

LEISURE HOMES FUND

POWERED BY BLOCKCHAIN

A breakthrough that changes the existing venture capital world,
perception of cryptocurrencies,
as well as lightweight timber frame and tourism industries.



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VISION AND MISSION

Leisure Homes Fund (LHF) located itself between the old world of conventional investments and the new world of blockchain technologies, introducing **an innovative investment solution in light timber frame and tourism industries.**

LHF changes the mindset about investing, by giving up both the classical investment model of venture capital fund, the model of industry investments in tourism and construction, as well as the method of acquiring real estates and other facilities, enabling investors to smoothly and safely regulate the level of capital involved through cryptocurrency stock markets.

It is an open and tokenized investment fund based in Malta, with two main components:

- a venture capital fund in which investors have units called LHF Units,
- unified units based on blockchain, providing financial liquidity to investors, called LHF tokens.

Scalability of the LHF business ensures its global reach, allowing also the potential co-investment with industry investors, syndicates, financial institutions and other organizations.

The mission of LHF is to provide space for both conventional and cryptocurrency investors, and enabling participation of various economic entities and individuals in a high-yield project in the venture capital industry, which until now was the domain of specialized institutions and affluent individuals.

BUSINESS MODEL

1. HIGHEST FLEXIBILITY AND LIQUIDITY OF INVESTMENT

LHF Tokens give investors the opportunity to withdraw from their investments at any time to adapt to their time frame and return preferences. Having LHF Tokens listed on cryptocurrency exchanges means that there is a large market for buyers of these tokens, ensuring their liquidity. These cryptocurrency exchanges operate 24 hours a day, and transactions are almost immediate, giving investors maximum flexibility to exit the investment. The process of tokens trading takes place outside the Fund, reducing the administrative burden and allowing the LHF team to focus on the main objective of the Fund.

2. THE OPEN VENTURE CAPITAL FUND DESIGNED TO ACHIEVE VERY HIGH PROFITABILITY

The LHF is open and works indefinitely. This allows the Fund to exit the investment at the optimum time, when the market is strong and the given LHF investment has reached a point in its life cycle that offers optimal returns. LHF will accept both investing in monetary assets and selected cryptocurrencies, meeting the expectations of both conventional and cryptocurrency investors. The goal is to increase the contribution of investors from the entire world allowing investment commitment to both institutions, private companies and individuals.

3. POTENTIALLY SAFE CRYPTOCURRENCY

Because LHF Tokens prices will reflect the current economic value of the Fund, they have a chance to become a safe cryptocurrency in periods of high volatility in cryptocurrency markets.

FUNDRAISING MECHANISM

The maximum planned amount of all LHF Unit emissions is 500,000,000 units, of which 350,000,000 LHF Units will be directed to Investors, and 125,000,000 LHF Units will be transformed by the Fund into LHF Tokens for Originator and Founders, Investment Team and Advisory Team as a reward for creating a market mechanism ensuring liquidity of LHF Tokens and their market value (so-called FMA Tokens).

First issue for investors in the amount of 10,000,000 LHF Units will be made available after the Fund is launched at a price of 1 EUR for 1 LHF Unit. **Ceed Capital investors will be exempt from the 3% handling fee and will be invited to the Advisory Team.** Thanks to this issue, the Fund will be able to start investing the first 10 million EUR. The minimum target (soft cap) to raise capital is 5,000,000 EUR. After the initial sale of 10,000,000 LHF Units to investors, **the next ten issues will be released in packages of 40,000,000 LHF Units each.** The Fund will flexibly set the dates of subsequent issues depending on the needs related to the planned investments. The price set for subsequent issues will be the market price of LHF Tokens on external cryptocurrency exchanges at the time of issuance of these LHF Units and the NAV of the Fund. Thanks to this, the Fund remains open and will also prevent dilution of existing investors. Therefore, it is expected that the total value of capital accumulated by LHF after the issuance of all 350,000,000 LHF Units to investors will exceed the amount of EUR 350 million multiple times. With only 20% price increase of the LHF Units in each subsequent issue **the total amount of capital raised will be EUR 710,400,000.**

BENEFITS FOR ACCREDITED INVESTORS

LHF is a unique investment proposition in the world of risk capital, because it is an open venture capital fund widely available to a wide and diverse group of corporate and private investors, **allowing liquidity to investors at any time through on-line access to cryptocurrency exchanges.**

After the accreditation, the investor can subscribe for LHF Units in the Fund. The electronic investors profile will be created for each investor in the internal Fund book that records the acquired LHF Units. LHF Units can be converted to LHF Tokens via the Smart Contract and stored in the LHF Wallet. LHF Tokens can then be transferred to any portfolio or sold in the cryptocurrency exchange market.

Since the LHF will be an Accredited Private Investors Fund, the Fund intends to run a membership benefit program for investors who have invested directly in the Fund. The benefit plan does not apply to external buyers of LHF Tokens, unless they have previously been accredited Investors. LHF intends to offer Accredited Investors additional benefits:

- access to the LHF website- www.lhfund.eu,
- rebates on products and services of companies in which the Fund made investments,
- a priority invitation to participate in LHF events,
- direct opportunity to invest in companies and facilities in which the Fund invests (co-investing).

The LHF benefit program for Authorized Investors will be systematically developed.

INVESTMENT FOCUS

The main objective of the investment and the anticipated factor for increasing the value of the Fund will be investing in the lightweight timber frame constructions industry for leisure purposes and tourist services (minimum 80% of investments). This corresponds to the entrepreneurial profile of the Founders and the LHF Management Team and LHF's access to competitive production potential, as well as guarantees adequate returns on investment.

The aim of LHF is primarily to build a sustainable investment portfolio using the most profitable business models in the tourism and hotel industry, as well as mobile and modular constructions industry, verified by many years of the Founders of the Fund experience, as well as exceptionally attractive locations all over the world and the corresponding economic situation in local real estate markets. LHF will also take into account the use of debt financing for projects related to the purchase of real estate, but only if it will be possible to generate return on investment fully secured by the acquired assets.

The Fund's technology side should ensure more frequent, short-term investments and generate continuous interest in the external LHF Tokens market. Therefore, the Fund will also look into the innovative use of blockchains in fintech and other industries (up to 20% of investments).

The payback period preferred by LHF will range from 3 to 15 years, but also the longer presence of the Fund in very profitable investments is not excluded, depending on the expected risk profile and the amount of profit from a potential project.

The division into industry investments and modern technologies is aimed at enabling risk diversification and better liquidity management in the Fund.

INDUSTRY INVESTMENTS

LHF is primarily an industry fund covering innovative solutions in light timber frame constructions industry for recreational purposes and tourist services, for example:

- residential parks and campsites,
- residential centers for seniors,
- mobile homes,
- modular homes for rent and modular hotels, catering facilities, commercial buildings and recreational facilities, boathouses.

The Fund will be interested both in building new campsites and residential parks as well as taking over and revitalizing existing ones, furnishing them with modern residential houses, as well as recreational, sports and service facilities. The offer of high-quality modern facilities will be tailored to the various preferences of customers regarding location, comfort level and prices, and terms of cooperation, enabling, among others:

- the purchase of a mobile home or lodge with a long-term lease of the land on which it is located,
- using the hotel's condo model for mobile homes and lodges as well as modular homes,
- renting a mobile home, lodge or modular house for any period,
- the use of comfortable campsites by camper and caravan users,
- purchase, co-ownership or rental of houses on the water.

LHF will not deal with speculations on the real estate markets, in stead being focused on gaining appropriate assets at a price far below their value, which will allow you to generate high returns on this investment.

RETURNS ON INVESTMENT

1. RETURNS ON INDUSTRY INVESTMENTS IN THE FUND

In the case of land investments and the placing of mobile and modular homes on it, **the goal is to generate a total of over 500% of the return over the average 10 years investment period, aggregated from the entire investment portfolio.** Industry investments have a low risk for the Fund, taking into account the founders' experience, high margin of each element of the investment (trade and lease of land, sale and rental of houses, additional services), the value of assets and the secured nature of planned investments.

2. RETURNS ON TECHNOLOGICAL INVESTMENTS IN THE FUND

The income of LHF will depend on both the risk profile of each investment made and the stage of investment development. The fund will try to support technology enterprises that have unique growth potential and where significant profits can be made. LHF will seek a return of more than 10 times the investment cost. In addition, the earlier the stage of the project, the higher the expected and required return on investment.

3. INVESTMENT RETURNS FOR INVESTORS

LHF will provide investors with extremely attractive profits, cumulated from three sources:

- high return from the Fund's investments and reinvestment of 80% of profits in subsequent investments,
- value increase of LHF Units in subsequent emissions,
- value increase of LHF Tokens as a safe currency on cryptocurrency stock market.

LHF UNITS vs LHF TOKENS

LHF is a venture capital fund that operates as an effective private investment network for its members. To invest directly in the Fund, all investors must become Accredited Investors. LHF is therefore not automatically open to the general public. Therefore, the decision was made to introduce LHF Units and LHF Tokens.

LHF Units are the non-transferable equity investment fund shares received at the time of the initial investment in LHF, which are the Fund's internal share register. LHF has direct control over the issuance of new LHF Units for Accredited Investors. **LHF Units are not transferable except for conversion to LHF Tokens** and there is no secondary market for them. Only the replacement of existing LHF Units with LHF Tokens creates the supply of new LHF Tokens.

LHF Tokens are encryption tokens in blockchain technology that can be converted into LHF Units. After the LHF Unit conversion into LHF Token, the LHF Unit is removed (deleted from the Fund's register) and ceases to exist. LHF Token is an external entity in the blockchain network outside the Fund and LHF has no control over the price that LHF Token will achieve on external cryptocurrency stock markets, or who buys it. **LHF Token can never be converted back into LHF Unit.** Since LHF Tokens are completely out of Fund's control, their owners do not have to be Accredited Investors. Holders of LHF Tokens do not have access to the Fund or the right to receive awards for Accredited Investors. However, in the event of liquidation of the Fund, holders of LHF Tokens have the right to receive part of the distributed proceeds from the Fund. **1 LHF Unit will always be equal to 1 LHF Token. After launching the Fund 1 LHF Unit from the first issue it will be exchanged for 1 EUR.**

JURISDICTIONS AND REGULATIONS OF THE FUND

LHF will be a conventional limited company established and registered in accordance with the law of Malta, subject to the regulations of the MFSA, the national financial supervisory authority. The fund's capital will be divided in the form of shares with no fixed face value and certain specific rights and entitlements. The subscription will be available only to accredited investors - institutions, companies and individuals.

The Fund Management will designate an Investment Committee and Investment Portfolio Management (PMO). The President of the Management Board of LHF Robert Loranc will be responsible for running the business of the Company and will provide final permits for investments to be carried out by the Fund. The Investment Committee will be open to Members of the Management Board, Members of the Investment Team and other persons who are not employees of the Fund. The Investment Committee will act as an internal advisor to the Management Board, recommending investments made by the Fund. The final decision on the implementation of the investment and its conditions will be taken by the Management Board.

Malta is a jurisdiction in line with international best practices and is involved in modeling global regulatory policy. The country actively participates in the OECD, EU and Commonwealth of Nations. MFSA is a member of EUNB and ESMA. The MFSA is part of the SSM at the ECB and participates in the decisions of the SSM Supervisory Board. MFSA is also a member of IOSCO and a signatory of the Multilateral Memorandum of Understanding with other members of these institutions. Malta is also a jurisdiction that has become the most European-friendly center for crypto economics and blockchain technologies.

ROAD MAP

Progress of the work till December 31, 2018:

- founders - completed team,
- White Paper - concept developed,
- completing the list of Seed Capital Investors - ongoing,
- Investment Team and Advisory Team - the process of completion in progress,
- Jurisdiction and compliance - Malta was selected,
- using blockchain and ERC20 token - a solution has been developed.

Plan for January - March 2019:

- acceptance of LEGAL SUPPORT adviser and CRYPTOCURRENCY SUPPORT adviser,
- Completion of Seed Capital Investors,
- completing the Investment Team and Advisory Team, above all CFO and Investment Director of VC / PE,
- signing all founding agreements, including the launch of the LHF Company and its banking and legal-accounting service,
- launching the Fund's operations (LHF company in Malta),
- publication of the LHF Units Prospectus,
- preparation of the issuing process of the first LHF Tokens and their quotations on selected cryptocurrency stock markets,
- ending the first issue of LHF Units and raising funds of EUR 10 million (minimum soft cup EUR 5 million),
- commencement of the investment process by the Fund.

„ONE SMALL STEP FOR LHF, ONE GIANT LEAP FOR MANKIND”

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