

**Anchor Neural World Whitepaper v. 1.5**

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“Shaping the World Towards Innovation Through AI and Blockchain”

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**Abstract**--In the era of the Fourth Industrial Revolution, technology will transform existing economic systems and social structures through big data, artificial intelligence, intelligent robots, and blockchain. Anchor Neural World Foundation, headquartered in Hong Kong, aims to develop a proprietary Artificial Intelligence (AI) engine with development teams in Korea and Hong Kong. Differentiated from existing AI systems via a unique data-driven approach, Anchor Neural World Foundation is developing the “ANW (Artificial Neural World)” engine—an advanced information retrieval inference engine. By developing an unparalleled information-based Artificial Intelligence solution, enabling it with a blockchain data layer and issuing its “ANW” token to support decentralized governance and utility within ANW’s global network, the ANW Foundation seeks to build a truly vibrant ecosystem. To date, most AI developments have focused on collecting data and providing services based on simple machine learning methods. However, this type of approach bases itself on blindly relying on big data and machine learning algorithms which is more similar to obtaining results derived from statistical and mathematical modeling rather than an actual functioning Artificial Intelligence. Before obtaining conclusions, current models calculate outcomes using statistics, equations and algorithms, and provide results via linear regression. The ANW engine is the system’s core engine that is comprised of a proprietary inference engine and advanced neural network algorithm. The completed ANW engine will implement state-of-the-art information retrieval and inference technology that resolves the issues of keyword breakdown and low relevance, which are the primary limitations of data augmentation. Proper data augmentation is required to give deep learning and neural networks the kind of data set they

need to realize their full potential. With these data inference advancements and other ANW neural network improvements the limitations of statistical regression modeling will undoubtedly be overcome. The ANW engine will enable AI-based learning management via natural language processing. It will make it possible to provide asset management services that entirely overcome psychological bias created due to information asymmetry and behavioral finance. The ANW Foundation is aspiring to use its ANW engine to expand into future high-tech industries to generate significant social benefits. To reach this end, we are utilizing decentralized blockchain technology to secure relevant input and output data in a distributed ledger. Also, by providing an “application program interface (API)” for the ANW engine to third-party companies which can be utilized by ANW token holders, expansion across industries and viable applications for the ANW engine will be possible; exposing the ANW engine as data inference and AI as a Service (AIaaS) in a robust and open global ecosystem.

*Keywords:* Anchor Neural World, Artificial Intelligence, Blockchain, Governance, Ecosystem.

## 1. COMPANY

Anchor Neural World Foundation is primarily responsible for the development of the ANW engine, which powers AI-based solutions to the businesses that Anchor Value Inc. has invested in. The foundation has also issued “ANW”, the ecosystem token which will be used for service based utility and governance which will be later covered in detail in the whitepaper. The AI-based engine will be established to cater to businesses that require high-tech such as learning management, asset management, and in the future, other industries such as games and entertainment.

**Business Fields.** ANW will initially focus on the development of the AI engine, asset management, AI-based learning management, and other services in which the AI engine can be plugged in.

- 1) AI Engine Development
- 2) AI-based Asset Management Service
- 3) AI-based Learning Management
- 4) Payment and Commerce

### Scope of Business.

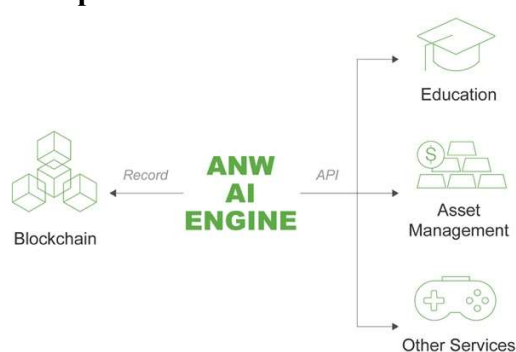


Figure 1. Scope of Business

The ANW foundation aims to develop an AI learning management and asset management platform via a novel neural network algorithm based on principle-governed parsing technology. This technology which has been proprietarily developed along with a context inference engine that fully understands and implements natural language.

The data accurately retrieved through the ANW engine will be recorded on the blockchain, which will be applied to and utilized in first language education and trading services. Furthermore, ANW will build an ecosystem that creates synergy through connections with diverse industries where the ANW engine and its token can be utilized and implemented.

ANW will initially focus on three parts of the industry with the following solution mechanisms in each field:

### Finance

- 1) Discerning trends
- 2) Strategy weight management
- 3) Noise filtering
- 4) Balance management
- 5) Deep learning central management

### Education

- 1) Learning management through AI-based conversation recognition
- 2) Correction of learner errors through natural language processing
- 3) Deep Learning based on full parsing

### Payment and Commerce

- 1) Building of multichannel networks & payment gateway partners
- 2) Creation of multichannel networks and payment systems
- 3) Development of profit-based commerce

## 2. PROBLEM STATEMENT

### Problem of AI in Asset Management.

Developments in information technology have always created a new paradigm shifts in financial services. Systematic trading via quantitative modeling became possible through advancements in the development of information processing technology and new high-frequency trading mathematical-statistical analysis. Since then the importance of computer science, data science, and statistics in the financial sector has increased greatly. These trading strategies have become strongly positioned into the realm of Wealth Management, which is consumed by the general public through diverse forms of financial products. Today, the development of AI technology is a promising new trend, and various services using AI, such as asset management systems or Robo-advising, are being introduced to the market in diverse forms. However, in many cases, AI-based services have shown themselves to be insuf-

ficient or inconclusive for building competitive asset management services due to the following problems.

**Problem 1. Misconceptions about Quant.**

The significant returns of professional quantitative trading investment firms such as Renaissance Technologies or Two Sigma Investments LP have generated tremendous amounts of trust in large-scale investment conglomerates and have urged deal-focused traditional investment banks to contribute in the form of funds or to form in-house Quant teams. This phenomenon has brought algorithm-based quantitative trading to the forefront not only of large financial firms such as Goldman Sachs, Citi, and Merrill Lynch but also of small and medium-sized investment consulting firms. However, this has the element of preventing the detection of tail events or risks beyond modeling and is based on the raw assumption that statistical data-based trading can solve everything. The tactics of catching information signals via a scalable technological architecture that can analyze and handle the massive amounts of data needed to obtain the result values of statistical modeling have been around for over 20 years. Quantitative trading houses that became leading global hedge funds do not have financial backgrounds but have been conducting predictive trading of directions of price movement or interest rate by analyzing the data based on mathematicians, physicists, statisticians, and computer scientists who are capable of mathematical modeling. However, the automation of these cannot be called full AI-based trading. This is because of how quantitative trading, based on Big Data or Data Analytics, computes financial signals by attributing the numerous data sets to financial and economic phenomena, and thereby eventually executing trading by a handful of people who model and automate the trading process. These AI managers are the true “intelligence” of the system and ultimately make

the trade decisions, not the AI per se. To solve these issues, ANW strives to improve language recognition and further refine and elaborate its financial signal processing technologies in order to make more accurate analysis.

**Problem 2. Limitations of Risk Management by Statistical Modeling.** Statistical modeling has made it possible to analyze various risks that were important for asset management via simulation in the form of conditional distributions based on probabilities of occurrence and outcome. Statistical modeling inserts a lot of data into a scalable data warehouse and conducts regression analysis of statistical probabilities to predict the direction of asset price movements and indicators. The stable operation of this modeling inevitably generates large amounts of computation, requires large amounts of highly skilled talent to manage, and requires large amounts of time to implement and maintain, all of which have high economic costs. Thus, while the market has wanted the faster and cheaper methods to achieve operation of this modeling, the reality is that the vast majority of companies who lack the physical time, capital, and human resources for necessary to achieve successful advanced modeling have instead expressed the risks with simplified less accurate modeling methods and have been trading accordingly.

Copula, the most commonly utilized modeling method, is a multivariate cumulative distribution function and is categorized into several parametric copula models depending on the degree of correlation controlled between random variables. However, as in the case of credit default swap, obtaining a correlation with only price market data without the input of historical default data creates the illusion that such modeling sometimes manages the risks effectively. The modeling exhibits the disadvantage of capturing severely extreme tail events.

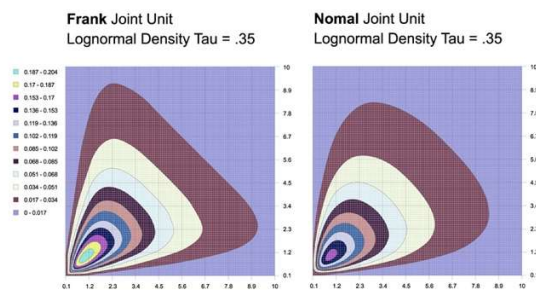


Figure 2. Light Tailed Copulas Joint Lognormal

Instead a heavy tail copula must be obtained and used to overcome these problems. The heavy-tailed copulas below clearly represent how the magnitude of the risk changes in comparison to the light-tailed case.

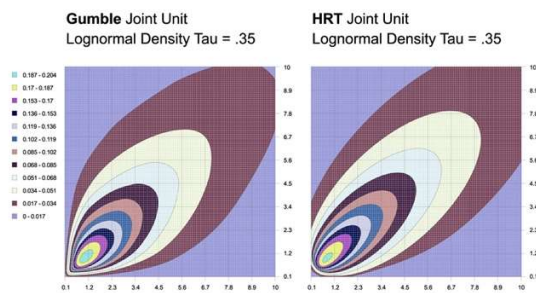


Figure 3. Heavy-Tailed Copulas Joint Lognormal

However, this modeling requires large amounts of computational costs and time. Thus, when the risk management by actual statistical modeling is high, the modeling is used with distortion. Ultimately, these problems must be recognized and addressed by internal human resources in advance. However, the current risk management based on statistical modeling is promoted and known as AI-based asset management together with quantitative trading. In order to overcome this issue, automating the mathematical solution of data should be based on AI. Also, more sophisticated and refined statistical modeling must be continuously implemented and advanced via the AI software engine. By

providing this type of encapsulated AI as service ANW can allow anyone globally access to a faster more accurate method.

**Problem of Artificial Intelligence in Education.** Changes in demographics and technology have always been the catalyst for new forms of education platform services. With the advent of AI technology, the core part of the Fourth Industrial Revolution--the education service industry is being transformed by the introduction of new methods and trends. Examples can be seen all over the educational services industry as companies are starting to utilize Artificial Intelligence Methodology, Machine Learning, and Deep Learning as the underlying technologies commercialized due to high public interest.

However, in order to further refine and fully realize AI-based education services, more testing and validation is required. Nevertheless, many companies are promoting their services as smart AI education products, while not really addressing the following key problems.

**Problem 1. Low Data Quality.** One significant problem with machine learning-based education services is that the form of data collection derived from users is extremely raw which can be largely unsuitable for building any meaningful model. To resolve this issue, the design of a module that can collect and structure significant data is necessary. Without this process being done properly, the expected AI-based learning services that can actually benefit the consumers (students) cannot be provided because it is implemented based on inferior or incomplete data. Currently, machine learning educational services are based primarily on a faulty basic data collection model. Global companies make promises through massive marketing campaigns and offer services for AI and deep learning which claim to overcome these limitations of the low data quality.

Yet, to date, these AI based products fail to reach an adequate level of sophistication expected from true AI because of these poor data issues. The ANW Learning Management System (LMS) will solve this by relying on the ANW's inference engine to provide clean relevant data.

**Problem 2. Improper Use of Machine Learning.** Data quality and relevance is just one example of the many elements of significantly overestimated capabilities in relation to companies applying machine learning methods. Even with proper support data, consulting measures, and correct application services relying on data regression methods alone fail to produce accurate results. The first step to solving this problem is to structure the quantified data and let go of the assumption that the values obtained via machine learning are the final meaningful extrapolations that can be produced by AI.

**Problem 3. Limitation of the Data-Driven Approach.** The productivity of the human language is limitless. Thus, no amount of big data collection can fully understand the infinite sentence structures of natural language. Because of the limitation of dismantling sentences into keywords and conducting related parsing rather than complete sentence parsing, the majority of the so-called "AI-based services" remain at the level of simple pretense or simple voice recognition. Furthermore, the core of the AI-based Learning Management System (LMS) is to understand the language and to recognize dialogue completely. As such, the ultimate question is posed on whether a Deep Learning algorithm may understand the language better than linguists and resolve the low relevance problem.

### 3. SOLUTIONS

#### Business Plan.

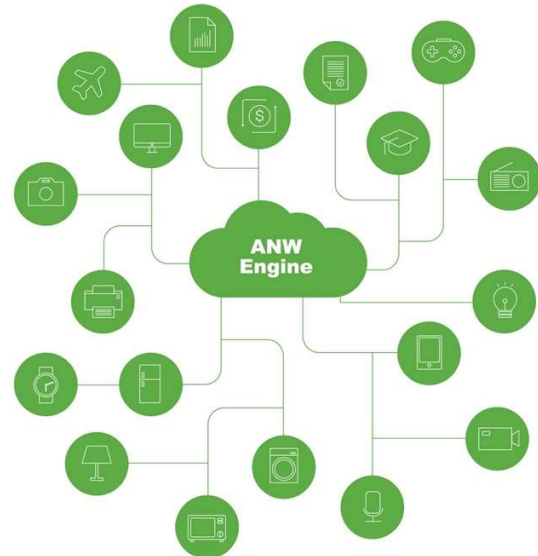


Figure 4. ANW Engine Diagram

Many companies are investing R&D budgets into AI and put efforts into developing the technology to keep up with the paradigm for the Fourth Industrial Revolution. Furthermore, these core technologies must be strategized in a way that parallels technologies and services from a strategic business perspective. The ANW Foundation is in the process of preparing innovative services, such as education, asset management, and games and entertainment, based on the development of the original AI technologies in addition to the existing service areas by (1) monetizing Anchor Value's existing business areas by combining them with the proprietarily developed ANW engine, (2) building the ANW ecosystem via technical support based on collaboration with various companies, and (3) creating synergy through active investment and support to produce optimal results.

The ANW Engine, which is completed by utilizing the inferring engine and neural network algorithm, will enable AI-based solutions to be used for learning management services and asset management services This



will be done by the complete recognition and understanding of the language and implementation of Information Retrieval Technology. ANW will implement the learning management system and asset management in the direction that moves beyond the fragmented statistical analysis of artificial intelligence, distributed computing, and machine learning through ANW that recognizes and processes natural language.

**Challenging the Status Quo.** Entering into the Fourth Industrial Revolution era, the development and issues of AI are actively discussed. Although companies continue to launch new AI services, many of them remain in the chatbot service that is categorized by probability analysis of keywords or function at the level of building neural networks via machine learning. Machine learning enables a machine to perform the learning of a particular field well; however, this does not mean AI can be easily or generally used. Existing AI services, for instance, cannot understand results or generate results of thinking as humans do. This is different from the process of “understanding” of human beings, although such machine learning continues to accumulate data and produce logical results based on probability.

The ANW engine aims to develop a framework that will address the issues above. It further seeks to introduce the process cycle of human thinking based on the AI governance structure and to present the results closest to the logical answer. Providing the results to the user from AI is very cautious work. The framework for risk must be managed, and algorithms for fatal problems caused by service scenarios should be identified. ANW is calibrating and designing such sensitive tasks, in addition to building answers for security, integrity, fairness, and scalability upon operation.

Based on the above, the ANW engine is being developed into a technology that will

have the ability to suggest new useful propositions and unique logical answers to users as developed within the engine, not a solution that analyzes and answers simply based on the traditional data models for asset management and education management industries.

#### 4. MARKET SIZE

##### Global Asset Management Market.

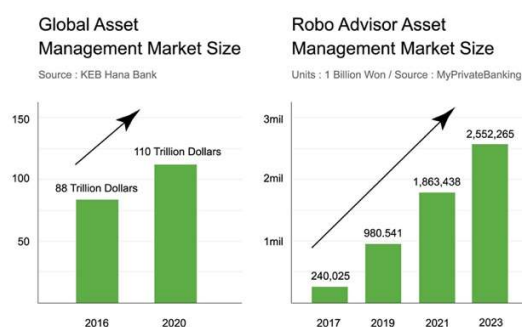


Figure 5. Global Asset Management Market Size

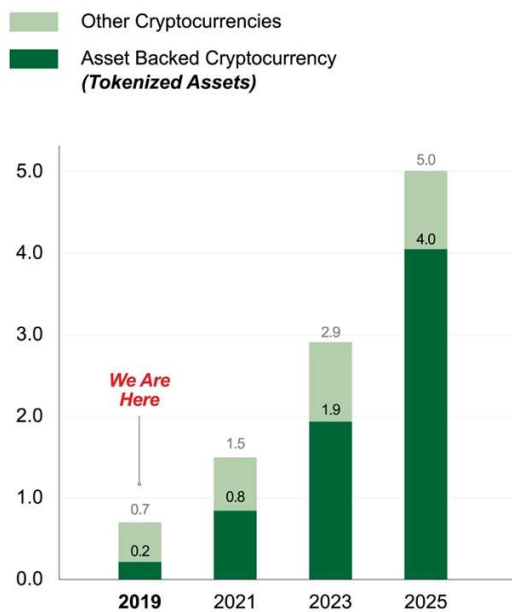
Since 2010, financial institutions have been able to obtain large amounts of profit after overcoming the global financial crisis. Those profits are very much based on the market effect of the quantitative easing policies that has been continued by the central banks of the US and developed countries worldwide. However, the increase in asset prices driven by the long-term environment of low-interest rates and overflowing liquidity is making it difficult to generate or maintain profits in the traditional way. In this market environment, many financial asset management companies have been seeking a new market-- the Wealth Management market. It is forecasted that the global WM market will grow from \$ 88 trillion in 2019 to \$ 110 trillion by 2020. As a fierce market competition exists among financial firms targeting wealthy clientele who are preparing to invest in time for their retirement, the introduction of Robot Advisor asset management is growing rapidly, thanks to the advances in information processing technology and a surge in the attention by the general public.



Robo Advisor is a personalized and tailored asset management service that is an online platform based on artificial intelligence (AI) and big data. In the case of traditional asset management, the price is high, and human intervention is used for guidance. The introduction of Robo Advisor services allows customized services to be provided at a low cost. While the assets managed by Robo Advisors were valued at 20 trillion KRW as of 2014, the amount grew 25 times by 2018 and is expected to grow rapidly to over 2500 trillion KRW by 2023.

**Cryptocurrency Asset Market.**

**Total Market Cap of Cryptocurrencies, 2017 - 2025 \$ tn**



CARG, 2017-2025, %	<b>44%</b>	Securities (ETFs, Equities, Bonds, REITs)
	<b>16%</b>	Real Estate Gaming and Virtual
	<b>87%</b>	Reality Assets Loyalty Reward Points

Figure 6. Total Market Cap of Cryptocurrencies, 2017-2025 (LAT Crypto Research)

LAT Crypto Research estimated the global cryptocurrency asset market to reach \$6,428

million by 2025. The prime drivers for predicted growth of the crypto-asset market are the advantages of the significantly low fund transfer fee for anyone in the world, moving away from the traditional transfer process between countries and of the convenience of fund transfer between individuals. Moreover, a more significant reason is that tokenization is possible via blockchain of a large number of assets, various indicators, and leading indexes.

In addition, it will be possible to implement in the form of flexible and secure financial services based on blockchain technology that will be further improved via verified through the secure nature of the blockchain. These are aspects that are expected to increasingly reduce the role of existing intermediary management, to introduce new services using cryptocurrency in the coming years, and to open up other growth opportunities that can be introduced in real life. Of course, policy coordination amongst various systems, financial institutions, and central banks is inevitably required for this to be achieved. As an alternative to the devaluation of currency due to technological developments and inflationary pressures, it is expected that crypto-assets will become stabilized beyond the rapid price fluctuations of today and be used more widely.

**Global Education Market.**

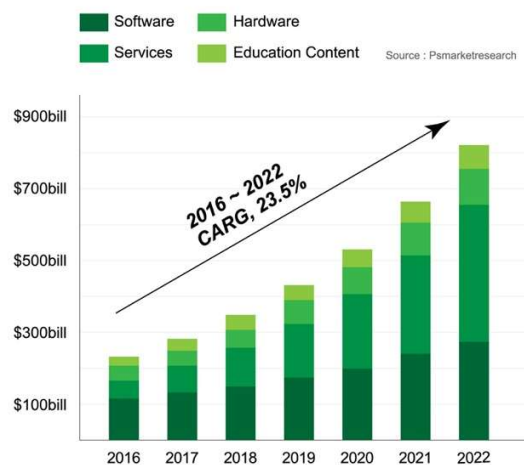


Figure 7. Global Education Market Size

The global smart education and learning market, which had been expected to have a growth rate of about 23.5% from 2016 to 2022, is now expected to rapidly expand beyond the size of \$ 890 billion by 2022, with the emphasis on hyper-personalization beyond traditional methods of education and in combination with more sophisticated integration of AI technologies. The smart education market of the past comprehensively included hardware, software, services, and education contents. In the case of the software education and learning market, activation has been achieved based on diverse online services such as a learning management system, contents system, adaptive learning platform, and evaluation services.

In the global smart education market as such, the introduction of AI services is gradually increasing, which is expected to grow to USD 10.38 billion by 2026 from USD 521.04 million in 2018. The share of smart education in the entire education market is increasing; furthermore, establishing the learning management system will play the most significant role in this development. The development of AI engines that enable context parsing and recognition via an understanding of natural language is not a mere provision of the scores, preferences, and deficiencies based on probabilistic statistics. Rather, it enables complete communication and interaction with LMS based on diverse device ecosystems. Thus, the utilization and possibilities of AI engines will be endless.

## 5. ANW TECHNICAL STATEMENT

**Science Machine Learning Modeling Introduction.** In this white paper, we have introduced the ANW's next-generation AI core engine that is completed based on the use of the inferring engine and neural network algorithm. With this new AI engine, significant data will be collected and modularized for natural language understanding, context

recognition, and quantamental asset allocation, and implement information retrieval technology.

The engine core provides a noise-free and unique trend analysis so that calculation is possible in terms of proper value, safe margin, and critical point analysis through trend pattern system based on AI. This overcomes regression issues and provides learning management based on perfect language recognition that is superior to machine learning and big data analysis. For finance, ANW's next-generation AI engine will identify the characteristics of each strategy based on unique noise-free frequencies to enable more stable asset management. Moreover, in the field of education, ANW modeling will share logical questions and answers with learners and provide effective results rather than deriving learning results based on conventional statistical analysis.

The ANW Foundation will be focusing on utilizing the ANW engine in education and asset management industries. The following sections will focus on the implementation of the technology to bring tangible solutions and even innovative results of AI-powered solutions to the Asset Management and Education sectors.

**Implementation of Science Machine Learning In Education.** As there are many innovation endeavors in various sectors, ANW will focus on the education industry, as we believe that the industry can highly benefit from AI-based technologies, especially with the ANW Engine. The ANW engine will aim to implement the following:

**Artificial Intelligence-Based Education.** The engine will consider the level of learning of users and design and provide customized learning accordingly. ANW curates the AI learning class by applying the age, proficiency level, and existing learning data of the learner, and thereby assigning the corresponding learning contents via missions.

**Personal Tutoring through Natural Language Understanding.** Natural language understanding creates learning based on an understanding of natural language data and helps learners have correct and accurate conversation and grammar by identifying inaccurate responses made by learners and helping them adjust their language usage organically. Anchor Value is in a unique position to leverage its already existing accumulated education related data and deep learning results to jumpstart this process. With the addition of the ANW platform learners will feel as though they are taking in-person private lessons as it suggests corrections for learner errors for incorrect responses and makes in a natural conversational manner.

**Interactive and Reciprocal Education.** The educational scenario using AI so far has utilized AI with passive, uninvolved, and limited information based on 1) wrong answers, 2) learning progress, and 3) education category. However, LMS via ANW proposes classes for learning so that learners can be educated properly based on the 1st information about the learners, constantly communicating with learners and understanding their learning propensity. As such, it allows learners to effectively, proactively, and actively participate in learning beyond the scope of the simple curriculum guide.

**Implementation of Science Machine Learning In Asset Management.** With the rise of innovative fintech movements throughout the world, the asset management industry has seen a surge in using AI-based technologies in significantly improving the way people manage their assets more smartly and efficiently. The following are the implementations we aim to enable through the use of the ANW AI engine.

**Trend Determination Function.** Even for a system with proper asset allocation, it cannot avoid losses if the same strategy is used during a prolonged downward trend. The trend determination system is considered to

be most important with the asset allocation system. While being the basis of the trend-following strategy, trend determination is also a significantly important function in risk management.

**Strategy Management Function by Strategy.** This function composes the strategies for each asset portfolio as a comprehensive portfolio instead of simple weighted asset management. It provides the function of controlling the weights via the trend determination system by applying at least two strategies of different nature simultaneously depending on each asset's specific circumstance, not by applying one sweeping strategy to the entire portfolio.

Portfolio of asset group by character → 2 or more strategies per portfolio → Strategy portfolio → Control of weight of the trend determination system.

**Noise Filtering Function.** The results of short-term plunges and spikes may suggest changes in long-term trends, but around 90% of the time they simply end as short-term movements which fit within the bounds of the long-term trend. That is, any market analysis and resulting trading strategy must react only upon the less likely breakthrough of the trend threshold, the calculation of this critical threshold point is vital. The noise filter function should apply different values for each of these trend classes. When a critical movement is detected, a new and wholly unique function of trend determination is run. At the same time, an independent short-term strategy that does not influence the overall long term trend weight is temporarily operated within the interval that does not pass the calculated critical threshold point. This function operates in terms of defense as a kind of hedging strategy rather than to generate profit.

Calculating critical point in trend determination system → noise filtering system → apply short-term strategy.

**Balance Management Function.** It is a management system for assets with distinctive characteristics such as gold, bonds, and cash. It fulfills the role of redistributing the alpha from the passing of the critical point to the portfolio designed with safety margins. Over time, a stronger portfolio is built.

**Deep Learning Central Management Function.** It is a system that derives output results with significance by simulating diverse strategies predicted by the system. The VaR model measurement can measure the probability of loss in reality; however, the value of the loss is not clear. Thus, only the critical point of value is reflected. In the absolute score measurement by strategy, the score by strategy excludes variables that can obtain distorted results like the Sharpe index and reflects the system by turning the level that each strategy maintains and converting its unique trend into scores.

## 6. BLOCKCHAIN TECHNOLOGY



Figure 8. Blockchain Network Diagram

**Blockchain.** Blockchain technology has been considered one of the most innovative technologies that is often coined the new internet. As humanity is reaching an age in which data becomes an integral part of everyone's lives, it is essential, especially with the rising technologies of Artificial Intelligence where clean and verified data is paramount in making accurate and meaningful

data analysis. AI technology and blockchain are coupling technologies that cannot be separated, and therefore the ANW foundation's intention of using the blockchain is as follows.

**Digitized System of Record.** Blockchain is a decentralized database that provides the storage function of digital records. All transaction information, documents, and contracts that occur in the Science Machine Learning services are stored as digital records through which the integrity of these services can be provided with unprecedented confidence and guarantee.

**Decentralized and Distributed.** Blockchain does not have a centralized server for managing data. The decentralization of the blockchain system is capable of removing numerous barriers to asset management and utilization. Financing is made possible by reducing dependence on intermediate or single authorities. Also, financiers, buyers, and suppliers will conduct blockchain-based, smart transactions, which will result in eliminating unnecessary intermediate processes.

**Immutable and Traceable.** The data recorded from the blockchain has a property of strong immutability. This is because the data recorded on the blockchain is mathematically impossible to alter without having the consensus and agreement of the entire global blockchain network. Agreement is only given in cases where records are cryptographically proven to be correct. This means that any results analyzed by the ANW engine can be recorded and stored exceptionally safely.

For these same reasons, blockchain also provides audit trails that cannot be edited or faked for any type of financial and or non-financial asset balance or transaction which has been recorded.

**Increased Efficiency Through Smart Contracts.**

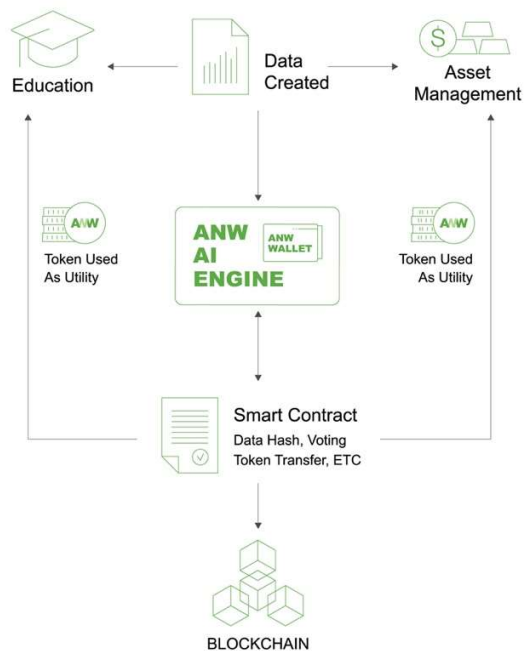


Figure 9. ANW Smart Contract Architecture

Despite the advancements, many points of improvement still exist in terms of speed and efficiency of business process flows. Most processes can be redesigned, automated, and established by utilizing smart contracts on a blockchain. Smart contracts can implement any kind of business or application logic and execute that logic in the secure environment of the blockchain, this makes smart contracts one of the most powerful features of blockchain as they can remove intermediaries to carry out cross-party transactions, streamline multi-party processes, and provide extremely strong guarantees for fair and consistent output for any process execution. As an example of system efficiency, more productive and safer asset management, trade, shipping and trading, and learning management can be easily achieved with smart contracts.

**ANW Utilizing Blockchain.** The ANW foundation will aim to use the blockchain technology for the following reasons (1) store data inferred and gathered by AI and register and secure it on the blockchain, (2) use the ANW token as the main currency in

the ANW ecosystem, (3) provide the ANW wallet as the critical link between the blockchain and the ANW ecosystem (4) and utilize ANW token for Governance and Policy-Making.

### Architecture Layers

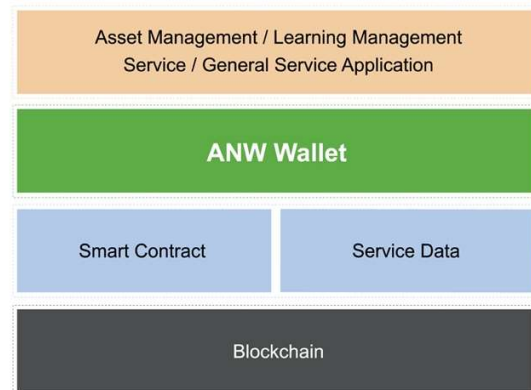


Figure 10. Architecture layers

- The base layer will be the blockchain core layer. This layer is where all the node participants join and, in consensus, secure and store the information on the blockchain. There are several protocols that offer a different array of functions and features; however, ANW aims to be protocol agnostic, meaning that whatever protocol enables the most significant synergy and best suits the ANW ecosystem will be selected as the base protocol. Such decisions will be made through policy-making through governance.
- The upper layer of the blockchain core is the smart contract layer, where three separate contracts will be used in conjunction with one another to link the ANW engine and its ecosystem to the blockchain. ANW will initially use a token contract for all token related transactions and the service contract will be used to record the data hash from the ANW engine, and a voting contract for governance.

- The next layer is the wallet, which will be the key linkage between the platform and the blockchain. The wallet not only serves as a way to store and transfer valuable cryptocurrency assets but also acts as a pseudo identification and a way to verify and interact with the smart contracts.
- The last layer is the ANW platform layer, where the first services (Asset Management and Learning Management) will be built on top of the ANW engine. As the ecosystem grows, the ANW platform will be interlinked to different cross-industry services.

**Data Storing on The Blockchain.** After gathering data, the results are generated through the ANW engine, and the whole process will be registered on the blockchain.

- Recording the transaction on the blockchain will address the issues of a centralized database system.
- The user will gain confidence and trust by accessing verified results and data.
- Blockchain will enable platform services globally. The ANW token is a unique cryptocurrency which can be utilized and for ecosystem services and to gain access to regardless of the region with increased scalability to handle global service.

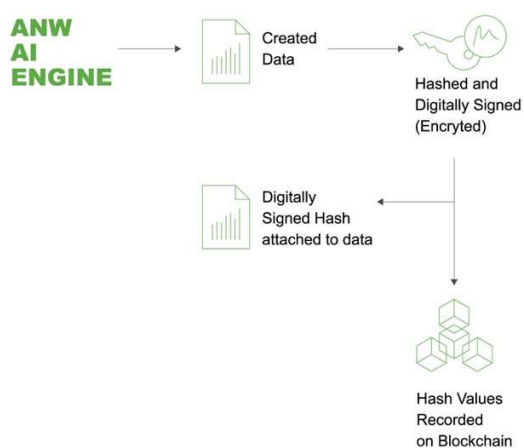


Figure 11. ANW Blockchain Storage

As mentioned in the diagram above, the collected inferred data from the AI process will be stored in the blockchain. The data will be hashed with a military grade hashing function and then crypto-signed by the official ANW foundation smart contract owner(s), which will verify the authenticity of the transaction. The hash of the data will be recorded onto the blockchain, allowing the data to be audited, re-hashed and checked against this immutable record and therefore ensuring that the original data remains unchanged due to the nature of the blockchain and its append-only protocol. The hashed data will then be attached to the original data as a kind of fingerprint. Users would have confidence that the transaction hasn't been tampered with by comparing the actual data and hashing it and making sure that the hash data recorded onto the blockchain matches. Through this process of securing data, ANW's AI technology is able to make not only more meaningful and reduced noise deductions but also give confidence to the end-users.

**Use of ANW Token as Key Currency.** ANW Foundation believes a sustainable ecosystem requires robust governance functionality and democratic policy-making. As an endeavor to bring this vision to fruition, ANW issued a cryptocurrency to create a dynamic ecosystem that utilizes not only a token economy that will be part of the ANW ecosystem but also allows token holders to participate in direct governance and policy-making through a system of on-chain and off-chain voting.

**ANW Wallet.** The ANW token will be circulated and used throughout the ecosystem as a utility through the ANW wallet. The wallet will be used to not only be a means of transactions between the services providers within the ANW ecosystem but also be a way of storing ANW tokens and later other cryptocurrencies to provide fluid transactions between multiple parties, making transactions



borderless via P2P in a decentralized manner.

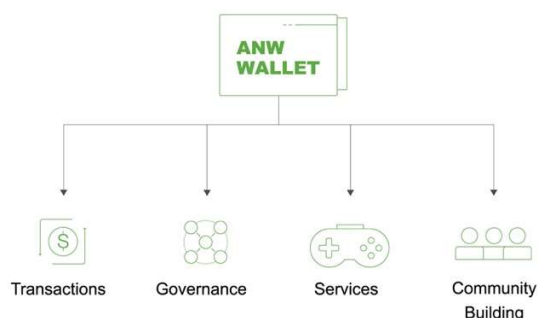


Figure 12. ANW Wallet

The ANW wallet will be used for the following purposes (1) transactions on the blockchain, (2) governance and policy making, (3) accessing Services in the ecosystem (a medium of exchange for a services such as AI as a service or the usage of the inference engine by third parties), (4) Community building and product innovation through the ANW Economic Fund where initiatives can be funded through the governance mechanism.

**ANW Token for Governance and Policy Making.** In all blockchain protocols, proper governance and policy-making are vital for the platform to mature and grow in a direction that is beneficial through consensus of the network stakeholders. Also, proper governance is needed primarily to decide on subjective matters that cannot be done through on-chain and programmatic protocols. The ANW Foundation recognizes this need and therefore aims to create a governable AI-based blockchain technology. The ANW token in the ANW governance will be utilized for three primary purposes (1) policy-making (2) voting on various issues that include issuance of new tokens, acceleration ecosystem activities, and (3) off-chain subjective issue resolution. Further details are covered in the Section 8 part of the white paper.

## 7. ANW BUSINESS STRATEGY FOR ASSET MANAGEMENT

**Asset Management Strategies.** Quantamental Strategy will be implemented in the asset management services using the ANW’s AI engine to provide effective investment plans using the parsed data based on the fusion of fundamental strategies based on corporate fundamental performance indicators. Such indicators include quantitative strategies based on mathematical models and annual revenue, free cash flow, and return on equity (ROE).

This strategy consolidates and manages complex investment positions, concentrates transactions on assets with an adequate level of liquidity, and lowers the transaction-related costs of clearing settlements. In addition, the use of leverage is properly used to maximize profits. The management of basic assets will be conducted according to future forecasts that can be confirmed through ANW.



Figure 13. ANW Asset Management Strategy

Asset management can be broken into the following tasks:

1. Portfolio Construction - the composition and asset weighting of user portfolios



2. Risk Management - identification of the current primary risks associated with assets and adjusting their weight accordingly
3. Capital Management - identification of risky or profitable positions along with an analysis of actions to take, and in what proportions, to adjust portfolio composition

To optimize these for ANW Wallet users, the ANW Portfolio Management AI/ML libraries provide a backbone for ANW Wallet users in three primary areas:

- Portfolio Weight Optimization
- Market Analysis
- Asset Trading Strategies

**Portfolio Weight Optimization.** Robust portfolios need proper portfolio weighting to maximize profit and minimize risk. The ANW Wallet uses these different weight optimization methods for supervised, unsupervised, and reinforcement learning frameworks. In total, nine methods are encoded and used as the foundation for portfolio management.

1. **Deep Portfolio** - Deep Learning algorithm for asset weighting and position classification.
2. **Linear Regression**- Linear regression via gradient descent for optimizing portfolio composition
3. **Bayesian Sentiment** - Sentiment calculator for predicting speculative price movements when calculating suggested portfolio asset weights. Inputs for this can be based on web scraping for relevant news and public group chat scraping for keywords that indicate market sentiment.
4. **PCA and Hierarchical**- Principle Component Analysis for clustering and classifying based on primary features.

5. **HRP**- Hierarchical Clustering, Covariance ordering, Recursive bi-variance for asset weighting.
6. **Network Graph** - Neural Network Graph learning to arrive at differently weighted strategies.
7. **RL Deep Deterministic** - Reinforced Learning using Deep Deterministic Gradient and Markov decision process to build different asset composition modelling as well as risk factor
8. **Online Portfolio Selection (OLPS)** - Sequentially determine optimal allocations across a set of assets for a portfolio based on optimal outcomes and risk appetite.
9. **GAN** - Generative Adversarial Network using zero sum competition to create new data sets from limited data. Useful for when there is not enough relevant data to give adequate results in other processes

**Market Analysis.** Another key functionality of the ANW Portfolio Management suite is the ability for users to conduct Market Analysis for asset management. Our Market Analysis module supports this with the following pieces:

1. **Feature-Calculation** - The Feature-Calculator extracts and calculates relevant machine learning Features based on several algorithms: (1) PCA per class, (2) linear discriminant analysis between clusters and classes as well as between pairs of clusters, (3) maximally collapsing metric learning, and (4) neighborhood component analysis.
2. **Model Comparison for Market Analysis** - After relevant market features are identified, Market Analysis identifies the largest and most significant risk factors and movement trends in the market currently for each asset in a portfolio. Results from the

following models are compared and evaluated during this process:

- a. Decision Tree
- b. K-nearest Neighbor
- c. RandomForest
- d. Support Vector Machine
- e. Neural Network MLP Classifier

**Asset Trading Strategies.** The last primary feature of the ANW Portfolio Management suite is trading assistance for its users. The Asset Trading Strategies module provides nine different strategies for users to choose from. These strategies are AI/ML based and provide users with suggested trade outcomes based on their specific portfolio composition and appetite for risk.

1. **Deep Trading** - Deep Learning algorithm for time series trade forecasting
2. **CTA** - A Commodity Trading Advisor, adapted for the digital asset space and the ANW Wallet
3. **RRL** - A Recurrent Reinforcement Learning model based on Sharpe's Ratio for trade forecasting.
4. **VIX CMF** - Volatility Index and Constant Maturity Futures forecasting.
5. **Quantamental** - The quantamental approach includes extra features sets dealing with individual operator cash flows, growth, and risk to generate better risk-adjusted forecasts for specific digital assets.
6. **Factor Investing** - Similar to the quantamental approach, feature sets are built by identifying quantifiable characteristics for the operating firms of digital assets.
7. **Stacked Trading** - Strategy of concurrent asset trades to maximize the profit (or minimize the loss) of any individual trade.
8. **Mixture Models** - Strategy for extracting profitable sub-set features

relevant to trade activities based on the primary salient clustering and classifications of a model.

9. **Agent Strategy** - Primarily concerned with the goals and appetite of individual users to help bias the other trading strategies towards single user outcomes. Primary inputs are user guided surveys as well as user trade history to derive relevant success factors.

## 8. ADDITIONAL ANW BUSINESS STRATEGY

**Education Business Strategy.** AI learning management using ANW will surpass the limitations of traditional chatbots that focus on keyword-level analysis, reaching to be improved as communication functions. Thus, providing diverse environments for learners where LMS and learners interact, and learners can conduct proactive study via Deep Learning. Furthermore, this technology will materialize diverse learning by packaging video lectures, hands-on training learning, and content. It will also provide guidelines for growth by stage based on data obtained through ANW modularization and later environments to add features that will help students, with customized and analyzed results, to understand at which time intervals concentration level is at the highest.

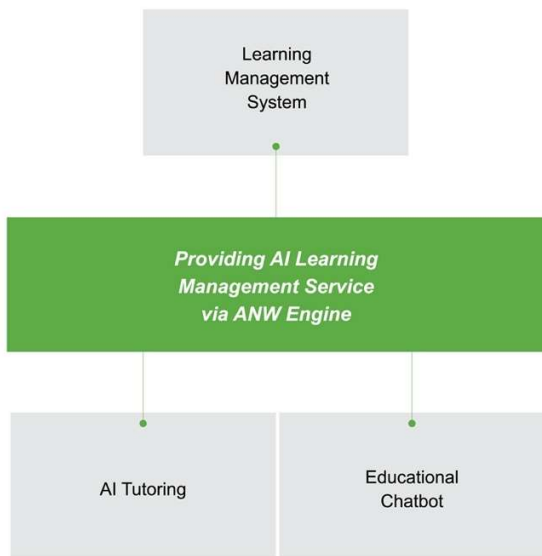


Figure 14. ANW Education Strategy

**Payments and Commerce Business Strategy.** The ANW token will not only be used as a source of governance and ecosystem building, we strongly believe that the ANW can be utilized as a method of payment in our ecosystem. We currently adding to our already existing partnerships that will add value and enable us to utilize ANW token as a form of payment. We will focus on creating a multichannel network, working with social influencers and media companies, utilize their channels and networks for our token to be used as currency and at the same time partnering with payment gateways to fluidly achieve this. Thus, this will add another dimension to our token as a form of utility for services that will be offered in the ecosystem.

**9. ANW TOKEN ECOSYSTEM AND GOVERNANCE**

**ANW Token.** The ANW project aims to create a perfect ecosystem that can provide utility to all markets via AI engines. As the ecosystem of participants and investors advances, the financing capability of the network will increase, while the capital cost of the project is gradually raised. Beyond learning management and asset management, the

ANW project will expand such as games and other high-tech industries, thereby achieving better results in terms of cost and efficiency.

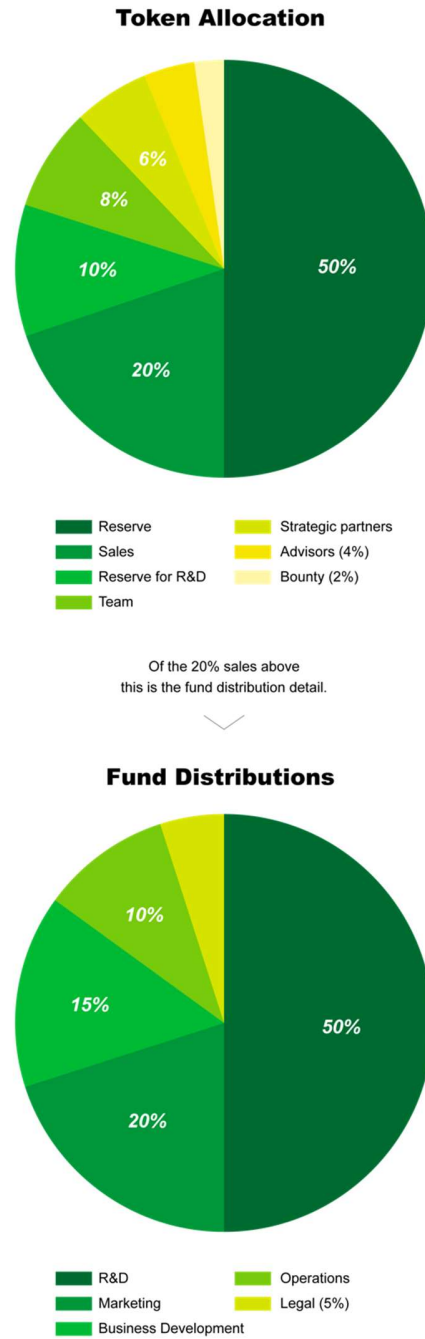


Figure 15. ANW Token Allocation

ANW's token will be an ERC-20 token where a total of 1 billion tokens will be issued. Further circulation will be determined in the future through different investment and funding activities dictated by the governance and policy making mechanisms of the system.

ANW distribution will adhere to the following allocations:

- 50% will be used as Reserves (for the purpose of supporting the economic system of the ANW)
- 20% will be used for Sales
- 10% will be used for R&D
- 8% will be reserved for the Team
- 6% will be reserved for Strategic Partners
- 4% will be reserved for Advisors
- 2% will be allocated for Bounty and Marketing Purposes.
- *Please note that these are target amounts and are subject to change.*

#### Token Vesting Schedule

Reserves & R&D: 60% - 600,000,000 ANW

- ➔ Starts vested from March 1<sup>st</sup> 2021.
- ➔ 25% vested every month on the first day of every month.

Token Sales: 20% - 200,000,000 ANW

- ➔ Starts vested from August 1<sup>st</sup> 2020.
- ➔ 20% vested every month on the first day of every month.

Team: 8% - 80,000,000 ANW

- ➔ Starts vested from Jan. 1<sup>st</sup> 2022
- ➔ 50% vested every 12 months on the first day of 12<sup>th</sup> month.

Partners & Bounty: 8% - 80,000,000 ANW

- ➔ Starts vested from Jan 1<sup>st</sup> 2021.
- ➔ 50% vested every 6 months on the first day of 6<sup>th</sup> month.

Advisor: 4% - 40,000,000 ANW

- ➔ Starts vested from Jan 1<sup>st</sup> 2021
- ➔ 50% vested every 6 months on the first day of 6<sup>th</sup> month.

**Fund distributions.** Of the 20% that is used for Sales where:

- 50% will be used for R&D
- 20% will be used for Marketing
- 15% will be used for Business Development
- 10% will be used for Operations
- 5% will be used for Legal

**Token Utility.** Our objective is to build an AI-centric ecosystem and services that are relevant in any market. We envision sustainable and mutual growth, and active participation of the public in co-building, and facilitating this brand-new community of investors, technicians and decision-makers is essential. Through our innovative artificial intelligence technology and the decentralized input of talented individuals and teams, every business will be given the chance to contribute and together build an ecosystem greater than just the sum of its parts, and in turn benefit us all. The following are just a few of the vital ways in which the ANW token will be utilized within the Anchor Neural World.

ANW tokens will be used as (1) a utility for the different services offered through the ANW engine powered ecosystem, giving anyone the ability to use the powerful functionalities of the ANW engine (2) ANW Governance & Policy-Making to build our vision together and (3) the ANW Economic Fund to provide funding & acceleration activities to spur growth and bolster ANW's position as a world-class AI provider.

The following diagrams are examples of how the ANW tokens can be utilized to use the services within Asset Management.

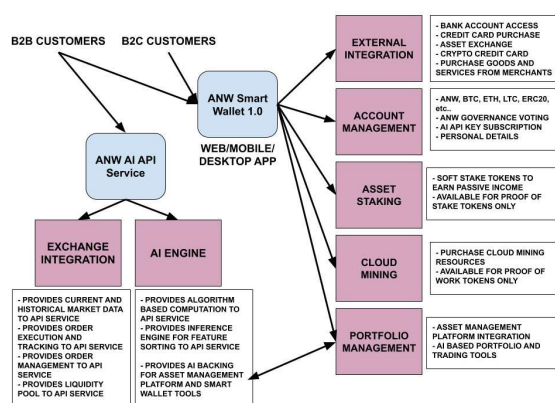


Figure 16. Asset Management Utility

### Anchor Neural Network Governance.

The ANW Governance model gives its community of ANW holders the ability to create and vote for proposals that are advantageous to the ANW ecosystem as a whole. Proposals may include ANW protocol improvements, R&D for AI/ML or blockchain technology advancements, products or services that leverage ANW tokens or build upon the ANW ecosystem, or promising projects that help add value to ANW and its constituents. The governance model process is facilitated by three items:

- the ANW Voting Mechanism
- the ANW Economic Fund
- Proposal Maintenance

**ANW Voting Mechanism.** Only ANW holders can submit proposals to committee and similarly only ANW token holders can vote on ANW Governance issues. This means that ANW stakeholders (the ANW token holders) have direct ability to shape and guide the value of their token holdings and access to this is only available to those who hold tokens. The voting mechanism itself is unique to ANW, it involves three parts:

- Smart Contract Proposal Setting
- Secure Off-chain voting
- On-chain vote commitments and revealing.

**Proposal Setting.** Proposals can be submitted to the ANW foundation committee for review by any existing token holder. These proposals must adhere to a specific format decided by the committee and must include a set of documentation and information that will become public knowledge to share with the community for evaluation. After review, the committee may greenlight a proposal to be voted upon. Once greenlit, all of the documentation for the proposal is digitized and hashed to verify authenticity (called the documentation hash).

The committee then decides the **terms of the proposal**. These include:

- the **quorum** - what percentage of the total ANW voting pool is required to bring a vote success, e.g. it may be required that 30% of all token holders must vote for this proposal result to be valid)
- the **vote success threshold** - what percentage of the votes being cast is required to bring a vote success, e.g. a vote may require 70% of the total vote results to 'agree' for the proposal to pass
- the timeframe of the **voting period** - how long will the vote take place

After these **terms** are set, they are placed on to a proposal smart contract on the Ethereum blockchain along with the **documentation hash**. At the appropriate time the proposal contract is activated, and voting can begin.

All proposal data and information as well as voting action will be accessible to ANW holders through the ANW Wallet. ANW holders can verify the truth of the proposal documentation at any time by comparing it with the documentation hash, if they match truth is guaranteed.

**Off-Chain Voting.** ANW token holders can review current and past Governance proposals through the ANW Wallet. If they wish to vote on a proposal, token holders must crypto-sign a vote message from their token wallet and submit that message to our vote relay server.

This off-chain crypto-signing mechanism is important because it means that the token holders themselves do not need to have any ETH or pay any transaction fees to submit votes. The only requirement is to be an ANW token holder and have an active account on the ANW Wallet. However, it also means that votes are immutable and cannot be counterfeited, thereby making them extremely secure.

The vote relay server will collate all ANW holder votes for a specific proposal and submit those votes to the proposal smart contract on-chain at the appropriate time.

ANW holder votes are encrypted and thereby cannot be seen (or censored) before the voting period finishes. After the vote period has finished, the vote can be revealed and tallied to see the result. Again, the vote relay server will submit revealed data when necessary.

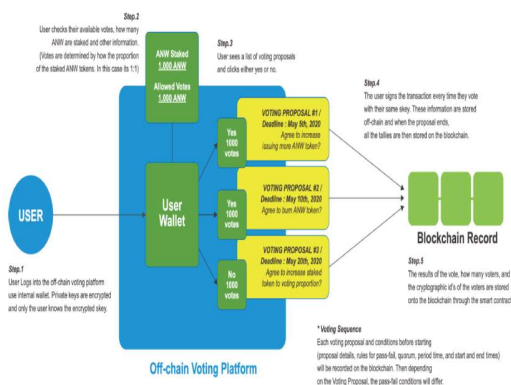


Figure 17. Off-Chain Voting Diagram

**On-Chain Commit & Reveal.** As mentioned above, eventually votes will be submitted on the blockchain to the proposal smart contract. We call this action a vote commit. Commits are encrypted and cannot be tampered with. They remain hidden until

the voting period has finished. Hiding vote information prevents anyone from seeing the vote data and attacking the voting process by censoring votes they do not agree with. This kind of censorship could be done by the Ethereum network miners or the vote relay server.

However, after the vote period has ended all votes already gathered are permanent and cannot be changed. After this point in time it is then safe to reveal them. Revealing means submitting the non-encrypted vote data and cryptographically verifying that it is correct for that vote. If the revealed data verifies with the encrypted data given previously the vote is counted and tallied.

Finally, after the reveal period has finished the final proposal results are published for all voters to see. If the proposal vote was successful it will be passed to the Proposal Maintenance committee for further action.

The following is a diagram of the major pieces involved in the voting process -

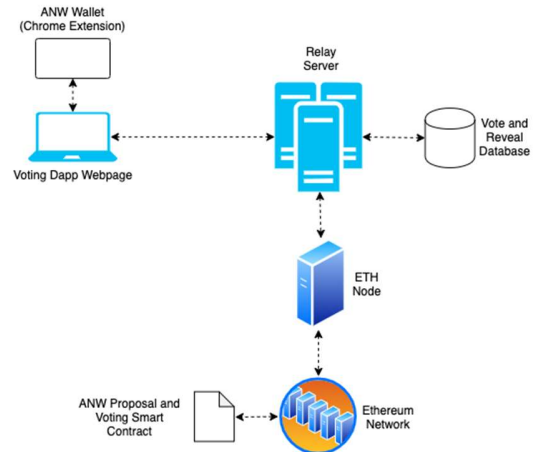


Figure 18. On-chain Process

**ANW Economic Fund.** The ANW Foundation has allocated 50% of the entire ANW token supply to be used for investment purposes through a managed fund called the ANW Economic Fund. The goal of the ANW Economic Fund is to allow the ANW founda-

tion an avenue of providing fair and transparent funding for those projects, products, research, or development improvements that are proposed and then pass the voting mechanism via the Governance model.

The Economic Fund is managed by a board appointed by the ANW Foundation whose responsibility is to uphold and enable the execution of fund allocation to those proposals that have been successfully voted by the ANW token holders and to guide those projects through the Proposal Maintenance process.

**Proposal Maintenance.** Once a proposal has successfully passed a vote by reaching both quorum and voting thresholds, it enters proposal maintenance. The goal of Proposal Maintenance is to manage the proposal terms and the project of the proposal from beginning to completion to ensure maximum success. Primary among the activities in proposal maintenance is the setting of deliverables, team members, timeline lines for completion, and milestones for the project as well as setting the terms for funding allocation.

The ANW Foundation will then earmark an amount of ANW tokens and/or fiat funding to be set aside for that proposal's funding requirements. Those funds are then placed in a vesting contract to be released only when specific milestones are reached or items are delivered.

In addition to the management of timelines and funding, the proposal maintenance committee will also provide guidance and assistance to the project team in the form of mentorship, network access and knowledge exchange as well as assigning a point of contact within the ANW foundation so that at any point the project team can easily communicate with the foundation and vice versa.

#### 10. Token Access to ANW Services

ANW is gearing up to offer several AI/ML based services for companies and industries to use. These services include:

- the ANW inference engine
- the ANW AI engine
- ANW private market data store (valuable data sets with curated and cleaned relevant data factors for asset and market evaluation)
- ANW analytics data

In addition to these services, ANW is working closely with several partner and portfolio companies that are also eager to join the ANW ecosystem.

All of the above services will be offered to the public through a set of useful and easy to use APIs. In this way 3rd party companies or anyone who wishes can access, use, and leverage the ANW product suite for their own.

ANW service API access is granted on a subscription basis. Only those parties with valid access keys can use our services. These API keys expire after subscription has ended and must be renewed for continued access.

To create or renew an ANW API key there is a simple three-step process -

1. Acquire ANW tokens
2. Send the subscription fee amount of ANW tokens to the API Manager smart contract to receive an activation code (this code is the hash of the payment transaction)
3. Enter your activation code on the ANW API website to receive an activated API key

**Acquiring ANW Tokens.** ANW is strategically working closely with Crypterium to build fast user on-boarding and off-boarding into the ANW Wallet to make acquiring ANW tokens as easy as possible for prospective users. The ANW Wallet will make exchange and acquisition of ANW tokens as simple as having a Credit Card (or online bank account) and opening an ANW Wallet account.

**API Service Access.** The requirement of ANW tokens for API key access on a subscription basis will provide stable and long tail utility for ANW tokens. As the ANW



foundation creates and initiates more projects though its Governance Model this utility will only grow over time.

**Partner Service Access.** Beyond only ANW services, there are several partner companies who have expressed interest in integrating into the ANW ecosystem. The products and services of these partners could use the subscription model similarly or be built around other models such as direct product purchase in ANW tokens. The primary point of connect here though is that these activities are intended to grow the usage and utility of ANW through organic commerce. The ease of use of the ANW Wallet is a key component in ensuring that this commerce is easy to use for ANW holders.

## 11. ROADMAP

### 2020 Q1

- Phase One – Portfolio Developing
- Strategic Partnerships for Ecosystem Growth
- Beta Test for ANW AI Service Engine

### 2020 Q2

- Prepare for Phase Two – Target Market Expansion
- Start development of ANW Off-Chain Voting System
- Improve ANW AI Service Engine features

### 2020 Q3

- Integrate ANW Service Engine for Portfolio Companies of Anchor Value, Inc. and partners
- Increase Domestic and Global Partnerships in A.I

### 2020 Q4

- 1<sup>st</sup> Governance Voting
- Expansion of AI focused Portfolio and ANW Ecosystem
- Prepare for Blockchain Staking Services with Premier Cryptocurrency Exchange

### 2021 Q1

- Start integration of AI-based Asset Management service with partners
- Expansion of AI-focused portfolio and ANW Ecosystem
- Begin Blockchain Staking Service with Premier Cryptocurrency Exchange
- Release ANW Smart Wallet

### 2021 Q2

- Coin swap with a major blockchain foundation
- Launch AI engine based Asset Management Services
- 2nd Governance voting

### 2021 Q3

- Complete development of AI engine for Social Data-based market impact analysis
- Accelerate the growth of ANW Ecosystem
- 3rd Governance voting

### 2021 Q4

- Launch Social Data market impact AI service
- Acquisition of A.I Asset Management Firm
- 4th Governance voting

## 12. TEAM

**Team.** Anchor Neural World received initial investment from ANVA.INC(Anchor Value), a Hong Kong based company comprised of an experienced and decorated team from Hong Kong, Korea, and from all over the world. The core team is led by Wada Taiyu, who will preside over as Chairman/CEO, Jason Kim, who will be in charge of overall operations and investment activities as CIO, Terry Wilkinson, who will be leading the engineering team as CTO, Chris

Lee, who would be leading the strategy and tokenization, Gheis Mohammadi, who will be leading the AI development as Technology Lead. and Kristina Semenova, who will be heading the marketing and promotion activities for ANW. With constant synergy building as its base, along with cooperating with various partners that are investing in different companies and carrying out robust M&As, ANW will continue to collaborate with ANVA to increase participation of their ecosystem with different family companies and companies that ANVA are vested in through proper governance and policy.

**Advisors.** ANW believes in collaboration and ecosystem builders that will help bring synergy. ANW advisors consist of industry leaders from various financial sectors and other industries with reputable global experience in their respective fields. ANW's advisors include Jaewoong Wang, CEO of Rainbow Bridge Japan, former Director of KOTRA Japan, who will be an Advisor for Japanese Operations, Masahisa Shin, CEO of Tokyo Environment and Biology Lab., Co., Professor at Hiroshima University, PhD at Tokyo University, who will be Chief Advisor, Anthony Wong, Partner at Hastings & Co., who will be a Legal Advisor, and Wangjun Tang, Former Senior Investment Management Officer at Shenzhen Capital Group Co., Ltd and Producer at Shenzhen TV, Sun Yatsen University, who will be an Advisor, Lee Heung Woo, Director of KIBO, who will serve as an advisor, Norbert Gehrke, Current Founder at Tokyo Fintech, Former Managing Director at Goldman Sachs, Former Managing Director at Barclays, Senior Director at AIG, who will be an Advisor, and Junghoon Woo, Current Director Data Scientist at Digital Lighthouse, Co-Founder at Geference Inc., Informatics Scientist at Macrogen Inc., PhD at Columbia University, who will be an Advisor for AI Business.

**Partners.** Partnerships place a crucial role in any ecosystem building. It shows not only

the ongoing interest of a project but also the robust support and potential growth. Anchor Neural World, with the network of different partners from ANVA(Anchor Value), is in partnership with the following partners below from all different industries.

1. JD Capital, ACC Group
2. Co-Harvest Capital Management Co., Ltd
3. SBI Investments
4. Hastings & Co.
5. Korea International University in Ferghana
6. M31 Capital
7. Korea Drone Industry Promotion Association
8. Shenzhen UAV Industry Association
9. RDK Partners
10. Tokyo Environment & Biology Lab Inc.
11. East Sea Fisheries Co., Ltd.
12. Polytree Inc.
13. Crypterium Inc.
14. TA-FUN Corp.
15. Paytus Co.,Ltd.
16. Lemon Inc.
17. Lattuo International Inc.
18. Last Fit Inc.
19. Jay Tree Holdings Limited
20. Huimin World Holdings.
21. SBCN Inc.
22. Fabot Inc.
23. CK Goldilocks Asset Management Co.,Ltd.
24. Hyundai Asset Management Co., Ltd.

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The contents are subject to change in accordance to local regulations and other factors evolving over time. Anchor Neural World Foundation may have to make changes to the business model or tokens for any number of legitimate reasons.

To the maximum extent permitted by the applicable laws, regulations and rules, Anchor Neural World Foundation shall not be liable for any indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including but not limited to loss of revenue, income or profits, and

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##### Important Notices

PLEASE CAREFULLY READ THIS SECTION AND THE FOLLOWING SECTIONS ENTITLED “DISCLAIMER OF LIABILITY”, “NO REPRESENTATIONS AND WARRANTIES BY Anchor Neural World Foundation”, “REPRESENTATIONS AND WARRANTIES BY YOU”, “CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS”, “NO ADVICE”, “RESTRICTIONS ON DISTRIBUTION AND DISSEMINATION”, “NO OFFER OF SECURITIES OR REGISTRATION” AND “RISKS AND UNCERTAINTIES”. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISOR(S).

The ANW Token (the “Token”), as defined in the Whitepaper, are not intended to constitute securities in any jurisdiction. This Whitepaper does not constitute a prospectus or offer document of any sort and is not intended to constitute an offer of securities or a solicitation for investment in securities in any jurisdiction.

This Whitepaper does not constitute or form part of any opinion on any advice to sell, or any solicitation of any offer by Anchor Neural World Foundation to purchase any Token nor shall it or any part of it nor the fact of its presentation form the basis of, or be relied upon in connection with, any contract or token purchase decision.

All proceeds of sale of the Tokens to fund Anchor Neural World Foundation businesses and operations.

No person is bound to enter into any contract or binding legal commitment in relation to

the sale and purchase of the Tokens and no cryptocurrency or other form of payment is to be accepted on the basis of this Whitepaper.

Any agreement as between the distributor and you as a purchaser, and in relation to any sale and purchase, of the Tokens (as referred to in this Whitepaper) is to be governed by only a separate document setting out the terms and conditions (the “T&Cs”) of such agreement. In the event of any inconsistencies between the T&Cs and this Whitepaper, the former shall prevail.

No regulatory authority has examined or approved of any of the information set out in this Whitepaper. No such action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction. The publication, distribution or dissemination of this Whitepaper does not imply that the applicable laws, regulatory requirements or rules have been complied with.

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#### Representations and Warranties by You

By accessing and/or accepting possession of any information in this Whitepaper or such part thereof (as the case may be), you represent and warrant to Anchor Neural World Foundation follows:

1. you agree and acknowledge that the Tokens do not constitute securities in any form in any jurisdiction;
2. you agree and acknowledge that this Whitepaper does not constitute a prospectus or offer document of any sort and is not intended to constitute an offer of securities in any jurisdiction or a solicitation for investment in securities and you are not bound to enter into any contract or binding legal commitment and no cryptocurrency or other form of payment is to be accepted on the basis of this Whitepaper;
3. you agree and acknowledge that no regulatory authority has examined or approved of the information set out in this Whitepaper, no action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction and the publication, distribution or dissemination of this Whitepaper to you does not imply

- that the applicable laws, regulatory requirements or rules have been complied with;
4. you agree and acknowledge that this Whitepaper, the undertaking and/or the completion of the Token Sale, or future trading of the Tokens on any cryptocurrency exchange, shall not be construed, interpreted or deemed by you as an indication of the merits of Anchor Neural World Foundation, the Tokens, and the Token Sale;
  5. the distribution or dissemination of this Whitepaper, any part thereof or any copy thereof, or acceptance of the same by you, is not prohibited or restricted by the applicable laws, regulations or rules in your jurisdiction, and where any restrictions in relation to possession are applicable, you have observed and complied with all such restrictions at your own expense and without liability to Anchor Neural World Foundation.
  6. you agree and acknowledge that in the case where you wish to purchase the Tokens are NOT to be construed, interpreted, classified or treated as:
    - 6.1. any kind of currency other than cryptocurrency;
    - 6.2. debentures, stocks or shares issued by any person or entity, rights, options or derivatives in respect of such debentures, stocks or shares;
    - 6.3. units in a collective investment scheme;
    - 6.4. units in a business trust;
    - 6.5. derivatives of units in a business trust; or
    - 6.6. any other security or class of securities.
  7. you have a basic degree of understanding of cryptocurrencies, blockchain-based software systems, cryptocurrency wallets or other related token storage mechanisms, blockchain technology and smart contract technology;
  8. you are fully aware and understand that in the case where you wish to purchase the Tokens, there are risks associated with Anchor Neural World Foundation, the respective business and operations, the Tokens, and the Token Sale;
  9. you agree and acknowledge that Anchor Neural World Foundation is not liable for any indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection with any acceptance of or reliance on this Whitepaper or any part thereof by you; and
  10. all of the above representations and warranties are true, complete, accurate and non-misleading from the time of your access to and/or acceptance of possession this Whitepaper or any part thereof (as the case may be).

#### Cautionary Note on Forward-Looking Statements

This Whitepaper may contain certain forward-looking statements including, but not limited to, statements as to future operating results and plans that involve risks and uncertainties. We use words such as “expects”, “anticipates”, “believes”, “estimates”, the negative of these terms and similar expressions to identify forward looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Anchor Neural World Foundation to differ materially from any future results, performance

or achievements expressed or implied by those projected in the forward-looking statements for any reason.

#### No Advice

No information in this Whitepaper should be considered to be business, legal, financial or tax advice regarding Anchor Neural World Foundation, the Tokens, and the Token Sale. You should consult your own legal, financial, tax or other professional adviser regarding Anchor Neural World Foundation and the respective business and operations, the Tokens, and the Token Sale. You should be aware that you may be required to bear the financial risk of any purchase of the Tokens for an indefinite period of time.

#### Restrictions on Distribution and Dissemination

The distribution or dissemination of this Whitepaper or any part thereof may be prohibited or restricted by the laws, regulatory requirements and rules of any jurisdiction. In the case where any restriction applies, you are to inform yourself about, and to observe, any restrictions which are applicable to your possession of this Whitepaper or such part thereof (as the case may be) at your own expense and without liability to Anchor Neural World Foundation. Persons to whom a copy of this Whitepaper has been distributed or disseminated, provided access to or who otherwise have the Whitepaper in their possession shall not circulate it to any other persons, reproduce or otherwise distribute this Whitepaper or any information contained herein for any purpose whatsoever nor permit or cause the same to occur.

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enter into any contract or binding legal commitment and no cryptocurrency or other form of payment is to be accepted on the basis of this Whitepaper. Any agreement in relation to any sale and purchase of the Tokens is to be governed by only the T&Cs of such agreement and no other document. In the event of any inconsistencies between the T&Cs and this Whitepaper, the former shall prevail.

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#### Risks and Uncertainties

Prospective purchasers of the Tokens should carefully consider and evaluate all risks and uncertainties associated Anchor Neural World Foundation and the respective businesses and operations, the Tokens, and the Token Sale, all information set out in this Whitepaper and the T&Cs prior to any purchase of the Tokens. If any of such risks and uncertainties develops into actual events, the business, financial condition, results of operations and prospects of Anchor Neural World Foundation could be materially and adversely affected. In such cases, you may lose all or part of the value of the Tokens.

#### Risk Factors

A purchase of the Token involves a high degree of risk. You should consider carefully the risks described below, together with all of the other information contained in this Whitepaper before making a decision to purchase the Tokens. The following risks entail circumstances under which, our business, financial condition, results of operations could suffer.



*Anchor Neural World Foundation may be forced to cease operations or take actions that result in a Dissolution Event.*

It is possible that, due to any number of reasons, including, but not limited to, an unfavorable fluctuation in the value of cryptographic and fiat currencies, the inability to obtain the Tokens' utility, the failure of commercial relationships, or intellectual property ownership challenges, Anchor Neural World Foundation may no longer be viable to operate and Anchor Neural World Foundation may dissolve or take actions that result in a dissolution event.

*The tax treatment of the Token distribution is uncertain and there may be adverse tax consequences for purchasers upon certain future events.*

The tax characterization of the Tokens is uncertain, and each purchaser must seek their own tax advice in connection with a purchase in the Tokens. A purchase of the Tokens pursuant to the Token Sale may result in adverse tax consequences to purchasers, including withholding taxes, income taxes and tax reporting requirements. Each purchaser should consult with and must rely upon the advice of its own professional tax advisors with respect to tax treatment of a purchase of the Tokens.

*The products offered by Anchor Neural World Foundation may not be widely adopted and may have limited users.*

It is possible that Anchor Neural World Foundation will not be used by a large number of individuals, companies and other entities or that there will be limited public interest in the creation and development of the business. Such a lack of use or interest could negatively impact the development and therefore the potential utility of the Tokens.

*The regulatory regime governing the blockchain technologies, cryptographic tokens and token offerings is uncertain, and new regulations or policies may materially adversely affect the development of Anchor Neural World Foundation and the utility of the Tokens.*

Regulation of tokens and token offerings such as this, cryptocurrencies, cryptographic tokens, and blockchain technologies is undeveloped and likely to rapidly evolve, varies significantly among international, federal, state and local jurisdictions and is subject to significant uncertainty. Various legislative and executive bodies may in the future, adopt laws, regulations, guidance, or other actions, which may severely impact the development and growth of Anchor Neural World Foundation and the adoption and utility of the Tokens. Failure by Anchor Neural World Foundation or certain users of Anchor Neural World Foundation to comply with any laws, rules and regulations, some of which may not exist yet or are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including criminal penalties, civil penalties and fines.

*Purchasers will have no control and Anchor Neural World Foundation*

Purchasers are not and will not be entitled to receive dividends or be deemed the holder of capital stock of Anchor Neural World Foundation for any purpose, nor will anything be construed to confer on purchasers any of the rights of a stockholder of Anchor Neural World Foundation or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action or to receive notice of meetings, or to receive subscription rights or otherwise.

*There may be occasions when certain individuals involved in the development and hard launch of Anchor Neural World Foundation may encounter potential conflicts of interest, such that said party may avoid a loss, or even realize a gain, when other purchasers of the Tokens are suffering losses.*

Purchasers of Tokens may also have conflicting investment, tax, and other interests with respect to the Tokens, which may arise from the terms of the Tokens or the timing of An-

chor Neural World Foundation, or other factors. Decisions made by the key employees of Anchor Neural World Foundation on such matters may be more beneficial for some purchasers than for others.

*Purchasers may lack information for monitoring their investment.*

A purchaser may not be able to obtain all information it would want regarding Anchor Neural World Foundation, or the Tokens, on a timely basis or at all. It is possible that a purchaser may not be aware on a timely basis of material adverse changes that have occurred with respect to Anchor Neural World Foundation.

*The Tokens have no history.*

The Tokens will be a newly formed token and have no history. Each Token should be evaluated on the basis that any Anchor Neural World Foundation or any third party's assessment may not prove accurate and that Anchor Neural World Foundation may not achieve its objective. Past performance of any similar token is not predictive of future results.

*If Anchor Neural World Foundation is unable to satisfy data protection, security, privacy, and other government-and industry-specific requirements, its growth could be harmed.*

There are a number of data protection, security, privacy and other government and industry-specific requirements, including those that require companies to notify individuals of data security incidents involving certain types of personal data. Security compromises could harm Anchor Neural World Foundation's reputation, erode user confidence in the effectiveness of its security measures, negatively impact its ability to attract new users, or cause existing users to stop using Anchor Neural World Foundation's services.

*The prices of blockchain assets are extremely volatile. Fluctuations in the price of digital assets could materially and adversely affect our business, and the Tokens may also be subject to significant price volatility.*

A decrease in the price of a single blockchain asset may cause volatility in the entire blockchain asset industry and may affect other blockchain assets including the Tokens. For example, a security breach that affects investor or user confidence in ETH may affect the industry as a whole and may also cause the price of the Tokens and other blockchain assets to fluctuate.