

# A New Class of Investment

## What Are Security Tokens?

Security Tokens are the result of connecting the regulation and compliance of traditional securities with blockchain technology. Like traditional securities, they represent ownership interests in assets; the main difference, however, is they've been created digitally (tokenized) to unlock the power of the blockchain. Security Tokens can represent the ownership of traditional assets like publicly traded equity and bonds, or traditionally illiquid assets like private placements, real estate, or artwork. Security Tokens can be issued at any stage (startup to IPO) and used to raise funds through a Security Token Offering (STO).



## Why Security Tokens?

Today, online investing does not mean it's truly digital investing — real-world functions tied to the creation, issuance, and ongoing management of traditional securities are inefficient and ineffective. Security Tokens use the blockchain to structure and automate functioning, passing efficiencies on to the issuer and investor alike. With Security Tokens, investors benefit from:



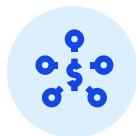
### Efficiency

Polymath technology utilizes the blockchain, removing legacy middlemen resulting in cost savings and reduced settlement time.



### 24/7 Market Access

With no weekends, holidays, or bank closures, you decide when you want to trade.



### Liquidity

Hyper-fractional asset ownership, tokenization of traditionally illiquid assets, and access to global investor pools.



### Democratization

Diversify your portfolio with access to previously unavailable or traditionally illiquid assets.



## The Security Token Standard

Using the Security Token Standard (ERC1400), traditional tasks tied to issuance, distribution and management of Security Tokens, including corporate actions, are automated, making them seamless for issuers and investors. Imagine you're an investor eagerly anticipating an STO. Security Tokens on ERC1400 provide efficiencies throughout your issuance and ownership journey. For instance:

- Once you're compliant to the jurisdiction and corresponding regulations the issuer is abiding by, you're automatically added to the whitelist and able to invest.
- Investor accreditation and buy or sell lockups are automated as they expire, so you do not need to rely on human action to start trading.
- Dividends or other forms of revenue share are sent directly into your wallet and in full. Distribution is a very simple process for your issuer as well, reducing complex and costly operational processes that exist with traditional securities and making transfer fees practically negligible.
- Clearing and settlement happen in a fraction of the time compared to traditional securities and remain fully traceable on the blockchain's immutable ledger



**POLYATH**

**Polymath** has created the pathway to a new category of financial assets, truly digital securities enabled by the blockchain. The Polymath team brings together a depth of knowledge in the blockchain and securities space, world class advisory partners, and the technology to take your clients from token creation to offering and beyond. By leveraging our ecosystem of institutional and regulated partners, we empower issuers to create compliant, innovative, transparent and liquid Security Tokens for a global investor pool.

## Polymath in the News

**Forbes** **VB** **Bloomberg**

**Inc.** **FINANCIAL POST**



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*www.polymath.network*