUP**

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Except in the section under the caption “Description of the BCAP Tokens” and unless the context otherwise requires, all references in this offering memorandum to:

- “**Argon Advisors**” “ is Argon Investment Management LLC, a limited liability company formed in Delaware and a subsidiary of Argon Parent and the service provider of certain corporate and administrative services to BCTH; and
  - “**Argon Parent**” is Argon Group Holdings, a private exempted company incorporated under the laws of the Cayman Islands;
  - “**BC III DLVF**” is Blockchain Capital III Digital Liquid Venture Fund, LP, an exempted limited partnership formed in the Cayman Islands;
  - “**BC Manager**” is BC III DLVF GP, LLC, a limited liability company formed in the Cayman Islands;
  - “**Blockchain Capital**” is Blockchain Capital LLC, a limited liability company formed in Delaware;
  - “**Issuer**”, “**BCTH**” “**our**”, “**we**” or “**us**” is Blockchain Capital TokenHub Pte. Ltd., a private limited company incorporated in Singapore and a subsidiary of Argon Parent;
  - “**NAV**” is net asset value calculated as described on page 12;
  - “**Non-U.S. Person(s)**” means any person not meeting the definition of a “U.S. person” set forth in Rule 902 of Regulation S under the Securities Act.
  - “**offshore transaction**” has the meaning set forth in Rule 902 of Regulation S under the Securities Act;
  - “**TokenHub**” is a technology solution for the issuance and management of digital tokens and may be found at <https://tokenhub.com/> and, specifically with regard to this Offering, at <https://blockchaincapital.tokenhub.com/>
  - “**U.S. Person(s)**” has the meaning of “U.S. person” in Rule 902 of Regulation S under the Securities Act.
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## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This offering memorandum contains statements which, to the extent that they do not recite historical fact, constitute forward-looking statements. These statements can be identified by the fact that they do not relate strictly to historical or current facts and may include the words “may,” “will,” “could,” “should,” “would,” “believe,” “expect,” “anticipate,” “estimate,” “intend,” “plan” or other words or expressions of similar meaning. These forward-looking statements are based on the current expectations of BCTH about future events. The forward-looking statements include statements that reflect BCTH’s beliefs, plans, objectives, goals, expectations, anticipations and intentions with respect to the financial condition, results of operations, future performance and business of BCTH and BC III DLVF. BCTH urges you to carefully review this offering memorandum, particularly the section “Risk Factors” in this offering memorandum, for a more complete discussion of the risks of an investment in the BCAP Tokens. Although BCTH believes that the expectations reflected in the forward-looking statements are reasonable, BCTH cannot guarantee future results, level of activity, performance or achievements. Many factors discussed in this offering memorandum, some of which are beyond BCTH’s control, will be important in determining the future performance of BCTH and BC III DLVF. Consequently, actual results may differ materially from those that might be anticipated from forward-looking statements. In light of these and other uncertainties, you should not regard the inclusion of a forward-looking statement in this offering memorandum as a representation by BCTH or BC III DLVF that its plans and objectives will be achieved, and you should not place undue reliance on such forward-looking statements. BCTH does not undertake any obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

## CERTAIN NOTICES

The offering memorandum is furnished for the purpose of providing certain information about an investment in BCAP Tokens. This offering memorandum is to be used by the person to whom it has been delivered solely in connection with the consideration of the purchase of the BCAP Tokens described herein. All recipients agree that they will use this offering memorandum for the sole purpose of evaluating a possible investment in BCAP Tokens. Acceptance of this offering memorandum by prospective investors constitutes an agreement to be bound by the foregoing terms.

The BCAP Tokens have not been approved or disapproved by the U.S. Securities and Exchange Commission (the “SEC”) or by the securities regulatory authority of any state or of any other jurisdiction, nor has the SEC or any such securities regulatory authority passed upon the accuracy or adequacy of this offering memorandum. Any representation to the contrary is a criminal offense.

In making an investment decision, investors must rely on their own examination of BCAP Tokens, BCTH and BC III DLVF and the terms of this Offering, including the merits and risks involved. Prospective investors should not construe the contents of this offering memorandum as legal, business, tax, accounting, investment or other advice. Each prospective investor is urged to consult its own advisers as to legal, business, tax, regulatory, accounting, financial and other consequences of its investment in BCAP Tokens.

No person has been authorized in connection with this Offering to give any information or make any representations other than as contained in this offering memorandum. Any representation or information not contained herein must not be relied upon as having been authorized by BCTH, BC Manager or Blockchain Capital or any of their partners, members, officers, employees, managers, affiliates or agents. While such information is believed to be reliable for the purpose used herein, none of BCTH, BC Manager, Blockchain Capital nor any of their partners, members, officers, employees, managers, affiliates or agents assumes any responsibility for the accuracy of such information. The delivery of this offering memorandum does not imply that the information herein is correct as of any time subsequent to the date of this offering memorandum.

This offering memorandum is not a prospectus and does not purport to contain all information an investor may require to form an investment decision. It is not intended to be relied upon solely in relation to, and must not be taken solely as the basis for, an investment decision. This offering memorandum contains a summary of the limited partnership agreement of BC III DLVF (the “*Limited Partnership Agreement*”) and certain other documents referred to herein. These summaries do not purport to be complete and they are subject to and qualified in their entirety by reference to the Limited Partnership Agreement and such other documents. Copies of the Limited Partnership Agreement and other documents referred to herein will be provided to any prospective investor upon

request and should be reviewed for complete information concerning the rights, privileges and obligations of investors in BCAP Tokens. In the event that descriptions in or terms of this offering memorandum are inconsistent with or contrary to the description in or terms of the Limited Partnership Agreement or such other documents, the Limited Partnership Agreement and such other documents shall control.

Prospective non-U.S. investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of BCAP Tokens, and any foreign exchange restrictions that may be relevant thereto. The distribution of this offering memorandum and the offer and sale of BCAP Tokens in certain jurisdictions may be restricted by law. This offering memorandum does not constitute an offer to sell or the solicitation of an offer to buy in any state or other jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such state or jurisdiction.

PROSPECTIVE INVESTORS SHOULD BEAR IN MIND THAT PAST OR PROJECTED PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS, AND THERE CAN BE NO ASSURANCE THAT BC III DLVF WILL ACHIEVE COMPARABLE RESULTS OR THAT TARGETED RETURNS WILL BE MET. Unless otherwise indicated, all internal rates of return and multiples of invested capital are presented on a “gross” basis (i.e., they do not reflect the management fees, “carried interest”, taxes and other expenses to be borne by investors in BCAP Tokens).

Statements in this offering regarding BC III DLVF’s investment focus, targets and size of expected transactions, specific or general strategies and similar statements are not limitations, and the governing documents of BC III DLVF as described in “Summary of Principal Terms” will provide flexibility to invest outside of the parameters and terms described herein.

Statements contained herein that are attributable to BC Manager, BC III DLVF or Blockchain Capital or its investment professionals or other personnel are not made in any person’s individual capacity, but rather on behalf of BC Manager, which manages and implements the investment program of BC III DLVF.

References herein to “expertise” or “specialized” or any party being an “expert” or a “specialist” are based solely on the belief of BC Manager, are intended only to indicate proficiency as compared to an average person and in no way limit the exculpation provisions and related standard of care as more fully described in the offering memorandum and the Limited Partnership Agreement.

The selected examples of investments of funds managed by Blockchain Capital presented in this offering memorandum may not be representative of all investments generally and are intended to be illustrative of the types of investments that may be made by BC III DLVF. There can be no assurance that BC III DLVF will be able to obtain comparable returns or achieve its investment objective.

Statements contained in this offering memorandum that are not historical facts are based on current expectations, estimates, projections, opinions, and/or beliefs of BCTH, BC Manager or Blockchain Capital. Such statements are not facts and involve known and unknown risks, uncertainties, and other factors. Prospective investors should not rely on these statements as if they were fact.

#### **U.S. INVESTMENT COMPANY ACT OF 1940**

BCTH intends to rely on an exemption from the provisions of the Investment Company Act of 1940, as amended (the “*Investment Company Act*”), in reliance upon Section 3(c)(1) of the Investment Company Act, which excludes from the definition of “investment company” any issuer whose outstanding securities are beneficially owned by not more than 100 U.S. Persons and who meet the other conditions contained therein. Each subscriber’s subscription documents will contain representations and restrictions on transfer designed to insure that the relevant conditions are met.

#### **RESALE RESTRICTIONS**

*Because of the following restrictions, you are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the BCAP Tokens offered hereby.*

THE BCAP TOKENS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD, EXCEPT (A) IF THE HOLDER IS A U.S. PERSON, UNTIL THE FIRST ANNIVERSARY OF THE ISSUANCE OF THE BCAP TOKENS AND SUCH HOLDER SHALL NOT

TRANSFER OR SELL THEIR BCAP TOKENS TO ANY U.S. PERSON UNLESS THEY SELL ALL OF THEIR BCAP TOKENS TO A SINGLE U.S. PERSON; (B) IF THE HOLDER IS A NON-U.S. PERSON, TO OTHER NON-U.S. PERSONS OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT; OR (C) TO BCTH OR ANY SUBSIDIARY THEREOF AND, IN EACH CASE, AS PERMITTED UNDER APPLICABLE LAWS AND REGULATIONS OR PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. SEE "TRANSFER RESTRICTIONS" AND "NOTICE TO INVESTORS". FURTHERMORE, IN THE EVENT OF ANY REDEMPTION, A MAXIMUM OF 99 U.S. PERSONS WILL BE REDEEMED.

## HOW TO PURCHASE

The BCAP Tokens are being offered through TokenHub at <https://blockchaincapital.tokenhub.com/>. If you are interested in purchasing BCAP Tokens, you must carefully read this offering memorandum. Information contained or linked on our websites, other than the electronic Subscription Agreement, a form of which will be made available at <https://blockchaincapital.tokenhub.com/>, is not incorporated by reference into this offering memorandum and is not a part of this offering memorandum. In order to purchase BCAP Tokens, you must execute the electronic Subscription Agreement, which will be available through <https://blockchaincapital.tokenhub.com/>. By executing the Subscription Agreement, you will attest that, amongst other things listed therein, you the ("**Subscriber**"):

- have received and read this offering memorandum;
- accept and agree to the terms of the BCAP Tokens;
- are purchasing the BCAP Tokens for your own account for investment purposes only and not with a view to resale or distribution;
- represent that you are able to purchase BCAP Tokens because you are either:
  - an "accredited investor" as such term is defined in Rule 501 of Regulation D under the U.S. Securities Act of 1933; or
  - a Non-"U.S. Person".
- represent that your purchase of the BCAP Tokens is permissible and complies in all respects with laws applicable to you and that, if the Subscriber is an entity, that its investment in the BCAP Tokens has been duly authorized; and
- are in compliance with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended, and are not on any governmental authority watch list and you comply with any other anti-money laundering or know-your-client checks that we may impose.

Subscriptions will be effective only when BCTH accepts them through <https://blockchaincapital.tokenhub.com/> and BCTH reserves the right to reject any subscription in whole or in part, in BCTH's sole discretion. Subscriptions need not be accepted in the order received, although the BCAP Tokens may be allocated among Subscribers who subscribed early in the offering period and for significant sums. If a subscription is not accepted, those funds will be returned promptly to the Subscriber following the closing or termination of the offering. Within three business days of the successful closing of this BCAP Token Offering, the proceeds of this Offering in Bitcoin ("**BTC**") or Ether ("**ETH**") will be converted to USD. On or before May 10, 2017 following a successful closing of this Offering:

- the BCAP Tokens will be issued to investors;
- BCTH will transfer the gross proceeds from this Offering to BC III DLVF, which will, in exchange grant 100% of BC III DLVF's limited partnership interests to BCTH; and
- subsequently, the expense reimbursements pertaining to this Offering will be transferred by BC III DLVF to either Argon Advisors for payment or otherwise directly to the applicable service providers.

The currency of the BCAP Token will be the United States Dollar ("**USD**") and the price per BCAP Token will be \$1.00. Subscribers can subscribe for BCAP Tokens by paying into escrow either USD, BTC or ETH. This Offering will end at the earlier of: (1) May 10, 2017, (2) the date at which this Offering is earlier closed by BCTH in its sole discretion, or (3) the date at which this Offering is earlier terminated by BCTH in its sole discretion. The closing of this Offering is expected to occur on May 10, 2017, unless earlier closed as noted above. Subscribers will be alerted to the closing or termination of this Offering and whether they were successful in subscribing by email and an update to their accounts on the TokenHub platform at <https://blockchaincapital.tokenhub.com/>. BCTH has engaged North Capital Private Securities Corporation as an escrow agent (the "**Escrow Agent**") to hold USD funds tendered by investors. Subscribers for BCAP Tokens paying in USD must subscribe for a minimum of \$20,000 in BCAP Tokens. In the event BCTH terminates this Offering or BCTH doesn't accept the subscription, any USD tendered by potential investors will be promptly returned by the Escrow Agent net of the outgoing wire fees charged by the Escrow Agent's banking institution.

In terms of escrow facilities for BTC and ETH, BCTH will direct between 85% and 95% of funds received in BTC and ETH into multi-signature cold wallets specially designated for this Offering. Cold wallets are cryptocurrency wallets located on computers used exclusive for the purposes of generating and storing private keys, as well as applying such keys to cryptographically sign a transaction to move funds out of the wallets. Multi-

signature wallets are cryptocurrency wallets that require application of multiple independent private keys to cryptographically sign a transaction to move funds out of the wallets. In the context of this Offering at least one private key applied by a party other than BCTH or Argon Advisors is required to sign the transaction. The remaining 5% to 15% of funds received in BTC and ETH will be directed to the operating cryptocurrency wallets controlled by Argon Advisors. In the event BCTH terminates this Offering or BCTH doesn't accept the subscription, Argon Advisors will initiate the return of any funds tendered by potential investors in BTC or ETH as further discussed in electronic Subscription Agreement, a form of which will be made available at <https://blockchaincapital.tokenhub.com/>.

Upon this Offering closing, funds held in both multi-signature cold wallet and operating wallets will be withdrawn and remitted to the cryptocurrency exchange for conversion into USD as further discussed in the "Exchange Rate" section of this offering memorandum.



## OVERVIEW OF THIS OFFERING

*The following is a summary of the principal features of the BCAP Tokens and is taken from, and is qualified in its entirety by, the remainder of this offering memorandum.*

BCAP Token .....	An Ethereum-based smart contract digital token representing an indirect fractional non-voting economic interest in the sole limited partnership interest in BC III DLVF held by the Issuer.
The Issuer .....	Blockchain Capital TokenHub Pte. Ltd., a newly organized Singaporean private limited company.
Underlying Asset .....	BCTH's only non-cash asset, which will be transferred to BCTH on or before May 10, 2017 following this Offering's successful closing, will be the sole limited partner interest in BC III DLVF, an evergreen venture capital fund investing in blockchain and cryptocurrency technology.
Target Amount Offered .....	10,000,000 BCAP Tokens, which we may increase by notice on TokenHub by up to 10,000,000 BCAP Tokens, totaling a maximum of 20,000,000 BCAP Tokens.
Price per Unit.....	USD \$1.00 per BCAP Token
Currencies Accepted.....	BTC, ETH and USD. Subscribers for BCAP Tokens using USD must subscribe for a minimum of \$20,000 in BCAP Tokens.
Offering Deadline .....	May 10, 2017
Smart Contract.....	The BCAP Tokens represent an indirect a fractional non-voting economic interest in BCTH's sole non-cash asset, the sole limited partnership interest of BC III DLVF and the BCAP Tokens are issued electronically on the ERC20 smart contract standard consisting of software code, existing on the Ethereum Blockchain, deployed at the address published on TokenHub (" <b>Smart Contract</b> "). The software code of this Smart Contract is open source and published and can be verified at the address <a href="https://github.com/BCAPtoken/BCAPToken">https://github.com/BCAPtoken/BCAPToken</a> .
Realization Buybacks .....	<p>If there are realizations in the portfolio of BC III DLVF, then the funds received from such realizations shall be treated as follows:</p> <ol style="list-style-type: none"> <li>1. A minimum of 50% of any such funds should be used in reinvestment into additional portfolio investments (save where such funds have been held by BC III DLVF for more than 18 months in which case they should be used per clause 2 below); and</li> <li>2. The remainder may be distributed to BCTH solely for use to repurchase BCAP Tokens on the open market. All BCAP Tokens repurchased by BCTH will immediately be cancelled, thereby increasing each remaining BCAP Tokenholder's indirect fractional non-voting economic interest in BC III DLVF's sole limited partnership interest.</li> </ol>

Liquidity Buybacks.....	If the market price of a BCAP Token (determined to be the average price at 3:00 pm Eastern Standard Time over the three largest cryptocurrency exchanges by liquidity) drops below 75% of the NAV per BCAP Token (as defined below) based on BC III DLVF's last quarterly NAV report, BC III DLVF and/or BCTH may, at its sole discretion, make purchases of BCAP Tokens on the open market. Such purchased BCAP Tokens can be sold again by BC III DLVF and/or BCTH, subject to an applicable exemption from registration under the applicable securities laws.
Fixed Price Offer .....	BC III DLVF and/or BCTH may at any time after BC III DLVF issues its first NAV report offer to repurchase BCAP Tokens at a fixed price notified through a notice published on TokenHub with prior disclosure on a minimum of thirty days' notice. Such purchased BCAP Tokens can be sold again by BC III DLVF and/or BCTH, subject to an applicable exemption from registration under the applicable securities laws.
Voting Rights.....	The BCAP Tokens have no voting rights as described below under the caption "Description of BCAP Tokens." See "Description of BCAP Tokens — Voting," and "Risk Factors — Holders of BCAP Tokens Will Have No Voting Rights."
Distribution Policy.....	BCAP Tokens have no distribution or dividend rights. See "Description of BCAP Tokens —Distribution Policy," and "Risk Factors — Holders of BCAP tokens will have no distribution rights and may have conflicts of interest with BCTH's shareholder." Any return of capital to BCAP Tokenholders will occur through open market purchases or repurchases of BCAP Tokens as described above under the caption "Description of BCAP Tokens—Realization Buybacks."
Optional Redemption.....	BC III DLVF may direct BCTH to redeem any or all of the BCAP Tokens at any time following the date ten years from the date of issue on thirty days' notice at a redemption price equal to the NAV per BCAP Token, as described in this offering memorandum under "Description of BCAP Tokens—Optional Redemption."
Regulatory Redemption .....	BC III DLVF may at any time direct BCTH to redeem all or some of the BCAP Tokens, in BCTH's discretion, at a redemption price calculated as the lower of (i) 70% of the market price per BCAP Token (determined to be the average price at 3 pm Eastern Standard Time over the three largest exchanges by liquidity), (ii) the then NAV per BCAP Token, or (iii) the funds available from liquidation of the assets of BC III DLVF within the following 3 month period, in each case, upon receipt of information that the status of the BCAP Tokenholder may cause regulatory concern for BC III DLVF and/or BCTH, as described in this offering memorandum under "Description of BCAP Tokens—Regulatory Redemption". The primary purpose of this regulatory redemption is to maintain the number of U.S. Persons holding BCAP Tokens at 99 persons or less.

No Liquidation Rights .....	Subject to applicable law, you will have no liquidation rights in the event of the bankruptcy or liquidation of either BC III DLVF or BCTH, but the intention is to use best efforts to return available proceeds of a bankruptcy or liquidation to BCAP Tokenholders if such an event occurs. Furthermore, BC III DLVF has no fixed termination date and is under no obligation to redeem the BCAP Tokens at any time.
Listing .....	The BCAP Tokens will initially be listed on multiple cryptocurrency exchanges. We do not currently have any plans to apply for the inclusion of the BCAP Tokens in any securities exchange or automated quotation system.
No Registration Rights and Transfer Restrictions .....	The BCAP Tokens have not been and will not be registered by any U.S. or non-U.S. federal, state, provincial or territorial securities authority. The BCAP Tokens may not be resold or otherwise transferred by (i) U.S. Persons until after the first anniversary of the issuance of the BCAP Tokens and then not to any U.S. Person unless they sell all of their BCAP Tokens to a single U.S. Person; (ii) Non-U.S. Persons, except to other Non-U.S. Persons in offshore transactions in compliance with Rule 903 or Rule 904 under the Securities Act; or (iii) to BC III DLVF or BCTH or any subsidiary thereof, and, in each case, unless permitted under applicable laws and regulations or pursuant to registration or exemption therefrom. These transfer restrictions may adversely impact your ability to resell the BCAP Tokens and the price at which you may be able to resell the BCAP Tokens, if at all. See “— Limit on U.S. Accredited Investors” below and “Notice to Investors,” “Plan of Distribution” and “Risk Factors” elsewhere in this offering memorandum.
Limit on U.S. Accredited Investors .....	Within the territory of the United States, the BCAP Tokens will only be available to purchase by up to a maximum of 99 verified “accredited investors” (as defined in Regulation D under the Securities Act) that are U.S. Persons. In the event of any redemption, a maximum of 99 U.S. Persons will be redeemed. In any such redemption, U.S. Persons who purchased BCAP Tokens in this Offering may, in BCTH’s discretion, receive priority in being redeemed. The selected 99 U.S. Persons will be notified that they have been selected on or before the date 15 calendar days before redemption. <b>U.S. PERSONS NOT SO NOTIFIED WILL NOT RECEIVE ANY FUNDS ON REDEMPTION.</b> Any U.S. Person offered BCAP Tokens by a Non-U.S. Person following this Offering are warned such transfer is not permitted pursuant to the transfer and resale restrictions applicable to the BCAP Tokens and that any such transfer or sale may result in the loss of the full value of their investment, including that they may be unable to redeem such BCAP Tokens. U.S. Persons permitted to purchase BCAP Tokens will be required to maintain their BCAP Tokens on TokenHub until the first anniversary of the issuance of the BCAP Tokens date and will be required to make undertakings to TokenHub that they will not sell to any U.S. Person unless they sell all of their BCAP Tokens to a single U.S. Person.
Offering Expenses .....	Upfront expenses relating to this Offering, including advisory, legal and accountings costs, will be billed to BC III DLVF and amortized quarterly over four years.

BC III DLVF Management Fees ..... BC Manager will charge BC III DLVF an annual management fee of 2.5% of NAV, which will be paid in quarterly increments in advance. In addition, BC Manager will be entitled to receive 25% of BC III DLVF's realized capital gains. Ongoing accounting, legal and tax expenses will be charged to BC III DLVF.

### **Management and Administration of BCTH**

BCTH will be internally managed by Argon Advisors. BCTH will have no other operations than holding BC III DLVF limited partnership interests and cash and the necessary operations of the BCAP Tokens. For more detail, please see "Summary" and "Blockchain Capital TokenHub Pte. Ltd."

### **Risk Factors**

An investment in the BCAP Tokens involves risk. Some of the risks of an investment in the BCAP Tokens are described under "Risk Factors," beginning on page 30. These risks include the following:

- J There can be no assurance that you will receive a return on your investment in BCAP Tokens or that you will not lose the full value of your investment.
- J The BCAP Tokens are subject to significant transfer restrictions that may adversely impact your ability to resell the BCAP Tokens and the price at which you may be able to resell them, if at all.
- J There is no existing trading market for the BCAP Tokens and there can be no assurance that a secondary market will develop for the BCAP Tokens. If a secondary market does develop, there can be no assurance that it will provide the holders with liquidity for their investment or that it will continue for the life of the BCAP Tokens.
- J We have the right to redeem the BCAP Tokens at any time after ten years or earlier upon the occurrence of certain regulatory events. The amount for which we redeem your BCAP Tokens may be below market price.
- J To the maximum extent provided by law, none of BC Manager, BC III DLVF, BCTH or Argon Advisors will owe you any fiduciary duties and BCTH shall have no obligation to exercise any rights it has under the limited partnership agreement of BC III DLVF.
- J Holders of the BCAP Tokens will not be entitled to any voting, distribution or liquidation rights with respect to the BCAP Tokens, BCTH or BC III DLVF.
- J The tax characterization of the BCAP Tokens is uncertain and an investor must seek its own tax advice in connection with an investment in BCAP Tokens. An investment in the BCAP Tokens may result in adverse tax consequences to investors, including withholding taxes, income taxes and tax reporting requirements. It is possible that the income of BCTH would be subject to significant amounts of income and/or withholding taxes.
- J BCTH, BC III DLVF, BC Manager and Argon Advisors are not registered with any U.S. or non-U.S. federal, state, provincial or territorial securities commission or any other regulatory authority. Accordingly, investors in BCAP Tokens will generally not have the benefit of the investor protections available to investors in offerings by registered entities. To the extent we are required to register under any applicable securities or other laws, there can be no assurance that we will be able to comply in a timely fashion or at all. Any failure to comply with applicable laws or regulations may adversely impact our ability to undertake the actions outlined in this offering memorandum, our ability to continue operations, the liquidity of the BCAP Tokens and your ability to recover your initial investment in the BCAP Tokens.

## SUMMARY

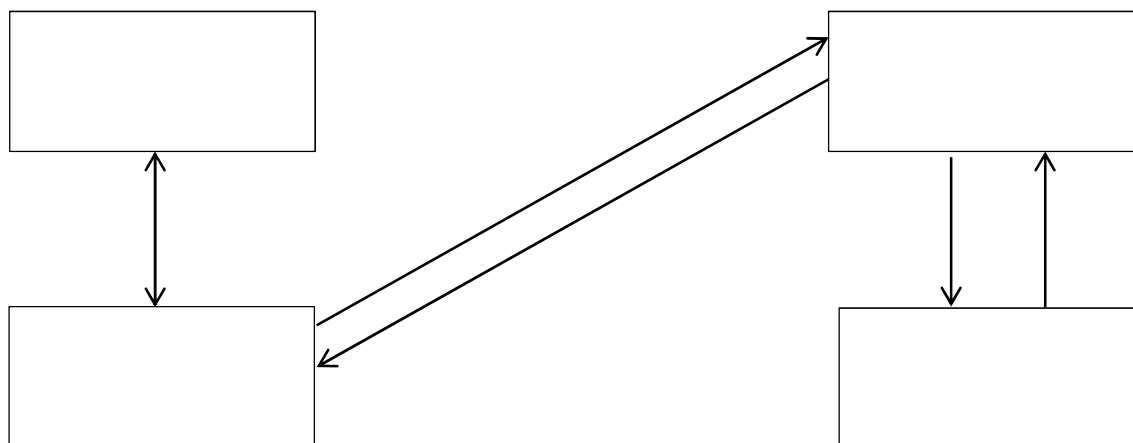
*This summary is not a complete description of BCTH, BC III DLVF or the BCAP Tokens. It does not contain all the information that may be important to you. To understand this offering fully, you must read this entire offering memorandum carefully, including the Risk Factors beginning on page 30 of this offering memorandum.*

### Concept

The BCAP Token presents two financial innovations in one: firstly, BC III DLVF will be the first venture capital fund raised via digital tokens; and secondly, BCAP Tokens will be the first digital token reflecting investments in the blockchain industry through BCTH holding of 100% of the limited partnership interests of BC III DLVF. As investors in the blockchain ecosystem and advocates of the technology, Blockchain Capital is “practicing what it preaches” by leveraging blockchain technology to facilitate this Offering.

The issuer of the BCAP Tokens will be BCTH utilizing a state-of-the-art issuance platform, TokenHub. BCTH will hold 100% of the limited partnership interests of BC III DLVF on or before May 10, 2017 following the successful closing of this Offering in exchange for the net proceeds of this Offering (BCTH initially transfers the gross proceeds of the Offering, but subsequently, the expense reimbursements pertaining to this Offering will be transferred by BC III DLVF to either Argon Advisors for payment or otherwise directly to the applicable service providers). BC III DLVF will be managed by BC Manager. BCTH will be managed by Argon Advisors. BCTH is a wholly-owned indirect subsidiary of Argon Parent.

### Organizational Structure



## Industry Overview

Created in the wake of the 2008 global financial crisis, Bitcoin and its underlying blockchain technology have sparked a wave of innovation that we believe has the potential to impact many sectors and industries. Blockchain technology has the capacity to facilitate the secure, rapid exchange of value, in a way that could be considered similar to how the internet enables the secure, rapid exchange of information. Initially, much of the technology and investment focus was on blockchain's role as the backbone of Bitcoin but, since then, we have seen the utilization of blockchain technology evolve from peer-to-peer cryptocurrency applications to a trading and settlement system for traditional financial instruments to an infrastructure technology, with potential application across many sectors of the global economy.

Fundamentally, blockchain is a disintermediating technology that has the potential to facilitate trust and commerce between economic actors (individuals and companies). Published in 2008, the Bitcoin white paper describes a payment system that allows individuals to confidently transact with one another without knowing or trusting one another and without involving a trusted third party. Bitcoin was designed to be without a central point of failure, and secured by cryptography and mathematics, rather than trust in a centralized third party, for example. This concept of a decentralized architecture is highly novel and intended to allow individuals to freely and rapidly transact with one another regardless of geographic constraints. Since its inception, Bitcoin has inspired a host of similar "altcoin" crypto currencies from Litecoin to Ethereum that attempt to improve upon Bitcoin or tackle alternative use cases of its underlying technology.

However, it is only in recent years that Silicon Valley and Wall Street have indicated interest in Bitcoin's underlying blockchain technology. Blockchain Capital and other thought leaders are increasingly focused on the opportunities of blockchain technology and its most salient attribute as a robust decentralized architecture with the ability to facilitate transparency, immutability and the frictionless transfer of assets of all types. In particular, Ethereum emerged as a blockchain purpose-built with the flexibility required to help blockchain technology invade multiple industries and diverse use cases.

Originally proposed with a goal of building decentralized applications, the rise of Ethereum was to a large extent driven by its focus on smart contract functionality. A smart contract is the digitized execution of a legally binding agreement, transparent on a blockchain. The phrase "smart contract" was coined by computer scientist Nick Szabo in 1994, to emphasize the goal of bringing what he called the "highly evolved" practices of contract law and related business practices to the design of electronic commerce protocols on the internet. Proponents of smart contracts claim that many kinds of contractual clauses may thus be made partially or fully self-executing, self-enforcing, or both. Smart contracts aim to provide security superior to traditional contract law and to reduce other transaction costs associated with contracting. Key use cases for smart contracts in the near future are likely to include, digital identity, record keeping, securities, trade finance, derivatives and land title data recording, among others.

Large corporations have most recently demonstrated their increased interest in Ethereum by organizing the Enterprise Ethereum Alliance (the "**EE Alliance**"). Announced in February 2017, the EE Alliance aims to develop an Ethereum platform for enterprise business-logic solutions. Notably, the EE Alliance is comprised not only of large banks and fintech startups but also includes non-banking enterprises across many sectors such as Microsoft, Thomson Reuters, Intel and British Petroleum.

The flexibility of Ethereum based smart contracts in turn inspired the advent of digital tokens. In the Ethereum ecosystem, tokens can represent any fungible tradable asset. As such, digital tokens have emerged as a new alternative channel for companies to raise funds and as an entirely new asset class for investors. The issuance of digital tokens as a fundraising mechanism is commonly referred to as an Initial Coin Offering ("**ICO**").

The ICO market has rapidly accelerated. In 2016 alone, over \$100 million was raised across 64 ICOs<sup>1</sup> compared to roughly \$500 million raised via traditional venture funding. Given that ICOs have rapidly emerged as an alternative method for raising capital, we believe that it is imperative that industry investors have access to these ICO opportunities in addition to traditional equity and debt opportunities. In particular, while ICOs present investment opportunities, they also require a high degree of investing specialization to differentiate between well- and poorly-constructed offerings—especially in regards to incentive alignment, product-market fit, liquidity, legal, regulatory and financial mechanics.

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<sup>1</sup> Source: Smith & Crown, excludes the DAO and offerings that raised less than \$30,000 or resulted in investor refund.

## BC Manager Overview

### Introduction

BC Manager is a newly formed affiliate of Blockchain Capital, LLC (“**Blockchain Capital**”) and will act as general partner for BC III DLVF. BC Manager will initially be staffed by the same personnel currently managing and operating Blockchain Capital.

Blockchain Capital (originally “**Crypto Currency Partners**”) was founded in the summer of 2013, shortly before the digital currency industry surged into mainstream public interest and well before the potential broad applicability and transformational capacity of blockchain technology were understood by the broader investment community. Blockchain Capital was the one of first venture fund managers to integrate blockchain technology directly into its own operations by accepting Bitcoin for capital contributions and funding some companies directly in Bitcoin. In addition, Blockchain Capital was also one of the first venture fund managers to form venture funds focussed exclusively on investing into the emerging blockchain industry.

Blockchain Capital has raised two funds since its founding and has invested almost exclusively in the blockchain technology sector. As of April 1, 2017, its combined assets under management across the two funds stood at approximately \$30 million:

- Blockchain Capital Fund I, LP: 25.8% internal rate of return, 1.8x multiple of invested capital as of December 31, 2016 (final close: September 2014)<sup>2</sup>
- Blockchain Capital Fund II, LP: 15.2% internal rate of return, 1.2x multiple of invested capital as of December 31, 2016 (final close: December 2015)

Prior results may not be indicative of future performance or representative of the results of BC III DLVF.

### Portfolio Overview

New and unexpected innovations on top of the blockchain infrastructure have surprised many industry observers. Blockchain Capital’s investment in the blockchain technology industry has mirrored, and it believes led, the industry in providing capital, leadership and guidance to this nascent ecosystem.

Many of Blockchain Capital’s early investments were consumer-focused Bitcoin companies, including numerous Bitcoin wallets, exchanges and payment-related companies. These early Bitcoin pioneers and entrepreneurs built the “bridges, roads, and tunnels” of the Bitcoin sector.

While consumer adoption of Bitcoin as a payment technology has underwhelmed some expectations, several of the companies in this space have been attractive portfolio investments for Blockchain Capital. Blockchain Capital believes in the long-run adoption of Bitcoin as a store of value and payment technology in both developed and emerging markets. In particular, Blockchain Capital believes that the opportunity for Bitcoin to take hold is particularly ripe in some emerging markets. In the same way these consumers leapfrogged land lines to get 4G smart phones, Blockchain Capital expects them to leapfrog bank branches and plastic cards to get mobile, ultra-low cost blockchain-based financial services.

The first major pivot for the Bitcoin and blockchain industry was the realization by financial incumbents that blockchain technology is a robust, ultra-secure infrastructure layer for the trading and settlement of traditional assets. Blockchain, and distributed ledger technologies, hold the promise to unify the current fragmented approach to trade reconciliation where all market participants keep their own records in differing formats. We believe that the current status quo system of outdated, manual processes, laden with trade breaks and significant cost burdens in the “back office” of Wall Street, is ripe for innovation.

Many of Blockchain Capital’s portfolio companies have pilots or technology trials underway with large financial firms to address the opportunity of re-architecting how assets are traded and settled. If the return on investment makes sense for these banks and brokerage firms, Blockchain Capital expects the trials to turn into large commercial scale collaborations and integrations that could produce significant revenue for its portfolio companies.

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<sup>2</sup> **Note:** Internal rates of return and multiples of invested capital are presented on a “gross” basis (i.e., they do not reflect the management fees, “carried interest”, taxes and other expenses to be borne by investors in the fund). Prospective investors should bear in mind that past or projected performance is not necessarily indicative of future results, and there can be no assurance that BC III DLVF will achieve comparable results.

The next pivot that Blockchain Capital believes it is witnessing is the re-imagination of the Blockchain applications across non-financial industries as a distributed database without a central authority that can function as a trusted and commonly shared record between economic actors (individuals and companies). Blockchain Capital will continue to explore investment opportunities in companies that are using blockchain technology to create value within non-financial sectors.

Blockchain Capital has seen a flurry of entrepreneurial activity around this expanded view of blockchain technology applications in non-financial services sectors, including the following Blockchain Capital portfolio companies:

- Tierion has developed a “proof engine” that allows enterprises to easily access the blockchain to certify any document or business process. Tierion conducted a successful trial of their technology platform with Phillips, the world’s leading maker of MRI equipment, to certify that their machines are correctly calibrated.
- Stem is using blockchain technology to better track and monetize content created and distributed online, utilizing platforms such as YouTube, Apple Music, SoundCloud and Spotify. Content creators now can receive their fair share of earnings and information in a clear and timely manner.
- Wave is addressing the international shipping and logistics market by creating a digital blockchain-based alternative to the 200+ year old paper-based financial artifact known as a “bill of lading” that is crucial but cumbersome within the international shipping and logistics industry.
- Stamp.io (previously named Stampery) is using the blockchain to create a digital notary service.<sup>3</sup>

Investors interested in further details of the investment history of Blockchain Capital should contact Blockchain Capital directly.

#### Founding Partners

Blockchain Capital has three founding partners, who are also the founding partners of BC Manager:

**Brock Pierce.** Brock has been a Founder and Managing Partner of Blockchain Capital since October 2013. Brock has been Chairman of the Bitcoin Foundation since October 2014. Brock is prolific founder, advisor, and board member including current roles at GoCoin, Tether, Blade Financial, Expresscoin, Noble Markets, BitGo, ChangeTip, BlockStreet, Coin Congress, and Plug and Play. Brock’s entrepreneurial activities have been focused in the areas of digital currencies like Bitcoin, virtual worlds, gaming, payments, and ad tech. He is the founder of IMI Exchange, ZAM, IGE, Xfire 2.0, Playsino, and Five Delta (Sold to OTCBB: SCRI).

**Bart Stephens.** Bart has been a Founder and Managing Partner of Blockchain Capital since October 2013. Bart is also a Managing Partner of Stephens Investment Management, LLC (“*SIM*”), which he cofounded in 2002. Bart has a background as both an operating entrepreneur and a venture capitalist. Prior to co-founding SIM, Bart was Executive Vice President, Venture Capital for Ivanhoe Capital Corporation (ICC), an international investment firm. Before joining ICC, Bart was a founding investor and Head of Corporate & Business development for Oncology.com. Prior to Oncology.com, Bart spent more than two years with E\*TRADE. While at E\*TRADE, he held senior positions focused on product marketing, business development and corporate development. Bart earned a Bachelor of Arts degree in Political Science from Princeton University.

**Brad Stephens.** Brad has been a Founder and Managing Partner of Blockchain Capital since October 2013. Brad is also a Managing Partner of SIM, which he co-founded in 2002. Brad’s diverse background in domestic and international finance includes sell-side securities analysis, hedge fund management, venture capital and family office management. Prior to co-founding SIM, Brad worked as a senior analyst at Fidelity Ventures, the venture capital arm of Fidelity Investments. Brad also worked as a research analyst in CSFB’s Technology Group, specializing in Internet Security and Internet infrastructure software. Prior to working at CSFB, Brad worked as a research analyst at Furman Selz (later acquired by ING Barings), where he co-founded their Internet Research Group and co-authored the first financial industry piece on Internet Security. Brad has a Bachelor of Arts degree from Duke University where he was an economics major with an emphasis on China.

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<sup>3</sup> **Note:** Such investments are not intended to be representative of all of the investments that were previously made by Blockchain Capital Fund I or Blockchain Capital Fund II.



**Spencer Bogart.** Spencer is the Head of Research at Blockchain Capital, where he does venture investment research on companies in the broader Bitcoin ecosystem and fundamental research on Bitcoin itself. Prior to joining Blockchain Capital, Spencer was on the Internet Equity Research team at investment bank Needham & Company where he led the firm's research efforts in all things Bitcoin and blockchain. Prior to Needham & Company, Spencer helped build a proprietary research platform for evaluating ETF investments at ETF.com which was later acquired by FactSet. Spencer is a specialist in fundamental investment research and regularly publishes in-depth investment research on the industry. Spencer earned his Bachelor of Arts degree in Business Economics from the University of California, Santa Barbara

**JoAnne Lauer.** JoAnne is the Director of Operations at Blockchain Capital, where she has a wide range of responsibilities from relationship management to systems operations. Prior to joining Blockchain Capital, JoAnne was a Global Program Director for two cutting-edge leadership and communications consulting firms in California from 2011 to 2014 and VP, Investor Relations & Regulatory Affairs at Belvedere Capital Partners from 2004 to 2011, as well as has many years of experience in operations, professional leadership development, training and coaching. JoAnne has a Bachelor of Arts degree from Sonoma State University in Business Management with an emphasis on Human Resources and Organizational Development.

#### Investment Thesis

Blockchain Capital continues to be focused on the nexus of the industry where blockchain-based innovations are augmenting and replacing legacy systems and infrastructure. As one of the earliest and most active investors in the blockchain industry, Blockchain Capital has valuable access to information, robust access to proprietary deal-flow, and an extensive network that helps guide strategic investment opportunities.

In three broad categories, Blockchain Capital's portfolios include companies that are facilitating the growth of the Bitcoin ecosystem, companies that are providing blockchain-based technology solutions to financial institutions and companies that are enabling non-financial institutions to leverage blockchain technology. The firm sees opportunity to add efficiency and enable new opportunities across each of these major categories.

As with any nascent technology, it remains to be seen exactly where blockchain technology will have its biggest impact. As such, Blockchain Capital takes a diversified approach to its portfolio by investing in a wide-range of use-cases and applications—often beginning at the seed level. This diversified, early-stage strategy allows the firm to continue investing into successful portfolio companies in subsequent investment rounds while reducing portfolio exposure to less-successful companies and helping them find strategic alternatives.

Ultimately, Blockchain Capital is investing into the opportunity that Bitcoin and blockchain technology will disrupt legacy systems and create new markets. Wall Street, Silicon Valley and increasingly Main Street are realizing that this technology will not be un-invented and is here to stay. More recent innovators are using blockchain technology to disrupt all corners of the global economy and, in turn, that is where our investment focus goes. Everything from law enforcement, to human resources, to notary based systems like wills, document authentication and real estate, to healthcare are ripe for disruption with blockchain technology. Increasingly Blockchain Capital invests in blockchain disruption of non-financial technology and the entire team at Blockchain Capital is focused on discovering tomorrow's large blockchain-enabled technology companies while they are small today.

For further details on BC Manager's operations please see the sections below entitled "Summary of Principal Terms of the Limited Partnership" and "Conflicts of Interest and Fiduciary Responsibilities".

## **BLOCKCHAIN CAPITAL III DIGITAL LIQUID VENTURE FUND, LP**

### **BC III DLVF**

BC III DLVF is a Cayman Islands exempted limited partnership formed and registered on April 5, 2017. BC III DLVF intends to operate so that it qualifies, for United States federal income tax purposes, as a partnership and not as an association or publicly traded partnership taxable as a corporation.

### **Investment Thesis**

As a sector-specific and stage-agnostic fund managed by BC Manager, BC III DLVF will be a leading investor in the cryptocurrency and blockchain technology industry. BC III DLVF's core business strategy is to leverage the proprietary resources and experience of BC Manager with the objective of generating growth and income from its investments. BC III DLVF holdings will primarily consist of new and growing blockchain technology and cryptocurrency businesses and ICOs.

### **Our Manager**

BC III DLVF is managed and advised by its sole general manager, BC Manager. BC Manager is a Cayman Islands limited liability company formed and registered on April 4, 2017. BC Manager is responsible for our operations and performs all services and activities relating to the management of our assets, liabilities and operations. Pursuant to the terms of the Operating Agreement, BC Manager provides BC III DLVF with its management team, along with appropriate support personnel. All of BC III DLVF's executive officers are employees of BC Manager or one or more of its affiliates.

### **NAV Calculation Methodology**

The NAV is calculated as the sum of the estimated fair value of the securities held by BC III DLVF plus cash or other assets, minus all liabilities (including the management fee, estimated accrued expenses and appropriate reserves for contingent liabilities). The principal amounts of the investments, currency balances and other assets of BC III DLVF, the value of which is expressed in currency other than USD shall be valued after taking into account the market rate or rates of exchange in force on the applicable valuation date.

For investments with an active market, fair value is deemed to equal the price of the last market transaction at the date NAV is calculated, as recorded by the primary exchange on which the security is traded, or, if no sale was reported on the valuation date on the primary exchange where that security is traded, the security will be valued at the last sales price on that exchange when that security was last traded.

For securities without an active market, fair value is estimated by employing industry standard methods, including but not limited to, cost basis, adjusted price of recent investment rounds, entity valuations based on recent third-party investments, valuation by an independent securities expert selected by BC Manager, valuation of other public or private comparable investments and evaluating conditions embedded into Simple Agreement for Future Equity (SAFE) notes.

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

The NAV per BCAP Token is calculated by dividing NAV by the number of outstanding BCAP Tokens at the calculation date rounded to the nearest cent. The number of outstanding BCAP Tokens is calculated as the total number of BCAP Tokens of the same series issued, less total number of BCAP Tokens redeemed and/or purchased under Realization or Liquidity Buybacks as described in the respective section of this offering memorandum.

All values assigned to securities, instruments and other assets by BC Manager will be final and conclusive. Neither BCTH nor any BCAP Tokenholder shall have the right to audit the valuations made by BC Manager.

### **NAV Reporting**

On a quarterly basis (March 31, June 30, September 30 and December 31) BC III DLVF will report publically on <https://blockchaincapital.tokenhub.com> the total level of investments in public and private securities, cash and

cash equivalents, and an update of the NAV on a per-BCAP Token basis, as well as a list of the portfolio companies currently invested in and recent changes in the portfolio.

### **Management Fee**

Pursuant to the limited partnership agreement of BC III DLVF, BC III DLVF will pay BC Manager a fee for investment management services consisting of two components - a base management fee and carried interest.

The base management fee will be calculated at a quarterly rate of 0.625% (corresponding to an annual rate of 2.5%) of BC III DLVF's NAV calculated at the beginning of each calendar quarter (January 1, April 1, July 1 and October 1). The base management fee will be payable quarterly in advance. Base management fees for any partial quarter will be pro-rated.

The management Fee will be reduced by 100% of any transaction, break-up, board, or consulting fees received by BC Manager or any member of manager of BC Manager, net of expenses, from any portfolio company of BC III DLVF or any company in which BC III DLVF is expected to invest but the issuance of securities was not consummated.

Carried interest to BC Manager is determined upon each realization of an investment, and equals 25% of BC III DLVF's realized capital gains, if any, on a cumulative basis from inception through the date of each applicable realized investment, computed net of all realized losses and aggregate unrealized losses on write-downs of the other investments on a cumulative basis, less the aggregate amount of any previously paid carried interest.

### **Our Strategy**

BC III DLVF seeks to deliver long-term value for BCAP Tokenholders by deploying capital opportunistically across blockchain businesses on a stage agnostic basis.

BC III DLVF's approximate fund allocation is expected to be as follows:<sup>4</sup>

- ) 50% for new investments; and
- ) 50% reserves for BC III DLVF follow-on rounds, as well as follow-on rights which other Blockchain Capital funds have not been able to utilize.

### **Investment Criteria**

In addition to the industry focus on blockchain technology and cryptocurrency businesses and ICOs, BC III DLVF intends to use the following investment criteria:

- ) Stage of investment: BC III DLVF reserves the right to invest across all investment rounds but intends to specifically target Seed-stage and Series A investment rounds.
- ) Investment size: BC III DLVF's typical investment size will be \$100,000 to \$1,000,000 per round.
- ) Geographic location: BC III DLVF's primary focus is on companies that are based in the United States. However, due to the global nature of the blockchain businesses, BC III DLVF will consider opportunities globally.
- ) Type of investment: BC III DLVF will primarily make equity and convertible-debt investments.
- ) Management team: BC III DLVF will look for teams dedicated to growing exceptionally successful businesses and possessing the prerequisite knowledge, experience and track record to do so. Demonstrated success in previous undertakings, entrepreneurial spirit and the desire to create shareholder value are favorable attributes.
- ) Proprietary product or service: BC III DLVF will look for highly differentiated, unique and significantly superior products and services and companies with clear competitive advantage, as well as growth potential.

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<sup>4</sup> Note: Such expectations are not limitations, and the governing documents of BC III DLVF as described in "Summary of Principal Terms of the Partnership" will provide flexibility to invest outside of the parameters and terms that are summarized elsewhere in this offering memorandum.

The investment criteria described above outlines the general strategy and investment approach of BC III DLVF. Projects not matching the criteria above will be reviewed on a case by case basis.

### **Investment Sourcing**

Blockchain Capital is focused on proactive deal sourcing to continuously build its pipeline of proprietary investment opportunities in the blockchain industry. Blockchain Capital's deal sourcing activities include the following:

- ) Sub-sector research: Blockchain Capital undertakes proprietary research in sub-sectors of the blockchain industry that have large and fast growing markets, and the presence of companies of various stages.
- ) Regular contact with Blockchain Capital's network of key industry players: The investment team communicates regularly with an extensive network to share investment perspectives and deal flow. Contacts include venture capital funds, technology and market experts, technology incubators and research labs, and others from the broader blockchain community.
- ) Tracking early stage deals in the Blockchain industry: For early stage companies, the investment team identifies those that are deemed to be among the most promising based on target markets, technology and management team.
- ) Public presence: Blockchain Capital has taken a role in organizing, sponsoring and participating in critical industry and venture capital conferences. In addition to regular media appearances, this public-facing exposure helps drive inbound deal opportunities.
- ) Referral of deals: In addition to the proactive deal sourcing strategies described above, Blockchain Capital receives a significant number of business plans from its wide-ranging referral network, web site, and directly from companies seeking funding.

For further details on BC Manager's operations please see the sections below entitled "Summary of Principal Terms of the Partnership" and "Conflicts of Interest and Fiduciary Responsibilities)".

## SUMMARY OF PRINCIPAL TERMS OF THE LIMITED PARTNERSHIP

*The following is a summary of certain of the proposed terms of the exempted limited partnership agreement (as amended, restated and/or otherwise modified from time to time, the “**Limited Partnership Agreement**”) of Blockchain Capital III Digital Liquid Venture Fund, LP (“**BC III DLVF**”). This summary does not purport to be complete and is qualified in its entirety by reference to the Limited Partnership Agreement. If the terms described in this Summary of Principal Terms of the Limited Partnership are inconsistent with or contrary to the terms of the Limited Partnership Agreement, the terms of the Limited Partnership Agreement will control.*

<b>BC III DLVF</b>	Blockchain Capital III Digital Liquid Venture Fund, LP, a Cayman Islands exempted limited partnership.
<b>GENERAL PARTNER</b>	BC III DLVF GP, LLC, a Cayman Islands limited liability company (“ <b>BC Manager</b> ”), will be the sole general partner of the Partnership.
<b>INVESTMENT OBJECTIVE</b>	BC III DLVF’s objective is to achieve long-term capital appreciation for investors by making strategic investments across cryptocurrency and blockchain businesses and Initial Coin Offerings on a stage agnostic basis.
<b>SIZE OF BC III DLVF</b>	The initial size of BC III DLVF will equal the gross proceeds of the offering of Blockchain Capital Tokens (each, a “ <b>BCAP Token</b> ”) held on or before May 10, 2017 (the “ <b>Offering</b> ”) less offering expenses and, therefore, will depend upon the number of BCAP Tokens sold in the Offering. Blockchain Capital TokenHub Pte. Ltd., a Singaporean private limited company (“ <b>BCTH</b> ”) will initially contribute the gross proceeds of the Offering to BC III DLVF as a contribution of capital, in exchange for which, BCTH shall become the sole limited partner of BC III DLVF (the “ <b>Limited Partner</b> ” and, together with BC Manager, as general partner of BC III DLVF, the “ <b>Partners</b> ”) and subsequently, the expense reimbursements pertaining to the Offering will be transferred by BC III DLVF to either Argon Investment Management LLC, a Delaware limited liability company (“ <b>Argon Advisors</b> ”) for payment or otherwise directly to the applicable service providers. Following such contribution, BCTH will have no additional capital commitment to BC III DLVF.
<b>TERM</b>	BC III DLVF will continue in existence indefinitely; provided that BC III DLVF may be dissolved by BC Manager, as general partner upon its determination that such dissolution is in the best interest of the Partners.
<b>CLOSINGS</b>	Following the closing of this Offering and the issuance of BC III DLVF’s sole limited partnership interest to BCTH, no additional limited partners will be admitted to BC III DLVF.
<b>REINVESTMENT OF CAPITAL</b>	<p>Proceeds from the sale or other disposition of investments will be subject to reinvestment as follows:</p> <ul style="list-style-type: none"> <li>) A minimum of 50% of any such funds should be used in reinvestment into additional portfolio investments (save where such funds have been held by BC III DLVF for more than 18 months, in which case they should be used per the immediately following sentence); and</li> <li>) The remainder may be distributed to BCTH solely for use to redeem BCAP Tokens or to repurchase BCAP Tokens on the open market.</li> </ul>
<b>MANAGEMENT FEE</b>	BC III DLVF will pay to BC Manager an annual management fee (the “ <b>Management Fee</b> ”) equal to 2.50% of the NAV (as defined below) of BC

III DLVF, per annum, payable quarterly in advance. The Management Fee will be reduced by 100% of any transaction, break-up, board, or consulting fees received by BC Manager or any member or manager of BC Manager, net of expenses, from any portfolio company of BC III DLVF or any company in which BC III DLVF is expected to invest but the issuance of securities was not consummated.

“NAV” equals the sum of the estimated fair value of the securities held by BC III DLVF, plus cash or other assets, minus all liabilities (including estimated accrued expenses). See “Blockchain Capital III Digital Liquid Venture Fund, LP —NAV Calculation” in this offering memorandum for further details.

## **ORGANIZATIONAL EXPENSES**

BC III DLVF will bear all expenses associated with the organization of BC III DLVF and offering of the sole limited partnership interest in BC III DLVF, including, but not limited to, compensation to Argon Advisors in connection with this Offering, out-of-pocket costs incurred by or on behalf of BC Manager or its affiliates in connection with the marketing, formation, staffing and organization of BC III DLVF, including legal, accounting, travel, meeting, printing and other fees and expenses incidental thereto. These expenses will be amortized over four years.

## **OPERATING EXPENSES**

BC III DLVF shall bear all expenses related to its operations, including all costs and expenses incurred in the sourcing, investigation, purchase, holding, monitoring, sale or exchange of securities (whether or not ultimately consummated), including, but not limited to, private placement fees, finder’s fees, interest on and fees and expenses arising out of borrowed money, real property or personal property taxes on investments, including documentary, recording, stamp and transfer taxes, brokerage fees or commissions or other similar charges (including any merger fees payable to third parties), travel expenses, legal fees and expenses, expenses incurred in connection with the investigation, prosecution or defense of any claims by or against BC III DLVF, including claims by or against a governmental authority, audit, appraisal and accounting fees and expenses, fees and expenses related to consulting, advisory or professional services relating to investments or proposed investments, taxes applicable to BC III DLVF on account of its operations, fees incurred in connection with the maintenance of bank or custodian accounts, and all expenses incurred in connection with the registration of BC III DLVF’s securities under applicable securities laws or regulations. In addition to the Management Fee, BC III DLVF shall also bear any sales or other taxes, fees or government charges which may be assessed against BC III DLVF, the cost of liability and other premiums for insurance protecting BC III DLVF, BC Manager, the members of BC Manager and any of their respective partners, members, shareholders, managers, managing partners, officers, directors, trustees, employees, consultants, agents or affiliates in connection with the activities of BC III DLVF, expenses associated with BC III DLVF communications with Partners, including preparation and distribution of financial statements and annual or other reports to the Partners, expenses associated with preparation and filing of tax returns, costs associated with BC III DLVF meetings, all legal, accounting, audit, appraisal, consulting, advisory, bookkeeping, recordkeeping or professional services fees and expenses relating to BC III DLVF and its activities, fees and expenses relating to outsourced finance, reporting, administration, accounting and back-office services, fees and expenses relating to the regulatory compliance of BC Manager and its affiliates, fees and expenses related to attending industry conferences, all expenses incurred by the tax matters partner of BC III DLVF, all fees and

expenses incurred in connection with the maintenance of a registered office in the Cayman Islands, all fees, costs and expenses relating to litigation and threatened litigation involving BC III DLVF, including any indemnification obligation, liquidation expenses of BC III DLVF (including but not limited to legal and accounting fees and expenses), all expenses that are not normal operating expenses and all other expenses properly chargeable to the activities of BC III DLVF.

Except as otherwise reasonably determined by BC Manager, (a) to the extent that BC III DLVF bears any expenses related to a portfolio company and such expenses benefit one or more investment entities managed by BC Manager, such expenses shall be allocated among BC III DLVF and such entities pro rata in proportion to their relative investment amounts and (b) to the extent that BC III DLVF bears any expenses unrelated to a portfolio company and such expenses also benefit one or more investment entities managed by BC Manager and its affiliates, such expenses shall be allocated among BC III DLVF and such entities pro rata in proportion to their relative capital commitments.

## **ALLOCATIONS AND DISTRIBUTIONS**

Other than with respect to Redemption Distributions (as defined below) or in connection with the dissolution of BC III DLVF, it is not anticipated that the Partners will regularly receive distributions of proceeds from BC III DLVF. However, BC III DLVF may make distributions in respect of any or all Partners at any time and for any reason in the sole and absolute discretion of the BC Manager.

Upon disposition of an investment, investment proceeds from such disposition shall be deemed to have been distributed or shall be distributed, as applicable, as follows:

1. First, 100% to BCTH, as limited partner, until BCTH is deemed to have received distributions or has received actual distributions (in the circumstances described above) of investment proceeds from that investment and all investments that have been disposed of equal to the sum of (A) BCTH's capital contributions (or deemed capital contributions) used by BC III DLVF for such investment and, without duplication, all realized investments and (B) BCTH's pro rata share of any aggregate net unrealized losses on write-downs of the other investments; and
2. Thereafter, 75% to BCTH and 25% to BC Manager, as the general partner, (the distributions to BC Manager described in this clause (2) being referred to as "Carried Interest").

Unless otherwise determined by BC Manager, any amount otherwise distributable to a Partner will be retained by BC III DLVF and used for any purpose permissible under the Limited Partnership Agreement, including without limitation for reinvestment as described in "—Reinvestment of Capital" above. Any amount so retained shall be treated as though such amount had been distributed to such Partner and immediately recontributed thereby as a capital contribution.

If and at such times as BC III DLVF determines to cause BCTH to repurchase or redeem BCAP Tokens it shall make a distribution in the amount of such repurchase or redemption to BCTH ("**Redemption Distributions**"). BCTH shall be required to use such funds solely for the purpose of BCAP Token repurchases or redemptions and related expenses. Such distributions shall be made in the discretion of BC Manager.

To the extent that the Partners receive distributions from BC III DLVF other

than distributions described in the immediately preceding paragraph, such amounts will be added to the Partners' unfunded capital commitments (which, for the avoidance of doubt, may exceed the Partner's initial capital commitment) and be subject to recall.

**PRESENTMENT OF  
INVESTMENT  
OPPORTUNITIES**

BC Manager may offer the right to participate in investment opportunities of BC III DLVF to other private investors, groups, partnerships, corporations or other entities, including, without limitation, any other funds managed by affiliates of BC Manager whenever BC Manager, in its sole discretion, so determines.

**NO ADVISORY COMMITTEE**

BC III DLVF is not and shall not be required to maintain an advisory committee. BC Manager may, however, at its discretion, appoint an independent committee to (a) review and advise BC Manager regarding matters involving conflicts of interest submitted to them by BC Manager and (b) render such other advice and counsel as is requested by BC Manager in connection with BC III DLVF's investments and other partnership matters.

**EXCULPATION;  
INDEMNIFICATION**

None of BC Manager, its members, its economic assignees, each officer, director, stockholder, member, manager, managing partner, partner and trustee of or economic assignees of BC Manager, Argon Advisors, its members, each officer, director, stockholder, member, manager, managing partner, partner or trustee of Argon Advisors, and any independent committee or advisory committee of BC III DLVF (collectively, the "***Indemnified Persons***"), shall be liable to BC III DLVF or BCTH for any loss suffered by BC III DLVF or BCTH which arises out of any investment or any other action or omission of such Indemnified Person if (a) such Indemnified Person acted in good faith and reasonably believed that such course of conduct was in, or not opposed to, the best interest of BC III DLVF and (b) with respect to Indemnified Persons, such conduct did not constitute actual fraud, gross negligence or willful misconduct.

BC III DLVF will indemnify the Indemnified Persons solely out of BC III DLVF'S assets, to the fullest extent permitted by law and hold them harmless from all claims, liabilities damages and expenses (including attorneys' fees) to which they may be or become subject by reason of their activities on behalf of, or their association with, BC III DLVF, so long as such Indemnified Person acted in good faith and reasonably believed that such course of conduct was in, or not opposed to, the best interest of BC III DLVF.

**TRANSFER OF INTERESTS  
AND WITHDRAWAL**

BCTH may not sell, assign, or transfer any interest in BC III DLVF or withdraw its interest or any part thereof except with the prior written consent of BC Manager.

**REPORTS**

BC Manager shall use commercially reasonable efforts to provide on a quarterly basis (March 31, June 30, September 30 and December 31) the total level of investments in public and private securities, cash and cash equivalents, and a NAV of BC III DLVF on a per-BCAP Token basis, as well as a list of the portfolio companies currently invested in and recent changes in the portfolio. This information shall be publicly reported on <https://blockchaincapital.tokenhub.com>. Except as required by applicable law, BC Manager shall have no other obligations to provide information to BCTH or the BCAP Tokenholders.

**AMENDMENTS TO THE  
LIMITED PARTNERSHIP**

Except as otherwise set forth in the Limited Partnership Agreement, the Limited Partnership Agreement may be modified or amended at any time



**AGREEMENT**

with the written consent of BC Manager.

**TAX CONSEQUENCE**

Prospective investors are advised to consult their tax advisors as to the consequences of an investment in BC III DLVF.

**AUDITORS**

BC Manager will use a recognized accounting firm selected in its sole discretion.

## CONFLICTS OF INTEREST AND FIDUCIARY RESPONSIBILITIES

Conflicts of interest exist and may arise in the future as a result of the relationships between BC Manager and its affiliates, including each party's respective owners, on the one hand, and BC III DLVF, BCTH and BCAP Tokenholders, on the other hand. Whenever a potential conflict arises between BC Manager or its affiliates, on the one hand, and BC III DLVF, BCTH and/or BCAP Tokenholders, on the other hand, BC Manager will resolve that conflict. The Limited Partnership Agreement of BC III DLVF contains provisions that reduce and eliminate BC Manager's duties, including fiduciary duties, to BCTH to the maximum extent permitted by law. The Limited Partnership Agreement of BC III DLVF also restricts the remedies available to BCTH and provides BCAP Tokenholders no right of remedy for BC Manager's breach of its duties or the Limited Partnership Agreement of BC III DLVF.

Under the Limited Partnership Agreement of BC III DLVF, BC Manager will not, to the maximum extent permitted by applicable law, be in breach of its obligations under the Limited Partnership Agreement if the resolution of the conflict is:

- ) approved by an independent committee appointed to consider such conflict, although BC Manager is not obligated to seek such approval;
- ) on terms which are, in the aggregate, no less favorable to us than those generally being provided to or available from unrelated third parties; or
- ) fair and reasonable to BC III DLVF, taking into account the totality of the relationships among the parties involved, including other transactions that may be particularly favorable or advantageous to us.

BC Manager is not required to seek the approval of such resolution from an independent committee or from BCTH. If BC Manager does not seek approval from an independent committee and it in good faith determines that the resolution or course of action taken with respect to the conflict of interest satisfies either of the standards set forth in the second and third bullet points above, then it will be presumed that in making its decision BC Manager acted in good faith, and in any proceeding brought by or on behalf of us or any other person bound by the Limited Partnership Agreement of BC III DLVF, the person bringing or prosecuting such proceeding will have the burden of overcoming such presumption. Unless the resolution of a conflict is specifically provided for in BC III DLVF's Limited Partnership Agreement, BC Manager or an independent committee may consider any factors it determines in its sole discretion to consider when resolving a conflict. The Limited Partnership Agreement of BC III DLVF provides that BC Manager will be conclusively presumed to be acting in good faith if BC Manager subjectively believes that the determination made or not made is in the best interests of BC III DLVF.

BC Manager has limited its liability under the Limited Partnership Agreement of BC III DLVF and its contractual arrangements with BC III DLVF and BCTH. The Limited Partnership Agreement of BC III DLVF provides that, to the maximum extent permitted by applicable law, any action taken by BC Manager to limit its liability or BC III DLVF's liability is not a breach of BC Manager's fiduciary duties, even if we could have obtained more favorable terms without the limitation on liability. BCAP Tokenholders will have no right to enforce obligations of BC Manager under agreements with BC III DLVF or BCTH. Any agreements between BC III DLVF or BCTH on the one hand, and BC Manager and its affiliates on the other, will not grant BCAP Tokenholders, separate and apart from us, the right to enforce the obligations of BC Manager and its affiliates in our favor. Contracts between BC III DLVF, on the one hand, and BC Manager and its affiliates, on the other, will not be the result of arm's length negotiations. Furthermore, BCTH will have no obligation to BCAP Tokenholders to enforce its own rights under the Limited Partnership Agreement of BC III DLVF and the BCAP Tokenholders will have no power to cause BCTH to enforce such rights.

The Limited Partnership Agreement of BC III DLVF allows BC Manager to determine in its sole discretion any amounts to pay itself or its affiliates or BCTH, Argon Advisors or their affiliates for any services rendered to BC III DLVF. BC Manager may also enter into additional contractual arrangements with any of its affiliates, BCTH, Argon Advisors or any of their affiliates on BC III DLVF's behalf. Neither BC III DLVF's Limited Partnership Agreement nor any of the other agreements, contracts and arrangements between us on the one hand, and BC Manager and its affiliates on the other, are or will be the result of arm's-length negotiations. BC Manager will determine the terms of these transactions so long as such arrangements are fair and reasonable to us as determined under the Limited Partnership Agreement of BC III DLVF. BC Manager and its affiliates will have no obligation to permit us to use any facilities or assets of BC Manager and its affiliates, except as may be provided in contracts entered into

specifically dealing with such use. There will not be any obligation of BC Manager and its affiliates to enter into any contracts of this kind.

BC Manager may exercise its right to cause BCTH to repurchase or redeem BCAP Tokens or may, at its discretion, purchase BCAP Tokens on its own behalf or on behalf of its affiliates. BC Manager may use its own discretion, free of fiduciary duty restrictions, in determining whether to exercise these rights.

To the fullest extent permitted by law, the Limited Partnership Agreement of BC III DLVF contains various provisions modifying, restricting and eliminating the duties, including fiduciary duties, that might otherwise be owed by BC Manager to the limited partners and BC III DLVF under applicable law, including the Cayman Islands Exempted Limited Partnership Law, 2014. We have adopted these restrictions to allow BC Manager or its affiliates to engage in transactions with us that would otherwise be prohibited by state-law fiduciary duty standards and to take into account the interests of other parties in addition to our interests when resolving conflicts of interest. Without these modifications, BC Manager's ability to make decisions involving conflicts of interest would be restricted. These modifications are detrimental to BCTH because they restrict the remedies available to BCTH for actions that without those limitations might constitute breaches of duty, including a fiduciary duty, and they permit BC Manager to take into account the interests of third parties in addition to our interests when resolving conflicts of interest.

Blockchain Capital is a party to an engagement letter agreement with Argon Advisors with respect to compensation and indemnification for Argon Advisor for conducting this Offering and a possible future equity investment by Blockchain Capital in an affiliate of Argon Advisors. In addition, BCTH also has an agreement with BC Manager and BC III DLVF granting Argon Advisors certain information and cooperation rights in the event that BCTH becomes subject to reporting requirements. From time to time, BC Manager, its personnel or affiliates may enter to additional agreements with BCTH, Argon Advisors or their affiliates related to the BCAP Tokens, this Offering or other matters. To the extent BC Manager, any of its personnel or affiliates were to invest in Argon Advisors or any of its affiliates in the future, such future agreements may be negotiated among related parties. To the extent permitted by law, none of BCTH, Argon Advisors, BC III DLVF or BC Manager will be required to disclose the nature of any future agreements or relationships among themselves or their affiliates to BCAP Tokenholders.

## **BLOCKCHAIN CAPITAL TOKENHUB PTE. LTD.**

### **Business**

BCTH is a newly incorporated Singaporean private limited company, and a wholly-owned subsidiary of Argon Parent. BCTH was solely formed for the purpose of holding the sole limited partnership interest in BC III DLVF. We have no prior operating history. We are an affiliate of, and managed by, Argon Advisors.

### **Strategy**

BCTH's strategy is to monitor and implement the terms of the Smart Contract for the BCAP Tokens and the LPA regarding an LP interest in BC III DLVF.

### **Argon Advisors**

BCTH receives certain corporate and administrative services from Argon Advisors, a wholly-owned subsidiary of Argon Parent, pursuant to a management services agreement ("**Management Agreement**").

Argon Advisors is responsible for our operations and performs all services and activities relating to the management of our assets, liabilities and operations. Pursuant to the terms of the Management Agreement, Argon Advisors provides us with our management team, along with appropriate support personnel.

### **Relationship between Argon Advisors, BCTH, BC Manager and BC III DLVF**

Argon Advisors and BCTH are indirect wholly owned subsidiaries of Argon Parent. Argon Advisors was retained by Blockchain Capital to advise BC Manager on this Offering pursuant to an industry standard engagement letter. Information about the BC III DLVF Limited Partnership Agreement is provided in the section "Summary of Principal Terms of the Limited Partnership" of this offering memorandum. BCTH also has an agreement with BC Manager and BC III DLVF granting Argon Advisors certain information and cooperation rights in the event that BCTH becomes subject to reporting requirements.

BC III DLVF will pay Argon Advisors an annual fee for ongoing operational, accounting, and administration services relating to BCTH. In addition, BC III DLVF will allocate a portion of the gross proceeds of this Offering to Argon Advisors compensate for services in connection with this Offering. From time to time, Argon Advisors or one of its affiliates may provide additional services to BC III DLVF, BC Manager or another of their affiliates, for which compensation for Argon will be negotiated on an arm's length basis. See "Conflicts Of Interest And Fiduciary Responsibilities" in this offering memorandum for more information about the relationship between Blockchain Capital and Argon Advisors.

### **Digital Token under Singapore Law**

We have been advised by Singapore counsel that BCAP Tokens are not "securities" for the purposes of the Securities and Futures Act of Singapore.

### **Corporate Information**

BCTH was organized under the laws of Singapore on March 23, 2017. The address of BCTH's principal executive offices is 1 Raffles Place, #32-02A One Raffles Place, Singapore 048616, and the telephone number at that address is +65 800 852 3030. BCTH's website is located at <https://blockchaincapital.tokenhub.com>. Our agent for service of process in the United States is CT Corporation, 1209 N Orange St, Wilmington, DE 19801. Information contained or linked on our websites is not incorporated by reference into this offering memorandum and is not a part of this offering memorandum.

### **USE OF PROCEEDS**

The gross proceeds of this Offering will be transferred to BC III DLVF, which will, in exchange grant BCTH the sole limited partnership interest of BC III DLVF and subsequently, the expense reimbursements pertaining to this Offering will be transferred by BC III DLVF to either Argon Advisors for payment or otherwise directly to the applicable service providers, leaving BC III DLVF with the net proceeds. BC III DLVF intends to use such gross proceeds to pay offering expenses (including compensation to Argon Advisors in connection with this Offering) and to invest in cryptocurrency and blockchain technology companies and ICOs. Total offering expenses are anticipated to be greater than \$500,000 but not exceeding \$1 million.

**BLOCKCHAIN CAPITAL TOKENHUB PTE LTD MANAGEMENT**

The following table sets forth information about the Board of Directors of BCTH and its executive officers.

<b>Name</b>	<b>Position(s)</b>
Stan Miroshnik	Chief Operating Officer and Director
Yong Leong Chu	Director

**Board Structure and Committee Composition**

The articles of association of BCTH provide that the business and affairs of BCTH are managed by a Board of Directors of between two and eight persons. Argon Advisors appoints the Board of Directors. The Board of Directors of BCTH may form any number of committees. As of the date of this offering memorandum, BCTH has no standing committees. Action of the Board of Directors of BCTH and any committees thereof will require the affirmative vote of a majority of such body's members. Quorum will be two persons.

**Executive Compensation**

Certain members of our Board of Directors and senior management are party to employment agreements with Argon Advisors. From time to time, Argon Advisors or its affiliates may also adopt other cash and equity incentive-based arrangements to compensate our management and other employees, which BTCH has no responsibility for.

## DESCRIPTION OF BCAP TOKENS

Each of the BCAP Tokens represents an indirect fractional non-voting economic interest in BCTH's sole asset, the sole limited partnership interest in BC III DLVF, and an aggregate number of 10,000,000 BCAP Tokens, which we may increase by notice on TokenHub by up to 10,000,000 BCAP Tokens, totaling 20,000,000 BCAP Tokens offered in this Offering. The BCAP Tokens have no voting, distribution, preemptive or conversion rights and redemption rights only for BCTH. The BCAP Tokens are fully paid and non-assessable by BCTH.

### Smart Contract

The BCAP Tokens are issued electronically and comply with the ERC20 smart contract standard consisting of software code, existing on the Ethereum Blockchain deployed at the address published on TokenHub ("**Smart Contract**"). ERC20 standard is a de facto industry standard for tokens issued on the Ethereum Blockchain and requires certain standard functions and events to be included into the software code. The software code of this Smart Contract is open source and published and can be verified at the address <https://github.com/BCAPtoken/BCAPToken>. A summary of the terms and conditions of the BCAP Tokens will be maintained on TokenHub.

### Realization Buybacks

If there are realizations in the portfolio of BC III DLVF, then those funds after expenses and fees shall be treated as follows:

1. A minimum 50% should be used in reinvestment into additional portfolio investments (save where such funds have been on balance for more than 18 months in which case they should be used per clause 2 below); and
2. The remainder may be distributed to BCTH solely for use to redeem BCAP Tokens or to repurchase BCAP Tokens on the open market. All BCAP Tokens repurchased by BCTH will immediately be cancelled (i.e. the BCAP Tokens will be "burned" on the blockchain), thereby increasing each remaining BCAP Tokenholder's indirect fractional economic interest in BC III DLVF's sole limited partnership interest.

### Liquidity Buybacks

If the market price of the BCAP Tokens (determined to be the average price at 3:00 pm Eastern Standard Time over the three largest exchanges on which the BCAP Tokens then trade by liquidity) drops below 75% of the last announced quarterly NAV, BC III DLVF and/or BCTH, may, at its sole discretion, make purchases of the BCAP Tokens on the open market. Such purchased BCAP Tokens can be sold again by BCTH, subject to an applicable exemption from registration under applicable securities laws. U.S. Persons acquiring such resold BCAP Tokens may be required to hold such BCAP Tokens for one year from the date of purchase.

### Fixed Price Offer

BC III DLVF and/or BCTH may, at any time after the issuance of the first NAV report, offer to repurchase BCAP Tokens at a fixed price notified by a notice published on TokenHub, with prior disclosure on a minimum of thirty days' notice. Such purchased BCAP Tokens can be sold again by BCTH, subject to an applicable exemption from registration under applicable securities laws. U.S. Persons acquiring such resold BCAP Tokens may be required to hold such BCAP Tokens for one year from the date of purchase.

### Distribution Policy

BCAP Tokens have no distribution or dividend rights other than on a redemption as further set out below. Any return of capital to BCAP Tokenholders will occur through open market purchases of BCAP Tokens as described under the captions "Realization Buybacks", "Liquidity Buybacks", "Fixed Price Offer" above.

### Voting

BCAP Tokenholders will not be entitled to any voting rights or other management or control rights. BCTH does not intend to hold annual meetings.

### **Optional Redemption**

After a period of ten years from the issue date, at any time, upon not less than 30 nor more than 60 days' notice, BC III DLVF may direct BCTH to redeem some or all of the BCAP Tokens at a "NAV" redemption price equal to each BCAP Token's proportional share of the Net Asset Value of BC III DLVF. Such redemptions will be made in ETH or other high liquidity cryptocurrency of choice, if deemed necessary by BC III DLVF.

BCTH will issue a notice of redemption published through the TokenHub platform at least 30 and not more than 60 calendar days prior to the date fixed for redemption. On or before a redemption date, BCTH will deposit with TokenHub ETH, or other high liquidity cryptocurrency of choice, if deemed necessary by BC III DLVF, sufficient to pay the redemption price of the BCAP Tokens. If less than all of the BCAP Tokens are to be redeemed, the BCAP Tokens to be redeemed shall be selected by BCTH pro rata. The actual redemption of the BCAP Tokens will be effected by the BCAP Tokens being "burned" on the blockchain.

### **Regulatory Redemption**

BC III DLVF may at any time direct BCTH to redeem all or some of the BCAP Tokens, in BCTH's discretion at a redemption price calculated as the lower of (i) 70% of the market price of the BCAP Tokens (determined to be the average price at 3 pm Eastern Standard Time over the three largest exchanges by liquidity), (ii) the proportional share of the then NAV, or (iii) the funds available from liquidation of the assets of BC III DLVF within the following 3 month period, upon receipt of information that the status of the BCAP Tokenholder may cause regulatory concern for BC III DLVF and/or BCTH. The primary purpose of this regulatory redemption is to maintain the number of U.S. Persons holding BCAP Tokens at 99 persons or less. Such redemptions will be made in ETH or other high liquidity cryptocurrency of choice, if deemed necessary by BC III DLVF.

BCTH will issue a notice of redemption published through the TokenHub platform at least 30 and not more than 60 calendar days prior to the date fixed for redemption. On or before a redemption date, BCTH will deposit with TokenHub ETH, or other high liquidity cryptocurrency of choice, if deemed necessary by BC III DLVF, sufficient to pay the redemption price of the BCAP Tokens. If less than all of the BCAP Tokens are to be redeemed, the BCAP Tokens to be redeemed shall be selected by BCTH pro rata. The actual redemption of the BCAP Tokens will be effected by the BCAP Tokens being "burned" on the blockchain.

### **No Liquidation Rights**

Subject to applicable law, BCAP Tokenholders will have no liquidation rights in the event of the bankruptcy or liquidation of either BC III DLVF or BCTH, but the intention is to use best efforts to return available proceeds of a bankruptcy or liquidation to BCAP Tokenholders if such an event occurs. Furthermore, BC III DLVF has no fixed termination date and is under no obligation to redeem the BCAP Tokens at any time.

### **Listing**

The BCAP Tokens will constitute a new class of securities with no established trading market. BCTH intends to list the BCAP Tokens on multiple cryptocurrency exchanges. We do not intend to list the BCAP Tokens on any national securities exchanges. We cannot assure you that the prices at which the BCAP Tokens will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the BCAP Tokens will develop and continue after this offering. Accordingly, we cannot assure you as to the liquidity of or the trading market for the BCAP Tokens.

### **Fees**

Upfront expenses relating to the digital token offering, including legal, and accountings costs, will be billed to BC III DLVF and amortized over four years, quarterly. The management fee will be an annual rate of 2.5% of NAV charged quarterly in advance and BC III DLVF will be subject to carried interest of 25% of realized capital gains incurred on the date of each applicable realized investment. Transaction and other fund expenses will be charged to BC III DLVF.

### **Investor Allocation**

Within the territory of the United States, the BCAP Tokens will only be available for purchase by up to a maximum of 99 verified "accredited investors" (as Defined in Regulation D under the Securities Act) that are U.S. Persons. Redemption, if ever made, can only be made to a maximum of 99 U.S. Persons, with priority granted for U.S. Persons who purchased BCAP Tokens in this Offering in BCTH's absolute discretion. The selected 99 U.S.



Persons will be notified that they have been selected on or before the date 15 calendar days before redemption by email to the email address maintained on TokenHub. Any U.S. Person offered BCAP Tokens by a Non-U.S. Person following this Offering are warned that such transfer is not permitted pursuant to the transfer and resale restrictions applicable to the BCAP Tokens and that any such transfer or sale may result in the loss of the full value of their investment, including that they may be unable to redeem such BCAP Tokens. U.S. Persons permitted to purchase BCAP Tokens will also be required to maintain their BCAP Tokens on TokenHub for a period of one year from the issuance of the BCAP Tokens to comply with Section 144 of the Securities Act, and will be required to make undertakings to TokenHub that they will, if they remove their BCAP Tokens from TokenHub, not sell unless they sell (A) to a Non-U.S. Person outside the United States of American in an offshore transaction in compliance with Rule 903 or Rule 904 under the Securities Act; or (b) to any U.S. Person but only if they sell all of their BCAP Tokens to a single U.S. Person and notify TokenHub of the new U.S. investor's contact details.

It is understood and agreed that BCTH shall have the sole right, at its complete discretion, to accept or reject subscriptions for BCAP Tokens, in whole or in part, for any reason and that the same shall be deemed to be accepted by BCTH only when BCAP Tokens are issued. Subscriptions need not be accepted in the order received, and the BCAP Tokens may be allocated among subscribers who subscribed early in the offering period and for significant sums.

### **Exchange Rate**

The currency of the BCAP Token will be USD and the price per BCAP Token will be USD \$1.00. Subscribers can subscribe for BCAP Tokens by paying into escrow either USD, BTC or ETH. Subscribers for BCAP Tokens transferring USD must subscribe for a minimum of \$20,000 in BCAP Tokens and will receive a number of BCAP Tokens equal in the number to the amount in USD they have contributed, measured at closing. Funds collected in BTC and ETH will be converted into USD within three business days following a successful closing of this Offering. BCTH has engaged North Capital Private Securities Corporation as an escrow agent (the “*Escrow Agent*”) to hold USD funds tendered by investors. In the event BCTH terminates this Offering or BCTH does not accept a particular subscription, any USD tendered by potential investors will be promptly returned by the Escrow Agent net of the outgoing wire fees charged by the Escrow Agent's banking institution. Argon Advisors will aim to convert the cryptocurrency received on a best-execution basis, within two business days of closing the book building, at a market rate with minimal slippage. Argon Advisors will approach three cryptocurrency exchanges in the U.S. and institutional liquidity providers where it has accounts open, and request quotes from those exchanges. BTC and ETH received will then be converted to USD with the exchange that has offered the best terms. In order to calculate the number of BCAP Tokens that is due to Bitcoin and Ether investors, the actual exchange rate achieved for the conversion of Bitcoin and Ether into USD net of other mandatory fees charged by the selected exchanges will be used. Subscribers will be alerted to the closing and whether they were successful in subscribing by email and an update to their accounts on the TokenHub platform at <https://blockchaincapital.tokenhub.com/>

### **Unclaimed Funds**

Unclaimed ETH, BTC or other high liquidity cryptocurrency from subscriptions or a redemption will be attempted to be returned by email invitation to the email address given by investors on <https://blockchaincapital.tokenhub.com/> and will contain a request to the investor to provide the instructions where the returned funds should be sent to. If the investor does not respond for a period of 60 days following an email requesting instructions for a refund, the funds shall be deemed to become the property of BCTH.

### **Form of Ownership**

The BCAP Token is a digital token on the Ethereum Blockchain with an ability to execute code (smart contract). Upon offering closing, all digital tokens issued to investors will be deposited into Ethereum wallets controlled by TokenHub and TokenHub's users' accounts will be updated with the number of BCAP Tokens issued to them, the ultimate record of which will be kept in a database maintained by TokenHub showing its users' holdings. Subject to restrictions on the BCAP Tokenholders discussed in this offering memorandum, BCAP Tokenholders may instruct TokenHub through their user account and direct the BCAP Token to be transferred to an Ethereum wallet address not controlled by TokenHub. Please see the sections entitled “Transfer Restrictions” and “Notice to Investors” in this offering memorandum for additional transfer restrictions.

## DESCRIPTION OF ESCROW

### USD Escrow

We will open the BCAP Token Offering for purchase on April 10, 2017. Subscriptions will be effective only when BCTH accepts them through <https://blockchaincapital.tokenhub.com/>. Investors wishing to subscribe by tendering USD funds may do so via wire only (ACH and checks will not be accepted) for a minimum of \$20,000 to the escrow account to be setup by North Capital Private Securities Corporation as Escrow Agent. Tendered funds will remain in escrow until closing has occurred or this Offering is terminated. However, in the event this Offering is terminated by BCTH, any money tendered by potential investors will be promptly returned by the Escrow Agent.

In the event we choose to reject a subscription as permitted above (see “Investor Allocation”), we shall deliver written notice to North Capital Private Securities Corporation demonstrating our intent to do so within thirty calendar days of receipt of such subscription.

### BTC and ETH Escrow

BCTH will direct between 85% and 95% of funds received in BTC and ETH into multi-signature cold wallets specially designated for the offering. Cold wallets are cryptocurrency wallets located on designated computers used exclusive for the purposes of generating and storing private keys as well as applying such keys to cryptographically sign a transaction to move funds out of the wallets. Multi-signature wallets are cryptocurrency wallets that require application of multiple independent private keys to cryptographically sign a transaction to move funds out of the wallets. In the context of this Offering, at least one private key applied by a party other than BCTH or Argon Advisors will be required to sign the transaction. The remaining 5% to 15% of funds received in BTC and ETH will be directed to the operating cryptocurrency wallet controlled by Argon Advisors.

Upon termination of this Offering, funds held in both multi-signature cold wallet and operating wallets will be withdrawn and remitted to the cryptocurrency exchange as further discussed in the “Exchange Rate” section of this offering memorandum.

## LEGAL PROCEEDINGS

Neither BC Manager, BC III DLVF, BCTH, Argon Parent nor Argon Advisors is currently subject to any material legal proceedings, nor, to our knowledge, are any material legal proceedings pending or threatened. From time to time, BC Manager, BC III DLVF III, BCTH or Argon Advisors may be a party to certain legal proceedings in the ordinary course of business, including proceedings of BC III DLVF III relating to the enforcement of its rights under contracts with its portfolio companies. While the outcome of these legal proceedings cannot be predicted with certainty, we do not expect that these proceedings will have a material effect upon our financial condition or results of operations.

## **CERTAIN SINGAPORE TAXATION CONSIDERATIONS**

The statements below are general in nature and are based on certain aspects of tax laws in Singapore and administrative guidelines issued by the Inland Revenue Authority of Singapore in force as of the date of this offering memorandum and are subject to any changes in such laws or administrative guidelines or the interpretation of those laws or guidelines, occurring after such date, which changes could be made on a retroactive basis. Neither these statements nor any other statements in this offering memorandum are intended or are to be regarded as advice on the tax position of any holder of the BCAP Tokens or of any person acquiring, selling or otherwise dealing with the BCAP Tokens or on any tax implications arising from the acquisition, sale or other dealings in respect of the BCAP Tokens. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the BCAP Tokens and do not purport to deal with the tax consequences applicable to all categories of investors. Prospective holders of the BCAP Tokens are advised to consult their own professional tax advisers as to Singapore or other tax consequences of the acquisition, ownership of or disposal of the BCAP Tokens, including the effect of any foreign, state or local tax laws to which they are subject. It is emphasized that neither Blockchain Capital, BC III DLVF, BC Manager, BCTH, Argon and its affiliates, nor any other persons involved in this Offering accepts responsibility for any tax effects or liabilities resulting from the subscription, purchase, holding or disposal of the BCAP Tokens.

### **Income Tax**

Under current Singapore income tax laws, gains or profits of an income nature which are sourced in Singapore or which are sourced outside Singapore but are received in Singapore will be subject to Singapore income tax, unless otherwise exempt under the Singapore Income Tax Act (Cap. 134 of Singapore).

There is generally no tax on capital gains in Singapore. Holders that acquire BCAP Tokens for long-term investment purposes may therefore enjoy a capital gain from the disposal of the BCAP Tokens which is not subject to Singapore income tax. Holders that acquire and dispose of BCAP Tokens in the ordinary course of their trade or business will be taxed on the gains or profits derived from trading in or carrying on a business in respect of BCAP Tokens.

Whether gains or profits from the disposal of BCAP Tokens are regarded as income or capital gains depends on the facts and circumstances of each case. Factors such as intention, frequency of transactions, and holding periods are considered when determining if such gains or profits are taxable.

### **Goods and Services Tax (“GST”)**

The supply of BCAP Tokens is likely to be regarded as a standard-rated supply for which GST at the rate of 7% is chargeable on such supply which is made in Singapore by a GST-registered person or a person who is liable to register for GST in the course or furtherance of that person’s business, unless such supply is made to a person belonging outside Singapore for which the supply may be zero-rated at 0% GST.

## **RISK FACTORS**

*Investing in the BCAP Tokens involves a high degree of risk. You should carefully consider the risks described below and the risks with respect to BCTH, the BCAP Token and cryptocurrency exchanges and the other information in this offering memorandum. There can be no assurance that BCAP Tokenholders will be able to receive a return of their capital or any returns on their investment.*

### **BCAP Token Risks**

#### ***No assurance of investment return.***

BC III DLVF cannot provide assurance that it will be able to choose, make and realize investments in any particular company or portfolio of companies. There is no assurance that BC III DLVF will be able to generate returns on its investments or that any returns will be commensurate with the risks of investing in the type of companies and transactions described herein. Furthermore, there is no assurance that if BC III DLVF does achieve returns on its investments, such returns will either be reflected in the trading price of BCAP Tokens or that BCAP Tokenholders will realize any of such returns. There can be no assurance that expected returns for the BCAP Tokenholders will be achieved, or that they will receive a return of their invested capital. An investment in BCAP Tokens should only be considered by persons who can afford a loss of their entire investment. BC III DLVF's investments, by their nature, involve a high degree of financial risk. Such investments may expose BC III DLVF's assets to the risks of material financial loss, which may in turn adversely affect the trading price of BCAP Tokens and the availability of funds for repurchases or redemptions of BCAP Tokens.

#### ***The BCAP Tokens are subject to significant transfer restrictions.***

The BCAP Tokens have not been registered under the 1933 Act, the securities laws of any state or the securities laws of any other jurisdiction and therefore cannot be resold, except as described in the section entitled "Transfer Restrictions" in this offering memorandum. U.S. Persons permitted to purchase BCAP Tokens will be required to maintain their BCAP Tokens on TokenHub for a period of one year from the issuance of the BCAP Tokens and will be required to make undertakings to TokenHub that they will not sell any other U.S. Person unless they sell all of their BCAP Tokens to a U.S. Person. Non-U.S. Persons holding BCAP Tokens will only be permitted to resell or transfer such tokens to other Non-U.S. Persons. These restrictions may adversely impact your ability to resell the BCAP Tokens or the price at which you may be able to resell them, if at all. BCAP Tokens are not redeemable at the option of the holder and BCAP Tokenholders will not have the right to withdraw their capital. It is not contemplated that the BCAP Tokens will ever be registered. No public market for the BCAP Tokens may develop. Each BCAP Token subscriber will be required to represent that it is a qualified investor under applicable securities laws and that it is acquiring BCAP Tokens for investment purposes and not with a view to resale or distribution. Further, each BCAP Tokenholder must represent that it will only sell or transfer its BCAP Tokens in accordance with the restrictions set forth under "Transfer Restrictions" in this offering memorandum and in a manner permitted by applicable laws and regulations. Consequently, BCAP Tokenholders must be prepared to bear the risk of an investment in BCAP Tokens for an extended period of time.

#### ***There is no existing trading market for the BCAP Tokens and an active trading market may not develop.***

The BCAP Tokens are a new issue of digital tokens for which there is no established public market. Although we intend to list the BCAP Tokens on several cryptocurrency exchanges, there can be no assurance that such exchanges will accept the listing of BCAP Tokens or maintain the listing if it is accepted. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide the holders with liquidity of investment or that it will continue for the life of the BCAP Tokens. The liquidity of any market for the BCAP Tokens will depend on a number of factors, including:

- the number of holders of BCAP Tokens;
- BC III DLVF's performance and financial condition;
- the market for similar digital tokens;
- the interest of traders in making a market in the BCAP Tokens; and
- regulatory developments in the digital token or cryptocurrency industries.

The digital token market is a new and rapidly developing market which may be subject substantial and unpredictable disruptions that cause significant volatility in the prices of digital tokens. We cannot assure you that the market, if any, for the BCAP Tokens will be free from such disruptions or that any such disruptions may not adversely affect your ability to sell your BCAP Tokens. Therefore, we cannot assure you that you will be able to sell your BCAP Tokens at a particular time or that the price you receive when you sell will be favorable.

***Holders of BCAP Tokens will have no voting rights and may have conflicts of interest with BCTH's shareholder***

BCAP Tokens have no voting rights or other management or control rights in either BCTH or BC III DLVF and the Limited Partnership Agreement between BCTH and BC III DLVF gives BCTH no voting rights or other management or control rights. Accordingly, for the foreseeable future, BC Manager will control decisions for BC III DLVF that in other companies would require stockholder or limited partner approval, including the amendment of the Limited Partnership Agreement, the election of directors and significant corporate transactions, such as a merger or other sale of our company or our assets, or the election to liquidate or terminate the fund.

Furthermore, BCTH is currently an indirect wholly owned subsidiary of an affiliate of Argon Advisors. Although BCTH does not intend to conduct any business other than the issuing of the BCAP Tokens, administering the Smart Contract and exercising rights as a limited partner of BC III DLVF, conflicts of interest between BCTH's sole shareholder and the BCAP Tokenholders may arise. BCTH's sole shareholder will control BCTH's decisions and actions and the BCAP Tokenholders will have no voting rights or other ability to influence the decisions or actions taken by BCTH.

***Holders of BCAP Tokens will have no distribution or liquidation rights.***

BCAP Tokens will have no distribution or dividend rights. The only right of capital return that the BCAP Tokens have is on a redemption at the election of BC III DLVF, which may under the circumstances not return 100% of the initial investment made in the BCAP Token. Upon a liquidation, bankruptcy or other dissolution of BC III DLVF, BCAP Tokenholders will not be entitled to liquidation rights, although BC III DLVF and BCTH intend to use their best efforts to return any available proceeds following a liquidation, bankruptcy or other dissolution of BC III DLVF to BCAP Tokenholders if such an event occurs. Furthermore, BC III DLVF has no fixed termination date and is under no obligation to redeem the BCAP Tokens at any time.

***Repurchase or redemption of BCAP Tokens.***

The BCAP Tokenholders do not have the right to compel us to redeem our BCAP Tokens. BCTH may, however, purchase outstanding BCAP Tokens from time to time. BC Manager may allocate funds to BC III DLVF or BCTH for the open-market purchases or privately negotiated transactions in BCAP Tokens from time to time when deemed to be in the best interest of BC III DLVF. BCTH will have no funds apart from those contributed by BC III DLVF available for the repurchase or redemption of BCAP Tokens. Public purchases would be conducted only after notification to BCAP Tokenholders through a press release or other means. BC Manager may or may not decide to allocate any funds to BCTH for the repurchase or redemption of our BCAP Tokens.

Furthermore, BCTH has the right to redeem the BCAP Tokens after ten years or earlier upon the occurrence of certain regulatory events. The amount for which we redeem your BCAP Tokens in these circumstances may be below market price and may adversely impact your return on your investment. In addition, we will redeem BCAP Tokens from no more than 99 U.S. Persons with redemption priority given to the 99 U.S. Persons who purchased their BCAP Tokens in this Offering. If more than 99 U.S. Persons present BCAP Tokens for redemption some of such persons will not receive any funds in redemption of their BCAP Tokens, which may result in a loss of their full investment amount. U.S. Persons acquiring BCAP Tokens following this Offering are strongly encouraged not to acquire BCAP Tokens from Non-U.S. Persons and to ensure that any U.S. Person from whom they acquire BCAP Tokens has not resold or otherwise transferred BCAP Tokens to any additional U.S. Persons.

**Regulatory Risks**

***Developing regulatory regimes.***

Regulation of tokens (including the BCAP Tokens) and token offerings such as this, cryptocurrencies (including Ethereum), blockchain technologies, and cryptocurrency exchanges currently are undeveloped and likely to rapidly evolve, varies significantly among international, federal, state and local jurisdictions and are subject to significant uncertainty. Some of the companies in which BC III DLVF invests may operate in highly regulated industries. We believe that various legislative and executive bodies in the United States and in other countries are

currently considering, or may in the future consider, laws, regulations, guidance, or other actions, which may severely impact BC III DLVF's ability to invest, or BC III DLVF's portfolio companies ability to gain market share. Failure by BC Manager, BC III DLVF, BCTH, Argon Advisors or BC III DLVF's portfolio companies to comply with any laws, rules and regulations, some of which may not exist yet or are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines.

New or changing laws and regulations or interpretations of existing laws and regulations may adversely impact BC III DLVF's ability to earn returns on investments, the value of the currency in which we may redeem BCAP Tokens or otherwise make distributions on BCAP Tokens, the liquidity and market price of BCAP Tokens, your ability to access marketplaces on which to trade BCAP Tokens, BCTH's ability to operate as an ongoing concern and the structure, rights and transferability of BCAP Tokens. Therefore, there can be no assurance that any new or continuing regulatory scrutiny or initiatives will not have an adverse impact on the value of BCAP Tokens and otherwise impede BCTH's and BC III DLVF's activities.

***Tax risks.***

The tax characterization of BCAP Tokens is uncertain and an investor must seek its own tax advice in connection with an investment in BCAP Tokens. An investment in BCAP Tokens may result in adverse tax consequences to investors, including withholding taxes, income taxes and tax reporting requirements. It is possible that the income of BCTH would be subject to significant amounts of income and/or withholding taxes. Each potential investor should consult with and must rely upon the advice of its own professional tax advisors with respect to the United States and non-U.S. tax treatment of an investment in BCAP Tokens.

***Foreign investments.***

BC III DLVF may invest outside of the United States. Foreign securities involve certain factors not typically associated with investing in U.S. securities, including risks relating to (i) currency fluctuations and associated conversion costs; (ii) differences between the U.S. and foreign securities markets, including volatility in and relative illiquidity of some foreign securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision; (iii) certain economic and political risks, including potential restrictions on foreign investment and repatriation of capital and the possibility of expropriation or confiscatory taxation; and (iv) the imposition of foreign withholding or other taxes with respect to such investment. Prospective investors should also note the considerations discussed under the section entitled "Certain Tax Considerations."

***Lack of registration.***

None of BC Manager or its affiliates, BCTH, BC III DLVF or Argon Advisors or its affiliates or this Offering is currently registered under the U.S. Investment Advisers Act of 1940, as amended (the "***Advisers Act***"), the Investment Company Act of 1940, as amended (the "***Investment Company Act***"), the Securities Act, the Securities and Exchange Act of 1934, as amended (the "***Exchange Act***"), as a broker-dealer under U.S. securities laws, or under any other applicable international, federal or state securities, commodity, derivative or other applicable legal or regulatory regime. Persons, instruments or offerings registered under the Advisers Act, the Investment Company Act, the Securities Act, the Exchange Act, as a U.S. broker-dealer and under other legal or regulatory regimes, as applicable, may be required to comply with a variety of disclosure, reporting, compliance and operating-related obligations intended to protect investors. So long as we are not subject to such requirements, or if we fail to adequately comply with such requirements if applicable, you will not have the benefit of such investor protections and will not receive disclosure commensurate with that provided by registered entities.

If the Securities and Exchange Commission, U.S. Commodity Futures Trading Commission (the "***CFTC***") or any other body were to require the registration of this Offering, the BCAP Tokens or BCTH, BC III DLVF, BC Manager, Argon Advisors or their respective affiliates under Advisers Act, the Investment Company Act, the Securities Act, the Exchange Act or any other legal or regulatory scheme, as applicable, there can be no assurance that such persons would be able to timely comply with the requirements of such registration or at all. Neither BCTH, BC III DLVF nor its counsel can assure investors that BCTH and BC III DLVF may not become subject to the Investment Company Act, the Advisers Act, the Exchange Act, U.S. broker-dealer rules or other burdensome regulation either as a result of new or evolving laws and regulations and interpretations or existing laws, regulations and interpretations. Compliance with the disclosure, reporting, compliance and operating-related obligations of a registered entity or offering may be expensive and time-consuming, which may distract management from its investment and operating objectives, increase overhead expenses and decrease funds available for investments and

the repurchase or redemption of BCAP Tokens. Such compliance may require us to change the management and governance provisions outlined in this offering memorandum or the rights of BCAP Tokenholders.

Any requirement for BC Manager or its affiliates, BCTH, BC III DLVF or Argon Advisors to register under the Advisors Act, the Investment Company Act, the Securities Act, the Exchange Act, as a broker-dealer under U.S. securities laws, or under any other applicable federal or state securities, commodity, derivative or other applicable legal or regulatory regime, or any penalty for failure to do so, or any determination that this Offering was not conducted in accordance with applicable laws and regulations, could subject such persons to civil or criminal penalties and fines, which could adversely impact the ability of BC Manager, BCTH, BC III DLVF, or Argon Advisors to take the actions outlined in this offering memorandum and conduct their business as described in this offering memorandum, or at all. Furthermore, such a requirement, penalty or determination could adversely impact the rights, value and transferability of the BCAP Tokens and impair your ability to recover your investment in the BCAP Tokens.

***We rely on complex exemptions from statutes in conducting our activities.***

We regularly rely on exemptions from various requirements of the Securities Act, the Securities Exchange Act of 1934, as amended, and the Investment Company Act, in conducting our asset management activities. These exemptions are sometimes highly complex and may in certain circumstances depend on compliance by third parties whom we do not control. If for any reason these exemptions were to become unavailable to us, we could become subject to regulatory action or third party claims and our business could be materially and adversely affected. For example, the “bad actor” disqualification provisions of Rule 506 of Regulation D under the Securities Act ban an issuer from offering or selling securities pursuant to the safe harbor rule in Rule 506 if the issuer or any other “covered person” is the subject of a criminal, regulatory or court order or other “disqualifying event” under the rule which has not been waived. The definition of “covered person” includes an issuer’s directors, BC Managers, managing members and executive officers; affiliates who are also issuing securities in the offering; beneficial owners of 20% or more of the issuer’s outstanding equity securities; and promoters and persons compensated for soliciting investors in the offering. Accordingly, our ability to rely on Rule 506 to offer or sell securities would be impaired if we or any “covered person” is the subject of a disqualifying event under the rule and we are unable to obtain a waiver. The requirements imposed by our regulators are designed primarily to ensure the integrity of the financial markets and to protect investors in our investment funds and are not designed to protect our BCAP Tokenholders. Consequently, these regulations often serve to limit our activities and impose burdensome compliance requirements.

***Registration under the U.S. Commodity Exchange Act.***

Registration with the CFTC as a “commodity pool operator” or as a “commodity trading advisor” or any change in BC III DLVF’s operations necessary to maintain BC Manager’s ability to rely upon the exemptions from registration as could adversely affect BC Manager and BC III DLVF’s ability to implement its investment program, conduct its operations and/or achieve its objectives and subject BC III DLVF to certain additional costs, expenses and administrative burdens. Furthermore, any determination by BC Manager to cease or to limit investing in interests which may be treated as “commodity interests” in order to comply with the regulations of the CFTC may have a material adverse effect on BC III DLVF’s ability to implement its investment objectives and to hedge risks associated with its operations.

In addition, the treatment of instruments such as the BCAP Tokens under current regulation is extremely uncertain. The CFTC may decide to regulate the BCAP Tokens as commodities. If that were occur this Offering may be deemed not to comply with applicable law and regulation for the offering and sale of commodities, which may expose BCTH and BC III DLVF to civil penalties or fines with may impair their ability to continue operating and adversely impact the value of the BCAP Tokens. Furthermore, if the CFTC were to regulate the BCAP Tokens as commodities BCTH, BC Manager, BC III DLVF and/or Argon Advisors may be subject to additional registration, reporting, compliance and operating restrictions. There can be no assurance that any of such persons would be capable of meeting such requirements in a timely manner or at all. If BCTH, BC Manager, BC III DLVF or Argon Advisors are unable to comply with requirements imposed by the CFTC they may be subject to civil penalties or fines if their actions are not deemed to comply with applicable law and regulations. Such consequences may endanger BCTH’s or BC III DLVF’s ability to continue to operate as described in this offering memorandum or at all and adversely impact the value of your investment.

***Compliance with the AIFM Directive.***

The European Union Alternative Investment Fund Managers Directive (the “**Directive**”) took effect at a national level within the member states of the European Union (the “**EU**”) on July 22, 2013. Subject to the availability of any applicable transitional relief, the Directive will from this time impose new requirements on non-EU alternative investment fund managers (“**AIFM**”) which market alternative investment funds (“**AIF**”) to professional investors within the EU.

In particular, the Directive requires suitable co-operation agreements to be in place as between the relevant regulators of the United States and each EU member state in which BCAP Tokens are being marketed, the absence of which will potentially restrict the ability of BCTH to offer BCAP Tokens to investors in such EU member states and may therefore limit BCTH’s ability to attract investors based in the EU and lead to a reduction in the overall amount of capital invested in BCTH. This may, in turn, have an adverse impact upon the operations of BCTH, including the range of investment strategies that BCTH is able to pursue. The Directive may also impose additional disclosure and reporting requirements in relation to BCTH and BC III DLVF and its investments, compliance with which may involve additional costs, as well as restrictions on early distributions or reductions in capital in respect of EU portfolio companies (the so-called “asset stripping” rules) which may result in additional costs and may limit the use of certain investment and realization strategies (such as dividend recapitalization and reorganizations) which do not apply to non-AIF/AIFM competitors not subject to the Directive, thereby potentially placing BCTH at a disadvantage to such competitors.

From October 2015, it may be possible for non-EU AIFMs to market an AIF within the EU pursuant to a pan-European marketing “passport” instead of under national private placement regimes, provided that the AIFM complies with all relevant provisions of the Directive including, among other things, rules relating to the remuneration of certain personnel, minimum regulatory capital requirements, restrictions on use of leverage, further disclosure and reporting requirements to both investors and EU home state regulators, the independent valuation of an AIF’s assets and the appointment of legal representatives and an independent depository to hold assets. As a result, the Directive could in the future have other adverse effects in relation to BCTH, BC III DLVF and BC Manager’s business by, among other things, increasing the regulatory burden and costs of operating and managing BCTH and BC III DLVF and its investments, and potentially requiring changes to compensation structures for key personnel, thereby affecting BC Manager’s ability to recruit and retain these personnel.

More generally, implementation of the Directive (and/or the interpretation thereof) could expose BCTH, BC Manager and/or BC III DLVF to conflicting regulatory requirements in the United States and the EU and its member states.

It should be noted that the final scope and requirements of the Directive remain uncertain, and are subject to change as a result of enactment both of EU secondary legislation and national implementing legislation in EU member states.

***Risk arising from potential control group liability.***

Under ERISA, upon the termination of a tax-qualified single employer defined benefit pension plan, the sponsoring employer and all members of its “controlled group” will be jointly and severally liable for 100% of the plan’s unfunded benefit liabilities whether or not the controlled group members have ever maintained or participated in the plan. In addition, the Pension Benefit Guaranty Corporation (the “PBGC”) may assert a lien with respect to such liability against any member of the controlled group on up to 30% of the collective net worth of all members of the controlled group. Similarly, in the event a participating employer partially or completely withdraws from a multiemployer (union) defined benefit pension plan, any withdrawal liability incurred under ERISA will represent a joint and several liability of the withdrawing employer and each member of its controlled group.

A “controlled group” includes all “trades or businesses” under 80% or greater common ownership. This common ownership test is broadly applied to include both “parent-subsidiary groups” and “brother-sister groups” applying complex exclusion and constructive ownership rules. However, regardless of the percentage ownership that BC III DLVF holds in one or more of its portfolio companies, BC III DLVF itself cannot be considered part of an ERISA controlled group unless BC III DLVF is considered to be a “trade or business”.

While there are a number of cases that have held that managing investments is not a “trade or business” for tax purposes, in 2007 the PBGC Appeals Board ruled that an investment fund was a “trade or business” for ERISA controlled group liability purposes and at least one Federal Circuit Court has similarly concluded that an investment



fund could be a trade or business for these purposes based upon a number of factors, including the fund's level of involvement in the management of its portfolio companies and the nature of any management fee arrangements.

If BC III DLVF were determined to be a trade or business for purposes of ERISA, it is possible, depending upon the structure of the investment by BC III DLVF and/or its affiliates and other co-investors in a portfolio company and their respective ownership interests in the portfolio company, that any tax-qualified single employer defined benefit pension plan liabilities and/or multiemployer plan withdrawal liabilities incurred by the portfolio company could result in liability being incurred by BC III DLVF, with a resulting need for additional capital contributions, the appropriation of BC III DLVF's assets to satisfy such pension liabilities and/or the imposition of a lien by the PBGC on certain BC III DLVF's assets. Moreover, regardless of whether or not BC III DLVF were determined to be a trade or business for purposes of ERISA, a court might hold that one of BC III DLVF's portfolio companies could become jointly and severally liable for another portfolio company's unfunded pension liabilities pursuant to the ERISA "controlled group" rules, depending upon the relevant investment structures and ownership interests as noted above.

***Developments in regulation in the U.S. or other countries may alter the nature of our business or restrict the use of blockchain assets or the operation of a blockchain network upon which we rely in a manner that adversely affects our business or the BCAP Token. The application of existing U.S. regulation to the BCAP Token is unclear.***

As blockchain networks and blockchain assets have grown in popularity and in market size, federal and state agencies have begun to take interest in, and in some cases regulate, their use and operation. In the case of virtual currencies, state regulators like the New York Department of Financial Services have created new regulatory frameworks. Others, as in Texas, have published guidance on how their existing regulatory regimes apply to virtual currencies. Some states, like New Hampshire and North Carolina, have amended their state's statutes to include virtual currencies into existing licensing regimes. Treatment of virtual currencies continues to evolve under federal law as well. Both the Department of the Treasury and the Commodity Futures Trading Commission, for example, have published guidance on the treatment of virtual currencies like Bitcoin. The IRS released guidance treating ether as property that is not currency for US federal income tax purposes, although there is no indication yet whether other courts or federal or state regulators will follow this classification. Both federal and state agencies have instituted enforcement actions against those violating their interpretation of existing laws.

The regulation of non-currency use of blockchain assets is of particular relevance to our business. For example, neither the SEC nor the CFTC has formally asserted regulatory authority over any particular blockchain network. CFTC has publicly taken the position that certain blockchain assets are commodities, but SEC has not taken the position that any particular blockchain asset is a security. To the extent that a domestic government or quasi-governmental agency exerts regulatory authority over a blockchain network or asset upon which our business relies, our business and your investment in the BCAP Token may be adversely affected.

***Developments in U.S. commercial and corporate laws may alter the nature of our business or restrict the use of blockchain assets or the operation of a blockchain network upon which we rely in a manner that adversely affects our business or the BCAP Token. The application of existing U.S. commercial and corporate laws to the BCAP Token is unclear.***

Because of the differences between the BCAP Token and traditional investment securities, there is a risk that issues that might easily be resolved by existing law if traditional securities were involved may not be easily resolved for the BCAP Token. For example, there is little precedent on how existing law might treat the issue, fungibility, settlement finality, transfer, collateralization, sequestration, loan, hypothecation, redemption or other disposition of BCAP Token. There is also little precedent on how existing law might treat the rights and obligations between and among BCTH and investors. The occurrence of any related issue or dispute could have a material adverse effect on our business or the BCAP Token. New developments in the law may also adversely affect the treatment of the BCAP Token or our business.

***Developments in foreign regulation, corporate and commercial laws may alter the nature of our business or restrict the use of blockchain assets or the operation of a blockchain network upon which we rely in a manner that adversely affects our business.***

Blockchain networks currently face an uncertain regulatory landscape in not only the United States but also in many foreign jurisdictions such as the European Union, China and Russia. Various foreign jurisdictions may, in the near future, adopt laws, regulations or directives that affect the Ethereum Network and its users, particularly Ethereum Exchanges and service providers that fall within such jurisdictions' regulatory scope. Such laws, regulations or directives may conflict with those of the United States or may directly and negatively impact our business. The effect of any future regulatory change or ether is impossible to predict, but such change could be substantial and adverse to our business.

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The foregoing risks do not purport to be a complete explanation of all the risks involved in acquiring a BCAP Token. Potential investors are urged to read this entire offering memorandum before making a determination whether to invest in BCAP Tokens.

#### **BCTH and BC III DLVF Risks**

***We are new entities with no operating history.***

BCTH was incorporated in March 2017 and BC III DLVF was registered in April 2017 and neither has yet commenced operations. Both BCTH and BC III DLVF are subject to all of the business risks and uncertainties associated with any new business, including the risk that BC III DLVF will not achieve its investment objectives and that the value of your investment could decline substantially. The initial and only asset of BCTH will be the sole limited partnership interest in BC III DLVF. The sole initial asset of BC III DLVF will be the gross proceeds from this Offering less offering expenses. Initially, BC III DLVF will invest the remainder of the cash received from the issuance in short-term investments, such as cash and cash equivalents, which we expect will earn low yields. Given the current low level of return for short-term fixed income investments, and given BC III DLVF's management fee and other expenses, BC III DLVF will likely lose money until it becomes fully invested.

***Highly competitive market for investment opportunities.***

The activity of identifying, completing and successfully disposing of attractive public and private investments is highly competitive and involves a high degree of uncertainty. There can be no assurance that BC III DLVF will be able to locate and complete investments that satisfy BC III DLVF's rate of return objectives or realize their values, or that BC III DLVF will be able to fully invest its capital.

***Implementation of BC Manager's investment strategy.***

Although BC III DLVF and BC Manager currently intend to pursue the investment strategy set forth under "Blockchain Capital III Digital Liquid Venture Fund L.P." in this offering memorandum, they may change any aspect of their strategy at their discretion at any time. Accordingly, the industries, risk profiles, types of assets, technologies and types of portfolio companies in which BC III DLVF invests may differ from those described in this offering memorandum and currently contemplated. The success of the BC III DLVF's trading activities depends in large part on BC Manager's ability to identify attractive investment opportunities. Identification and exploitation of the investment strategies to be pursued by BC III DLVF involves a high degree of uncertainty. No assurance can be given that BC Manager will be able to locate suitable investment opportunities in which to deploy all of BC III DLVF's capital. A reduction in the volatility and pricing inefficiency of the markets in which BC III DLVF will seek to invest, as well as other market factors, will reduce the scope for BC III DLVF's investment strategies. In some of BC III DLVF's

investments, BC III DLVF may seek constructively to work with management. There can be no assurance that the management of any company will agree or acquiesce to BC III DLVF's involvement in the affairs of the company, or that the strategies that BC III DLVF helps to implement will be effective. While BC Manager believes the confidentiality of BCAP Tokenholders will be protected, there is no certainty that any adverse publicity attaching to BC III DLVF's efforts to influence management will not have adverse consequences for BCAP Tokenholders, as well as for BC III DLVF generally.

***Ultimate fund size.***

The number of investments and potential profitability of BC III DLVF could be affected by the amount of funds at its disposal, and, in the event BC III DLVF obtains less than the target amount of capital for investment, BC III DLVF's investment return might be affected to a greater degree by errors in investment decisions than the investment returns of other entities with greater capitalization.

***Master-feeder structure.***

BC III DLVF may enter into an arrangement with additional investment funds managed by BC Manager or its affiliates with the same or substantially similar investment objectives as BC III DLVF's to either allow other funds to contribute their assets to BC III DLVF to invest, or to pursue its investment activities by investing all or a portion of its assets in a "Master Fund" that will conduct the investment activities described in this offering memorandum. The "master-feeder" fund structure presents certain unique risks to investors. For example, a smaller feeder fund investing in a "Master Fund" may be materially affected by the actions of a larger feeder fund investing in such "Master Fund." If a larger feeder fund redeems its shares of a "Master Fund," a remaining feeder fund may experience higher *pro rata* operating expenses, thereby producing lower returns. A "Master Fund" may become less diverse due to a redemption by a larger feeder fund, resulting in increased portfolio risk. A "Master Fund" is a single entity and creditors of such master fund may enforce claims against all assets of such master fund.

***Other activities of BC Manager and its affiliates.***

BC Manager, certain of its personnel or affiliates may in the future serve as investment manager for other investment funds and investment accounts, including those with substantially the same investment objectives as BC III DLVF's (which may pursue its investment activities by contributing its assets to BC III DLVF), and also including additional investment funds and/or client accounts with investment objectives that differ in some respects to BC III DLVF's investment objective. An affiliate of BC Manager currently also manages Blockchain Capital's other funds, including Crypto Currency Partners, LP and Crypto Currency Partners II, LP, with similar investment strategies to BC III DLVF, and may form successors thereto or other investment funds, and BC Manager's personnel and affiliates will also devote time to such funds. Neither BC Manager nor any of its personnel or affiliates is obligated to make any particular investment opportunity available to BC III DLVF, and they may take advantage of any opportunity, either for other accounts BC Manager, its personnel or affiliates manages or for themselves. Differences in compensation arrangements among investment funds managed by BC Manager, its personnel or affiliates and the fact that such persons may participate in the profits of other investment funds may create incentives for BC Manager and its personnel to manage BC III DLVF so as to favor those other funds.

***Risks associated with ICOs.***

BC III DLVF may invest some of its assets on ICOs. BC III DLVF's investments in these assets may be very sensitive to movements in related markets and trends and ICO markets, including regulatory developments, enforcement actions, security concerns and technological developments. In addition, by investing in such assets BC III DLVF may be subject to international, federal and state securities, commodity or other laws which may, among other things, restrict BC III DLVF's ability to sell a portfolio investment and adversely impact the value of its assets.

***Reliance on portfolio company management teams.***

Each portfolio company's day-to-day operations will be the responsibility of such company's management team. Although BC Manager will be responsible for monitoring the performance of each portfolio investment, there can be no assurance that the existing management team, or any successor, will be able to operate the portfolio company successfully.

***Investment availability and strategy.***

The success of BC III DLVF's investment activities depends on BC Manager's ability to identify investment opportunities. Identification and exploitation of investment opportunities to be pursued by BC III DLVF involves a

high degree of uncertainty. A reduction in the volatility and pricing inefficiency of the markets in which BC III DLVF will seek to invest or systematic or structural changes in the equity or credit markets generally may reduce or increase the scope of BC III DLVF's investment opportunities. No assurance can be given that BC Manager will be able to locate suitable investment opportunities in which to deploy BC III DLVF's capital.

***Investments in start-ups and smaller capitalization companies.***

Many investment opportunities in blockchain industries and technologies in which BC III DLVF intends to invest are with start-ups with limited operating history and small market capitalization companies. While BC Manager believes that such investments can provide significant potential for appreciation, it recognizes that such investments may involve higher risks than investments in larger or more established companies and the value of such investments is likely to be more volatile. Further, the risk of bankruptcy or insolvency of many start-ups and smaller companies (with the attendant loss to investors) is higher than for larger and more established companies. In addition, investments in these types of companies may be characterized by reduced liquidity and more abrupt and erratic market price movements than those of larger, more established companies.

***Non-control investments.***

BC III DLVF will hold a non-controlling interest in most of its portfolio companies and, therefore, may have a limited ability to protect its positions in such companies. In these cases, BC III DLVF will be significantly reliant on the existing management and board of directors of such companies, which may include representatives of other financial investors with whom BC III DLVF is not affiliated and whose interests may conflict with the interests of BC III DLVF.

***Material, non-public information.***

By reason of its investment in a portfolio company or otherwise, BC Manager may acquire confidential or material non-public information or otherwise be restricted from initiating transactions in certain securities. BC III DLVF will not be able to act upon any such information. Due to these restrictions, BC III DLVF may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell a portfolio investment that it otherwise might have sold.

***Illiquid and long-term investments.***

BC III DLVF may make investments in securities that have limited liquidity. Some investments held by BC III DLVF may not be able to be sold except pursuant to a registration statement filed under the Securities Act or in accordance with Rule 144 or another exemption under the Securities Act. The market prices, if any, of such investments tend to be volatile and BC III DLVF may not be able to sell such investments when it desires, or, upon sale, to realize what it perceives to be their fair value. Further, companies whose securities are not publicly traded are not subject to the disclosure and other investor protection requirements applicable to publicly traded securities. Dispositions of such investments may require a lengthy time period locking up capital and decreasing funds available for repurchases or redemptions of BCAP Tokens or investments in more attractive opportunities. If BC III DLVF were forced to sell such an investment, it may not receive fair value therefor.

***Leverage.***

Certain of BC III DLVF's portfolio companies may have capital structures with significant leverage. Consequently the leveraged capital structure of such portfolio companies will increase their exposure to adverse factors such as rising interest rates, downturns in the economy or a deterioration in the business of a portfolio company or its industry, and may impair such companies' ability to meet their debt obligations. Additionally, BC III DLVF may leverage its investment positions by borrowing. Failure to satisfy the terms of debt incurred by BC III DLVF can have negative consequences, including forced liquidation of other BC III DLVF investments in order to satisfy the borrower's obligations. Leverage may also take the form of trading on margin, which will result in interest charges that could be substantial. The use of leverage will have the effect of increasing the volatility of BC III DLVF's investments.

***High yield and preferred securities.***

BC III DLVF's investments may include "high yield" bonds, convertible and preferred securities that are rated in the lower rating categories by the various credit rating agencies or comparable non-rated securities. Securities in the lower-rated categories and comparable non-rated securities are subject to greater risk of loss of principal and interest than higher-rated and comparable non-rated securities, and are generally considered to be predominantly

speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with lower-rated and comparable non-rated securities, the markets for such securities may be more volatile, less liquid, and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold and may even make it impractical or impossible to sell such securities at times of extreme market dislocation.

#### ***Distressed securities.***

Certain of BC III DLVF's assets may be invested in distressed securities. Investments in distressed securities involve acquiring securities of companies that are experiencing significant financial or operating difficulties and of companies that are, or appear likely to become, bankrupt or involved in a debt restructuring or other major capital transaction. Investment in distressed securities involves a high degree of credit and market risk. Although BC III DLVF will invest in select companies that, in the view of BC Manager, have the potential for attractive risk-adjusted returns, there can be no assurance that such financially troubled issuers or operationally troubled issuers can be successfully restructured or transformed into profitable operating companies. During an economic downturn or recession, securities of distressed issuers are more likely to go into default than securities of other issuers. In addition, it may be difficult to obtain information about financially troubled issuers and operationally troubled issuers. Distressed securities are less liquid and more volatile than securities of companies not experiencing financial or operating difficulties. The market prices of such securities are subject to erratic and abrupt market movements and the spread between bid and asked prices may be greater than normally expected. In addition, it is anticipated that many of BC III DLVF's distressed investments may not be widely traded and that BC III DLVF's investment in such securities may be substantial relative to the market for such securities. As a result, BC III DLVF may experience delays and incur losses and other costs in connection with the sale of such securities.

BC III DLVF may invest in the securities of companies involved in bankruptcy proceedings, reorganizations and financial restructurings and may have a more active participation in the affairs of the issuer than is generally assumed by an investor. This may subject BC III DLVF to litigation risks or prevent BC III DLVF from disposing of securities. In a bankruptcy or other proceeding, BC III DLVF as a creditor may be unable to enforce its rights in any collateral or may have its security interest in any collateral challenged, disallowed or subordinated to the claims of other creditors. In addition, under certain circumstances, payments to BC III DLVF and distributions by BC III DLVF to BCAP Tokenholders may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

#### ***Hedging policies/risks.***

BC III DLVF may employ hedging techniques, including, but not limited to, short sales and put and call options, designed to reduce the risks of adverse movements in interest rates, securities prices and currency exchange. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while BC III DLVF may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, or currency exchange rates may result in a poorer overall performance for BC III DLVF than if it had not entered into such hedging transactions. For example, to complete a short sale, BC III DLVF generally must borrow the securities from a third party in order make delivery to the buyer. BC III DLVF will be obligated to return securities equivalent to those borrowed at any time on demand of the lender of the securities borrowed by purchasing them at the market price at the time of replacement. Theoretically, short selling may be subject to unlimited risk of loss because there may be no limit on how much the price of a security may appreciate before the short position is closed. As a hedging technique, BC III DLVF may also purchase exchange-listed and over-the-counter put and call options on specific securities or write and sell covered or uncovered call and put option contracts. Use of put and call options may result in losses to BC III DLVF, force the sale or purchase of portfolio securities at inopportune times or for prices higher than (in the case of put options) or lower than (in the case of call options) current market values, limit the amount of appreciation BC III DLVF can realize on its investments or cause BC III DLVF to hold a security it might otherwise sell. For example, a decline in the market price of a particular security could result in a complete loss of the amount expended by BC III DLVF to purchase a call option (equal to the premium paid for the option and any associated transaction charges). An adverse price movement may result in unanticipated losses with respect to covered options sold by BC III DLVF. The use of uncovered option writing techniques may entail greater risks of potential loss to BC III DLVF than other forms of options transactions.

***Risk of limited number of investments.***

BC III DLVF may participate in a limited number of investments and, as a consequence, the aggregate return of BC III DLVF may be substantially adversely affected by the unfavorable performance of even a single investment. Investors have no assurance as to the degree of diversification of BC III DLVF's portfolio investments, either by geographic region, asset type or sector. In circumstances where BC Manager intends to refinance all or a portion of the capital invested in a transaction, there will be a risk that such refinancing may not be completed, which could lead to increased risk as a result of BC III DLVF's having an unintended long-term investment as to a portion of the amount invested and/or reduced diversification.

***Contingent liabilities on disposition of portfolio investments.***

In connection with the disposition of a portfolio investment, BC III DLVF may be required to make representations about the business and financial affairs of such company typical of those made in connection with the sale of a business. BC III DLVF also may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which BC Manager may establish reserves or escrows.

***BC III DLVF valuation.***

Because of the illiquidity of certain positions that may be held by BC III DLVF, the liquidation values of BC III DLVF's securities and other investments may differ significantly from the interim valuations of such investments made by BC Manager. Such differences may be further affected by the time frame within which such liquidation occurs. Third-party pricing information may not be available regarding certain of BC III DLVF's securities and other investments.

***Investments with third parties.***

BC III DLVF may co-invest with third parties, thereby acquiring non-controlling interests in certain portfolio companies. BC III DLVF may not have control over these companies and, therefore, may have a limited ability to protect its position therein. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that a third party partner or co-investor may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of BC III DLVF, or may be in a position to take action contrary to BC III DLVF's investment objectives. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements. Such compensation arrangements will reduce the return to participants in the investments. In addition, BC III DLVF may in certain circumstances be liable for the actions of its third party partners or co-investors.

***Effect of management fee and carried interest.***

The existence of BC Manager's annual management fee of 2.5% of NAV and carried interest of 25% of BC III DLVF's realized capital gains calculated may create an incentive for BC Manager to make riskier or more speculative investments on behalf of BC III DLVF than would be the case in the absence of this arrangement.

***Expedited transactions.***

Investment analyses and decisions by BC Manager may be undertaken on an expedited basis in order for BC III DLVF to take advantage of available investment opportunities. In such cases, the information available to BC Manager at the time of the investment decision may be limited, and BC Manager may not have access to the detailed information necessary for a thorough evaluation of the investment opportunity. Further, BC Manager may conduct its due diligence activities over a very brief period.

***Limited operating history.***

Although the personnel of BC Manager have managed other investment funds, the prior results of such funds or their prior investments are not indicative of the results that BC III DLVF may achieve in the future.

***Reliance on BC Manager and BCTH.***

BC Manager has exclusive responsibility for BC III DLVF's activities, and, BCAP Tokenholders will not be able to make investment or any other decisions in the management of BC III DLVF or its portfolio companies. Furthermore, BCAP Tokenholders will have no voting or other rights to make decisions with respect to BCTH or its

management. The success of BC III DLVF will depend in part upon the skill and expertise of the personnel of BC Manager. There can be no assurance that these persons will continue to be associated with BC Manager.

***NAV valuations.***

When BC III DLVF invests in illiquid securities or instruments for it may be difficult for BC Manager to accurately determine the fair market value. Valuations of such assets for the purposes of determining BC III DLVF's NAV may be speculative and will depend largely on BC Manager's judgment. Furthermore, BC Manager may rely on information provided by third parties in valuing BC III DLVF's liquid or illiquid assets and its liabilities, which information which may be incomplete, inaccurate or otherwise unreliable. To the extent BC Manager relies on such information, its valuations and NAV calculations may be inaccurate. BC Manager's judgment on such matters shall be binding and not subject to audit by BCTH, the BCAP Tokenholders or other outside persons.

***Broker or dealer insolvency.***

While great care is taken in selecting the brokers, dealers, exchanges or wallets that will maintain custody of certain of the assets of BC III DLVF, there is a residual risk that any of such persons could become insolvent or otherwise become insecure. There may be practical or timing problems associated with enforcing the rights of BC III DLVF to its respective assets in the case of an insolvency or security disruption of any such party.

***Misconduct of employees and of third party service providers.***

Misconduct by employees of BC Manager or third party service providers could cause significant losses to BC III DLVF. Employee misconduct may include binding BC III DLVF to transactions that exceed authorized limits or present unacceptable risks and unauthorized trading activities or concealing unsuccessful trading activities (which, in either case, may result in unknown and unmanaged risks or losses). Losses could also result from actions by third party service providers, including, without limitation, failing to recognize trades and misappropriating assets. In addition, employees and third party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting BC III DLVF's business prospects or future marketing activities. No assurances can be given that the due diligence performed by BC Manager will identify or prevent any such misconduct.

***Future and past performance.***

The performance of the prior investments of the members of BC Manager's executive team may not be indicative of BC III DLVF's future results. While BC Manager intends for BC III DLVF to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurance that targeted results will be achieved. Loss of principal is possible on any given investment. There can be no assurance that BC III DLVF will achieve its investment objective over the long-term.

***BC Manager and its management manage other funds.***

In addition to managing BC III DLVF, the management of BC Manager is also the manager of other venture capital funds in the Blockchain Capital family: Blockchain Capital I, LP (previously known as Crypto Currency Partners I, LP), Blockchain Capital II, LP (previously known as Crypto Currency Partners II, LP,) and Blockchain Capital III, LP, as well as Stephens Investment Management, LLC. Furthermore, Blockchain Capital and BC Manager may advise additional funds in the future or undertake other commercial obligations. This may reduce the time BC Manager and its investment management team have to devote to the affairs of BC III DLVF and adversely impact return on BC III DLVF's capital deployments.

***Conflicts of interest.***

The following discussion enumerates certain potential conflicts of interest that should be carefully evaluated before making an investment in BCAP Tokens. The following is not intended as an exhaustive list of the potential conflicts. Instances may arise where the interest of BC Manager (or its members), the members of BC Manager's executive team and/or their affiliates may potentially or actually conflict with the interests of BC III DLVF, BCTH and BCAP Tokenholders. For example, the existence of BC Manager's carried interest in BC III DLVF may create an incentive for BC Manager to make more speculative investments on behalf of BC III DLVF than it would otherwise make in the absence of such performance-based arrangements. Additionally, the members of BC Manager's executive team and other members of BC Manager will not be required to manage BC Manager or BC III DLVF as their sole and exclusive function, and are entitled to have other business interests and may engage in other business activities in addition to those relating to BC III DLVF. BC Manager or members of BC Manager's

executive team may also form and devote their time to other investment partnerships with activities similar to those of BC III DLVF. The members of BC Manager's executive team, and BC Manager may also have conflicts of interest in allocating time, services and functions among BC III DLVF and other business ventures. Conflicts may arise in the allocation of investment opportunities and the members of BC Manager executive team's time among BC III DLVF, on the one hand, and existing investments managed by the members of BC Manager's executive team as well as future funds organized by BC Manager's executive team and other business activities, on the other hand. The members of BC Manager's executive team are not required to refrain from such management activities or to disgorge profits from such activities. By acquiring an interest in BC III DLVF, each Partner will be deemed to have acknowledged the existence of any such actual or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflicts of interest.

***Our financial condition and results of operation will depend on our ability to manage future growth effectively.***

Our ability to achieve our investment objective will depend on our ability to grow, which will depend, in turn, on BC Manager's ability to identify, invest in, and monitor companies that meet our investment criteria. Accomplishing this result on a cost-effective basis will be largely a function of BC Manager's structuring of the investment process, its ability to provide competent, attentive, and efficient services to us and our access to financing on acceptable terms. The management team of BC Manager will have substantial responsibilities under the Limited Partnership Agreement. In addition, the employees of BC Manager may also be called upon to provide managerial assistance to our portfolio companies as the principals of our administrator. Such demands on their time may distract them or slow our rate of investment. Any failure to manage our future growth effectively could have a material adverse effect on our business, financial condition, and results of operations.

***Nature of private investments.***

Investment in the BCAP Token requires a long-term commitment, with no certainty of return. BC III DLVF's investments will generally be private, illiquid holdings. As such, there will be no public markets for the securities held by BC III DLVF and no readily available liquidity mechanism at any particular time for any of the investments held by BC III DLVF. In addition, the realization of value from any investments will not be possible or known with any certainty until BC Manager elects, in its sole discretion, to sell BC III DLVF's investments and subsequently distribute the proceeds to its investors or to distribute securities to investors in lieu of cash.

BC III DLVF may invest in companies that are experiencing or are expected to experience financial difficulties, which will require additional equity capital to be successful. Identifying potentially profitable enterprises is a difficult task. The companies in which BC III DLVF will invest may involve a high degree of risk. Such companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities, and a larger number of qualified managerial and technical personnel. Many of BC III DLVF's investments will be highly illiquid, and there can be no assurance that BC III DLVF will be able to realize a return on such investments in a timely manner, if at all. Additionally, BC III DLVF may acquire securities that cannot be sold except pursuant to a registration statement filed under the Securities Act or in accordance with Rule 144 of the Securities Act or another exemption under the Securities Act. There will likely be no near-term cash flow available to investors. Since BC III DLVF may only make a limited number of investments and since many of BC III DLVF's investments may involve a high degree of risk, poor performance by a few of the investments could severely affect the total returns to investors. Additionally, it should be noted that past performance is not a guarantee of future results.

***No assurance of BC Manager's success in locating or investing in portfolio companies.***

There can be no assurance that BC Manager will be able to locate suitable investments for BC III DLVF. Although BC Manager will attempt to make investments on behalf of BC III DLVF which meet the criteria set forth in this offering memorandum, there is no assurance that such investments can be located. Market and other conditions may require BC III DLVF to make investments that offer a lower rate of return or involve a higher degree of risk than described herein.

***No assurance of returns.***

There can be no assurance that BCAP Tokenholders will receive value on redemption from BC III DLVF in an amount equal to their investment in BC III DLVF. The timing of profit realization, if any, is highly uncertain. BC III DLVF's operating costs, including the management fee payable to BC Manager, may exceed BC III DLVF's income, thereby requiring the difference to be paid out of BC III DLVF's capital. Most of the capitalization of BC



III DLVF, except for operating cash reserves and funds set aside for follow-on investments in BC III DLVF's portfolio companies and investments then in process, are expected to be invested or committed by the fifth anniversary of BC III DLVF's initial closing date. The expenses of BC III DLVF in its early years will likely exceed its income. Such losses will reduce BC III DLVF's capital. It is possible these losses may never be recovered.

***We operate in a highly competitive market for investment opportunities.***

A number of entities will compete with BC III DLVF to make the types of investments that BC III DLVF plans to make. BC III DLVF will compete with other venture capital firms and venture capital funds, various public and private investment funds, including hedge funds, other business development companies, commercial and investment banks, commercial financing companies, and various technology companies' internal venture capital arms. Many of BC III DLVF's potential competitors are substantially larger and have considerably greater financial, technical and marketing resources than it does. For example, some competitors may have a stronger network of contacts and better connections for deal flows or have access to funding sources that are not available to BC III DLVF. In addition, some of BC III DLVF's competitors have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than BC III DLVF. We cannot assure you that the competitive pressures BC III DLVF faces will not have a material adverse effect on its business, financial condition and results of operations. Also, as a result of this competition, BC III DLVF may not be able to take advantage of attractive investment opportunities from time to time, and we can offer no assurance that it will be able to identify and make investments that are consistent with its investment objective.

A large percentage of BC III DLVF's portfolio investments will be in the form of securities that are not publicly traded. The fair value of securities and other investments that are not publicly traded may not be readily determinable. BC III DLVF will value these securities quarterly at fair value according to its written valuation procedures and as determined in good faith by our board of directors. The methods for valuing these securities may include: fundamental analysis (sales, income, or earnings multiples, etc.), discounts from market prices of similar securities, purchase price of securities, subsequent private transactions in the security or related securities, or discounts applied to the nature and duration of restrictions on the disposition of the securities, as well as a combination of these and other factors. Because such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, may fluctuate over short periods of time, and may be based on estimates, our determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed. Our net asset value could be adversely affected if our determinations regarding the fair value of our investments were materially higher than the values that we ultimately realize upon the disposal of such securities.

***Reliance on BC Manager's investment discretion for BC III DLVF.***

BC Manager will have sole discretion over the investment of the funds committed to BC III DLVF as well as the ultimate realization of any profits. BCAP Tokenholders will not receive the detailed financial information issued by portfolio companies that will be available to BC III DLVF. Accordingly, BCAP Tokenholders will not have the opportunity to evaluate the relevant economic, financial and other information that will be utilized by BC Manager in its selection of investments. As such, the pool of funds in BC III DLVF represents a blind pool of funds. Investors in BC III DLVF will be relying on BC Manager to identify, structure, and implement investments consistent with BC III DLVF's investment objectives and policies and to conduct the business of BC III DLVF as contemplated by this offering memorandum. BCAP Tokenholders will not make decisions with respect to the management, disposition or other realization of any investment made by BC III DLVF, or other decisions regarding BC III DLVF's business and affairs.

***BCTH does not owe you any fiduciary duties.***

Direct investors in investment funds are generally owed an obligation by the fund and its managers of good faith, fairness in all dealings and other fiduciary duties. However, to the extent permitted by law, BCAP Tokenholders will not be entitled to any such protections from BCTH. Accordingly, BCAP Tokenholders will have very limited, if any, rights of recovery against BCTH if such parties engage in gross negligence or act against the interests of the BCAP Tokenholders. Furthermore, BCTH has no obligation to BCAP Tokenholders to enforce any rights that it may be deemed to have against BC Manager or BC III DLVF.

***Focused investment strategy.***

BC III DLVF will generally be focused on investments in blockchain technologies and cryptocurrency businesses and ICOs, although it may change its investment focus at any time without the consent of BCAP Tokenholders. A specific investment focus is inherently more risky and could cause BC III DLVF's investments to be more susceptible to particular economic, political, regulatory, technological or industry conditions or occurrences compared with a fund, or a portfolio of funds, that is more diversified or has a broader industry focus.

BC III DLVF may invest in companies with no operating history, making BC Manager's ability to evaluate the future prospects of those companies difficult. Before deciding to purchase the BCAP Tokens, a prospective investor should consider the risks and difficulties frequently encountered by early- to mid-stage companies in new and rapidly evolving markets, particularly those companies whose businesses depend on the internet and blockchain technology. These risks include ability to (i) increase revenues and manage costs; (ii) increase awareness of the company; (iii) offer compelling content; (iv) maintain current, and develop new, strategic relationships; (v) respond effectively to competitive pressures; (vi) continue to develop and upgrade technology; (vii) attract, retain and motivate qualified personnel; and (viii) raise additional capital. BC Manager cannot assure prospective BCAP Tokenholders that BC III DLVF's business strategy will be successful or that its portfolio companies will address these risks successfully.

***Portfolio company turnover.***

Changes with respect to portfolio companies will be made as BC Manager considers necessary in seeking to achieve our investment objective. The rate of portfolio turnover will not be treated as a limiting or relevant factor when circumstances exist that are considered by management to make portfolio changes advisable.

Although we expect that many of BC III DLVF's investments will be relatively long term in nature, we may make changes in particular portfolio holdings whenever it is considered that an investment no longer has substantial growth potential or has reached its anticipated level of performance, or (especially when cash is not otherwise available) that another investment appears to have a relatively greater opportunity for capital appreciation. BC Manager may also make general portfolio changes to increase BC III DLVF's cash to position us in a defensive posture. BC Manager may make portfolio changes without regard to the length of time BC III DLVF has held an investment, or whether a sale results in profit or loss, or whether a purchase results in the reacquisition of an investment that BC III DLVF may have only recently sold. BC III DLVF's investments in privately held companies are illiquid, which limits portfolio turnover. The portfolio turnover rate may vary greatly during a year as well as from year to year and may also be affected by cash requirements.

***Difficulty in valuing portfolio investments.***

Generally, there will be no readily available market for a substantial number of BC III DLVF's investments and hence, most of BC III DLVF's investments will be difficult to value. Due to the absence of readily available market valuations or market quotations for securities of BC III DLVF's privately held portfolio companies, the valuation of BC III DLVF's investments in such portfolio companies is determined in good faith by BC Manager; BC III DLVF is not required to have such valuations independently determined.

Despite BC Manager's efforts to acquire sufficient information to monitor certain of BC III DLVF's investments and make well-informed valuation and pricing determinations, BC Manager may only be able to obtain limited information at certain times. It is possible that BC Manager may not be aware on a timely basis of material adverse changes that have occurred with respect to certain of BC III DLVF's investments. BC Manager may have to make valuation determinations without the benefit of an adequate amount of relevant information. Prospective investors should be aware that as a result of these difficulties, as well as other uncertainties, any valuation made by BC Manager may not represent the fair market value of the securities acquired by BC III DLVF.

***Limitations on ability to exit investments.***

BC Manager expects to exit from its investments in two principal ways: (i) private sales (including acquisitions of its portfolio companies) and (ii) initial and secondary public offerings. At any particular time, one or both of these avenues may not be open to BC III DLVF, or timing with respect to these exit mechanisms may be inopportune. As such, the ability to exit from and liquidate portfolio holdings may be constrained at any particular time.

***Contingent liabilities on disposition of investments.***

In connection with the disposition of an investment in a portfolio company, BC III DLVF may be required to make representations about the business and financial affairs of such company typical of those made in connection with the sale of a business. To the extent that any such representations are inaccurate, BC III DLVF may be required to indemnify the purchasers of such investment and may be liable to the purchasers for breach of contract. These arrangements may result in the incurrence of contingent liabilities for which BC Manager may establish reserves and escrows. In that regard, distributions may be delayed or withheld until such reserve is no longer needed or the escrow period expires.

***Reserves.***

As is customary in the industry, BC Manager may establish reserves for follow-on investments by BC III DLVF in portfolio companies, operating expenses (including the management fee), BC III DLVF liabilities, and other matters. Estimating the appropriate amount of such reserves is difficult, especially for follow-on investment opportunities, which are directly tied to the success and capital needs of portfolio companies. Inadequate or excessive reserves could impair the investment returns to BC III DLVF and the NAV. If reserves are inadequate, BC III DLVF may be unable to take advantage of attractive follow-on or other investment opportunities or to protect its existing investments from dilutive or other punitive terms associated with “pay-to-play” or similar provisions. If reserves are excessive, BC III DLVF may decline attractive investment opportunities or hold unnecessary amounts of capital in money market or similar low-yield accounts.

***The lack of liquidity in BC III DLVF’s investments may adversely affect its NAV.***

BC III DLVF will primarily make investments in private companies. Substantially all of these securities will be subject to legal and other restrictions on resale or will otherwise be less liquid than publicly traded securities. The illiquidity of BC III DLVF’s portfolio or a portion of our portfolio means that we cannot realize the portfolio quickly and we may realize significantly less than the value at which we have previously recorded our investments. In addition, we may face other restrictions on our ability to liquidate an investment in a portfolio company to the extent that we have material non-public information regarding such portfolio company.

***BC III DLVF may experience fluctuations in its quarterly results.***

BC III DLVF could experience fluctuations in its quarterly operating results due to a number of factors, including the performance of the portfolio securities it holds; the level of its expenses; variations in, and the timing of the recognition of, realized and unrealized gains or losses; the degree to which we encounter competition in our markets and general economic conditions. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

**Risk Factors Related to Blockchain Networks*****You may not have the skills necessary to secure, trade, or collect distributions using BCAP Token or to comply with the requirements of the fund.***

Participating in this Offering requires technical skill beyond that of many investors. Securing, trading or collecting distributions relating to BCAP Token requires working knowledge of blockchain technology, blockchain assets and their attendant systems and processes. Similar knowledge of blockchain asset exchanges and other industry participants may be required to comply with the requirements of this Offering.

***The loss or destruction of a private key required to access blockchain assets may be irreversible. Our or your loss of access to private keys – or any other data loss concerning our blockchain assets – could have a material adverse effect on our business or the BCAP Token.***

Blockchain assets include, without limitation, bitcoins and other cryptocurrencies, ether, BCAP Tokens and other cryptographic tokens. Blockchain assets are controllable only by those who know the unique private cryptographic key relating to the network address at which the blockchain assets are held. We and you are required by the operation of many blockchain networks to publish the addresses concerning blockchain assets in use by us. To the extent a private key is lost, destroyed or otherwise compromised and no backup of the private key is accessible, we or you may not be able to access the blockchain asset associated with the corresponding address and the private key will not be capable of being restored by the network. Any loss of private keys relating to digital wallets used to store blockchain assets could have a material adverse effect on our business or you.

***The further development and acceptance of blockchain networks, which are part of a new and rapidly changing industry, are subject to a variety of factors that are difficult to evaluate. The slowing or stopping of the development or acceptance of the blockchain networks upon which we rely would have an adverse material effect on our business.***

The growth of the blockchain industry in general, as well as the blockchain networks on which we rely, is subject to a high degree of uncertainty. The factors affecting the further development of the cryptocurrency industry, as well as blockchain networks, include, without limitation:

- ) Worldwide growth in the adoption and use of Bitcoin, Ether and other blockchain technologies;
- ) Government and quasi-government regulation of Bitcoin, Ether and other blockchain assets and their use, or restrictions on or regulation of access to and operation of blockchain networks or similar systems;
- ) The maintenance and development of the open-source software protocol of the Bitcoin or Ethereum networks;
- ) Changes in consumer demographics and public tastes and preferences;
- ) The availability and popularity of other forms or methods of buying and selling goods and services, or trading assets including new means of using fiat currencies or existing networks;
- ) General economic conditions and the regulatory environment relating to cryptocurrencies; or
- ) A decline in the popularity or acceptance of the Bitcoin or Ethereum networks would adversely affect our results of operations.

***The prices of blockchain assets are extremely volatile. Fluctuations in the price of bitcoins or ether could materially and adversely affect our business.***

The prices of blockchain assets are significant uncertainties for our business. The price of Bitcoin and Ether are subject to dramatic fluctuations. Several factors may price, including, but not limited to:

- ) Global blockchain asset supply;
- ) Global blockchain asset demand, which can be influenced by the growth of retail merchants' and commercial businesses' acceptance of blockchain assets like cryptocurrencies as payment for goods and services, the security of online blockchain asset exchanges and digital wallets that hold blockchain assets, the perception that the use and holding of blockchain assets is safe and secure, and the regulatory restrictions on their use;
- ) Investors' expectations with respect to the rate of inflation;
- ) Changes in the software, software requirements or hardware requirements underlying a blockchain network;
- ) Changes in the rights, obligations, incentives, or rewards for the various participants in a blockchain network;
- ) Interest rates;
- ) Currency exchange rates, including the rates at which ether may be exchanged for fiat currencies;
- ) Fiat currency withdrawal and deposit policies of blockchain asset exchanges and liquidity on such exchanges;
- ) Interruptions in service from or failures of major blockchain asset exchanges;
- ) Investment and trading activities of large investors, including private and registered funds, that may directly or indirectly invest in blockchain assets;
- ) Monetary policies of governments, trade restrictions, currency devaluations and revaluations;
- ) Regulatory measures, if any, that affect the use of blockchain assets;

- ) The maintenance and development of the open-source software protocol of the Bitcoin or Ethereum networks;
- ) Global or regional political, economic or financial events and situations; or
- ) Expectations among blockchain participants that the value of blockchain assets will soon change.
- ) A decrease in the price of blockchain assets may have a material adverse effect on our financial condition and operating results.

***The suitability of the blockchain networks on which we rely could decline due to a variety of causes, adversely affecting our business or the functionality of the BCAP Token.***

Blockchain networks are based on software protocols that govern the peer-to-peer interactions between computers connected to these networks. The suitability of the networks for our business or the functionality of the BCAP Token depends upon a variety of factors, including:

- ) The effectiveness of the informal groups of (often uncompensated) developers contributing to the protocols that underlie the networks;
- ) Effectiveness of the network validators (sometimes called “miners”) and the network’s consensus mechanisms to effectively secure the networks against confirmation of invalid transactions;
- ) Disputes among the developers or validators of the networks;
- ) Changes in the consensus or validation schemes that underlie the networks, including without limitation shifts between so-called “proof of work” and “proof of stake” schemes;
- ) The failure of cyber security controls or security breaches of the networks;
- ) The existence of other competing and operational versions of the networks, including without limitation so-called “forked” networks;
- ) The existence of undiscovered technical flaws in the networks;
- ) The development of new or existing hardware or software tools or mechanisms that could negatively impact the functionality of the systems;
- ) The price of blockchain assets associated with the networks;
- ) Intellectual property rights-based or other claims against the networks’ participants; or
- ) The maturity of the computer software programming languages used in connection with the networks.

Unfavorable developments or characteristics of any of the above circumstances could adversely affect our business or the functionality of the BCAP Token.

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Unfavorable developments or characteristics of any of the above circumstances could adversely affect our business or the functionality of the BCAP Token.

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## TRANSFER RESTRICTIONS

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

Each purchaser of BCAP Tokens will be deemed to represent, warrant, and agree as follows will be deemed to represent, warrant, and agree as follows:

(1) Either it is:

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

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

(2) It understands that the BCAP Tokens are not registered under the Securities Act or any other securities laws, including U.S. state securities or blue sky laws and non-U.S. securities laws, and BCTH does not intend to register the BCAP Tokens under such laws.

(3) It is acquiring BCAP Tokens for its own account for investment purposes only and not with a view to resale or distribution.

**(4) If such purchaser is an acquirer in a transaction that occurs outside the United States within the meaning of Regulation S, you acknowledge that you may not sell or otherwise transfer the BCAP Tokens at any time to a U.S. Person or for the account or benefit of a U.S. Person within the meaning of Rule 902 under the Securities Act.**

**(5) If such purchaser is an acquirer in a transaction occurring inside the United States, you acknowledge that until one year following the issuance of the BCAP Token you will not be permitted to offer, sell or transfer the BCAP Tokens and that after such date you will not be permitted to sell or otherwise transfer the BCAP Tokens to any other U.S. Person unless they sell all of their BCAP Tokens to a single U.S. Person.**

(6) It understands that the BCAP Tokens will, unless otherwise agreed by the BCTH and the holder thereof, be deemed to bear a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER:

(1) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS SECURITY, EXCEPT (A) IF IT IS TO A U.S. PERSON, THEN NOT UNTIL THE FIRST ANNIVERSARY OF THE ISSUANCE OF THE BCAP TOKENS AND NOT TO ANY U.S. PERSON (AS DEFINED IN REGULATION S) UNLESS THEY SELL ALL OF THEIR BCAP TOKENS TO A SINGLE U.S. PERSON; (B) IF IT IS A NON-U.S. PERSON OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT; (C) TO BC III DVLF OR BCTH OR ANY SUBSIDIARY THEREOF; OR (D) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH APPLICABLE STATE AND LOCAL SECURITIES LAWS, AND

(2) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY OR AN INTEREST HEREIN IS TRANSFERRED (OTHER THAN A TRANSFER

PURSUANT TO CLAUSE (1)(D) ABOVE) A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

AS USED HEREIN THE TERMS “OFFSHORE TRANSACTION,” “UNITED STATES” AND “U.S. PERSON” HAVE THE MEANING GIVEN TO THEM BY RULE 902 OF REGULATION S UNDER THE SECURITIES ACT.

(7) It (a) is able to act on its own behalf in the transactions contemplated by this offering memorandum, (b) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its prospective investment in the BCAP Tokens, and (c) (or the account for which it is acting) has the ability to bear the economic risks of its prospective investment in the BCAP Tokens and can afford the complete loss of such investment.

(8) It acknowledges that (a) none of the Issuer or any person acting on its behalf has made any statement, representation, or warranty, express or implied, to it with respect to the issuers or the offer or sale of any BCAP Tokens, other than the information we have included in this offering memorandum, and (b) any information it desires concerning the issuer, the BCAP Tokens or any other matter relevant to its decision to acquire the BCAP Tokens (including a copy of the offering memorandum) is or has been made available to it.

(9) Either (i) no portion of the assets used by it to purchase or hold the BCAP Tokens constitutes assets of any (a) employee benefit plan that is subject to Title I of ERISA, (b) plan, individual retirement account or other arrangement that is subject to Section 4975 of the Code or provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, “*Similar Laws*”), or (c) entity whose underlying assets are considered to include “plan assets” of any such plan, account or arrangement or (ii) the purchase and holding of the BCAP Tokens will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation under any applicable Similar Laws.

(10) If it is located or resident within a member state of the European Economic Area, that it is a “qualified investor” within the meaning of Directive 2003/71/EC, as amended (the “*Prospectus Directive*”).

(11) If it is located or resident within the United Kingdom, that it is a “qualified investor” within the meaning of the Prospectus Directive and who is also (i) an “investment professional” within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “*Order*”); or (ii) a person falling within Article 49(2)(a) to (d) (“*high net worth companies, unincorporated associations etc.*”) of the Order; or (iii) any other person to whom this Offering may otherwise lawfully be communicated under the Order.

(12) If it is located or resident within the Federal Republic of Germany, that it is a “qualified investor” within the meaning of the Prospectus Directive and that it professionally or commercially purchases or sells securities or investment products (*Vermögensanlagen*) within the meaning of the German Investment Product Act (*Vermögensanlagengesetz*) for its own account or for the account of others.

(12) It acknowledges that BCTH will not be required to accept for registration of transfer any BCAP Tokens acquired by it, except upon presentation of evidence satisfactory to BCTH that the restrictions set forth herein have been complied with.

(13) It acknowledges that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that if any of the acknowledgments, representations or agreements deemed to have been made by its purchase of the BCAP Tokens are no longer accurate, it shall promptly notify us and the initial purchasers. If it is acquiring the BCAP Tokens as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each account.



## NOTICE TO INVESTORS

**THIS CONFIDENTIAL OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER OF, OR AN INVITATION TO PURCHASE, THE BCAP TOKENS IN ANY JURISDICTION IN WHICH SUCH OFFER OR SALE WOULD BE UNLAWFUL. NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE “SEC”) NOR ANY STATE, PROVINCIAL OR TERRITORIAL SECURITIES COMMISSION NOR ANY OTHER REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED OF THE BCAP TOKENS OR DETERMINED IF THIS OFFERING MEMORANDUM IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

We have not authorized anyone to provide any information other than that contained or incorporated by reference in this offering memorandum. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. Neither we nor the initial purchasers have authorized anyone to provide you with information that is different. BCTH takes no responsibility for, and cannot provide any assurance as to the reliability of, any information or any representations outside of this offering memorandum.

The information in this offering memorandum is current only as of the date on its cover. For any time after the cover date of this offering memorandum, the information, including information concerning our business, financial condition, results of operations and prospects may have changed. Neither the delivery of this offering memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there have been no changes in our affairs after the date of this offering memorandum.

This offering memorandum is a confidential document that we are providing only to prospective purchasers of the BCAP Tokens as described in this offering memorandum. This offering memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the BCAP Tokens. You are authorized to use this offering memorandum solely for the purpose of considering the purchase of the BCAP Tokens from us. You should read this offering memorandum in its entirety before making a decision on whether to purchase any BCAP Tokens.

You expressly agree, by accepting delivery of this offering memorandum, that:

- ) this offering memorandum contains highly confidential information concerning Blockchain Capital, BC Manager, BC III DLVF, BCTH, TokenHub and our affiliates;
- ) you will hold the information contained or referred to in this offering memorandum in confidence and you will not distribute any copies of this offering memorandum or any documents referred to inside to any other person other than persons you have retained to advise you in connection with this offering; and
- ) BCTH is not giving you any legal, business, financial or tax advice.

The agreements set forth in the preceding sentence are intended for the benefit of BCTH.

We have prepared this offering memorandum and are solely responsible for its contents. You are responsible for making your own examination of we and your own assessment of the merits and risks of investing in the BCAP Tokens. By purchasing any BCAP Tokens, you will be deemed to have acknowledged that:

- ) you have reviewed this offering memorandum in its entirety;
- ) you have been afforded an opportunity to request from us, and to review, and have received, all additional information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained in this offering memorandum;
- ) this offering is being made in reliance upon an exemption from registration under the Securities Act for an offer and sale of securities that does not involve a public offering and does not comply in important respects with the rules of the SEC that would apply to an offering document relating to a public offering of securities; and

- ) no person has been authorized to give information or to make any representation concerning BCTH, this offering or the BCAP Tokens, other than as contained in this offering memorandum, in connection with your examination of us and the terms of this offering.

BCTH is not providing you legal, business, financial or tax advice about any matter. You may not legally be able to participate in this private, unregistered offering. You should consult with your own attorney, accountant and other advisors about those matters (including determining whether you may legally participate in this offering). You should contact us with any questions about this offering.

This offering memorandum contains summaries of certain agreements that we have entered into or will enter into in connection with this Offering, such as the limited partnership agreement of BC III DLVF and the Subscription Agreement. The descriptions contained in this offering memorandum of these agreements do not purport to be complete and are subject to, or qualified in their entirety by reference to, the definitive agreements. Copies of such agreements will be made available without charge to you in response to a written request to us.

The BCAP Tokens will initially only be listed on multiple cryptocurrency exchanges. Although in the future we may apply to list the BCAP Tokens on additional cryptocurrency exchanges or automated quotation systems, we do not currently have any plans to apply for the inclusion of the BCAP Tokens in any other securities exchange or automated quotation system.

BCAP Token is a digital token on the Ethereum Blockchain with an ability to execute code (smart contract). The BCAP token is held in a digital wallet. The fact of the ownership is usually defined by the ownership of the private key that enables access to digital wallet holding the token. Private and public keys are 256-bit numbers, the public key acts as an address and the private key controls the contents of the digital wallet. The TokenHub platform technically will hold all private keys to wallets holding tokens owned by all of the TokenHub platform users, until such BCAP Tokens are transferred at users' directions.

You must comply with all laws and regulations that apply to you in any place in which you purchase, offer or sell any BCAP Tokens or possess or distribute this offering memorandum. You must also obtain any consents, permission or approvals that you need in order to purchase, offer or sell any BCAP Tokens under the laws and regulations in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales. BCTH is not responsible for your compliance with these legal requirements. We are not making any representation to you regarding the legality of your investment in the BCAP Tokens under any legal investment or similar law or regulation.

We are offering the BCAP Tokens in reliance on exemptions from the registration requirements of the Securities Act. These exemptions apply to offers and sales of securities that do not involve a public offering. By purchasing any BCAP Tokens, you will be deemed to have made certain acknowledgments, representations and agreements as described in the "Transfer Restrictions" and "Notice to Investors" sections of this offering memorandum. You may be required to bear the financial risks of investing in the BCAP Tokens for an indefinite period of time.

**The BCAP Tokens have not been recommended by any federal, state, provincial, territorial or foreign securities authorities, nor have any such authorities determined that this offering memorandum is accurate or complete. Any representation to the contrary is a criminal offense.**

## TO INVESTORS GENERALLY

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

THIS MEMORANDUM CONSTITUTES AN OFFER OF SECURITIES ONLY IN THOSE JURISDICTIONS AND TO THOSE PERSONS WHERE AND TO WHOM THEY LAWFULLY MAY BE OFFERED FOR SALE. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SUBSCRIBE FOR SECURITIES EXCEPT TO THE EXTENT PERMITTED BY THE LAWS OF EACH APPLICABLE JURISDICTION.

IN PARTICULAR, ANY POTENTIAL INVESTOR CONFIRMS THAT (1) ANY DISCUSSIONS BETWEEN REPRESENTATIVES OF THE POTENTIAL INVESTORS AND OF BCTH AND ITS AFFILIATES REGARDING A POTENTIAL INVESTMENT IN BCTH WERE INITIATED BY ONE OR MORE REPRESENTATIVES OF SUCH POTENTIAL INVESTOR, AND (2) PRIOR TO DELIVERY OF THIS MEMORANDUM OR OTHER OFFERING OF SECURITIES, NONE OF BCTH OR ITS AFFILIATES HAS MADE AN INTEREST IN BCTH AVAILABLE FOR PURCHASE BY SUCH POTENTIAL INVESTORS, EITHER AS AN OFFER THAT CAN BE ACCEPTED BY POTENTIAL INVESTOR OR AS AN INVITATION EXTENDED TO POTENTIAL INVESTOR TO MAKE AN OFFER TO SUBSCRIBE FOR THE INVESTMENT.

NOTHING IN THIS AGREEMENT IS INTENDED TO CREATE A CONTRACT FOR THE INVESTMENT IN BCTH, AND EACH POTENTIAL INVESTOR ACKNOWLEDGES THAT BCTH WILL RELY ON THIS ASSERTION OF A POTENTIAL INVESTOR'S STATEMENTS WITH RESPECT TO COMPLIANCE WITH THE LAWS OF THE JURISDICTION IN WHICH POTENTIAL INVESTOR IS LEGALLY DOMICILED.

## NOTICE TO EEA INVESTORS

THIS OFFERING MEMORANDUM DOES NOT CONSTITUTE A PROSPECTUS FOR THE PURPOSES OF THE EUROPEAN UNION'S DIRECTIVE 2003/71/EC (AS AMENDED, INCLUDING BY DIRECTIVE 2010/73/EU) (THE "**PROSPECTUS DIRECTIVE**") AND AS IMPLEMENTED IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (THE "**EEA**"). THIS OFFERING MEMORANDUM HAS BEEN PREPARED ON THE BASIS THAT ANY OFFER OF THE BCAP TOKENS IN ANY MEMBER STATE OF THE EEA WHICH HAS IMPLEMENTED THE PROSPECTUS DIRECTIVE (EACH, A "**RELEVANT MEMBER STATE**") WILL BE MADE PURSUANT TO AN EXEMPTION UNDER THE PROSPECTUS DIRECTIVE FROM THE REQUIREMENT TO PUBLISH A PROSPECTUS FOR OFFERS OF THE BCAP TOKENS OR OTHERWISE WILL NOT BE SUBJECT TO SUCH REQUIREMENTS. NEITHER BCTH NOR ARGON HAVE AUTHORIZED, NOR DO THEY AUTHORIZE, THE MAKING OF ANY OFFER OF BCAP TOKENS IN CIRCUMSTANCES IN WHICH AN OBLIGATION ARISES FOR THE BCTH OR ARGON TO PUBLISH OR SUPPLEMENT A PROSPECTUS FOR SUCH OFFER.

IN RELATION TO EACH RELEVANT MEMBER STATE, NO OFFER OF BCAP TOKENS HAS BEEN, OR WILL BE MADE TO THE PUBLIC IN THAT MEMBER STATE, OTHER THAN UNDER THE FOLLOWING EXEMPTIONS UNDER THE PROSPECTUS DIRECTIVE:

- A. TO ANY LEGAL ENTITY WHICH IS A QUALIFIED INVESTOR AS DEFINED IN THE PROSPECTUS DIRECTIVE;
- B. TO FEWER THAN 150 NATURAL OR LEGAL PERSONS (OTHER THAN QUALIFIED INVESTORS AS DEFINED IN THE PROSPECTUS DIRECTIVE); OR
- C. IN ANY OTHER CIRCUMSTANCES FALLING WITHIN ARTICLE 3(2) OF THE PROSPECTUS DIRECTIVE,

PROVIDED THAT NO SUCH OFFER OF BCAP TOKENS REFERRED TO IN (A) TO (C) ABOVE SHALL RESULT IN A REQUIREMENT FOR BCTH OR ARGON TO PUBLISH A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE, OR SUPPLEMENT A PROSPECTUS PURSUANT TO ARTICLE 16 OF THE PROSPECTUS DIRECTIVE.

FOR THE PURPOSES OF THIS PROVISION, THE EXPRESSION “AN OFFER OF BCAP TOKENS TO THE PUBLIC” IN RELATION TO ANY BCAP TOKENS IN ANY MEMBER STATE MEANS THE COMMUNICATION IN ANY FORM AND BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE BCAP TOKENS TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE OR SUBSCRIBE FOR THE BCAP TOKENS, AS THE SAME MAY BE VARIED IN THAT MEMBER STATE BY ANY MEASURE IMPLEMENTING THE PROSPECTUS DIRECTIVE IN THAT RELEVANT MEMBER STATE.

#### **NOTICE TO BAHRAIN INVESTORS**

BCTH HAS NOT BEEN APPROVED BY THE CENTRAL BANK OF BAHRAIN. ALL APPLICATIONS FOR INVESTMENT SHOULD BE RECEIVED, AND ANY ALLOTMENTS MADE, FROM OUTSIDE BAHRAIN. NO INVITATION TO THE PUBLIC TO INVEST IN THE BCAP TOKENS IN BCTH MAY BE MADE IN THE KINGDOM OF BAHRAIN AND THIS MEMORANDUM MAY NOT BE ISSUED, PASSED, OR MADE AVAILABLE TO THE PUBLIC GENERALLY.

#### **NOTICE TO RESIDENTS OF BERMUDA**

THE BCAP TOKENS BEING OFFERED HEREBY ARE BEING OFFERED ON A PRIVATE BASIS TO INVESTORS WHO SATISFY CRITERIA OUTLINED IN THIS MEMORANDUM. THIS MEMORANDUM IS NOT SUBJECT TO AND HAS NOT RECEIVED APPROVAL FROM EITHER THE BERMUDA MONETARY AUTHORITY OR THE REGISTRAR OF COMPANIES IN BERMUDA AND NO STATEMENT TO THE CONTRARY, EXPLICIT OR IMPLICIT, IS AUTHORIZED TO BE MADE IN THIS REGARD. THE BCAP TOKENS BEING OFFERED MAY BE OFFERED OR SOLD IN BERMUDA ONLY IN COMPLIANCE WITH THE PROVISIONS OF THE INVESTMENT BUSINESS ACT 2003 (AS AMENDED) OF BERMUDA. ADDITIONALLY, NON-BERMUDIAN PERSONS MAY NOT CARRY ON OR ENGAGE IN ANY TRADE OR BUSINESS IN BERMUDA UNLESS SUCH PERSONS ARE AUTHORIZED TO DO SO UNDER APPLICABLE BERMUDA LEGISLATION. ENGAGING IN THE ACTIVITY OF OFFERING OR MARKETING THE BCAP TOKENS BEING OFFERED IN BERMUDA TO PERSONS IN BERMUDA MAY BE DEEMED TO BE CARRYING ON BUSINESS IN BERMUDA.

#### **NOTICE TO INVESTORS IN CANADA (ALBERTA, BRITISH COLUMBIA, ONTARIO AND QUEBEC)**

THIS MEMORANDUM CONSTITUTES AN OFFERING OF THE BCAP TOKENS ONLY IN THOSE JURISDICTIONS AND TO THOSE PERSONS WHERE AND TO WHOM THEY MAY LAWFULLY BE OFFERED FOR SALE, AND THEREIN ONLY BY PERSONS PERMITTED TO SELL THE BCAP TOKENS. THIS MEMORANDUM IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, A PROSPECTUS, AN ADVERTISEMENT OR A PUBLIC OFFERING OF THE BCAP TOKENS IN CANADA. NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS REVIEWED OR IN ANY WAY PASSED UPON THIS MEMORANDUM OR THE MERITS OF THE BCAP TOKENS, AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

#### **PURCHASERS' REPRESENTATIONS, COVENANTS AND RESALE RESTRICTIONS**

CONFIRMATIONS OF THE ACCEPTANCE OF OFFERS TO PURCHASE INTERESTS WILL BE SENT TO PURCHASERS IN CANADA WHO HAVE NOT WITHDRAWN THEIR OFFERS TO PURCHASE PRIOR TO THE ISSUANCE OF SUCH CONFIRMATIONS. EACH PURCHASER OF INTERESTS IN CANADA WHO RECEIVES A PURCHASE CONFIRMATION, BY THE PURCHASER'S RECEIPT THEREOF, REPRESENTS TO BCTH AND ANY DEALER FROM WHOM SUCH PURCHASE CONFIRMATION IS RECEIVED THAT SUCH PURCHASER IS A PERSON OR COMPANY TO WHICH INTERESTS MAY BE SOLD WITHOUT THE BENEFIT OF A PROSPECTUS QUALIFIED UNDER APPLICABLE PROVINCIAL SECURITIES LAWS. IN PARTICULAR, PURCHASERS RESIDENT IN ONTARIO REPRESENT TO BCTH THAT THE PURCHASER IS AN “ACCREDITED INVESTOR” AS SUCH TERM IS DEFINED IN SECTION 1.1 OF NATIONAL INSTRUMENT 45-106- PROSPECTUS AND REGISTRATION EXEMPTIONS OF THE CANADIAN SECURITIES ADMINISTRATORS (THE “*NI*”). THE PURCHASER MUST PURCHASE THE UNITS AS PRINCIPAL. THE DISTRIBUTION OF INTERESTS IN CANADA IS BEING MADE ON A PRIVATE PLACEMENT BASIS TO RESIDENTS OF ONTARIO, QUÉBEC, BRITISH COLUMBIA AND ALBERTA (TOGETHER THE “*CANADIAN JURISDICTIONS*”) AND IS EXEMPT FROM THE REQUIREMENTS IN THE CANADIAN JURISDICTIONS THAT BCTH PREPARE AND FILE A PROSPECTUS WITH THE RELEVANT SECURITIES REGULATORY AUTHORITIES.

IN ONTARIO, THE BCAP TOKENS WILL, AND IN OTHER CANADIAN JURISDICTIONS, THE BCAP TOKENS MAY, BE DISTRIBUTED THROUGH ONE OR MORE DEALERS (“**DEALERS**”) REGISTERED WITH THE RELEVANT SECURITIES REGULATORY AUTHORITY, PURSUANT TO SECTION 2.3 OF THE NI. THE MEMORANDUM IS FOR THE CONFIDENTIAL USE OF THOSE PERSONS TO WHOM IT IS DELIVERED BY THE DEALERS IN CONNECTION WITH THE OFFERING OF THE BCAP TOKENS IN CANADA. THE DEALERS RESERVE THE RIGHT TO REJECT ALL OR PART OF ANY OFFER TO PURCHASE INTERESTS FOR ANY REASON, OR ALLOCATE TO ANY PROSPECTIVE PURCHASER LESS THAN ALL OF THE BCAP TOKENS FOR WHICH IT HAS SUBSCRIBED. BCTH IS NOT A “CONNECTED ISSUER” OR “RELATED ISSUER”, WITHIN THE MEANING OF NATIONAL INSTRUMENT 33-105 – UNDERWRITING CONFLICTS OF THE CANADIAN SECURITIES ADMINISTRATORS, OF ANY SUCH DEALER.

## **RESPONSIBILITY**

EXCEPT AS OTHERWISE EXPRESSLY REQUIRED BY APPLICABLE LAW OR AS AGREED TO IN CONTRACT, NO REPRESENTATION, WARRANTY OR UNDERTAKING (EXPRESS OR IMPLIED) IS MADE AND NO RESPONSIBILITIES

OR LIABILITIES OF ANY KIND OR NATURE WHATSOEVER ARE ACCEPTED BY ANY DEALER AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS MEMORANDUM OR ANY OTHER INFORMATION PROVIDED BY BCTH IN CONNECTION WITH THE OFFERING OF THE BCAP TOKENS IN CANADA.

INVESTING IN THE BCAP TOKENS INVOLVES RISKS. PROSPECTIVE PURCHASERS SHOULD REFER TO THE RISK FACTOR DISCLOSURE CONTAINED IN THIS MEMORANDUM FOR ADDITIONAL INFORMATION CONCERNING THESE RISKS.

## **ENFORCEMENT OF LEGAL RIGHTS**

ALL OF BCTH, ITS LEGAL REPRESENTATIVES, AND THEIR RESPECTIVE DIRECTORS AND OFFICERS MAY BE LOCATED OUTSIDE OF CANADA AND, AS A RESULT, IT MAY NOT BE POSSIBLE FOR CANADIAN PURCHASERS TO EFFECT SERVICE OF PROCESS WITHIN CANADA UPON COMPANY, ITS LEGAL REPRESENTATIVES, THE ADVISER, OR THEIR DIRECTORS OR OFFICERS. ALL OR A SUBSTANTIAL PORTION OF THE ASSETS OF COMPANY, ITS LEGAL REPRESENTATIVES, THE ADVISER, AND SUCH PERSONS MAY BE LOCATED OUTSIDE OF CANADA AND, AS A RESULT, IT MAY NOT BE POSSIBLE TO SATISFY A JUDGMENT AGAINST COMPANY, ITS LEGAL REPRESENTATIVES, AND SUCH PERSONS IN CANADA OR TO ENFORCE A JUDGMENT OBTAINED IN CANADIAN COURTS AGAINST COMPANY, ITS LEGAL REPRESENTATIVES, OR SUCH PERSONS OUTSIDE OF CANADA.

SECURITIES LEGISLATION IN CERTAIN OF THE CANADIAN JURISDICTIONS REQUIRES PURCHASERS TO BE PROVIDED WITH A REMEDY FOR RESCISSION OR DAMAGES, OR BOTH, IN ADDITION TO AND NOT IN DEROGATION FROM ANY OTHER RIGHT THEY MAY HAVE AT LAW, WHERE AN OFFERING MEMORANDUM AND ANY AMENDMENT TO IT CONTAINS A MISREPRESENTATION. THESE REMEDIES MUST BE EXERCISED BY THE PURCHASER WITHIN THE TIME LIMITS PRESCRIBED BY THE APPLICABLE SECURITIES LEGISLATION.

PURCHASERS SHOULD REFER TO THE APPLICABLE PROVISIONS OF THE SECURITIES LEGISLATION FOR THE COMPLETE TEXT OF THESE RIGHTS OR CONSULT WITH A LEGAL ADVISOR.

THE APPLICABLE CONTRACTUAL AND/OR STATUTORY RIGHTS ARE SUMMARIZED BELOW. THE SUMMARY IS SUBJECT TO THE EXPRESS PROVISIONS OF THE APPLICABLE PROVINCIAL SECURITIES LAWS AND THE REGULATIONS AND RULES THERE UNDER AND REFERENCE IS MADE THERETO FOR THE COMPLETE TEXT OF SUCH PROVISIONS.

## **CONTRACTUAL AND/OR STATUTORY RIGHTS OF ACTION RIGHTS FOR PURCHASERS IN ONTARIO**

PURCHASERS IN ONTARIO TO WHOM THIS MEMORANDUM IS DELIVERED AND WHO PURCHASE INTERESTS IN RELIANCE ON THE PROSPECTUS EXEMPTION PROVIDED BY SECTION 2.3

OF ONTARIO SECURITIES COMMISSION RULE 45-501 ARE HEREBY GRANTED THE FOLLOWING RIGHTS:

IN THE EVENT THAT THIS MEMORANDUM OR ANY AMENDMENT THERETO DELIVERED TO A PURCHASER OF INTERESTS IN ONTARIO CONTAINS AN UNTRUE STATEMENT OF A MATERIAL FACT OR OMITS TO STATE A MATERIAL FACT THAT IS REQUIRED TO BE STATED OR THAT IS NECESSARY TO MAKE ANY STATEMENT THEREIN NOT MISLEADING IN THE LIGHT OF THE CIRCUMSTANCES IN WHICH IT WAS MADE (HEREIN CALLED A “**MISREPRESENTATION**”) AND IT WAS A MISREPRESENTATION AT THE TIME OF PURCHASE, THE PURCHASER WILL BE DEEMED TO HAVE RELIED UPON THE MIS- REPRESENTATION AND WILL, SUBJECT AS HEREINAFTER PROVIDED, HAVE A RIGHT OF ACTION AGAINST BCTH FOR DAMAGES, OR, WHILE STILL THE OWNER OF THE BCAP TOKENS PURCHASED BY THAT PURCHASER FOR RESCISSION, IN WHICH CASE, IF THE PURCHASER ELECTS TO EXERCISE THE RIGHT OF RESCISSION, THE PURCHASER WILL HAVE NO RIGHT OF ACTION FOR DAMAGES AGAINST COMPANY, PROVIDED THAT:

- J THE RIGHT OF ACTION FOR RESCISSION WILL BE EXERCISABLE BY A PURCHASER ONLY IF THE PURCHASER GIVES NOTICE TO BCTH NOT LATER THAN 180 DAYS AFTER THE DATE OF THE TRANSACTION THAT GAVE RISE TO THE CAUSE OF ACTION;
- J THE RIGHT OF ACTION FOR DAMAGES OR ANY OTHER ACTION OTHER THAN THE RIGHT OF ACTION FOR RESCISSION WILL BE EXERCISABLE BY A PURCHASER ONLY IF THE PURCHASER GIVES NOTICE TO BCTH NOT LATER THAN THE EARLIER OF (I) 180 DAYS AFTER THE PURCHASER HAD KNOWLEDGE OF THE FACTS GIVING RISE TO THE CAUSE OF ACTION OR (II) THREE YEARS AFTER THE DATE OF THE TRANSACTION THAT GAVE RISE TO THE CAUSE OF ACTION;
- J BCTH WILL NOT BE LIABLE IF IT PROVES THAT THE PURCHASER PURCHASED THE BCAP TOKENS WITH KNOWLEDGE OF THE MISREPRESENTATION;
- J IN THE CASE OF AN ACTION FOR DAMAGES, BCTH WILL NOT BE LIABLE FOR ALL OR ANY PORTION OF THE DAMAGES THAT IT PROVES DOES NOT REPRESENT THE DEPRECIATION IN VALUE OF THE BCAP TOKENS AS A RESULT OF THE MISREPRESENTATION RELIED UPON; AND
- J IN NO CASE WILL THE AMOUNT RECOVERABLE IN ANY ACTION EXCEED THE PRICE AT WHICH THE BCAP TOKENS WERE SOLD TO PURCHASER.
- J THE STATUTORY RIGHTS DISCUSSED ABOVE ARE IN ADDITION TO AND WITHOUT DEROGATION FROM ANY OTHER RIGHT THE PURCHASER MAY HAVE AT LAW.

BCTH WILL NOT BE LIABLE FOR A MISREPRESENTATION IN FORWARD-LOOKING INFORMATION IF BCTH PROVES THAT:

- J THIS MEMORANDUM CONTAINS, PROXIMATE TO THE FORWARD-LOOKING INFORMATION, REASONABLE CAUTIONARY LANGUAGE IDENTIFYING THE FORWARD-LOOKING INFORMATION AS SUCH, AND IDENTIFYING MATERIAL FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM A CONCLUSION, FORECAST OR PROJECTION IN THE FORWARD-LOOKING INFORMATION, AND A STATEMENT OF MATERIAL FACTORS OR ASSUMPTIONS THAT WERE APPLIED IN DRAWING A CONCLUSION OR MAKING A FORECAST OR PROJECTION SET OUT IN THE FORWARD-LOOKING INFORMATION; AND
- J BCTH HAS A REASONABLE BASIS FOR DRAWING THE CONCLUSION OR MAKING THE FORECASTS AND PROJECTIONS SET OUT IN THE FORWARD LOOKING INFORMATION. THE FOREGOING RIGHTS DO NOT APPLY IF THE PURCHASER IS:

(A) A CANADIAN FINANCIAL INSTITUTION (AS DEFINED IN NATIONAL INSTRUMENT 45-106 - PROSPECTUS AND REGISTRATION EXEMPTIONS OF THE CANADIAN SECURITIES ADMINISTRATORS) OR A SCHEDULE III BANK;

(B) THE BUSINESS DEVELOPMENT BANK OF CANADA INCORPORATED UNDER THE BUSINESS DEVELOPMENT BANK OF CANADA ACT (CANADA); OR

(C) A SUBSIDIARY OF ANY PERSON REFERRED TO IN PARAGRAPHS (A) AND (B), IF THE PERSON OWNS ALL OF THE VOTING SECURITIES OF THE SUBSIDIARY, EXCEPT THE VOTING SECURITIES REQUIRED BY LAW TO BE OWNED BY DIRECTORS OF THAT SUBSIDIARY.

THE FOREGOING SUMMARY IS SUBJECT TO THE EXPRESS PROVISIONS OF THE SECURITIES ACT (ONTARIO) AND THE RULES, REGULATIONS AND OTHER INSTRUMENTS THERE UNDER, AND REFERENCE IS MADE TO THE COMPLETE TEXT OF SUCH PROVISIONS CONTAINED THEREIN. SUCH PROVISIONS MAY CONTAIN LIMITATIONS AND STATUTORY DEFENCES ON WHICH BCTH MAY RELY. THE RIGHTS OF ACTION DESCRIBED HEREIN ARE IN ADDITION TO AND WITHOUT DEROGATION FROM ANY OTHER RIGHT OR REMEDY THAT THE PURCHASER MAY HAVE AT LAW.

#### **RIGHTS FOR PURCHASERS IN QUÉBEC**

UNDER LEGISLATION ADOPTED BUT NOT YET IN FORCE IN QUÉBEC, IF THIS MEMORANDUM, TOGETHER WITH ANY AMENDMENT TO THIS MEMORANDUM, DELIVERED TO AN INVESTOR RESIDENT IN QUÉBEC CONTAINS A MISREPRESENTATION, THE INVESTOR WILL HAVE (A) A RIGHT OF ACTION FOR DAMAGES AGAINST COMPANY, EVERY OFFICER AND DIRECTOR OF COMPANY, THE DEALER (IF ANY) UNDER CONTRACT TO BCTH AND ANY EXPERT WHOSE OPINION, CONTAINING A MISREPRESENTATION, APPEARED, WITH THE EXPERT'S CONSENT IN THIS MEMORANDUM, OR (B) A RIGHT OF ACTION AGAINST BCTH FOR RESCISSION OF THE PURCHASE CONTRACT OR REVISION OF THE PRICE AT WHICH THE BCAP TOKENS WERE SOLD TO THE INVESTOR.

NO PERSON OR COMPANY WILL BE LIABLE IF IT PROVES THAT:

(I) THE INVESTOR PURCHASED THE BCAP TOKENS WITH KNOWLEDGE OF THE MISREPRESENTATION; OR

(II) IN AN ACTION FOR DAMAGES, THAT IT ACTED PRUDENTLY AND DILIGENTLY (EXCEPT IN AN ACTION BROUGHT AGAINST COMPANY).

NO ACTION MAY BE COMMENCED TO ENFORCE SUCH A RIGHT OF ACTION:

(I) FOR RESCISSION OR REVISION OF PRICE MORE THAN THREE YEARS AFTER THE DATE OF THE PURCHASE; OR (II) FOR DAMAGES LATER THAN THE EARLIER OF (A) THREE YEARS AFTER THE INVESTOR FIRST HAD KNOWLEDGE OF THE FACTS GIVING RISE TO THE CAUSE OF ACTION, EXCEPT ON PROOF OF TARDY KNOWLEDGE IMPUTABLE TO THE NEGLIGENCE OF THE INVESTOR, OR (B) FIVE YEARS FROM THE FILING OF THE MEMORANDUM WITH THE AUTORITÉ DES MARCHÉS FINANCIERS.

DESIGNATION OF ONTARIO DEALER (ONTARIO ONLY) UNLESS BCTH HAS ENGAGED AN ONTARIO-REGISTERED DEALER TO PLACE THE BCAP TOKENS IN ONTARIO, EACH PURCHASER OF INTERESTS IN ONTARIO WILL BE REQUIRED TO DESIGNATE AN ONTARIO-REGISTERED DEALER TO COMPLETE THE PURCHASE OF THE BCAP TOKENS ON ITS BEHALF. THE STAFF OF THE ONTARIO SECURITIES COMMISSION TAKE THE POSITION THAT A PERSON THAT PROVIDES INVESTMENT ADVICE TO A COMPANY THAT DISTRIBUTES ITS INTERESTS IN ONTARIO IS CONSIDERED TO BE ACTING AS AN ADVISER

IN ONTARIO, AND IS SUBJECT TO THE REQUIREMENT TO REGISTER AS AN ADVISER, NOTWITHSTANDING THAT THE ADVICE MAY BE GIVEN TO AND RECEIVED BY BCTH OUTSIDE OF ONTARIO. THE MANAGEMENT COMPANY IS NOT REGISTERED IN ONTARIO. HOWEVER, THE MANAGEMENT COMPANY MAY RELY UPON AN EXEMPTION FROM

THE ADVISER REGISTRATION REQUIREMENT IF THE BCAP TOKENS ARE DISTRIBUTED THROUGH AN ONTARIO-REGISTERED DEALER. ACCORDINGLY, UNLESS BCTH HAS ENGAGED AN ONTARIO-REGISTERED DEALER TO PLACE THE BCAP TOKENS IN ONTARIO, NO SALE WILL BE MADE TO A PURCHASER RESIDENT IN ONTARIO UNLESS THE DESIGNATION FORM CONTAINED IN THE SUBSCRIPTION AGREEMENT HAS BEEN COMPLETED AND DELIVERED TO COMPANY.

## **CERTAIN CANADIAN INCOME TAX CONSIDERATIONS**

ANY DISCUSSION OF TAXATION AND RELATED MATTERS CONTAINED IN THIS MEMORANDUM IS NOT A COMPREHENSIVE DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO PURCHASE THE BCAP TOKENS. PROSPECTIVE PURCHASERS OF INTERESTS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO ANY TAXES EXIGIBLE IN CONNECTION WITH THE ACQUISITION, HOLDING OR DISPOSITION OF INTERESTS. IT IS RECOMMENDED THAT TAX ADVISORS BE EMPLOYED IN CANADA, AS THERE ARE A NUMBER OF SUBSTANTIVE CANADIAN TAX COMPLIANCE REQUIREMENTS FOR CANADIAN INVESTORS, INCLUDING WITH RESPECT TO THE ELIGIBILITY OF THE BCAP TOKENS FOR INVESTMENT BY THEM UNDER APPLICABLE TAX AND OTHER LAWS IN CANADA, AND WITH RESPECT TO THE APPLICATION OF THE PROPOSED “FOREIGN INVESTMENT ENTITY” PROVISIONS OF THE INCOME TAX ACT (CANADA) WHICH, IF APPLICABLE, MAY RESULT IN A REQUIREMENT TO RECOGNIZE INCOME FOR TAX PURPOSES EVEN THOUGH NO CASH DISTRIBUTION OR PROCEEDS OF DISPOSITION HAVE BEEN RECEIVED.

## **CONVERSION OF AMOUNTS INTO CANADIAN DOLLAR EQUIVALENT**

UNLESS SPECIFICALLY STATED OTHERWISE, ALL DOLLAR AMOUNTS CONTAINED IN THIS MEMORANDUM ARE IN U.S. DOLLARS AND MUST BE CONVERTED INTO CANADIAN DOLLARS BASED ON THE PREVAILING RELEVANT FOREIGN EXCHANGE RATE AT THE TIME SUCH AMOUNTS ARISE.

## **RESALE RESTRICTIONS IN CANADA**

THE DISTRIBUTION OF INTERESTS IN CANADA IS BEING MADE ON A PRIVATE PLACEMENT BASIS ONLY AND IS EXEMPT FROM THE REQUIREMENT THAT BCTH PREPARE AND FILE A PROSPECTUS WITH THE RELEVANT CANADIAN REGULATORY AUTHORITIES. ACCORDINGLY, ANY RESALE OF THE BCAP TOKENS MUST BE MADE IN ACCORDANCE WITH APPLICABLE SECURITIES LAWS WHICH MAY REQUIRE RESALES TO BE MADE IN ACCORDANCE WITH EXEMPTIONS FROM REGISTRATION AND PROSPECTUS REQUIREMENTS. PURCHASERS IN CANADA ARE ADVISED TO SEEK LEGAL ADVICE PRIOR TO ANY RESALE OF BCTH INTERESTS.

BCTH IS NOT A “REPORTING ISSUER” AS SUCH TERM IS DEFINED UNDER APPLICABLE CANADIAN SECURITIES LEGISLATION, IN ANY PROVINCE OR TERRITORY OF CANADA IN WHICH BCTH INTERESTS WILL BE OFFERED. UNDER NO CIRCUMSTANCES WILL BCTH BE REQUIRED TO FILE A PROSPECTUS OR SIMILAR DOCUMENT WITH ANY SECURITIES REGULATORY AUTHORITY IN CANADA QUALIFYING THE RESALE OF BCTH INTERESTS TO THE PUBLIC IN ANY PROVINCE OR TERRITORY OF CANADA. CANADIAN INVESTORS ARE ADVISED THAT BCTH CURRENTLY DOES NOT INTEND TO FILE A PROSPECTUS OR SIMILAR DOCUMENT WITH ANY SECURITIES REGULATORY AUTHORITY IN CANADA QUALIFYING THE RESALE OF THE BCAP TOKENS TO THE PUBLIC IN ANY PROVINCE OR TERRITORY OF CANADA IN CONNECTION WITH THIS OFFERING. THEREFORE, THERE WILL BE NO PUBLIC MARKET IN CANADA FOR THE BCAP TOKENS AND THE RESALE OR TRANSFER OF THE BCAP TOKENS WILL BE SUBJECT TO RESTRICTIONS.

## **REPRESENTATIONS OF CANADIAN PURCHASERS**

EACH CANADIAN PURCHASER OF INTERESTS WILL BE DEEMED TO HAVE REPRESENTED TO COMPANY, ITS SPONSOR AND AFFILIATES, ANY PLACEMENT AGENT AND ANY DEALER WHO SELLS INTERESTS TO SUCH PURCHASER THAT:

- ) THE OFFER AND SALE OF INTERESTS WAS MADE EXCLUSIVELY THROUGH THIS MEMORANDUM SUCH PURCHASER HAS NOT RECEIVED OR RELIED ON ANY OTHER DOCUMENT OR FACT IN MAKING ITS INVESTMENT DECISION IN RESPECT OF THE PURCHASE OF INTERESTS;
- ) SUCH PURCHASER HAS REVIEWED AND ACKNOWLEDGES THE TERMS OF THIS MEMORANDUM;



- J WHERE REQUIRED IN ORDER TO RELY ON THE EXEMPTION CONTAINED IN SECTION 2.3 OF THE NI, SUCH PURCHASER IS PURCHASING AS PRINCIPAL FOR ITS OWN ACCOUNT AND NOT AS AGENT; AND
- J SUCH PURCHASER IS ENTITLED UNDER APPLICABLE CANADIAN SECURITIES LAWS TO PURCHASE SUCH INTERESTS WITHOUT THE BENEFIT OF A PROSPECTUS QUALIFIED UNDER SUCH SECURITIES LAWS, AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING:
  - o SUCH PURCHASER IS RESIDENT IN ONE OF THE CANADIAN JURISDICTIONS, IS AN “ACCREDITED INVESTOR” AS DEFINED IN SECTION 1.1 OF THE NI, HAS NOT BEEN CREATED AND IS NOT BEING USED SOLELY TO QUALIFY AS AN ACCREDITED INVESTOR AND IS PURCHASING THE BCAP TOKENS AS PRINCIPAL (WITHIN THE MEANING OF THE NI) FOR INVESTMENT ONLY AND NOT WITH A VIEW TO RESALE OR DISTRIBUTION;
  - o SUCH PURCHASER UNDERSTANDS AND ACKNOWLEDGES THAT BCTH IS NOT OBLIGATED TO FILE AND HAS NO PRESENT INTENTION OF FILING WITH ANY SECURITIES REGULATORY AUTHORITY IN THE CANADIAN JURISDICTIONS ANY PROSPECTUS IN RESPECT OF THE RESALE OF THE BCAP TOKENS, AND THAT THE BCAP TOKENS WILL BE SUBJECT TO RESALE RESTRICTIONS UNDER THE REQUIREMENTS OF APPLICABLE SECURITIES LAWS;
  - o IF SUCH PURCHASER IS IN ONTARIO, IT (I) IS PURCHASING FROM A BROKER, INVESTMENT DEALER OR A LIMITED MARKET DEALER WITHIN THE MEANING OF APPLICABLE SECURITIES LAWS; OR (II) IS NOT AN INDIVIDUAL AND IS AN “ACCREDITED INVESTOR” AS DEFINED IN SECTION 1.1 OF THE NI, AND IS PURCHASING THE BCAP TOKENS FROM AN INTERNATIONAL DEALER WITHIN THE MEANING OF APPLICABLE SECURITIES LAWS, AND (III) HAS NOT RELIED, IN MAKING A DECISION TO INVEST IN THE BCAP TOKENS, ON ANY “FORWARD-LOOKING INFORMATION”, AS DEFINED IN APPLICABLE SECURITIES LAWS IN ONTARIO, CONTAINED IN THIS MEMORANDUM AND ACCORDINGLY THAT NONE OF SUCH “FORWARD-LOOKING INFORMATION” CONTAINED IN THIS MEMORANDUM IS MATERIAL TO ITS INVESTMENT DECISION REGARDING THE BCAP TOKENS; AND
  - o IF SUCH PURCHASER IS IN QUÉBEC, IT IS ITS EXPRESS WISH THAT ALL DOCUMENTS EVIDENCING OR RELATING IN ANY WAY TO THE SALE OF INTERESTS BE DRAFTED IN THE ENGLISH LANGUAGE ONLY. C’EST LA VOLONTÉ EXPRESSE DE CHAQUE ACHETEUR QUE TOUS LES DOCUMENTS FAISANT FOI OU SE RAPPORTANT DE QUELQUE MANIÈRE À LA VENTE DES INTERÊTS SOIENT RÉDIGÉS UNIQUEMENT EN ANGLAIS.

IN ADDITION, EACH PURCHASER OF INTERESTS RESIDENT IN CANADA WILL BE DEEMED TO HAVE REPRESENTED TO COMPANY, ITS SPONSOR AND AFFILIATES, ANY PLACEMENT AGENT, AND ANY OTHER DEALER FROM WHOM A PURCHASE CONFIRMATION WAS RECEIVED, THAT SUCH PURCHASER HAS BEEN NOTIFIED BY BCTH THAT:

- J BCTH AND ITS AFFILIATES ARE REQUIRED TO PROVIDE INFORMATION (“**PERSONAL INFORMATION**”) PERTAINING TO THE PURCHASER AS REQUIRED TO BE DISCLOSED IN SCHEDULE I OF FORM 45-106F1 UNDER THE NI (INCLUDING ITS NAME, ADDRESS, TELEPHONE NUMBER AND THE NUMBER AND VALUE OF ANY INTERESTS PURCHASED), WHICH FORM 45-106F1 IS REQUIRED TO BE FILED BY BCTH UNDER THE NI;
- J SUCH PERSONAL INFORMATION WILL BE DELIVERED TO THE ONTARIO SECURITIES COMMISSION (THE “**OSC**”) IN ACCORDANCE WITH THE NI;

- J SUCH PERSONAL INFORMATION IS BEING COLLECTED INDIRECTLY BY THE OSC UNDER THE AUTHORITY GRANTED TO IT UNDER THE SECURITIES LEGISLATION OF ONTARIO;
- J SUCH PERSONAL INFORMATION IS BEING COLLECTED FOR THE PURPOSES OF THE ADMINISTRATION AND ENFORCEMENT OF THE SECURITIES LEGISLATION OF ONTARIO;
- J THAT THE PUBLIC OFFICIAL IN ONTARIO WHO CAN ANSWER QUESTIONS ABOUT THE OSC'S INDIRECT COLLECTION OF SUCH PERSONAL INFORMATION IS THE ADMINISTRATIVE ASSISTANT TO THE DIRECTOR OF CORPORATE FINANCE AT THE OSC, SUITE 1903, BOX 5520 QUEEN STREET WEST, TORONTO, ONTARIO M5H 3S8, TELEPHONE: (416) 593-8086; AND
- J HAS AUTHORIZED THE INDIRECT COLLECTION OF THE PERSONAL INFORMATION BY THE OSC.
- J HAS ACKNOWLEDGED THAT ITS NAME, ADDRESS, TELEPHONE NUMBER AND OTHER SPECIFIED INFORMATION, INCLUDING THE NUMBER OF INTERESTS IT HAS PURCHASED AND THE AGGREGATE PURCHASE PRICE PAID BY THE PURCHASER, MAY BE DISCLOSED TO OTHER CANADIAN SECURITIES REGULATORY AUTHORITIES AND MAY BECOME AVAILABLE TO THE PUBLIC IN ACCORDANCE WITH THE REQUIREMENTS OF APPLICABLE LAWS.

BY PURCHASING INTERESTS, THE PURCHASER CONSENTS TO THE DISCLOSURE OF SUCH INFORMATION.

#### **NOTICE TO RESIDENTS IN THE CAYMAN ISLANDS**

THIS IS NOT AN OFFER OR INVITATION TO THE PUBLIC IN THE CAYMAN ISLANDS TO SUBSCRIBE FOR BCAP TOKENS, INTERESTS IN BCTH OR INTERESTS IN BC III DLVF. NEITHER A SELLING AGENT NOR BCTH NOR BC III DLVF SHALL OFFER OR SELL BCAP TOKENS, INTERESTS IN THE COMPANY OR INTERESTS IN BC III DLVF FROM A PLACE OF BUSINESS WITHIN THE CAYMAN ISLANDS TO MEMBERS OF THE PUBLIC IN THE CAYMAN ISLANDS.

#### **NOTICE TO FRENCH INVESTORS**

IN FRANCE, THIS OFFERING MEMORANDUM HAS NOT BEEN, AND WILL NOT BE SUBMITTED TO THE CLEARANCE PROCEDURES OF, OR APPROVED BY, THE AMF, AND, ACCORDINGLY, MAY NOT BE RELEASED, ISSUED, OR DISTRIBUTED, OR CAUSED TO BE RELEASED, ISSUED, OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, TO THE PUBLIC IN FRANCE OR USED IN CONNECTION WITH THE OFFER OR SALE OF THE BCAP TOKENS TO THE PUBLIC IN FRANCE WITHIN THE MEANING OF ARTICLE L. 411-1 OF THE FRENCH CODE MONÉTAIRE ET FINANCIER. QUALIFIED INVESTORS (INVESTISSEURS QUALIFIÉS) AND/OR RESTRICTED CIRCLE OF INVESTORS (CERCLE RESTREINT D'INVESTISSEURS) WITHIN THE MEANING OF ARTICLE L. 411-2, II OF THE FRENCH CODE MONÉTAIRE ET FINANCIER MAY TAKE PART IN THE OFFER OF THE BCAP TOKENS FOR THEIR OWN ACCOUNT.

#### **NOTICE TO GERMAN INVESTORS**

THIS OFFERING MEMORANDUM IS NEITHER A SECURITIES PROSPECTUS (*WERTPAPIERPROSPEKT*) WITHIN THE MEANING OF THE GERMAN SECURITIES PROSPECTUS ACT (*WERTPAPIERPROSPEKTGESETZ*) NOR AN INVESTMENT PRODUCT PROSPECTUS (*VERKAUFSPROSPEKT*) WITHIN THE MEANING OF THE GERMAN INVESTMENT PRODUCT ACT (*VERMÖGENSANLAGEGESETZ*), AND NO SECURITIES PROSPECTUS (*WERTPAPIERPROSPEKT*) OR INVESTMENT PRODUCT PROSPECTUS (*VERKAUFSPROSPEKT*) HAS BEEN OR WILL BE FILED WITH THE GERMAN FEDERAL FINANCIAL SUPERVISORY AUTHORITY (BAFIN) OR OTHERWISE PUBLISHED IN THE FEDERAL REPUBLIC OF GERMANY. NO PUBLIC OFFER OR DISTRIBUTION OF COPIES OF ANY DOCUMENT RELATING TO THE BCAP TOKENS INCLUDING THIS OFFERING MEMORANDUM, WILL BE MADE IN THE FEDERAL REPUBLIC OF GERMANY EXCEPT WHERE AN

EXPRESS EXEMPTION FROM COMPLIANCE WITH THE PUBLIC OFFER RESTRICTIONS UNDER THE GERMAN SECURITIES PROSPECTUS ACT AND THE INVESTMENT PRODUCT ACT APPLIES.

#### **NOTICE TO RESIDENTS OF GUERNSEY**

INTERESTS ARE NOT OFFERED AND ARE NOT TO BE OFFERED TO THE PUBLIC IN THE BAILIWICK OF GUERNSEY. PERSONS RESIDENT IN GUERNSEY MAY ONLY APPLY FOR INTERESTS IN BCTH PURSUANT TO PRIVATE PLACEMENT ARRANGEMENTS. THIS MEMORANDUM HAS NOT BEEN FILED WITH THE GUERNSEY FINANCIAL SERVICES COMMISSION PURSUANT TO ANY RELEVANT LEGISLATION AND NO AUTHORIZATIONS IN RESPECT OF THE PROTECTION OF INVESTORS (BAILIWICK OF GUERNSEY) LAW 1987 HAVE BEEN ISSUED BY THE GUERNSEY FINANCIAL SERVICES COMMISSION IN RESPECT OF IT.

#### **NOTICE TO RESIDENTS OF INDIA**

THIS BUSINESS PLAN DOES NOT CONSTITUTE AN OFFER TO SELL OR AN OFFER TO BUY INTERESTS FROM ANY PERSON OTHER THAN THE PERSON TO WHOM THIS DOCUMENT HAS BEEN SENT BY BCTH OR ITS AUTHORIZED AGENT. THIS DOCUMENT IS NOT AND SHOULD NOT BE CONSTRUED AS A PROSPECTUS. THE BCAP TOKENS ARE NOT BEING OFFERED FOR SALE OR SUBSCRIPTION BUT ARE BEING PRIVATELY PLACED WITH A LIMITED NUMBER OF SOPHISTICATED INVESTORS AND PROSPECTIVE INVESTORS MUST SEEK LEGAL ADVICE AS TO WHETHER THEY ARE ENTITLED TO SUBSCRIBE FOR THE BCAP TOKENS AND MUST COMPLY WITH ALL RELEVANT INDIAN LAWS IN THIS RESPECT.

#### **NOTICE TO RESIDENTS OF JAPAN**

NEITHER THE BCAP TOKENS DESCRIBED IN THIS MEMORANDUM NOR THE OFFERING THEREOF HAS BEEN DISCLOSED PURSUANT TO THE SECURITIES EXCHANGE LAW OF JAPAN (LAW NO.25 OF 1948 AS AMENDED). THE PURCHASER OF AN INTEREST AGREES NOT TO RE-TRANSFER OR RE-ASSIGN SUCH INTEREST TO ANYONE OTHER THAN NON- RESIDENTS OF JAPAN EXCEPT PURSUANT TO A PRIVATE PLACEMENT EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF, AND OTHERWISE IN COMPLIANCE WITH, THE SECURITIES EXCHANGE LAW AND OTHER RELEVANT LAWS AND REGULATIONS OF JAPAN (EXCEPT FOR RE-TRANSFER OR RE-ASSIGNMENT TO ONE PERSON BY ONE TRANSACTION OF ALL SUCH INTEREST PURCHASED BY SUCH PURCHASER). THE BCAP TOKENS ARE BEING OFFERED TO A LIMITED NUMBER OF QUALIFIED INSTITUTIONAL INVESTORS (TEKIKAKU KIKAN TOSHIKA, AS DEFINED IN THE SECURITIES EXCHANGE LAW OF JAPAN) AND/OR A SMALL NUMBER OF INVESTORS, IN ALL CASES UNDER CIRCUMSTANCES THAT WILL FALL WITHIN THE PRIVATE PLACEMENT EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES EXCHANGE LAW AND OTHER RELEVANT LAWS AND REGULATIONS OF JAPAN. AS SUCH, THE BCAP TOKENS HAVE NOT BEEN REGISTERED AND WILL NOT BE REGISTERED UNDER THE SECURITIES EXCHANGE LAW OF JAPAN. THIS MEMORANDUM IS CONFIDENTIAL AND IS INTENDED SOLELY FOR THE USE OF ITS RECIPIENT.

ANY DUPLICATION OR REDISTRIBUTION OF THIS MEMORANDUM IS PROHIBITED. THE RECIPIENT OF THIS MEMORANDUM, BY ACCEPTING DELIVERY THEREOF, AGREES TO RETURN IT AND ALL RELATED DOCUMENTS TO THE PLACEMENT AGENT IF THE RECIPIENT ELECTS NOT TO PURCHASE ANY OF THE BCAP TOKENS OFFERED HEREBY OR IF EARLIER REQUESTED BY THE PLACEMENT AGENT. THERE IS A RISK THAT THE CUSTOMER MAY LOSE THE PRINCIPAL AMOUNT HE OR SHE WILL INVEST AS A RESULT OF FLUCTUATIONS IN THE NET ASSET VALUE OF INTERESTS IN BCTH DUE TO CHANGES IN THE PRICES OF SECURITIES OR OTHER FINANCIAL PRODUCTS HELD BY COMPANY, CHANGES IN FOREIGN EXCHANGE RATES AND OTHER FACTORS, IF ANY.

#### **NOTICE TO RESIDENTS OF JERSEY**

THE CONSENT OF THE JERSEY FINANCIAL SERVICES COMMISSION HAS NOT BEEN SOUGHT NOR GRANTED TO THE CIRCULATION IN JERSEY OF AN OFFER OF BCAP TOKENS PURSUANT TO ARTICLE 10 OF THE CONTROL OF BORROWING (JERSEY) ORDER 1958, AS AMENDED, AND, ACCORDINGLY, BCAP TOKENS MAY NOT BE OFFERED IN JERSEY.

#### **NOTICE TO RESIDENTS OF KUWAIT**

THIS MEMORANDUM AND ANY OTHER OFFERING MATERIALS AND THE BCAP TOKENS HAVE NOT BEEN APPROVED OR LICENSED BY THE MINISTRY OF COMMERCE AND INDUSTRY OF THE STATE OF KUWAIT OR ANY OTHER RELEVANT KUWAITI GOVERNMENTAL AGENCY. NOTHING HEREIN CONSTITUTES, NOR SHALL BE DEEMED TO CONSTITUTE, AN INVITATION OR AN OFFER TO SELL INTERESTS IN KUWAIT NOR IS INTENDED TO LEAD TO THE CONCLUSION OF ANY CONTRACT OF WHATSOEVER NATURE WITHIN KUWAIT.

THE OFFERING OF INTERESTS IN KUWAIT ON THE BASIS OF A PRIVATE PLACEMENT OR PUBLIC OFFERING IS RESTRICTED IN ACCORDANCE WITH DECREE LAW NO. 31 OF 1990, AS AMENDED, ENTITLED “REGULATING SECURITIES OFFERINGS AND SALES” AND MINISTERIAL ORDER NO. 113 OF 1992, AS AMENDED AND ANY IMPLEMENTING REGULATIONS AND OTHER APPLICABLE LAWS AND REGULATIONS IN KUWAIT.

#### **NOTICE TO RESIDENTS OF NEW ZEALAND**

DISTRIBUTORS WILL ONLY SEEK TO PLACE INTERESTS WITH PERSONS WHO AGREE TO REPRESENT FOR THE BENEFIT OF THE DISTRIBUTOR AND THE ISSUER THAT THEY ARE INVESTORS: (I) WHOSE PRINCIPAL PURPOSE IS THE INVESTMENT OF MONEY OR WHO IN THE COURSE OF AND FOR THE PURPOSE OF THEIR BUSINESS HABITUALLY INVEST MONEY; OR (II) WHO WILL BE REQUIRED TO PAY A MINIMUM OF NZ\$500,000 FOR THE BCAP TOKENS, SUCH THAT A REGISTERED PROSPECTUS IS NOT REQUIRED FOR THE OFFER OF THE BCAP TOKENS UNDER THE NEW ZEALAND SECURITIES ACT 1978.

#### **NOTICE TO RESIDENTS OF NORWAY**

BCTH FALLS OUTSIDE THE SCOPE OF THE INVESTMENT FUND ACT OF 1981 AND, THEREFORE, IS NOT SUBJECT TO SUPERVISION FROM THE FINANCIAL SUPERVISORY AUTHORITY OF NORWAY. THE BCAP TOKENS ARE NOT SUBJECT TO THE SECURITIES TRADING ACT OF 2007. THE CONTENTS OF THIS MEMORANDUM HAVE NOT BEEN APPROVED OR REGISTERED WITH THE OSLO STOCK EXCHANGE OR THE NORWEGIAN COMPANY REGISTRY. EACH INVESTOR SHOULD CAREFULLY CONSIDER INDIVIDUAL TAX QUESTIONS BEFORE INVESTING IN COMPANY.

#### **NOTICE TO RESIDENTS OF OMAN**

THIS MEMORANDUM DOES NOT CONSTITUTE A PUBLIC OFFER OF SECURITIES IN THE SULTANATE OF OMAN, AS CONTEMPLATED BY THE COMMERCIAL COMPANIES LAW OF OMAN (ROYAL DECREE NO. 4/74) OR THE CAPITAL MARKET LAW OF OMAN (ROYAL DECREE NO. 80/98) AND MINISTERIAL DECISION NO.1/2009 OR AN OFFER TO SELL OR THE SOLICITATION OF ANY OFFER TO BUY NON-OMANI SECURITIES IN THE SULTANATE OF OMAN.

THIS MEMORANDUM IS STRICTLY PRIVATE AND CONFIDENTIAL. IT IS BEING PROVIDED TO A LIMITED NUMBER OF SOPHISTICATED INVESTORS SOLELY TO ENABLE THEM TO DECIDE WHETHER OR NOT TO MAKE AN OFFER TO ENTER INTO COMBCAP TokenMENTS TO INVEST IN THE BCAP TOKENS UPON THE TERMS AND SUBJECT TO THE RESTRICTIONS SET OUT HEREIN AND MAY NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE OR PROVIDED TO ANY PERSON OTHER THAN THE ORIGINAL RECIPIENT.

ADDITIONALLY, THIS MEMORANDUM IS NOT INTENDED TO LEAD TO THE MAKING OF ANY CONTRACT WITHIN THE TERRITORY OF THE SULTANATE OF OMAN.

THE CAPITAL MARKET AUTHORITY AND THE CENTRAL BANK OF OMAN TAKE NO RESPONSIBILITY FOR THE ACCURACY OF THE STATEMENTS AND INFORMATION CONTAINED IN THIS MEMORANDUM OR FOR THE PERFORMANCE OF BCTH NOR SHALL THEY HAVE ANY LIABILITY TO ANY PERSON FOR DAMAGE OR LOSS RESULTING FROM RELIANCE ON ANY STATEMENT OR INFORMATION CONTAINED HEREIN.

#### **NOTICE TO RESIDENTS OF THE PEOPLE’S REPUBLIC OF CHINA**

THE BCAP TOKENS MAY NOT BE OFFERED OR SOLD DIRECTLY OR INDIRECTLY IN THE PEOPLE’S REPUBLIC OF CHINA (WHICH, FOR SUCH PURPOSES, DOES NOT INCLUDE THE HONG

KONG OR MACAU SPECIAL ADMINISTRATIVE REGIONS OR TAIWAN) (THE “**PRC**”). THE INFORMATION CONTAINED IN THIS MEMORANDUM WILL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY INTERESTS WITHIN THE PRC. THIS MEMORANDUM AND THE INFORMATION CONTAINED IN THIS MEMORANDUM HAVE NOT BEEN AND WILL NOT BE SUBJECTED TO OR APPROVED/VERIFIED BY OR REGISTERED WITH ANY RELEVANT GOVERNMENTAL AUTHORITIES IN THE PRC AND MAY NOT BE SUPPLIED TO THE PUBLIC IN THE PRC OR USED IN CONNECTION WITH ANY OFFER FOR THE SUBSCRIPTION OR SALE OF THE BCAP TOKENS IN THE PRC. THE BCAP TOKENS MAY ONLY BE OFFERED OR SOLD TO PRC INVESTORS THAT ARE AUTHORIZED TO ENGAGE IN THE PURCHASE OF INTERESTS OF THE TYPE BEING OFFERED OR SOLD. PRC INVESTORS ARE RESPONSIBLE FOR OBTAINING ALL RELEVANT GOVERNMENT REGULATORY APPROVALS/LICENSES, VERIFICATION AND/OR REGISTRATION THEMSELVES, INCLUDING, BUT NOT LIMITED TO, ANY WHICH MAY BE REQUIRED FROM THE STATE ADMINISTRATION OF FOREIGN EXCHANGE, THE CHINA SECURITIES REGULATORY COMMISSION, THE CHINA BANKING REGULATORY COMMISSION, THE CHINA INSURANCE REGULATORY COMMISSION AND OTHER REGULATORY BODIES, AND COMPLYING WITH ALL RELEVANT PRC REGULATIONS, INCLUDING, BUT NOT LIMITED TO, ANY RELEVANT FOREIGN EXCHANGE REGULATIONS AND/OR OVERSEAS INVESTMENT REGULATIONS.

#### **NOTICE TO RESIDENTS OF QATAR**

THE OFFER CONTAINED HEREIN IS MADE EXCLUSIVELY TO THE INTENDED RECIPIENT AND IS FOR PERSONAL USE ONLY. THIS DOCUMENT (OR ANY PART THEREOF) SHALL IN NO WAY BE CONSTRUED AS A GENERAL OFFER, MADE TO THE PUBLIC, OR AN ATTEMPT TO DO BUSINESS, AS A BANK, INVESTMENT COMPANY OR OTHERWISE IN THE STATE OF QATAR.

THIS DOCUMENT, INCLUDING MATERIALS AND INTERESTS CONTAINED HEREIN, HAS NOT BEEN APPROVED OR LICENSED BY THE QATARI CENTRAL BANK OR ANY OTHER RELEVANT LICENSING AUTHORITIES IN THE STATE OF QATAR, AND DOES NOT CONSTITUTE A PUBLIC OFFER OF SECURITIES IN THE STATE OF QATAR UNDER QATARI LAW. ANY DISTRIBUTION OF THIS MEMORANDUM BY THE INTENDED RECIPIENT TO THIRD PARTIES IN THE STATE OF QATAR IN CONTRAVENTION OF THE TERMS HEREOF SHALL BE AT THE SOLE RISK AND LIABILITY OF SUCH RECIPIENT.

#### **NOTICE TO THE RESIDENTS OF THE RUSSIAN FEDERATION**

INFORMATION CONTAINED HEREIN IS NOT AN OFFER, OR AN INVITATION TO MAKE OFFERS, TO SELL, PURCHASE, EXCHANGE OR OTHERWISE TRANSFER SECURITIES OR FOREIGN FINANCIAL INSTRUMENTS IN THE RUSSIAN FEDERATION TO OR FOR THE BENEFIT OF ANY RUSSIAN PERSON OR ENTITY, EXCEPT “QUALIFIED INVESTORS” (AS DEFINED UNDER RUSSIAN SECURITIES LAWS) TO THE EXTENT PERMITTED UNDER RUSSIAN SECURITIES LAWS. THIS DOCUMENT IS NOT AN ADVERTISEMENT IN CONNECTION WITH THE “PLACEMENT” OR “PUBLIC CIRCULATION” (AS BOTH TERMS ARE DEFINED UNDER RUSSIAN SECURITIES LAW) OF ANY SECURITIES, AND FINANCIAL INSTRUMENTS DESCRIBED HEREIN ARE NOT INTENDED FOR “PLACEMENT” OR “PUBLIC CIRCULATION” IN THE RUSSIAN FEDERATION, IN EACH CASE UNLESS OTHERWISE PERMITTED UNDER RUSSIAN SECURITIES LAWS. NEITHER FINANCIAL INSTRUMENTS DESCRIBED HEREIN NOR A PROSPECTUS RELATING TO SUCH FINANCIAL INSTRUMENTS HAS BEEN OR WILL BE REGISTERED WITH THE CENTRAL BANK OF THE RUSSIAN FEDERATION.

#### **NOTICE TO RESIDENTS OF SAUDI ARABIA**

THIS MEMORANDUM MAY NOT BE DISTRIBUTED IN THE KINGDOM EXCEPT TO SUCH PERSONS AS ARE PERMITTED UNDER THE OFFER OF SECURITIES REGULATIONS ISSUED BY THE CAPITAL MARKET AUTHORITY.

THE CAPITAL MARKET AUTHORITY DOES NOT MAKE ANY REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM, AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS ARISING FROM, OR INCURRED IN RELIANCE UPON, ANY PART OF THIS MEMORANDUM. PROSPECTIVE PURCHASERS OF THE SECURITIES OFFERED HEREBY SHOULD CONDUCT THEIR OWN DUE DILIGENCE ON THE ACCURACY OF THE INFORMATION

RELATING TO THE SECURITIES. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS MEMORANDUM YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISER.

#### **NOTICE TO PROSPECTIVE INVESTORS IN SINGAPORE**

THIS OFFERING MEMORANDUM HAS NOT BEEN REGISTERED AS A PROSPECTUS WITH THE MONETARY AUTHORITY OF SINGAPORE UNDER THE SECURITIES AND FUTURES ACT, CHAPTER 289 OF SINGAPORE ("SFA"). ACCORDINGLY, THIS OFFERING MEMORANDUM AND ANY OTHER DOCUMENT OR MATERIAL IN CONNECTION WITH THE OFFER OR SALE, OR INVITATION FOR SUBSCRIPTION OR PURCHASE, OF THE BCAP TOKENS MAY NOT BE CIRCULATED OR DISTRIBUTED, NOR MAY THE BCAP TOKENS BE OFFERED OR SOLD, OR BE MADE THE SUBJECT OF AN INVITATION FOR SUBSCRIPTION OR PURCHASE, WHETHER DIRECTLY OR INDIRECTLY, TO PERSONS IN SINGAPORE OTHER THAN TO AN INSTITUTIONAL INVESTOR UNDER SECTION 304 OF THE SFA OR OTHERWISE PURSUANT TO, AND IN ACCORDANCE WITH THE CONDITIONS OF, ANY APPLICABLE (IF ANY) PROVISION OF THE SFA INCLUDING, WITHOUT LIMITATION, ANY APPLICABLE PRIVATE PLACEMENT EXEMPTION UNDER 302C OF THE SFA. WHERE BCAP TOKENS ARE ACQUIRED BY AN INSTITUTIONAL INVESTOR IN SINGAPORE PURSUANT TO THE EXEMPTION UNDER SECTION 304 OF THE SFA, A RESALE TO ANOTHER PERSON IN SINGAPORE WHO IS NOT AN INSTITUTIONAL INVESTOR WOULD BE SUBJECT TO PROSPECTUS REQUIREMENTS UNDER THE SFA.

#### **NOTICE TO RESIDENTS OF SOUTH AFRICA**

THE BCAP TOKENS OFFERED HEREIN ARE FOR YOUR ACCEPTANCE ONLY AND MAY NOT BE OFFERED OR BECOME AVAILABLE TO PERSONS OTHER THAN YOURSELF AND MAY NOT BE PUBLICLY OFFERED, SOLD OR ADVERTISED IN SOUTH AFRICA AND THIS MEMORANDUM MAY ONLY BE CIRCULATED TO SELECTED INDIVIDUALS.

#### **NOTICE TO RESIDENTS OF SOUTH KOREA**

THIS MEMORANDUM IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, A PUBLIC OFFERING OF SECURITIES IN SOUTH KOREA. NEITHER BCTH NOR ANY PLACEMENT AGENT MAY MAKE ANY REPRESENTATION WITH RESPECT TO THE ELIGIBILITY OF ANY RECIPIENTS OF THIS MEMORANDUM TO ACQUIRE THE BCAP TOKENS UNDER THE LAWS OF SOUTH KOREA, INCLUDING, WITHOUT LIMITATION, INDIRECT INVESTMENT ASSET MANAGEMENT BUSINESS LAW, THE SECURITIES AND EXCHANGE ACT AND THE FOREIGN EXCHANGE TRANSACTION ACT AND REGULATIONS THEREUNDER. THE BCAP TOKENS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES AND EXCHANGE ACT, SECURITIES INVESTMENT TRUST BUSINESS ACT OR THE SECURITIES INVESTMENT COMPANY ACT OF SOUTH KOREA AND NONE OF THE BCAP TOKENS MAY BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, OR OFFERED OR SOLD TO ANY PERSON FOR RE-OFFERING OR RE-SALE, DIRECTLY OR INDIRECTLY, IN SOUTH KOREA OR TO ANY RESIDENT OF SOUTH KOREA, EXCEPT PURSUANT TO THE APPLICABLE LAWS AND REGULATIONS OF SOUTH KOREA.

#### **NOTICE TO RESIDENTS OF TAIWAN**

THE OFFER OF THE BCAP TOKENS HAS NOT BEEN AND WILL NOT BE REGISTERED WITH THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN, THE REPUBLIC OF CHINA PURSUANT TO RELEVANT SECURITIES LAWS AND REGULATIONS OF TAIWAN, THE REPUBLIC OF CHINA AND MAY NOT BE OFFERED OR SOLD WITHIN TAIWAN, THE REPUBLIC OF CHINA THROUGH A PUBLIC OFFERING OR IN CIRCUMSTANCES WHICH CONSTITUTE AN OFFER WITHIN THE MEANING OF THE SECURITIES AND EXCHANGE LAW OF TAIWAN, THE REPUBLIC OF CHINA THAT REQUIRES A REGISTRATION OR APPROVAL OF THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN, THE REPUBLIC OF CHINA. NO PERSON OR ENTITY IN TAIWAN, THE REPUBLIC OF CHINA HAS BEEN AUTHORIZED TO OFFER OR SELL THE BCAP TOKENS IN TAIWAN, THE REPUBLIC OF CHINA.

#### **NOTICE TO RESIDENTS OF THE UNITED ARAB EMIRATES**

THIS MEMORANDUM DOES NOT, AND IS NOT INTENDED TO, CONSTITUTE AN INVITATION OR AN OFFER OF SECURITIES IN THE UNITED ARAB EMIRATES (INCLUDING THE DUBAI

INTERNATIONAL FINANCIAL CENTRE) AND ACCORDINGLY SHOULD NOT BE CONSTRUED AS SUCH.

THIS MEMORANDUM IS BEING ISSUED TO A LIMITED NUMBER OF INSTITUTIONAL/SOPHISTICATED INVESTORS (A) UPON THEIR REQUEST AND CONFIRMATION THAT THEY UNDERSTAND THAT BCTH AND THE BCAP TOKENS HAVE NOT BEEN APPROVED OR LICENSED BY OR REGISTERED WITH THE UNITED ARAB EMIRATES CENTRAL BANK OR ANY OTHER RELEVANT LICENSING AUTHORITIES OR GOVERNMENTAL AGENCIES IN THE UNITED ARAB EMIRATES; AND (B) ON THE CONDITION THAT IT WILL NOT BE PROVIDED TO ANY PERSON OTHER THAN THE ORIGINAL RECIPIENT, IS NOT FOR GENERAL CIRCULATION IN THE UNITED ARAB EMIRATES AND MAY NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE. THIS MEMORANDUM HAS NOT BEEN APPROVED BY OR FILED WITH THE DUBAI FINANCIAL SERVICES AUTHORITY

#### **NOTICE TO UNITED KINGDOM INVESTORS**

IN THE UNITED KINGDOM, THIS OFFERING MEMORANDUM IS ONLY DISTRIBUTED TO AND IS ONLY DIRECTED AT QUALIFIED INVESTOR AS DEFINED IN THE PROSPECTUS DIRECTIVE WHO ARE ALSO (I) PERSONS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED, (THE “FINANCIAL PROMOTION ORDER”); (II) PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (“HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC.”) OF THE FINANCIAL PROMOTION ORDER; OR (III) ANY OTHER PERSON TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED UNDER THE FINANCIAL PROMOTION ORDER (EACH SUCH PERSON BEING REFERRED TO AS A “RELEVANT PERSON”). ANY PERSON IN THE UNITED KINGDOM THAT IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS OFFERING MEMORANDUM OR ANY OF ITS CONTENTS. IN THE UNITED KINGDOM, ANY ACTIVITY TO WHICH THIS OFFERING MEMORANDUM RELATES IS ONLY AVAILABLE TO, AND WILL ONLY BE ENGAGED IN WITH, A RELEVANT PERSON.

**BC III DLVF GP, LLC**

**Blockchain Capital III Digital Liquid Venture Fund, LP**

**Blockchain Capital TokenHub Pte Ltd**