

Domain Venture Partners

“Today's decision will usher in a new Internet age ...
...we have provided a platform for the next generation
of creativity and inspiration.”

Peter Dengate Thrush, Chairman of ICANN

*June 20, 2011 Singapore, on the announcement of the definitive dates for the
new gTLD Application Period which will conclude on 12 April 2012*

The internet is about to go through the biggest period of change since its inception more than twenty years ago. The changes that would be made to the Domain Naming System (DNS), through the introduction of the new generic Top Level Domains e.g. .music, .news, .london to sit alongside the existing gTLDs, the largest of which is .com, will create the greatest virtual real estate offering of all time.

The process is being overseen by ICANN, a US non Government organization based in Washington. To quote the CEO of ICANN on announcing the definitive dates for the new gTLD application period which will conclude on 12 April 2012: “We have opened the door to an era of creative innovation unlike any other since the Internet's inception”.



“.Asia total startup auction proceeds exceeded US\$7.2M”

www.dotasia.org/pressreleases/DotAsia-PR-Ho N%20Final-2008-08-28_EN.pdf

Following the announcement by ICANN that new gTLDs would be launched approximately five years ago, investment momentum has been growing at rates never previously experienced:

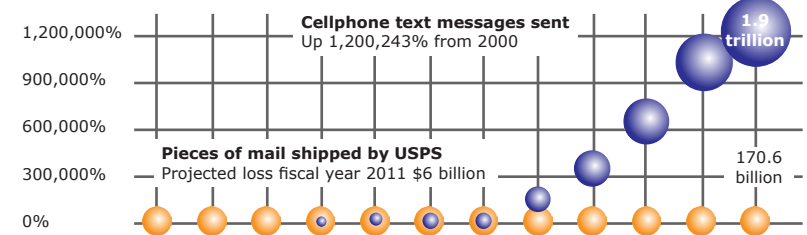
- The sale of associated .com and country specific secondary strings, e.g. hotel.com, has grown by more than 1000% over the previous 4 years (Source: AFNIC);
- The price of such secondary strings has regularly broken through the previous price limit of \$10 million (Source: DN Journal);
- The sunrise period for soon to be introduced gTLD dotXXX is expected to raise more than \$100 million of domain sales revenue through the sunrise period alone;
- The valuation of even the less attractive gTLD registry bid vehicles backed by third tier registry services providers are now trading at values above \$12 million (Source: AIM).

The internet has already created immense economic value with the value of clicks clearly outstripping bricks in almost every major industry

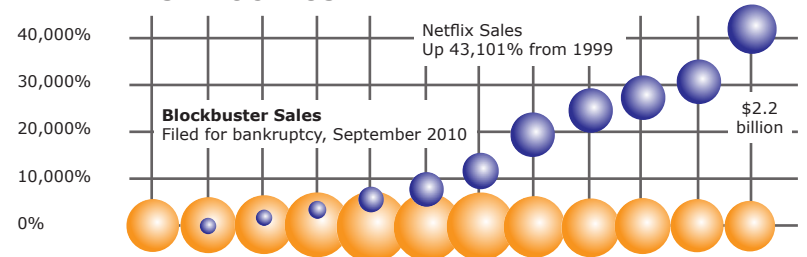
The registry business is a well established and highly profitable industry. The new gTLDs as well as being arguably the most valuable internet real estate ever to be sold, will also provide substantial running yields through perpetual domain sales in addition to very substantial capital gains for those investors that are able to purchase equity.

The leading registry services provider is Verisign, operator of .com and .net – globally the two largest gTLDs. Verisign's market share in gTLDs is greater than 90% of the entire market; it is the only registry services provider to be represented on the US National Security Council, alongside Google and Microsoft.

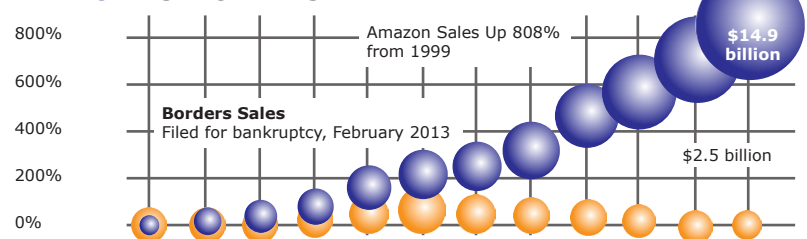
TEXTS VS. MAIL



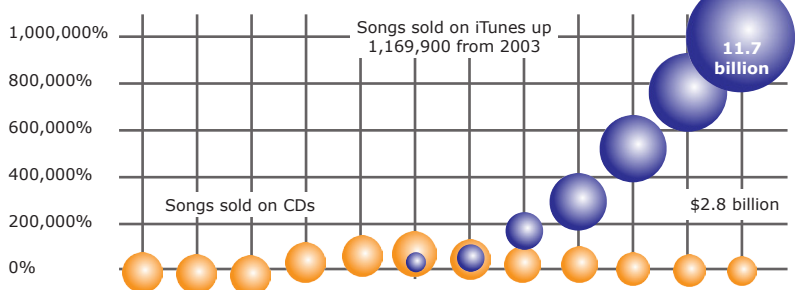
NETFLIX VS. BLOCKBUSTER



AMAZON VS. BORDERS



iTUNES VS. CDS



The opportunity to acquire the new gTLDs is restricted by ICANN's public processes which favour the most secure registry provider, a business model aligned to serving the communities the gTLDs represent and an economically sustainable and stable business model.

ICANN has opened the Internet's naming system to unleash the global human imagination.

Rod Beckstrom CEO ICANN

Domain Venture Partners is the only fund which offers investors the opportunity to gain exposure to the most commercially attractive of the new gTLDs and is exclusively backed by Verisign as registry services provider. The founders of the Domain Venture Partners have worked with Verisign exclusively over the previous five years to develop intellectual property, processes, community alignment and bid processes to optimise the success rate of the gTLDs. The list of gTLDs bids has been refined to those that will create the most economic value for investors.

The fund is conservatively targeting an annualised return of 40% through its five year life. However, the Directors consider that based on the current valuations and recent enhancements to search platforms that returns for the entire portfolio could be in excess of 350% per annum (inclusive of exits), aided by a number of factors:

- The partially paid nature of the fund means investors are required to fund initially only 42% of their investment;
- From a trading perspective a zero tax rating of domain sales as royalty income in Gibraltar assists with the liquidity of the fund and allows greater returns;
- From an investors perspective in Gibraltar dividend and capital gains tax exemption of the registries is attractive;
- The Economies of Scale across the portfolio of over 60 gTLD vehicles with registry services charges and other supplier terms, most notably with Hogan Lovells and Famous Four Media;
- The minimum allocation of a 15% holding in the most highly valued domains such as .music, .news and .golf to the fund, providing an immediate book gain to investors;

SPORT		LIFESTYLE
.Baseball		.Date
.Basketball	NGO	.Design
.Cricket	.NGO	.Diet
.Football		.Faith
.Formulaone		.Food
.Golf	ENTERTAINMENT	.Health
.Hockey	.Game	.Home
.Rugby	.Movie	.Hotel
.Soccer	.Music	.Model
.Sport	.News	.Pet
.Tennis		.Restaurant
	ENTERPRISE	.Rip
	.Auto	.Vip
PROFESSIONS	.Bim	.Wine
.Law	.Construction	
	.Energy	
		COMMERCE
		.Bid
.Istanbul		.Realty
.Leeds	FINANCE	.Shop
.London	.Loan	
.Madrid	.Money	
.MexicoCity	.Fund	GAMING
.Mumbai		.Bet
.Ottawa		.Casino
.Rio	OTHER	.Poker
.SaoPaulo	.App	
.Toronto	.Now	
.WashingtonDC	.Support	

- The huge scale that Verisign brings to the table through its registrar channel for the sale of domains;
- The established track record that Verisign has of buying live registries coupled with their substantial cash reserves to execute on such a strategy;
- The work with Verisign over the last five years and going forward puts Domain Venture Partners in the strongest position to form the necessary delegation to acquire the registry licenses;
- Verisign's dominant market share should ensure that all applications have greater than 90% chance of success;
- The surging interest from the Fortune corporates in acquiring ownership of the registries; such corporates are effectively blocked out of the application process themselves by ICANN policy.

The initial portfolio of 60 gTLD vehicles represents a five year selection process working exclusively with Verisign and the only ICANN approved legal counsel, Hogan Lovells. The portfolio is well diversified by geography and major industry as represented in the table above.

The fund owns options over varying percentages of all of the above portfolio and Bluebird opportunities which will be referred by Verisign up to January 2012, based on underlying valuations subject to a minimum 15% allocation. The options will be taken up when the fund closes. The capital provided by the fund to the bid vehicles will be used to fund all ongoing application costs, up to the registry licence being awarded, and to meet the operation Escrow requirements as laid down by ICANN.

The Core team

Iain Roache (Director), Marcus Wohlrab (Director), Geir Rasmussen (CEO Famous Four Media), Tim Ireton (EIF Director), Moe Cohen (EIF Director)

Advisors

- ICANN Advisor and Registry Services Provider: Verisign
- Global Legal Council: Hogan Lovells
- Banker: Credit Suisse
- Auditor: Deloitte
- Administrator: Grant Thornton
- Gibraltar Legal Counsel: Triay and Triay

Fund details

- Fund Size: Up to £100 million
- Minimum investment: £100,000 partially paid at 42%
- Subscription: Monthly for 2 months
- Fund closed: After 2 months until year 5
- Redemption: At 5 years
- Leverage: Zero
- Structure: Experienced Investor Fund Structured as a Protected Cell Company
- Regulated by: Gibraltar Financial Services Commission

Contact Details

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Disclaimer

This document does not constitute, or form any part of, any offer, or any solicitation of any offer, to buy or subscribe for any shares in the Fund. ANY INVESTMENT IN THE FUND SHOULD BE BASED SOLELY ON THE INFORMATION CONTAINED IN THE PRIVATE PLACEMENT MEMORANDUM ("PPM") TO BE ISSUED BY THE FUND ON OR ABOUT SEPTEMBER 2011. The Fund's Portfolio is subject to normal market fluctuations as well as the risks set out in the PPM and those inherent in the bid vehicles in which the Fund will invest. THE VALUE OF SHARES IN THE FUND AND THE VALUE OF THE FUND'S INVESTMENTS MAY BE SUBJECT TO VOLATILE MOVEMENTS AND MAY FALL AS WELL AS RISE. THERE IS NO ASSURANCE THAT APPRECIATION OF THE FUNDS' ASSETS WILL OCCUR OR THAT LOSSES WILL NOT BE REALISED BY THE INVESTOR. INVESTORS MAY NOT GET BACK THE AMOUNT THEY INVESTED. Past performance of similar investments is not necessarily a guide to future performance of the Fund's investments. This Fund shall be established in Gibraltar as an experienced investor fund. It is suitable only for those who fall within the definition of "experienced investor" contained in the Financial Services (Experienced Investor Funds) Regulations 2005.