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TOKENBOX Rating Review (<https://tokenbox.io/ru>)

ICO dates (14.11.2017 — 28.11.2017)



I C O R A T I N G

Web: icorating.com

Email: info@icorating.com

Twitter: [@IcoRating](https://twitter.com/IcoRating)

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1. Ratings

We assign the Tokenbox project a "Stable+" rating. We recommend buying TBX tokens for long-term portfolios if you share the views of the project team on the significant growth of the cryptocurrency and cryptoassets market in the future.

At the time of writing the team already has a successful project: The tokenized cryptofund, [The Token Fund](#), created in close partnership with the [Zerion](#) team. This is one of the advantages of this project.

In addition, Tokenbox plans to enter the market for cryptocurrency funds and professional cryptoassets trading, which is developing very rapidly; this can certainly increase the project's future chances.

The establishment of the reserve fund and investment of money in the funds established on the platform would certainly be of interest to portfolio managers who are currently planning to start their business, but given that the volume of investments (a maximum of \$6 million in the case of the successful completion of the TGE) will be distributed among 10 funds, it is likely that such assets may not be of interest to major professional players in the industry.

The company has a clear marketing strategy and a team of high-end marketing professionals. This has a significant impact on the interest in the project on social media.

At the same time, however, we note that the economic model, built on the dynamics of historical data on the cryptocurrency market is, in our view, too optimistic.

Despite the team's experience in having already established the tokenized cryptofund, the lack of a functioning Tokenbox platform whose launch currently depends on the success of the TGE does not help to reduce investment risks. This may bring a delay for the project to its plans for capturing a market share.

All of the above factors prevent us assigning a higher rating to the project.

2. General information about the Project and ICO

Tokenbox is a platform that intends to offer professional managers and traders a ready-made tool for creating their own cryptofund based on the Ethereum blockchain.

The proposed Tokenbox technical solutions offer the following possibilities:

- Portfolio managers and traders could access a ready-made solution for creating their own tokenized fund which works openly and legally.
- Investors having access to crypto market management strategies, with a certain degree of security for these processes.

The Tokenbox platform is a project created by the founders of [The Token Fund](#), one of the first tokenized cryptocurrency funds whose management is built on blockchain technology and smart contracts.

Advantages of using Tokenbox:

1) For funds and traders:

- KYC
- Ratings
- Professional software
- Fund tokenization
- Smart contracts
- Legal support

2) For investors:

- Multi-currency wallet
- Validated traders
- Data disclosure
- Usage of fiat currencies
- Wide range of choice
- Security

Website: <https://tokenbox.io/>

Whitepaper: <https://tokenbox.io/docs/Tokenbox-WhitePaper-En.pdf>

Slack: No

Twitter: <https://twitter.com/tokenbox> (+1322)

Telegram: <https://t.me/Tokenbox> (+1245)

Facebook: <https://www.facebook.com/Tokenbox/> (+6079)

Bitcointalk: <https://bitcointalk.org/index.php?topic=2243307.0>

GitHub: <https://github.com/zeriontech/>

Reddit: <https://www.reddit.com/r/tokenbox/> (+6)

Medium: <https://medium.com/tokenbox>

YouTube:

<https://www.youtube.com/channel/UC6042bTB5UCk5atwqXGf80g> (+6)
https://www.youtube.com/watch?v=1YTLvqZNW_4 (463 238 просмотров)

The total number of issued tokens will be no more than 31,000,000.
The tokens will be distributed according to the following scheme:



Smart contract platform: Ethereum blockchain
Contract Type: ERC-20
Token: TBX

Private Sale:

Duration: From October 03, 2017 to November 13, 2017

A private sale is carried out through preorders for investors with investments of at least US\$50,000.

TGE:

Start Date — October 14, 2017 (12:00 UTC)

TGE End Date: November 28, 2017 (12:00 UTC)

Token Price: 1 TBX = US\$1

Soft Cap: 3,000,000 TBX

Hard cap: 20,000,000 TBX

Accepted currencies: ETH, BTC

Number of tokens per person: unlimited.

Maximum amount of one transaction: unlimited.

Minimum amount of one transaction: unlimited.

TBX tokens will be delivered to TGE participants' wallets within 10 days of completion of the TGE.

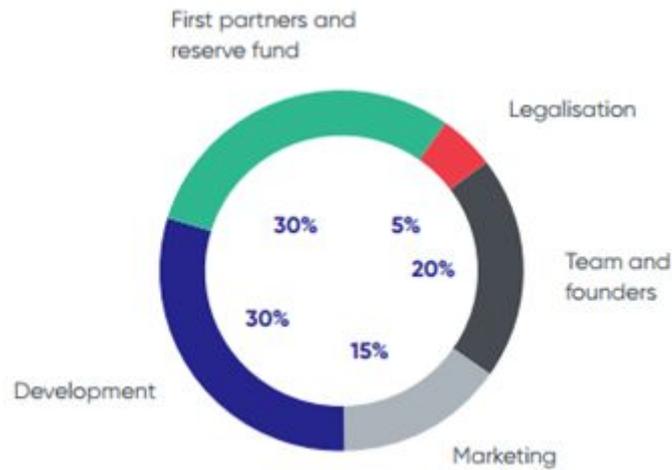
Bonus Program:

A 30% discount will be granted to investors during the token presale.

In the first hours of the TGE, a bonus will be provided of which the amount will be announced later.

The tokens that are allocated for rewards to the team will be available to them in 12 months' time. Until that time these tokens will be frozen.

The funds received in the course of the TGE will be used as follows:



3. Description of the services and scope of the project

The Tokenbox platform enables creating the following types of funds:

- Cryptocurrency funds
- Investment funds with active portfolio management, similar to Mutual Funds
- Index funds, including those with token traded on an exchange, analogous to ETF funds
- Funds that are following active trader strategies, including algorithmic and robotic trading.

The development of blockchain technologies and the tokenization of real assets will also enable Tokenbox to organize the following types of funds in the future:

- Private real estate funds (with rental and value income)
- Conservative investment funds (fiat currencies and debt instruments as in the classical financial market)
- Hedge funds, direct investment funds, etc.

For private and institutional investors, the platform provides the following features:

- A secure gateway, integrated with the banking system, that enables entering a decentralized economy using fiat currencies (USD, EUR, CHY, CHF, etc.) and classical payment systems. Conversion of fiat currencies to cryptocurrencies and tokens, as well as the reverse operations can be performed by investors directly inside the platform.
- A multi-currency wallet with the possibility of securely storing digital assets. A client can create two types of universal wallets for common cryptocurrencies and tokens:
 - A "Light" wallet — with customer consent the keys are stored on the platform itself
 - A "Professional" wallet — the client stores the keys.

Fund managers and traders will have the following options:

1. A legal registration function for the creation of funds, the issuing of their tokens and their further market activity in the legal framework. This will allow funds and traders to save on registration activities.

2. KYC/AML for investors, as well as the use of required data verification systems.
3. Settlements with investors based on smart contracts using the platform token.
4. Access to internal and external liquidity.

The advantages of using internal liquidity are as follows:

- Reducing transaction costs.
- A higher level of security — the volume of cryptoassets over which external exchanges receive temporary control is minimal.
- A low risk of technological failure and delay in the operation of blockchain networks during transactions.

External liquidity is ensured by access to exchanges using corporate accounts, which enables the performance of high-limit transactions.

5. Investment management software:
 - Customizable POS.
 - Built-in analytical tools.
 - Customer interaction and analytics system.
6. Access to the company ICO marketplace, with the possibility of buying project tokens at the best price. In this way, projects can receive tokenization, legalization, processing, escrow, and security audit services on the platform.
7. Marketing support from Tokenbox and access to the global investment community.
8. A rating system.

The platform will implement a multi-level security system including:

- A due diligence procedure for all traders.
- Modern technologies for computer security and the storage of cryptoassets.
- Regular audit of the security system, with the assistance of consultants and experts.
- Fund managers and traders will only be able to create "light" wallets (with access keys stored on the platform.)
- All assets managed by traders are kept under the protection of the depository under the management of Tokenbox.

Also, platform functionality will include additional tools for the investor:

- A rating system showing profitability of a strategy, risk management and a description of the trader and fund strategy.
- A built-in risk-management system that prevents traders from making transactions that contradict the adopted strategy.

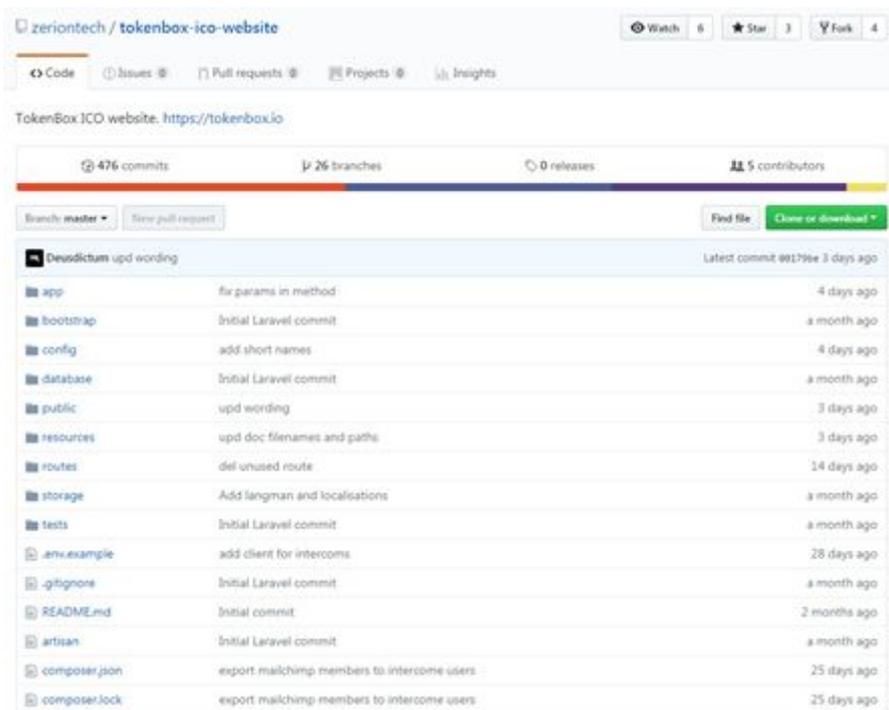
- An "advisor" service that will run an optimization algorithm based on parameters specified by the investor, and reporting the best criteria for the selection of a fund.

Tokenbox will comprise mobile, desktop, and web versions for different operating systems.

4. Engineering solutions

According to the [Github](#) site, the development is being handled by [Zerion](#), and the ICO repository for Tokenbox is currently available. 3-6 months after the TGE, it is planned to partially open the code for user interface modules and especially private keys (for investors and traders); the same is true for Performance users. Private components will be audited and then published.

The development platform is a set of Python/Java-based microservices that provide separate interfaces for different user groups.



TBX is a cryptographic token of the ERC20 standard available for storage in various wallets compatible with this standard.

The Tokenbox **technological infrastructure** is based on Amazon Web Services. The infrastructure description is based on Docker containers. The databases and their replication are built on the basis of PostgreSQL and Elastic Search.

The infrastructure was originally designed for Token Fund and consists of several primary modules:

- Smart contracts for fund tokenization
- Processing for accepting investments and paying to investors
- A system for calculating and controlling the value of fund tokens
- A parser that controls the volume of cryptoassets on balances and market value
- An individual income calculation system for each fund customer
- A wallet for storing ETH and ERC20-standard tokens

The Tokenbox platform will provide access to their APIs for other developers to enable partners in the ecosystem to track the internal APIs of the system and the interaction of its modules. As a result, after a security audit, the client program code will be available in OpenSource.



System modules:

1. Investor

Platform clients work through a common API that is connected to external integration, and open APIs are available for building applications based on the Tokenbox client base.

Investors are provided with a KYC/AML procedure and the ability to backup their private keys safely.

Registration will be implemented via PC and laptop software, mobile and web platforms. User registration data from third-party sources will be transferred to the platform through encrypted communication channels.

2. Funds and traders

For foundations and traders, access to the platform is via the web interface, as well as through the native trading terminal implemented for Windows and Mac OS. To protect investor funds, all funds and traders go through multiple authorizations.

All members of the ecosystem acquire their own unique identifier — an API allowing tracking of actions, investors and traders. The API is also assigned to the internal contracts regulating interaction between members. This minimizes the probability of erroneous transactions and illegal actions on the part of a trader.

3. Due diligence

Due diligence will be carried out by Tokenbox and service providers; confidential information will not be disclosed, only the results will be publicly available in the ecosystem. The verification process is not yet clearly established; it will be updated and subsequently documented.

4. Payment processing

Development of payment processors for different cryptocurrencies and the development of a gateway for accepting cards in compliance with PCI DSS standard. Fiat currency and token transaction processing is processed by third-party services that comply with international information security standards.

5. Trading API

The platform has a unified API that allows working with different exchanges. Clearing is available for transactions conducted on internal exchanges. Trading robots also have their own API to interact with the traders within the system.

6. Analytics and risk-management

The platform has an engine based on [SnowPlow](#); all transactions are logged and regularly recorded in the blockchain. A built-in analytics module allows ranking of traders based on the many factors that describe them. Research is being done to develop and implement a risk management system.

7. Tokenization

Tokenbox uses smart contracts based on [Solidity](#) for tokenization, which send commission to the "parent" platform contract. The smart contract set is open and available for public auditing.

8. Storage

For better security of private keys, these are kept in a separate store outside the platform; access to this storage is controlled by PCI DSS standards. Investors' funds, with the exception of day liquidity, are stored in multisignature wallets.

5. Market Review

In our opinion, the Tokenbox project intends to start in a very actively growing market, which could certainly increase the chances of a successful launch and subsequent expansion of the business.

The [Autonomous Next](#) company, a leading researcher and analyst in the financial technology industry (fintech), reported that 124 hedge funds are investing in cryptocurrency assets. The world's most popular cryptocurrency convinces finance managers, who manage more than US\$2 bln, that this is the right time for investment.

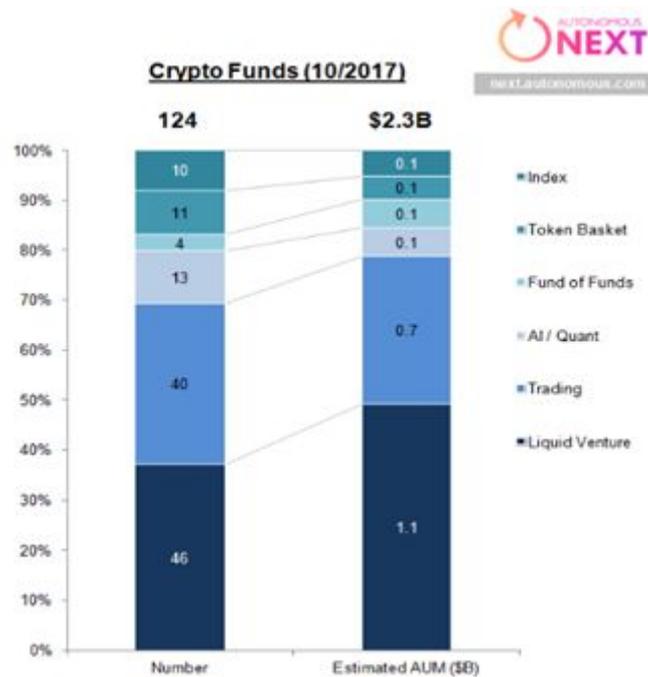
In 2017 more than 90 digital asset-oriented funds were launched, bringing the total to 124.

37% of such funds used venture investment strategies with US\$1.1 bln assets in management. Autonomous Next estimates that, in general, "assets in the management of cryptofunds now comprise US\$2.3 bln".

More than 100 cryptocurrency hedge funds ensured the growth of ICOs and related investments up to US\$3.6 bln. This underlines that the cryptoeconomy is moving faster and faster in regulation, assets and new financial ecosystems.



The total size of assets managed by cryptocurrency hedge funds is now approximately US\$2.3 bln.



The amount of assets managed by cryptocurrency funds seems very modest compared to the US\$3.15 trln managed by traditional hedge funds (according to data on the third quarter of 2017).

Thus, the number of cryptocurrency hedge funds has rapidly grown in 2017. The advantage of hedge funds is that they offer a ready-made solution to those who cannot or do not want to compile a portfolio and buy cryptocurrency but want to make money off of them.

However, there is no clear position on cryptofunds in the financial market. Some participants see great opportunities for investment, while others look at the situation with a fair degree of skepticism. It should also be noted that digital assets have a high volatility and unpredictability. There are issues with cryptocurrency reputation and uncertainty about its regulation in most countries. Not all hedge funds can boast of famous founders, big portfolios and a reliable history. The experts agree on one thing: As long as digital currencies are updated one at a time, new and new cryptofunds will appear on the market.

6. Competitors and competitive advantages of the project

Two companies are considered to be the main competitors of the project: ICONOMI and Melonport. The white paper presents a product comparison according to functionality:

Project	Tokenbox	ICONOMI	Melonport
Tokens	Utility Token (access to the platform's functionality)	Token-share (weekly dividends, voting rights)	Application's Token (access to the platform's functionality)
Integrated Wallet	✓	✓	✗
ICO Marketplace	✓	✗	✗
Fund/Trader Registration	Fund/trader passes mandatory due diligence	The decision on registration is made by ICONOMI (the criteria for which are not disclosed)	Only Melonport owners can create a fund
Fund/Trader Tokens	✓	✓	✗
Fund/Trader Status	Acts legally on the platform (the Platform is a multi-fund)	Legally not connected with the platform	Legally not connected with the platform
Rating System for Funds	✓	✗	✗
Integrated Analytic Instruments	✓	✗	✗

After comparing the Tokenbox platform with its direct competitors, it is possible to point out several advantages:

- Ability to use built-in analytical tools as well as a rating system.
- All funds/traders, after registering on the system as asset managers, are bound to undergo due diligence.
- Regular security audits.
- A multi-currency wallet for basic cryptocurrencies and tokens.
- Investor access to an ICO campaign marketplace. Investors can safely invest in ICO/ITO/TGE and buy project tokens.

During our talks with the founders they specified the main advantage of the platform compared to the competitors: *"A ready-made solution to the legal aspect will be the key phase after which the demand for the platform's services will grow. Now, none of the competitors for the Tokenbox platform even plans to offer this solution. We also believe that since Tokenbox starts at the stage of the market's formation (with real experience and solutions for creating funds), it can be expected to increase the market share for the platform."*

At the same time, it is worth taking into account that not so long ago another competitor, [Blackmoon Crypto](#), with a similar functionality appeared on the market.

Although the Tokenbox platform has a number of advantages, large funds such as Satoshi.Fund, Taas, AMF and others do not need such platforms because they have the right expertise and tools. If the cryptocurrency market becomes legalized over time, competition will quickly appear from classical players in the industry.

The market for cryptocurrency and cryptoassets is currently growing , and the number of funds is also increasing. There will be new specialized platforms that make it easy to create and maintain cryptofunds for managers and traders. Thus, competition for Tokenbox in the near future is likely to increase.

7. Marketing strategy

Apart from the traditional risks associated with the crypto industry, the project also has a number of additional risks that should be highlighted.

Tokenbox's founders claim that there are no similar services to date and that the product will be in demand. However, in our view these statements are debatable; competition in the market does exist. It is not possible to say that a completely new product is being created, and in addition to the usual competitors listed in the chapter "Competitors and competitive advantages of the project," There are a large number of single funds that do not need such services; however investor money is competition.

On the basis of the above, and taking into account the fact that according to the business model, the Tokenbox fund manager must always keep at least 5% of a fund's assets in TBX tokens, there is a risk that the product will not be in as much demand on the market as expected by the founders of the project. The fund, after all, primarily represents the interest of its investors - will investors agree with the stipulation that 5% of their assets must be in the project's tokens, which might not have been selected through the fund's investment declaration?

All project forecasts are based on historical market data. As is well known, financial markets are far from logical in nature. However, one of the first postulates of investing is the following: "Past results do not guarantee their recurrence in the future". It is very difficult, if not impossible, to understand the extent to which the market has or has not reached a stage of "maturity" based solely on historical data calculations, because it is not possible to say that for the investment industry itself; venture investments are always fraught with high levels of uncertainty.

For this reason, we believe that forecasted values claimed in the white paper regarding share in the cryptoassets market, such as:

- The market growth in 2018 will be 342%, and in 4 years more than 3000%
- The share of the market managed by funds will be 10% during the next year, which will constitute an increase in the current value of over 700%. (Currently, the value of net assets managed in funds is estimated at US\$2.2-2.3 bln¹,

1

<http://www.reuters.com/article/us-hedgefunds-bitcoin/cryptocurrency-hedge-funds-to-p-100-for-first-time-idUSKBN1CN2H6?feedType=RSS&feedName=technologyNews>

when the market is capitalized at US\$170 bln., which amounts to 1.3% of the total market)

are difficult to predict.

Another point we should draw attention to is that we have not found any information about the storage of funds after the TGE. The founders of the project assured us that the funds would be stored in the two most reliable cryptocurrencies, Bitcoin and Ethereum. It is possible that the founders also take into consideration the existence of currency risk in their model.

Currently, there is no working version of the product, the platform is scheduled to commence operation in Q3-2018; this can greatly reduce the number of potential investors.

8. Team

The [Tokenbox](#) founder team includes professionals who already have experience in launching projects in the field of blockchain and cryptoassets:

- [The Token Fund](#) — a tokenized investment fund enabling investing in cryptoassets, where the transparency of all financial transactions within the fund is ensured by blockchain technology. The founders are Vladimir Smerkis and Victor Shpakovsky.
- A set of infrastructure solutions for organizing and staging an ICO from [Zerion](#) fintech-company (The portfolio of completed projects includes ICOs for Wave, TrueFlip, Humaniq, and Po.et.)
- The [CryptoTrader](#) adviser application for iOS and Android from [Zerion](#) (formerly EtherionLab), which displays digital currency and token quotations in real time. So far, more than a dozen of the most popular cryptocurrency are supported and their list is regularly updated.

The project team consists of 8 people; 8 were also recruited as advisors.

Viktor Shpakovsky ([Facebook](#)). Managing Partner of Tokenbox.

He is also a

- Co-founder and managing partner of The Token Fund
- Co-founder of the Digital360 web development agency

Education: Moscow State University of Economics, Statistics and Informatics (MESI) (2009)

Vladimir Smerkis ([LINKEDIN](#)) Managing Partner of TokenBox

His other positions have included:

- Managing Partner of Digital360.ru (2012 –2017)
- Managing Partner of Bandship.me (2015 –2017)
- Managing Partner of The Token Fund (2017-present)

Education: G.V. Plekhanov Russian University of Economics (2006)

Alexey Bashlykov ([LINKEDIN](#)), Technical Project Manager of Tokenbox

- Co-Founder and CTO of Zerion LLC (2016-present)
- Android Developer of July projects (2015-2016)

Has rich experience in Ethereum development.

Education:

- Higher School of Economics
- Stellenbosch University (2017)

Dmitry Shmakov ([LINKEDIN](#)), Marketing Director of TokenBox

Has extensive experience in marketing and internet technology:

- VP of Marketing and Business Development of [ChronoPay](#) (2007-2013)
- Head of marketing of The Token Fund (2017-present)

Education: The Netherlands Institute of Marketing (2008)

Among the advisors the following should be noted:

Ilya Sachkov ([LINKEDIN](#)) – advisor on cybersecurity. Founder and co-owner of a large company in the field of computer security, the IB Group, which has specialized in the field of fraud, cybercrime and high-tech crime for more than 14 years.

Vadim Koleoshkin ([LINKEDIN](#)) – advisor on product development; Co-founder and CTO of Jufy Projects, Co-founder Zerion LLC. An experienced software engineer. He has a bachelor's and a master's in the field of business information science.

Elena Masolova ([LINKEDIN](#)) – advisor. Entrepreneur, angel investor, the main investment direction — blockchain technology (cryptocurrency, ICO, tokensale); he is one of the top 30 online entrepreneurs according to Forbes.

Wulf Kaal ([LINKEDIN](#)) – Leading expert at the intersection of law, business, and technology. Associate Professor at the University of St. Thomas School of Law. Director of the Private Investment Fund Institute (PIFI).

Eli Galam ([LINKEDIN](#)) – finance advisor; a Harvard graduate, he has extensive experience as CIO. Mathematician and alternative investment expert, chief investment director at Eastmore.

The team members have all the necessary skills to successfully implement the project, in particular the developers and entrepreneurs in the management team – professionals with rich experience in the fields of marketing and business development.

9. Development strategy and roadmap

The aim of the Tokenbox project is the systematic development of a platform that will offer professional managers and traders a ready-made tool for establishing their own cryptofunds. This is the kind of comprehensive solution that Tokenbox aims to be.

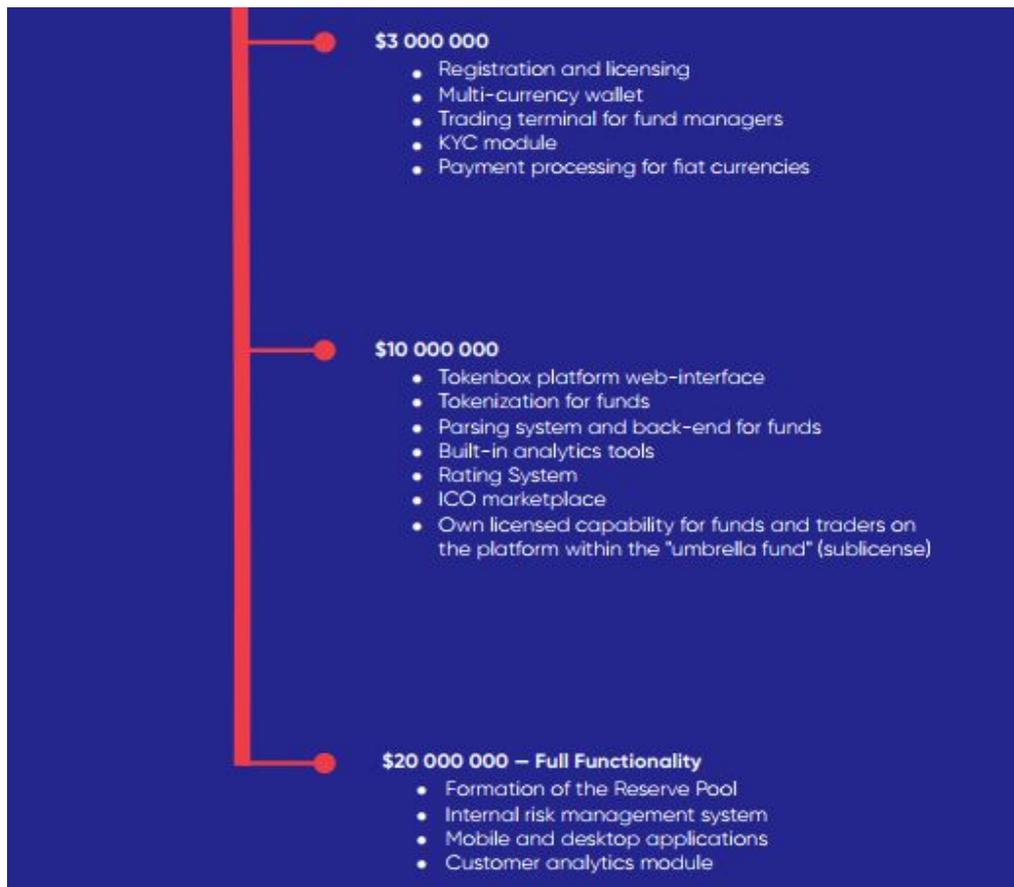
The primary objective of the project is to launch, promote, support and develop all of the platform's intended functions.

The founders are planning to achieve these objectives before the end of 2018.

Listed below are the planned stages of development of the platform's functionality in the following time-frame:

Dec 2017	Q1.2018	Q2.2018	Q3.2018	Q4.2018
<ul style="list-style-type: none">• Listing on exchanges	<ul style="list-style-type: none">• Registration and licensing• Multi-currency wallet• Trading terminal for fund managers• KYC Module• Processing of payments in fiat currencies	<ul style="list-style-type: none">• Alpha and beta versions of the Tokenbox platform	<ul style="list-style-type: none">• Launch of the Tokenbox platform• New partners and investors on the platform	<ul style="list-style-type: none">• Internal risk management system• Mobile and desktop application• Customer analysis module

The progress in the project's functionality will also be weighed against amount of funds raised during the TGE.



The project team is confident that Tokenbox will capture a certain share of the market based on working technology solutions that have been successfully implemented in The Token Fund. According to projections of the founders, the Tokenbox market share will be 8% and the amount of cryptoassets in the Tokenbox platform funds will be US\$78,697m.

Also, the team plans to place tokens on cryptocurrency exchanges to achieve token market pricing and to enable open trade. Each placement of the project's tokens on an exchange will be advertised by the project team separately.

We can see that the project has clear plans and a time-frame for their implementation. The project's creators expect a smooth development for Tokenbox, which depends on the success of the tokensale (full functionality — US\$20 mln).

10. Marketing strategy

15% of all raised funds will be allocated to marketing expenses.

That is, following the TGE it is planned to use between US\$450,000 to US\$3m to invest in this aspect.

The documentation does not describe the strategy for future promotion of the product, but during our talks the founders disclosed some of the details.

For example, the development and implementation of a marketing strategy started before the TGE stage. It consists of three main directions each of which has its own target audience:

1. Work with the trader community as the primary target audience for which the platform is being developed. This includes:
 - a. Targeted advertising companies.
 - b. Joint marketing actions with internet sites used by traders:
 - i. A marketing and technological partnership is currently being negotiated with [Tradingview](#), a popular trader community platform.
 - ii. [Pavel Salas](#), the head of the world's largest social trading network [Etoro](#) in Russia and the CIS, joined the advisory team.
2. Work with existing funds and management companies to establish their funds within the platform:
 - a. Participation in specialized conferences.
 - b. Membership in consortia.
 - c. Organization of their own industry conferences (negotiations have already been held with representatives of [Blockchain Investors Consortium](#).)
 - d. Development of a list of special marketing services for funds which will be placed on the platform (additional costs for consultants and expansion of the team will be required for implementation:)
 - i. publications
 - ii. rating reviews
 - iii. targeted advertising
 - iv. mailing systems, etc.

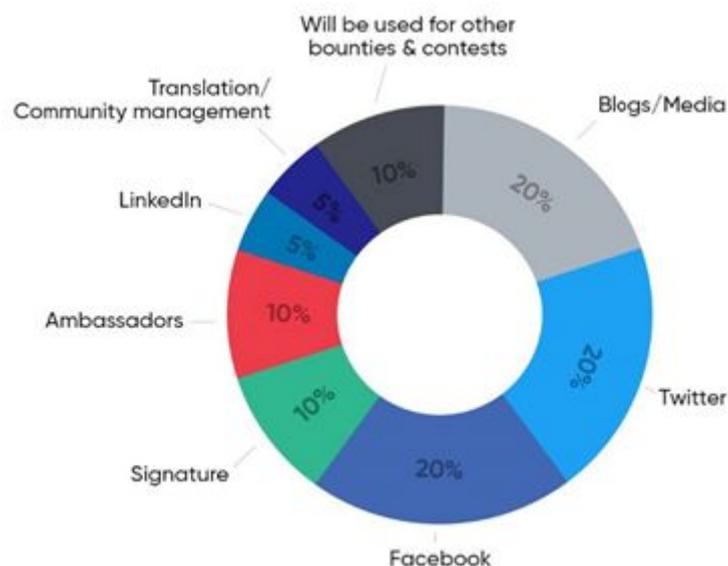
3. Work with investors who will be the clients of funds and traders.

This direction involves a traditional set of marketing activities, most of which are already implemented by The Token Fund:

- a. Articles and reviews, regular features in the press.
- b. Interviews and comments for TV and radio.
- c. Participation in conferences, sponsored projects at hackathons and events.
- d. Particular attention will be given to these new directions:
 - i. Working with an investor audience of high net worth individuals;
 - ii. Creation and promotion of a YouTube channel with quality video content.

According to the documentation, 30% of funds collected during the TGE would act as seed money to connect the first management partners and establish a reserve fund. For the time being, the attention of the community on the upcoming TGE is attracted through social media. There is active discussion on social media and on a thread on Bitcointalk, the team is actively communicating with subscribers; their number is significant (further details in the section “Project information”.) This is an undeniable plus.

Bounty hunters are in charge of promotion; 5% of tokens are allocated to their activities.



Dmitry Shmakov is responsible for marketing; he has more than 12 years of experience in this industry and for more than half of this period he has occupied management positions. In addition, the co-founder of Tokenbox, Vladimir Smerkis,

has significant experience of working in the industry. For this reason, we believe that the promotion of the product will be given considerable attention, but we are concerned about the small budget size, in the case that fundraising during TGE only reaches its soft cap.

11. Economy of the project

The economic model for Tokenbox is simple enough, however some important details are not disclosed to the community.

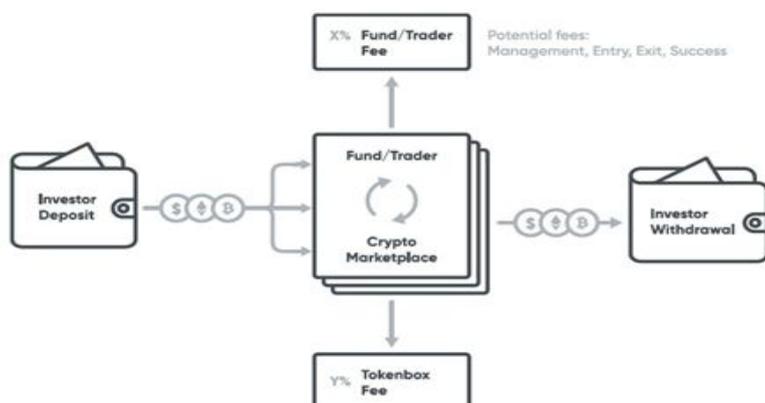
The revenue the platform will receive from commissions will be 10% of the income of funds/traders. In turn, funds and traders may charge the following types of commission:

1. "Entrance" fees (for example, 2% of invested funds are charged as a commission.)
2. "Exit" fees (for example, 2% of funds withdrawn by an investor are charged
3. as commission.)
4. Management fees (for example, 2% of the annual capitalization of a fund's portfolio charged
5. in equal shares throughout the year.)
6. Fee for successful management (for example, 20% of a month's profit allocated as a bonus.)
7. Combinations of variants 1-4.

The final size of commissions and their combinations are determined by the funds and traders themselves. It is not specified whether there will be any restrictions on the platform itself, for example, a maximum and minimum limit.

Another source of Tokenbox's income is the provision of internal liquidity to funds and traders at a regressive rate (e.g. 0.25%) depending on the volume of transactions. External liquidity (exchanges) is provided on the basis of commission retail size.

The economic model for the working business is as follows:

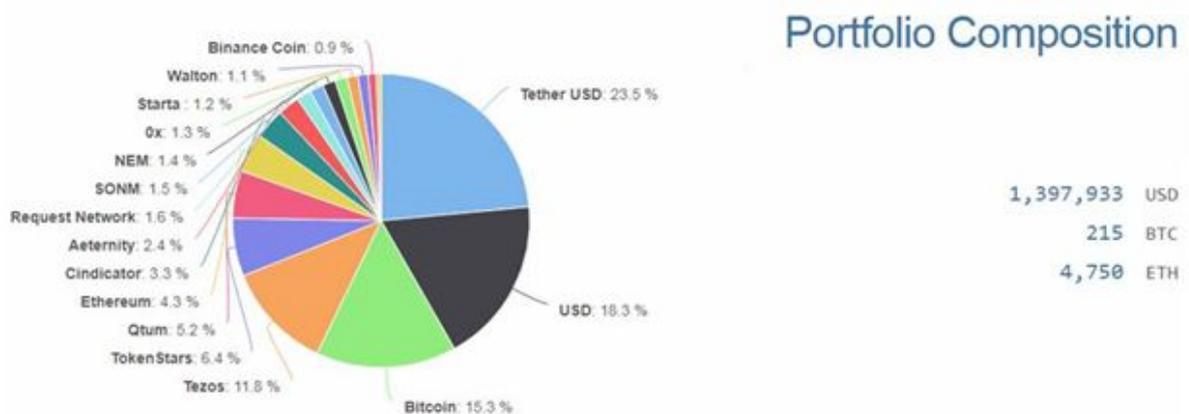


Thus, the higher the value of the net assets of funds using the infrastructure, the greater is the reward for Tokenbox.

The white paper presents a economic forecast model based on cryptoassets investment market value volumes (this is discussed in more detail in the chapter "Token Investment Attractiveness").

According to this model, the team plans to occupy a market share of 1% (equivalent to US\$762 mln) by 2018, even though the alpha and beta versions will only appear by the second quarter, and the platform itself will only be launched in the third quarter of 2018. However, the team already has one successfully operating fund, The Token Fund, which presumably will make up a part of this 1%. It should be noted that the size of the portfolio is currently 0.2% of volume of the assets managed by the funds according to the project forecast for 2018 on the Tokenbox platform, and to achieve the desired result the team needs to attract an impressive amount of cryptoassets.

The Token Fund portfolio structure as of 02.11.2017



By 2021, Tokenbox plans to capture 8% of the market share. We believe that this three-year market coverage scenario is too optimistic, especially since there are already existing competitors and there is no working platform; launch of the platform is directly dependent on the TGE results.

There is no information in the white paper on the financial plan for the future. In the course of our communication with the founders we requested further calculations concerning this aspect of the project and received detailed estimates. The data provided to us are the company's intellectual property and are not intended for public access. For this reason, we can only confirm the fact of their existence.

12. Token investment attractiveness

TBX tokens do not confer ownership or voting rights to their holders. The project does not provide any rights to dividends. TBX is an infrastructure token and is used inside the platform, providing funds and traders access to Tokenbox's functionality.

The demand for TBX tokens reflects the level of platform development, the dynamic number of users actually on the system, so the main factor in token price growth will be increase in the size of assets managed by the funds and traders on platform.

In order to gain full access to the platform's functionality, it is necessary that there should be at least 5% of a fund's assets in TBX in its portfolio at any specific time.

The conditions for using TBX to receive services on the platform are as follows:

1. A manager establishes a fund and acquires TBX tokens which are then included in the fund's portfolio, and are regarded similarly to other assets. At the same time, market evaluation of the TBX position should be 5% (1/20) of the total volume of the fund assets (all assets are in USD.)

The capitalization of the fund can be changed for two reasons:

- a. Market value of the assets included in the portfolio.
 - b. Volume of the received and retiring investors' funds.
2. For this reason, when balancing the portfolio of the fund the manager takes into account the fact that to provide access to the platform, TBX tokens must always be at least 5% of the portfolio capitalization.

Funds can purchase TBX tokens on exchanges to bring the TBX share up to 5% or higher. It is also possible to reduce the share to at least 5% in case of the increase in value and, therefore, the share of TBX tokens.

To calculate the investment attraction of the token it is possible to use the data presented in white paper:

- a. The projections of total capitalization of the cryptocurrency market for the period up to 2021 are based on historical data (market return). The model includes the decrease of market capitalization growth rate by 50% from year to year. The maximum capitalization of the

cryptocurrency market of US\$172 bln that was reached in September 2017 is adopted as the initial level.

Key Market Indicators	2017F	2018F	2019F	2020F	2021F
Cryptocurrency market cap., MM USD	172 300	761 566	2 063 844	3 828 430	5 465 084
Growth rate of C-market, %, Y-to-Y		342%	171%	86%	43%

- b. Share of cryptoassets under the management of funds and professional managers. The share of assets being managed for the year 2017 is projected to be 10%².

Share of tokens & cryptocurrencies under management of funds, %		10%	12%	15%	18%
Assets (cryptocurrencies) under management of Funds (AUM), MM USD		76 157	247 661	574 265	983 715
Growth rate of AUM, %, Y-to-Y			225%	132%	71%

Based on the given data, and taking into account the company's plans to capture the market share and respectively the value of assets under the control of the platform while maintaining the minimum share of TBX tokens (5%) in fund portfolios (in the table below:)

Tokenbox market share, %	0,00%	1%	3%	5%	8%
AUM on Tokenbox platform, MM USD		762	7 430	28 713	78 697
TBX share in portfolios		5%	5%	5%	5%

it is possible to forecast the price of the token year on year:

- c. 2018 – US\$1.23 (Tokenbox market share — 1%)
- d. 2019 – US\$11.98 (Tokenbox market share — 3%)
- e. 2020 – US\$46.31 (Tokenbox market share — 5%)
- f. 2021 – US\$126.93 (Tokenbox market share — 8%)

It should also be noted that a reserve fund will be established in accordance with the plan for the allocation of funds raised during the TGE. One of the purposes of the reserve fund is providing sufficient TBX liquidity.

Thus, the investment attractiveness of the token through 2021 depends on several forecast factors.

To understand the complete picture of investment attractiveness of the token a few other matters should be taken into account by investors when deciding whether to buy TBX:

1. The calculations given above are true for a scenario in which the entire volume of issued tokens would be bought out during the TGE. In the case of issued tokens not being bought out in full, and the business successfully developing in the future, the token price could be higher.
2. Because the token is an infrastructure token, the target audiences are funds and traders. For funds to want to buy out the entire amount proposed for deployment (20m for the price of US\$1 per token) in order to use TBX to obtain services, it is necessary for the volume of funds managed on the platform to be US\$460 mln (assuming that the ratio is 1/20). Considering that the cryptocurrency market for fund management today is US\$2.3 bln³, US\$460 mln amounts to 20% of the volume of all cryptofunds worldwide. Of course, not only portfolio managers and traders can participate in the TGE, but according to the founders they are the target audience, and the figures are only given for understanding the scale.
3. The founders of the project are planning to allocate a reserve fund (US\$6m) to the starting investment selected by the Tokenbox team for funds that will be created on their platform.

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Our goal is to increase the transparency and reliability of the young ICO market and to minimize the risk of fraud.

We appreciate feedback with constructive comments, suggestions and ideas on how to make the analysis more comprehensive and informative.