DECENTRALISED STARTUP NETWORK

Whitepaper

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Contents

A OPPORTUNITY BORN OUT OF FOUR TRENDS

There are four secular trends driving new forms of GDP and wealth creation.

VENTURE ECOSYSTEM EVOLUTION. More and more entrepreneurs take the risk of starting their own ventures, encouraged by lower costs of business launches, by the ability to connect more directly with customers around the globe, by advances in AI and computing technology generally and the by the emerging trends of how work works.

However, early-stage startups continue to spend 60%+ of their time hunting for advisors, experts, revenue introductions, white collar gig economy workers and capital, leaving insufficient time and energy to compete for market share.

There is significant spare capacity to be harnessed for GDP growth, collaboration and wisdom of the crowds in venture ecosystems. Venture platforms often remain early-stage experimental efforts without effective incentives for collaboration.

FUTURE OF WORK. There is exponential growth in the white-collar gig economy workforce. New models of working together have moved beyond decentralised developer communities or freelancers and now extends to professions ranging from marketing, finance, legal, human talent, advisory, corporate ventures and consulting.

Barriers remain. The highly trained, professional, white-collar gig economy workforce struggles to find the right work and contracting models with high growth venture companies despite having spare capacity. Fiat capital is a scarce resource for vebture companies, and gig-economy workers will remain reluctant to accept illiquid and hard to value sweat equity from venture companies as a means of payment.

Experienced technical, management or sales talent leaving large corporations on the back of de-globalisation or automation is looking for entry into the venture ecosystems in a flexible manner that bypasses the centralised big consultancy firms and allows wealth creation for individuals or small service firms as 'sweat investors'.

DECENTRALIZATION, DAO AND WEB3. Community, work and business organisations are moving from centralised, more machine-like structures to more de-centralised, autonomous and organism-like structures (DAOs). Such moves towards disintermediation and more de-centralisation are enabled by advances on blockchain, crypto-token, DIDs and other Web3 technologies.

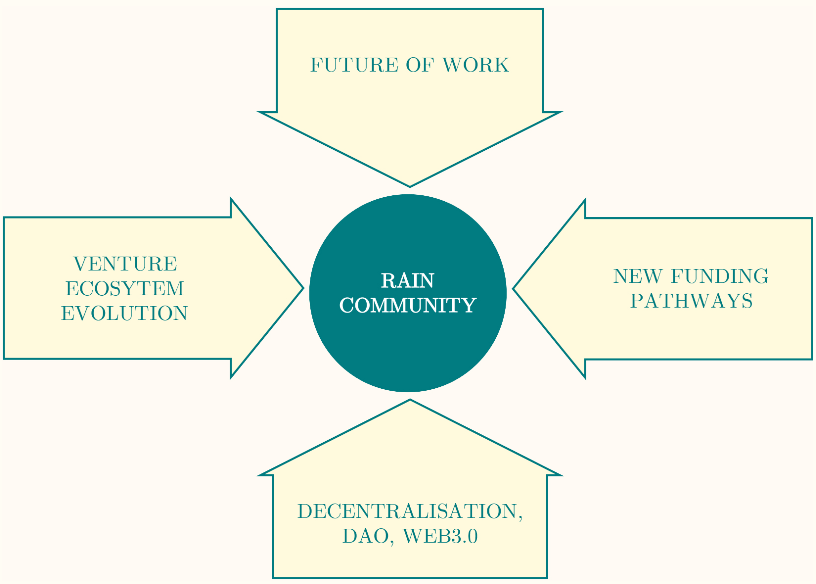
A key challenge for autonomous organisations is to innovate ways that decentralised actors can coordinate effectively around a common financial goal and share in organisation-wide success.

Member-Owned-Networks are a solution to this challenge.

NEW FUNDING PATHWAYS. Funding models need to become further decentralised and mutualised, in line with the opportunities offered by the Web3 organisational creativity.

Commercial bank and conventional venture funding routes are based on centralised funding models, where the wealth created predominantly flows to external investors.

Network-to-member self-funding mechanisms offer mutual risk sharing, effective peer risk controls, dedicated additional money supply and a direct financial incentive for member-to-member transactions and cooperation.



B RAIN IN A MEMBER-OWNED-NETWORK

The story of RAIN is the story of transforming funding starved, advice starved and time poor companies into self-incentivising and self-funding Member-Owned-Networks.

SELF-FUNDING AND NETWORK TRANSACTING. RAIN is a token within a Member-Owned-Network to give members a stake in the network economics, to enable self-funding of members and to settle transactions between members.

RAIN funding is by the network for the network and to be spent in the network.

GROWTH TOKEN. The value of RAIN is derived from the value generated by all members of a network. It has both a payment utility function and a real tangible wealth creation purpose for every holder of RAIN. It is designed for value appreciation against fiat currency.

RAIN is a growth token whose value is derived from the wealth created by a Member-Owned-Network.

RISK SHARING. RAIN transforms illiquid concentrated sweat equity payments by network member companies into more liquid utility token payments whose value is derived from the collective wealth creation by the network members.

RAIN communitises growth risks and rewards.

NETWORK BOOTSTRAPPING. RAIN holders in the Member-Owned-Network are incentivised to transact within the network and keep increasing the value of RAIN.

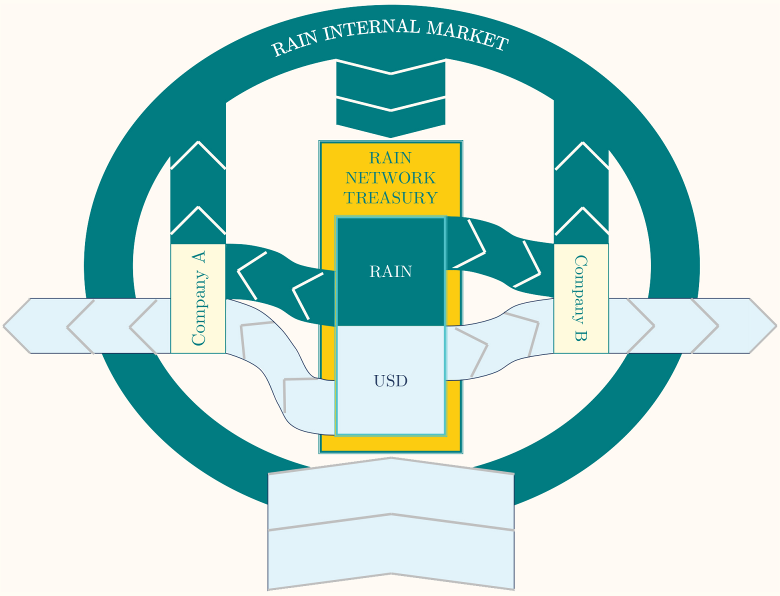
RAIN directly aligns the financial interests of all its members.

EXTERNAL COMPATIBILITY. The transaction activities in the RAIN Member-Owned-Network are naturally compatible with common business, tax and accounting practices of the wider national economies.

A rising RAIN token value increases the purchase power against fiat currency for network members.

C VALUE CREATION IN MEMBER-OWNED-NETWORKS

NETWORK FUNDING TOKENS. Member businesses have access to RAIN funding, alongside fiat funding. RAIN is minted and then used by the RAIN Network Treasury (see section [F]) to acquire financial interests in member companies and inject RAIN tokens into the network. Such financial interests may be in the form of revenue share agreements, straight equity or other similar instruments.

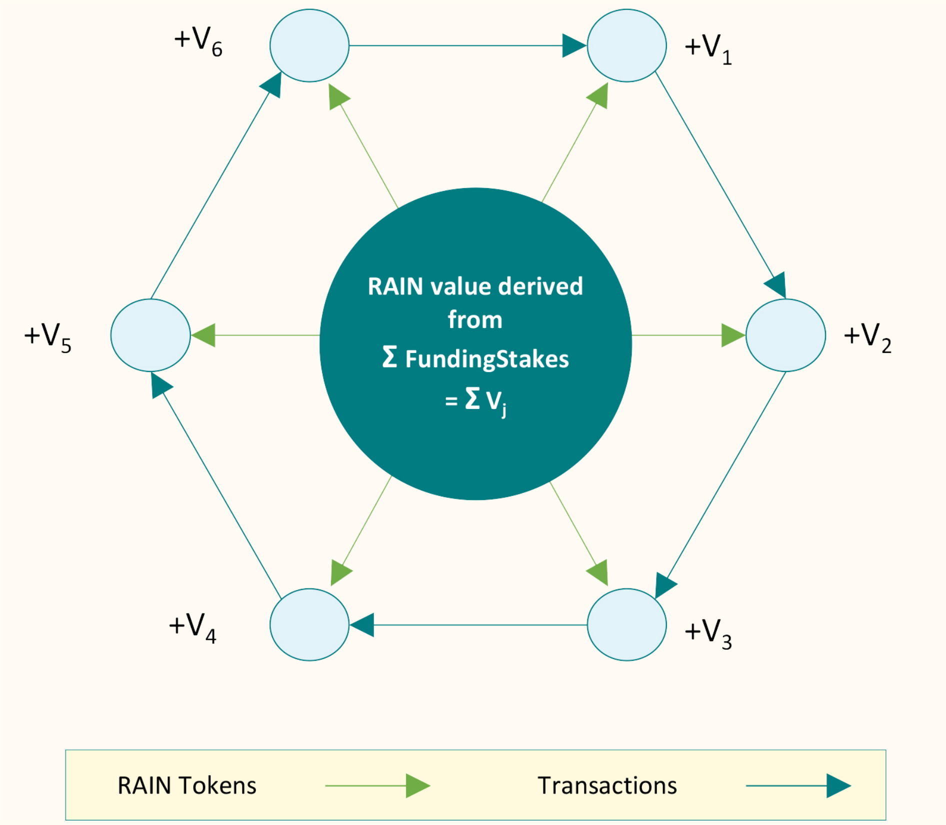


The utility to network members of RAIN token funding depends on the available opportunity set to invest or spend it within the community. This opportunity set grows with the scale of the community network and its composition. Membership engineering plays an important role.

There are no external costs of capital for RAIN funding as RAIN tokens are minted by the community for the community under the supervision of the RAIN Foundation. This is like money creation within a fractional banking system. The network member community becomes increasingly self-funding.

RAIN tokens deliver funding from the network to the network, creating an internal market alongside transactions handled in fiat currency.

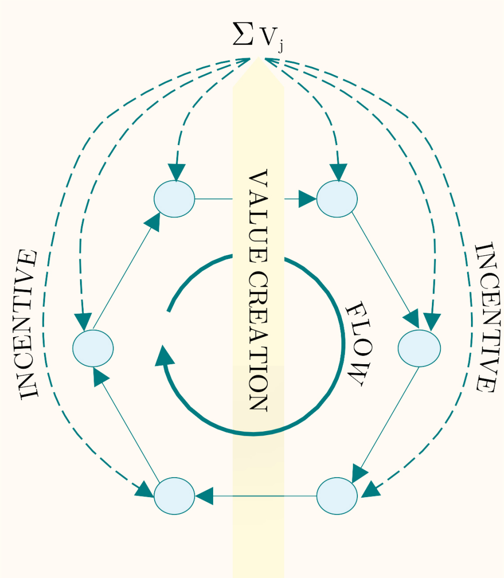
THE FLYWHEEL. On average, every transaction in a community generates value for the transacting parties. This value creation ultimately translates into higher valuations of the financial interests, or funding stakes, that the RAIN Network Treasury holds in the network members. This in turn is expected to increase the purchase power of the RAIN tokens.



RAIN funding is not a one-time investment in network members but effectively a many-times-over investment, unless the RAIN token flow in the network stalls. RAIN moves in a closed-loop system. If RAIN token flow were to stagnate, then value creation would slow down and RAIN tokens would becomes less attractive to hold, causing RAIN token flow to pick up again.

The more RAIN flows, the more it has a chance to grow in value. If RAIN keeps flowing, it keeps supporting growth. In this way, a member-owned-network becomes more than the sum of its parts.

THE MUSKETEER INCENTIVE. The value of RAIN derives in part from the value of funding stakes held by the RAIN Network Treasury in network members. Every holder of RAIN thus has a direct financial interest in seeing the summed value of all such funding stakes grow.



The value of RAIN tokens against fiat grows with RAIN token flow and with increased transaction activity inside the network.

Everyone in the Member-Owned-Network is financially incentivised to grow their network and increase the volume of transactions settled in RAIN.

REDUCED VALUE BLEED. When two parties transact with one another, value creation is generally value co-creation. Value is accrued on both sides of the transaction, for otherwise the transaction will likely not happen in the first place.

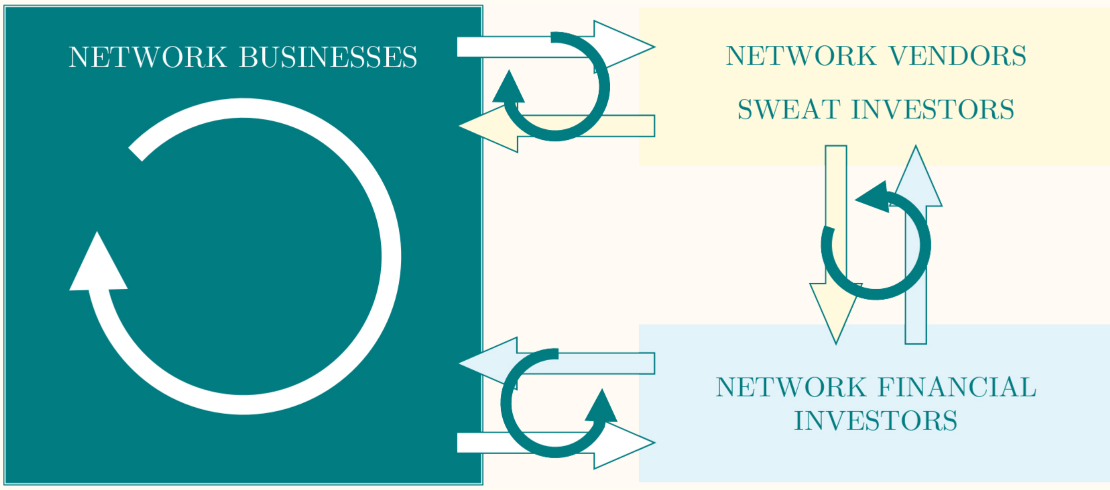
When a transaction occurs within the network, the total value realised by both parties stays within the network. When a transaction occurs with a party outside of the network, then on average only 50% of value created stays within the network. The other value portion gets lost into the open economy. This is *value bleed* from the network.

Intra-network transacting stems value bleed and on average boosts the value of RAIN token.

HEDGING BUSINESS RISK. There is a natural risk of failure for any business founder when embarking on a new venture. Founders aim to minimize this risk by putting together the right team and making better business decisions. Participating in RAIN provides founders with a further opportunity to de-risk their venture: network members exchange stakes in their own risk-concentrated equities for stakes in the pooled equity of a distributed, diversified network, as represented in the value of the RAIN token.

Holding RAIN tokens is a natural hedge for temporary underperformance of a member's business relative to the community.

D NETWORK TRANSACTIONS



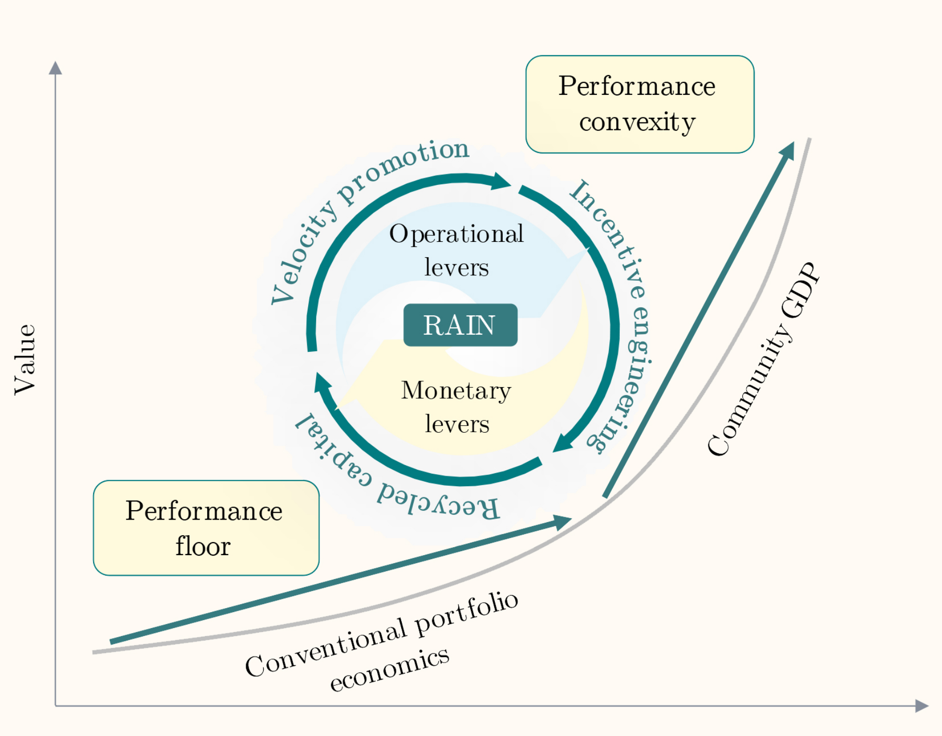
NETWORK BUSINESSES. Network membership gives access to funding and to vendors, service providers and an associated community of advisors willing to take RAIN as settlement currency. RAIN reduces the pressures of paying for professional advice with company equity or with fiat. Appreciating RAIN tokens increase the purchase power relative to fiat currency. Transaction negotiations are less adversarial as every member also benefits from every other member's success. The collective purchase power of the network reduces costs.

Members of a Member-Owned-Network benefit from faster growth, better professional advice, risk mutualisation and exposure to RAIN as the network growth asset.

NETWORK SWEAT INVESTORS. Professional service providers earn RAIN tokens directly through their work and become 'Sweat Investors' in the network. They gain access to the network members as a customer base and are incentive-aligned around making the network as a whole successful. Sweat investors can take a view on RAIN tokens and speculate on its value after listing, possibly selling to financial investors and adding to RAIN token liquidity.

Providers services to network members become investors in an uncomplicated and liquid network growth token, with potential for wealth transforming rewards of their work.

NETWORK FINANCIAL INVESTORS. Investors may purchase RAIN for fiat currency. The fiat amounts received are invested in network building by the RAIN Foundation, including through further RAIN token investments by the RAIN Network Treasury into existing and new network businesses to grow the network.

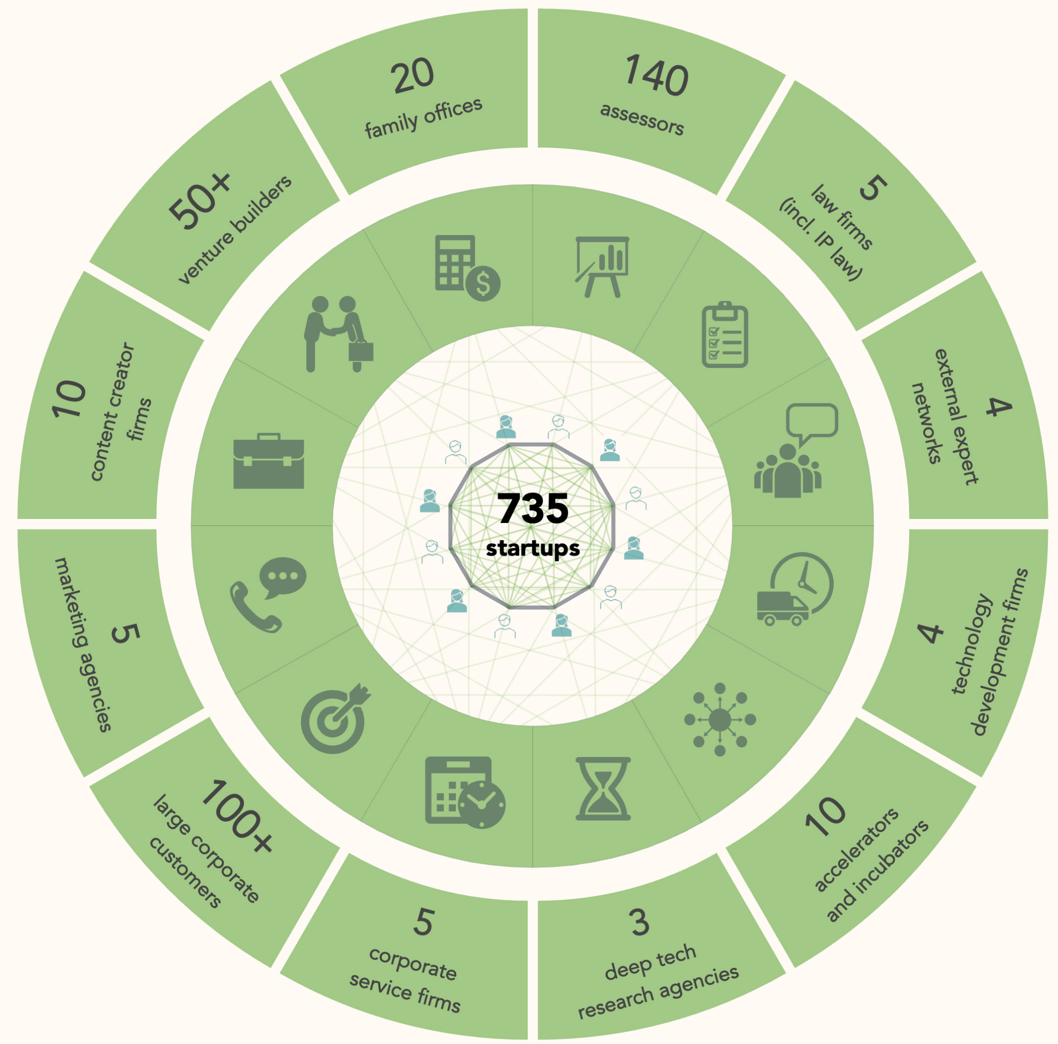


Financial investors may also lend their RAIN token holdings to members in the community for further gain or spend RAIN on goods or services provided by the members of network. Once listed, financial investors have access to full RAIN liquidity.

By being long RAIN tokens, financial investors and members of the network may benefit from the option like return profile. The performance baseline is set by conventional portfolio economics. Through (a) the flywheel, (b) the stemming of the value bleed, (c) the musketeer incentive structure, and (d) the membership engineering or other decentralised network effects more generally (see section B), the appreciation of RAIN tokens provides for substantially further convex performance potential. RAIN is designed for self-incentivised growth.

E RAIN TESTNET

Singapore based STARTUP-O ('SO'), an Asia-centric community of startup companies established since 2016 serves as the first deployment and testnet for RAIN to build a Member-Owned-Network.



SO already operates an acclaimed methodology for startup assessments, investments and venture scaling programmes that combine data science for unbiased analysis with a decentralised expert network for human judgement.

CLIENT BASE AT CRITICAL MASS. The SO client base consists of early revenue startups that have completed product development and are now actively transacting business. By their nature, they are also early adopters of innovative financial technologies.

SO arranges transactions between members of its client base and with investors, advisors or service vendors. Time saved on counterparty discovery and resource capture in particular uplifts the performance of SO's financial interests in the client base, lowers the mortality rate of startups in their portfolio and reduces the reliance on unicorn hunting.

WHITE COLLAR GIG ECONOMY TAILWINDS. SO has attracted the participation of a significant number of professionals and experts from industry and elsewhere to work with the member startup businesses.

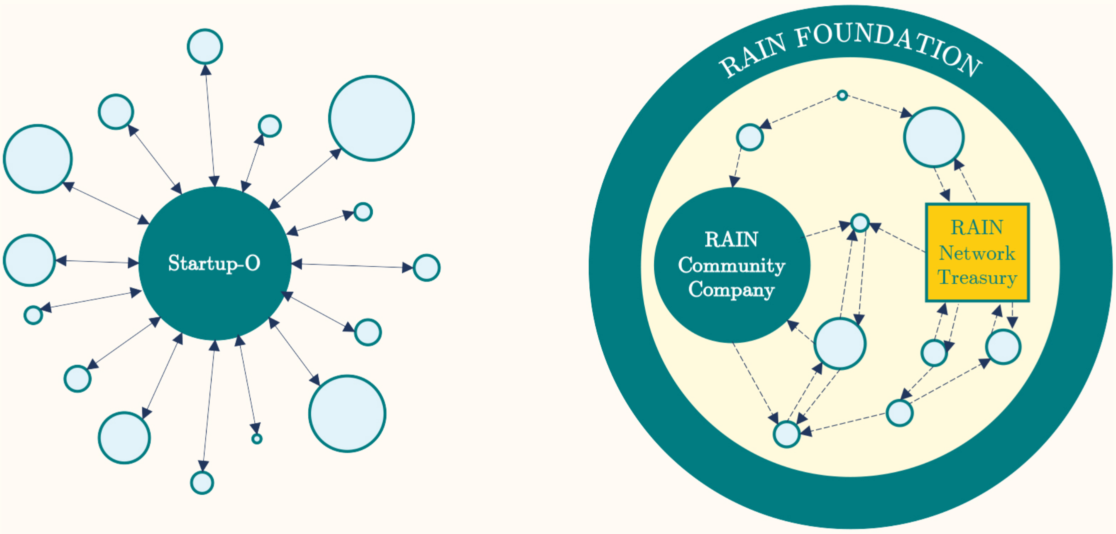
A growing 'white-collar-gig' economy is already taking root in and around SO.

FOUNDER FOCUSED BUSINESS MODEL. SO is on the side of founders, and it structures its revenue model accordingly. For SO, startups are clients and not solely the 'investment product' for LPs. This is important for the transformation of the existing SO community into a Member-Owned-Network and then scale it.

From the start, SO has targeted the potential of community and of founder networks including external professionals.

F ORGANISATIONAL STRUCTURE OF THE RAIN TESTNET

The deployment of RAIN on the STARTUP-O community transforms it into a Member-Owned-Network.



Hub and Spoke
Centralized Network

Decentralised
Member Owned Network

RAIN FOUNDATION. At the heart of the RAIN Member-Owned-Network is a non-for-profit foundation limited by guarantee, led by an independent board of experts. This entity has the following functions: (a) it holds and supervises the RAIN Network Treasury and through it controls RAIN Community Company, (b) it is responsible for RAIN minting and burning subject to voting contributions from the network members via a governance token in due course, (c) it is responsible for all constitutional governance matters of network, subject again to member governance participation. The Foundation will lessen its role as decentralised governance rolls out (see Section [H]).

RAIN COMMUNITY COMPANY. This entity is held by the RAIN Network Treasury. The current owners of SO tender their shares to the RAIN Network Treasury in return for an allocation of RAIN tokens. This entity has the following functions: (a) community admissions and related matters, (b) incentive engineering for increasing RAIN token flow and utility, and (c) community organisation.

RAIN NETWORK TREASURY. This entity is held by the RAIN Foundation and has the following functions: (a) operating the RAIN payment and ledger system, (b) presenting reasoned requests for RAIN minting or burning to the RAIN Foundation for approval, (c) making fiat or RAIN investments and funding decisions, (d) managing RAIN and fiat liquidity.

NO SHAREHOLDERS. Both the Community Company and the Network Treasury are held 100% by the Foundation, which is limited by guarantee. This means that there are no external shareholders in the RAIN Network. All economic value and utility flows into the RAIN tokens.

G REGULATION PATHWAY

RAIN is committed to adhering to all present and future regulatory policies set in place by federal jurisdictions. Current regulation and law relevant to RAIN across jurisdictions remain categorically ambiguous in key aspects or in flux. The team sees regulation not as a one-time hurdle but as a process that requires strategic planning and on-going work with regulatory and other relevant authorities.

The regulatory pathway for RAIN is centred on its primary function as a utility token and digital payment token under Singapore regulation (or analagous concepts in other jurisdictions), strictly within the RAIN Member-Owned-Network as a closed loop system. The utility derives from RAIN being used for settlement of fiat denominated contracts for goods and services between community members. RAIN properties or functions that require additional forms of authorisation will not be available until the relevant regulatory approvals will have been obtained.

The payment and ledger system will be future-proofed from the start in compliance with regulation covering the use of RAIN as a payment medium.

The role of the RAIN Network Treasury may require its regulation as an asset manager. Relevant licences are already in place at Startup-O and will be transferred as needed, subject to approval.

Buying and selling RAIN against fiat may require a licence related to payment services. Such a licence is in the process of being obtained.

Regulation of RAIN as a security may eventually be useful to open up the full and unfettered functional scope of RAIN. Engagement with regulators on security matters will run in parallel and not slow down the deployment of RAIN on a narrower utility basis.

H ESG

BUSINESS SOCIAL IMPACT. The design of a Member-Owned-Network explicitly promotes transactional cooperation between network members through the pursuit by each member of a selfish wealth maximisation motive. This is the nature of the Musketeer Incentive (see Section [C]).

The business social impact of this is significant. It rebalances naturally the roles and the sharing of wealth between founders, entrepreneurs and experts on one side and financial funders or investors on the other side in a way that benefits both. The more everyone cooperates, the more everyone wins through the appreciation of RAIN tokens.

The organisation of a Member-Owned-Network with RAIN at its centre is a business device to create more value than the value sum of its member parts. Member-Owned-Networks have a virtuous social dynamic that does not lose sight of the overriding aim of creating value and growth for the members and participating founders.

ENVIRONMENTAL TRADING ECONOMIES. Global environmental challenges will most likely not be tackled by corporate or state behemoths that struggle with processing their own inner complexity. The business organisation needed for environmental challenges is more biological in nature, able to combine dynamic and agile economic cooperation with hard economic survival of the fittest.

The way forward is through the formation of Member-Owned-Networks of green and clean businesses, experts, investors and advisors that reinforce one another for value creation and with access to their dedicated funding. The Startup-O testnet will provide valuable experience for moving towards this goal.

DAO GOVERNANCE. The RAIN Member-Owned-Network is devoted to diminishing its role over time as the RAIN network grows and develops, as members step up to lead the network as owners, and as members are afforded governance rights by holding DAO governance tokens. All network activity on-chain is orchestrated by smart contracts and thus subject to a distributed governance process. RAIN will adopt an official decentralised governance protocol to handle proposals, voting, decision-making and dispute resolution on the activities currently appointed to the RAIN Foundation.

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