

Gen. M Partners

Tokenized Private Equity Fund Built On XRP Ledger.

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Abstract: Gen. M Partners is a security token issuer that specializes in providing tokenized funds and on-chain financial instruments with the integration of Autonomous AI Agents. GMP is issuing its first financial instrument — a tokenized private equity fund. As an issuer, our goal is to provide a wide range of various investment options that are transparent and easy to access, enabling investors of all levels and backgrounds to create personal wealth efficiently. By incorporating distributed ledger technology (DLT) as well as artificial intelligence (AI) into traditional investment instruments, we aim to revolutionize asset management within the private equity sector. Through the introduction of a tokenized PE fund, we're democratizing access to a previously exclusive industry. Through this approach, everyday investors gain the opportunity to engage in on-chain private market securities investments, granting them access to global liquidity and the potential to generate passive income. Our instruments are aimed to promote financial inclusion, particularly in regions with a well-established digital asset framework.

Problems of Traditional P.E Funds

Traditional private equity has in the past been purposely structured to not be inclusive and always had a hard set of criteria for entry. Tokenization will play an influential role in the adoption of a new model that allows seamless accessibility in an otherwise closed-off industry.

Other issues that are frequent in the industry include:

Restricted Access: Traditional private equity ventures are generally tailored for high net worth investors, causing a problem for the average investor looking to invest in PE. Moreover, the high demand in private equity frequently results in oversubscription, meaning the interest from investors exceeds the available deal opportunities.

Limited Liquidity: Their positions are typically long-term investments, with a typical holding period of 5-7 years. This can make it hard for investors to liquidate their capital if they need it before the investment is sold or made public. Private equity funds often have long lock-up periods, which prevent investors from selling their shares for a certain period of time.

Limited Transparency: The funds often have limited transparency and a lack of accountability in investment decisions and operations, making it difficult to understand the underlying assets held by the fund and the performance of the portfolio. Private equity funds often have limited regulatory oversight, which can make it difficult for investors to see the risks involved in the investment.

High Minimums: Traditional PE funds can require upwards of millions in minimum investment. This causes most investors to not have access to any sort of private market offerings.

High Management Fees: Typical funds often have high fees associated with them, which can eat into the returns of the investor. These fees include management fees, carried interest, performance fees and other hidden expenses.

Lack of Secondary Market: Private equity investments are typically illiquid, meaning that they cannot be easily bought or sold on a secondary market. This can make it difficult for the investor to exit their investment if they need to. PE investments are often held by a small group of investors, which can make it difficult to find a buyer or seller for the shares.

Reputation Risk: They often have a reputation for being too aggressive & taking on a lot of debt and being exposed to over leveraging. This can lead to negative perceptions of the industry, which can make it difficult for the investor to justify entering in the market. Traditional PE funds have been criticized for their role in leveraged buyouts, which have been blamed for causing widespread job losses and other negative residual consequences.

Our Solution

Democratizing Access to Private Markets: Access to on-chain private market securities on the XRPL democratizes access to private market offerings for the public. The XRPL enables the traditionally exclusive world of PE to become more accessible to a broader range of investors. By bringing assets on-chain, we are lowering the minimum investment requirement, enhancing transparency, providing investors with real-time data, eliminating intermediaries, reducing fees and ensuring a fairer and more inclusive financial ecosystem. This fosters a more equitable and open financial landscape for all investors.

Instant Settlement: As an on-chain security issued on the XRP Ledger, it enables instant settlement. Through XRPL's fast & efficient blockchain, transactions are processed rapidly. The fast settlement benefits investors by reducing counterparty risk, ensuring quicker access to assets and enhancing liquidity in the tokenized PE fund market.

Programmability: The programmability aspect of an on-chain fund on the XRPL offers several benefits; it enables smart contract capabilities, facilitating automated and trust-less transactions. This programmability enhances security, reduces operational costs and streamlines financial processes.

Enhanced Efficiency in the Distribution Process: Tokenized PE funds on blockchain enhance distribution efficiency by eliminating intermediaries and streamlining the investment process. They enable direct peer-to-peer (P2P) transactions, reducing administrative overhead and enhancing transparency. Through smart contracts, tokenized private equity funds automate tasks like dividend distribution and asset management, ensuring a more efficient and cost-effective distribution process, ultimately benefiting both fund managers and investors.

Secondary Market: Providing a platform for investors to access secondary market liquidity.

Management Fees: We are able to significantly reduce management fees by automating many of the funds' internal processes.

Industry Competitive Minimums: Traditional PE funds have investment minimums that require millions. Recently, other on-chain PE funds have lowered their minimums to as little as \$50,000. GMP's private market security (on-chain PE fund) will require a minimum as low as \$1500.

Transparency: All transactions will be tracked and audited in real-time as all transactions will be logged on-chain and available to view at any time.

Legal Structure

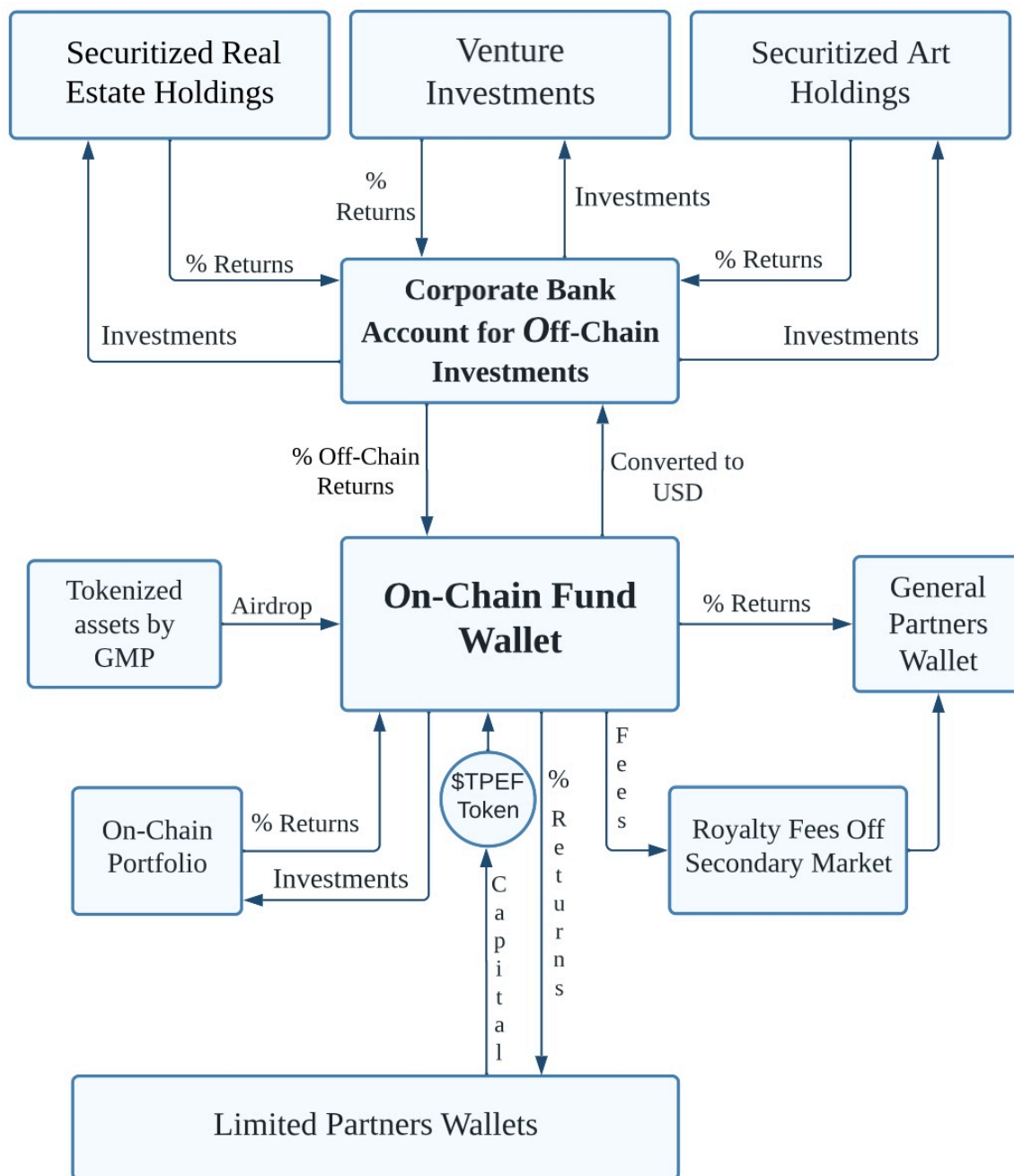
Gibraltar has established a robust DLT regulatory framework which has been in place since 2018. Our legal advisors based out of Gibraltar will help guide us through the process of Non-Security Token Issuance with the Gibraltar Financial Services Committee (GFSC) for registration of the fund, as well as each on-chain instrument offered by GMP.

Benefits from Registering with the GFSC under Non-Security token issuance law:

- Tax Benefits.
- GFSC is based and operates on same principles as U.K FCA.
- Quick, efficient & provides comfort for investors and third-party service providers.
- Highly developed crypto ecosystem in Gibraltar.
- The DLT Framework has been in place since the first of January, 2018.

Gen. M Partners operates as a Limited Partnership, which allows for the issuance & offering of on-chain private market securities which represent tokenized equity in the fund. One or more partners called General Partners (GPs) manages the fund and assume all legal liabilities. A limited partnership will allow other partners (the investors) referred to as "Limited Partners" to provide capital and have limited liability. In the case of a tokenized PE fund, the LP structure allows for the company to raise capital from a variety of investors, through the sale of equity ownership through our security token (i.e. private equity).

Fund Structure:



Opportunity

Our goal is to change the way opportunities & multi-asset class exposure is brought to a broader range of investors. Through our platform and product line, we provide a more efficient way to access the same opportunities that have traditionally been available only to accredited investors. Our goal is to make these opportunities accessible to everyone by providing a transparent and fair process that allows anyone with an internet connection to participate.

Our fund will hold securitized shares using fractional ownership of physical assets such as equity, real estate & fine art, allocating funds to a third party platform that focuses on securitizing ownership of assets in a more seamless manner and avoiding the underlying costs of holding those assets. We are committed to helping individuals build wealth and achieve financial independence from our products.

Target Audiences:

- Central Banks investing heavily in digital banking infrastructure in their region.
- Retail & Institutional Investors in EMEA, APAC & South American countries.
- Central Banks working closely with Ripple on their CBDC infrastructure.

Go-To-Market:

- Marketing plan with Security Token Market “STM”
- Launch Instruments on our native platform.
- Offer instruments on multiple Multi-Asset Brokerages.
- Offer instruments on Neo-Banking Platforms.

Why We Chose XRP Ledger

Our team believes the XRPL is the best protocol to bring Real World Assets (RWA's) on-chain as Ripple's positioning for mainstream adoption is strong. Our belief is that the XRPL will be the protocol of choice to scale innovative new models for financial instruments that utilize blockchain technology more than any other chain. The XRPL is one of the only carbon-neutral blockchains that is built to help scale blockchain solutions by improving the digital banking infrastructure. We aim to become the largest issuer of AI based on-chain securities on the XRPL with an additional initiative to help decarbonize the capital markets by issuing carbon-neutral securities.

Off-Chain Capital Allocations

Once 30% of the total capital is raised, it will be immediately directed towards establishing a stable source of income and facilitating the expansion of the fund.

Treasury: From the total capital raised, 75% will be designated for off-chain investments & the remainder 25% will be for on-chain. Using this hybrid model, we'll be able to achieve 100% capital efficiency within the fund.

Off-chain capital allocations:

- Precious Metals.
- Real Estate (physical & securitized holdings).
- **Private Placements in:** Blockchain infrastructure, Renewable Energy, AI infrastructure & Quantum computing.

All off-chain capital raised when converted to USD will be dispersed in the following way:

250,000 x 1500 = \$375m // \$375m x .75 = **\$281.25m** (Max. amount for off-chain investments)
(supply) (price) (split)

Commodities Portfolio:

- Physical gold, silver & other precious metals.
- Tokenized precious metals portfolio.

Real Estate Portfolio:

- Real estate securitized derivatives from a regulated broker.
- Acquire distressed properties in the United States market.

Art Portfolio:

- Securitized derivatives of fine art from a regulated broker.
- Physical pieces will be bought then shipped to a third party associate to be appropriately stored. Then minted as an NFT representing the ownership of the piece that will be held in the on-chain wallet.

On-Chain Capital Allocations

All on-chain capital when Atomic Swapped from XRP to other chains will be dispersed in the following way:

250,000 x 1500 = \$375m // \$375m x .25 = **\$93.75m** (Max. amount for on-chain investments)
(supply) (price) (split)

— 50% of all on-chain capital will be lent out through various on-chain lending platforms.

On -chain capital allocations:

- XRP
- BTC
- & more...

Management Transparency:

Materials discussed in meetings amongst general partners will be summarized and published on a Discord channel with viewing access to all limited partners, with the exception of portfolio positioning decisions. A private channel will be available for all partners to read the methodology behind positions discussed and proposed in meetings as well as speak directly to the internal team through a feedback loop.

Tokenomics - Utility of the \$TPEF Token

Supply: The initial offering of Gen. M Partners' first instrument will have a maximum supply of 250,000 for \$1500 per token. No new tokens will be created after the initial mint.

Token Distributions: Distributions paid out by the fund will be split based on how many tokens are held by an individual holder. One token represents 0.004% ownership in the fund. This means that token holders will be entitled to receive a portion of the net profit generated by the fund relative to the amount of tokens held.

Token Value: The value of each token is derived from the assets held under the funds, including both on-chain & off-chain accounts.

Token Liquidity: Tokens can be sold on our secondary exchange as well as other multi-asset exchanges that we will be listed on.

Token Holders Governance: The token holders may have some voting rights on the strategy & allocation of certain fund activities.

General Partners Compensation: 5% of initial capital raised will be automatically directed into the General Partners wallet as a fixed profit shared percentage. Limited partners (holders) profit shared percentage will be distributed relative to the amount of tokens held.

Percentage Distributions: After the 18 month lockup period, the fund will begin to distribute returns to token holders in the form of distributions. This will be done through a smart contract. It will automatically distribute the fund profits to token holders via airdrop based on their proportionate ownership of the fund. Token holders can expect to receive a percentage of the fund's profits as a return relative to the number of tokens they own. Overall, the distribution structure for the fund is designed to provide investors with a steady stream of returns. Additionally, it allows them to exit their investment if they so desire via a secondary market.

Atomic Swap Function: Holders will be able to choose to receive their distributions in USDT, USDC, BTC & XRP.

Future Issuance: For the first fund offered by Gen. M Partners, the supply is locked at 250,000. Other on-chain funds offered by GMP will be publicly announced prior to issuance and deployment.

— Royalty fee on each secondary sale will be directed to the General Partners wallet.

Airdrops:

- Distributions will be airdropped to token holders.
- Other airdrops that will take place will be from Gen. M Partners tokenizing other alternative assets acquired such as physical fine art, gemstones, etc. Items will then be shipped and held by a trusted third party service that will then mint an NFT representing the item. A digital ownership stake can be airdropped into the on-chain wallet and recognized as a collective asset held by fund members.

Summary

Gen. M Partners is a issuer of on-chain securities, the first instrument being a tokenized private equity fund (TPEF) that uses a profit-sharing model and prioritizes mutual alignment between its limited partners. We aim to provide broad market exposure through a highly diverse portfolio of on-chain & off-chain investments and other future exclusive offerings. Gen. M Partners issuance of one of the first on-chain private equity fund in the blockchain space, has a deep understanding of the needs of its limited partners & investors. We aim to capitalize on the rapid growth of blockchain technology to deliver returns for its investors & partners. Our fund's primary goal is transparency as there is a lack of trust due to recent events in the space. In addition, we strive to provide an efficient, secure, economical and inclusive investment experience in the private equity sector.

