



DEFIVERSE

Asset Management reDeFined

Litepaper



DEFIVERSE

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ABSTRACT	01
RISE OF CRYPTO ASSET MANAGEMENT	02
THE PROBLEM WITH CEFI	03
A DECENTRALIZED SOLUTION	04
DEFIVERSE : OVERVIEW	05
PRODUCT DIVE : FEATURES	06
i) Technical Features	
ii) Features for Retail Investors	
iii) Features for Fund Managers	
THE RELEVANCE OF DEFIVERSE	09
i) From Investor Point of View	
ii) From Fund Manager Point of View	
USP: SMART FEE MODEL	11
i) Performance Fees	
ii) Inefficient Fee Models in Crypto	
iii) The DeFiVerse Solution	
MARKET POTENTIAL	16
TOKENOMICS	17
THE TEAM	23
CONTACT	24

Abstract

DeFiVerse offers decentralized infrastructure through which users can create, manage and invest into crypto funds with ease.

The platform is designed to bridge the gap between fund managers and retail investors who are looking to invest in cryptocurrencies.

By providing an ecosystem that is transparent and non-custodial, DeFiVerse aims to make Crypto Asset Management more efficient, accessible and trustworthy.



The Rise of Crypto Asset Management

As institutions begin to embrace the power of blockchain technology, cryptocurrencies are gradually becoming one of the most sought-after assets in the current financial market.

In response to this, **modern investment strategies have started including some form of crypto** in their portfolio allocations. And it's not just those who are familiar with finance – almost anyone who has heard of crypto wants to be a part of the movement!

However, the reality today is that most people who invest into crypto tend to make choices purely based on hype and end up losing their money. Few realize that **cryptocurrencies are an extremely complex asset class** – it takes a lot of knowledge and finesse to succeed in this space.

This explains the recent emergence of **Crypto Hedge Funds**, where investments are **managed by experts who specialize in DeFi**. These specialists, or 'fund managers' use their knowledge of the market to offer the best possible returns for their investors.

Crypto hedge fund strategies include crypto trading, liquidity provision, derivatives and futures, as well as completely unique DeFi strategies which have no counterpart in traditional finance.



The Problem with CeFi

As of today, most crypto hedge funds are managed using a centralized model where the **fund managers retain total custody** of the investments. Investors are merely given access to a front-end application that displays their balance information.

This system of management is known as **Centralized Finance (CeFi)**.

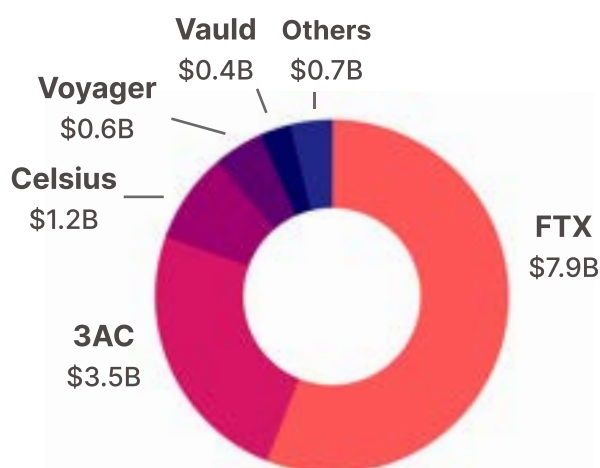
Liabilities of CeFi

Ideally, crypto funds are supposed to offer safe exposure to cryptocurrencies through responsible and reliable asset management.

But in reality, these funds often take up risky positions and are not transparent with their investors – they tend to manipulate accounts and provide their clients with incorrect information.

Furthermore, managers of such funds often freeze assets during a crisis, and investors are the last to receive any compensation.

With the recent collapse of FTX, Celsius and other CeFi protocols, it has become obvious that **centralized crypto hedge funds have the same pitfalls as traditional hedge funds**. Both lack transparency and tend to mismanage the investors' money.



\$14.3 Billion in CeFi Liabilities

This is the estimated liability of firms who declared insolvency in the year 2022 alone. Most of these collapses were due to irresponsible fund management.

(Data source: defillama.com)



A Decentralized Solution

The concerns associated with centralized asset management can be resolved simply by migrating the infrastructure onto the blockchain. This allows for the emergence of a superior financial model that is:

1. Transparent

Blockchains are inherently transparent in nature. As soon as a transaction is processed on the blockchain, it instantly becomes viewable to the public.

For fund managers, this means having **a provable track record that is directly verifiable on the blockchain** by anyone and at any time.

For investors, this means **complete protection from false information and undisclosed activities** related to their money.

2. Permissionless

Blockchain technology allows for permissionless activity.

This means that **you don't need anyone's approval to use a decentralized application**. It is completely free to be accessed by anyone, regardless of location, qualification or financial status. In other words, all you need is a connection to the internet.

3. Non-Custodial

Through the use of 'smart contracts', the system can be designed to give investors full control of their assets at all times. This implies that investors can exit funds whenever they wish!

Neither the fund manager nor the protocol founders can block or withdraw the investors' money for themselves.





DEFIVERSE

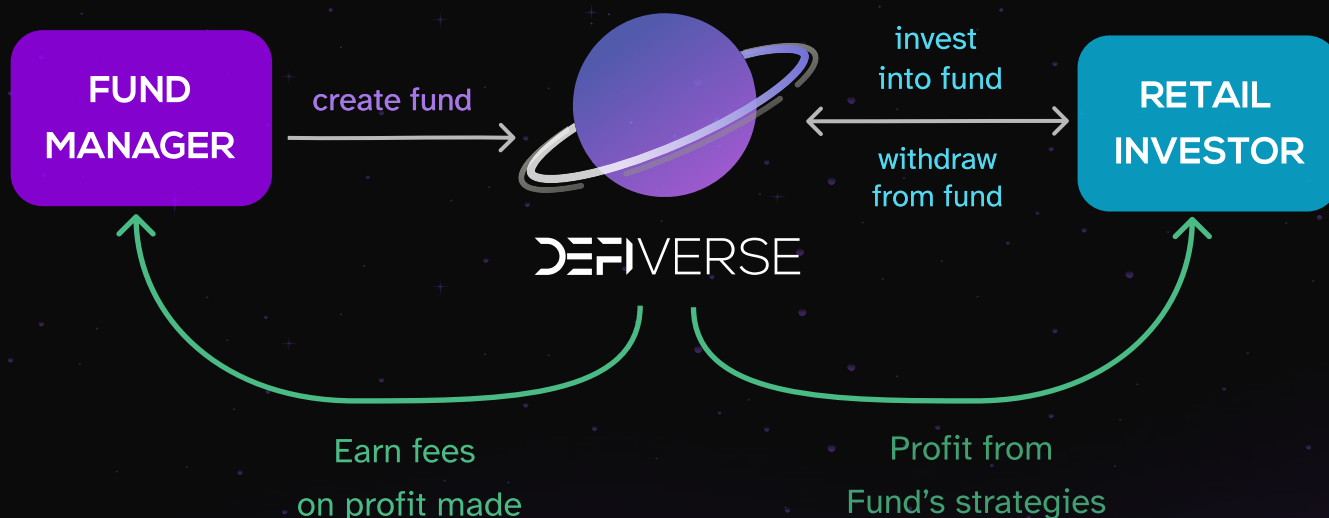
Asset Management reDeFined

Overview

DeFiVerse is an application that provides decentralized infrastructure for Crypto Asset Management.

Utilizing key features of blockchain technology, DeFiVerse allows users to create, manage and invest into top performing funds in a permissionless and non-custodial manner.

Asset Managers can create funds and monetize their crypto strategies. Investors, on the other hand, gain exposure to the strategies crafted by the top minds of the space.

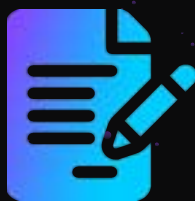


Product Dive

DeFiVerse is designed to give users the simplicity of traditional asset management platforms along with all the benefits of decentralization.

This section outlines the overall technical features of the platform as well as specific features designed for the two main user-types: Fund Managers and Retail Investors.

Technical Features:



Optimized smart contracts

Reduced gas fees



Modular tech design

Quick integration of new dApps



Intuitive UI / UX

An effortless investment experience

Features for Retail Investors

Leaderboard

Investors can explore the top funds on DeFiVerse through a comprehensive leaderboard. The leaderboard is equipped with multiple filters, allowing investors to choose funds as per their risk appetite and preference.

Fund activity

Right from the inception of the fund, all fund activity is displayed in a clear and accessible format. This allows investors to carefully study a fund before making any investments.

Investor Dashboard

Investors' current portfolio, fund breakup, individual fund performance and history are displayed in an intuitive and elegant dashboard.

Non-custodial Investment

All investments on DeFiVerse are non-custodial. This means that investors can withdraw funds at any time. These policies are protected by smart contracts, ensuring that neither the fund manager nor the protocol's creators can withdraw the funds illicitly.

Features for Fund Managers

● Customisable Fund structure

Fund managers can modify and design their funds exactly as per their preference. The customisable features include:

- **Fund Name, Ticker & Logo** - Fund managers can attract investors with a unique name and logo.
- **Public / Private Fund** - Funds can take in investments from any user or from a private set of investors.
- **Depositable Assets** - Fund managers can decide which assets can be deposited by investors.
- **Deposit Limits** - Fund managers may also decide minimum and maximum deposit limits.

- **Fee Structure**

Performance fees: Fund managers can decide what percentage of profits they will charge as Performance Fees.

Management fees: They can also charge a percentage of the AUM as Management Fee.

● Manager Dashboard

The Manager Dashboard provides quick access to the fund settings, as well as real-time visualizations of the fund's performance.

● dApp Integrations

Fund managers can build strategies using the following dApps, with more integrations coming soon:



Uniswap
Swap, Provide
Liquidity



Aave
Lend



**Beefy
Finance**
Yield Farm

The Relevance of DeFiVerse

From Investor Point of View

1. Crypto and DeFi have a steep learning curve

- There are 5000+ tokens, all with their own unique fundamentals!
- For anyone who wants to go beyond 'hodling', the technicalities of DeFi protocols can be difficult to navigate.
- The space is prone to hacks and phishing attacks that specifically target new, vulnerable investors.
- The time and effort required to succeed in the market can be overwhelming even for experienced investors!

2. Accessing quality experts is a complicated feat

- Most sources of information in crypto are unreliable, making it difficult to identify quality fund managers.
- Expert services such as newsletters & subscriptions are costly and require follow-up from the investor's side.
- Experts prefer large investments from big institutions, private circles or HNIs, depriving the small investor of quality options.
- Experts usually manage assets in a centralized way, meaning that investments are prone to mismanagement and freezing.



Investing on DeFiVerse

- Leave the hard work to the experts!
- Choose from the top funds on the Leaderboard
- Invest & withdraw in one simple click
- Be part of an inclusive ecosystem

The Relevance of DeFiVerse

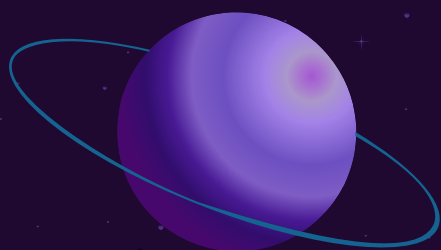
From Fund Manager Point of View

1. Experts need an efficient tool for managing assets

- Crypto asset management is a tedious process- Fund Managers have to constantly juggle between various chains, wallets and dApps in order to implement their strategies.
- It is cumbersome to manage many clients simultaneously. Between maintaining multiple investor accounts and handling fees, managers are left with little time to work on the strategies.
- Since the crypto market is extremely reactive to news, managers also lose time in constantly following the current affairs.

2. Experts need an effective way to appeal to investors

- In order to establish their trading reputation, fund managers need to prove their expertise in a way that can be verified by investors.
- There are no suitable platforms that offer safe and direct ways to connect with investors. Instead of focusing their energies on what they do best, experts often find themselves having to maintain an active online presence, create online courses & newsletters, give out tips for free, spend time on marketing etc.



Starting a fund on DeFiVerse

- Fully customizable fund structure
- Easily manage funds using the Dashboard
- Create provable track record on-chain
- Intimate investors about your strategies

USP - Smart Fee Model

A major hurdle for DeFi Asset Management platforms is the lack of an efficient way for fund managers to charge fees. DeFiVerse solves this issue through its proprietary 'Smart Fee Model'.

The first of its kind in crypto, DeFiVerse's Smart Fee Model ensures a fair and efficient system of charging fees on a fund's profits. This is the main feature that sets DeFiVerse apart from all competitors in the current market.

To understand the Smart Fee Model, this section will explore:

- i) An integral facet of asset management - Performance Fees.**
- ii) The two existing Inefficient Fee Models in Crypto and why they are flawed**
- iii) The DeFiVerse Solution** - a proprietary Smart Fee Model that can revolutionize the charging of fees for asset management in crypto.

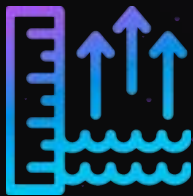
i) Performance Fees

When a Fund Manager generates positive returns for investors, he or she may take a percentage of the profits as fees. This is known as Performance Fees.

How Performance Fee Works

Fund Managers take performance fees only if -

- the Fund is in profit
- the Fund Value exceeds the previous **high-water mark**



What is a 'High-water Mark'?

A high-water mark is the highest value of a fund that is captured when a Fund Manager charges performance fees.

Example:

Fund Manager manages FUND XYZ for performance fees of **20%**



If Fund Manager were to charge fees at this point:

Profit made for Investors = \$1000

Performance Fees on profit made = 20% of \$1000 = \$200

High-water mark for FUND XYZ = \$2

From now on, the fund manager may only charge fees if the high-water mark is exceeded i.e. if the share price crosses \$2.

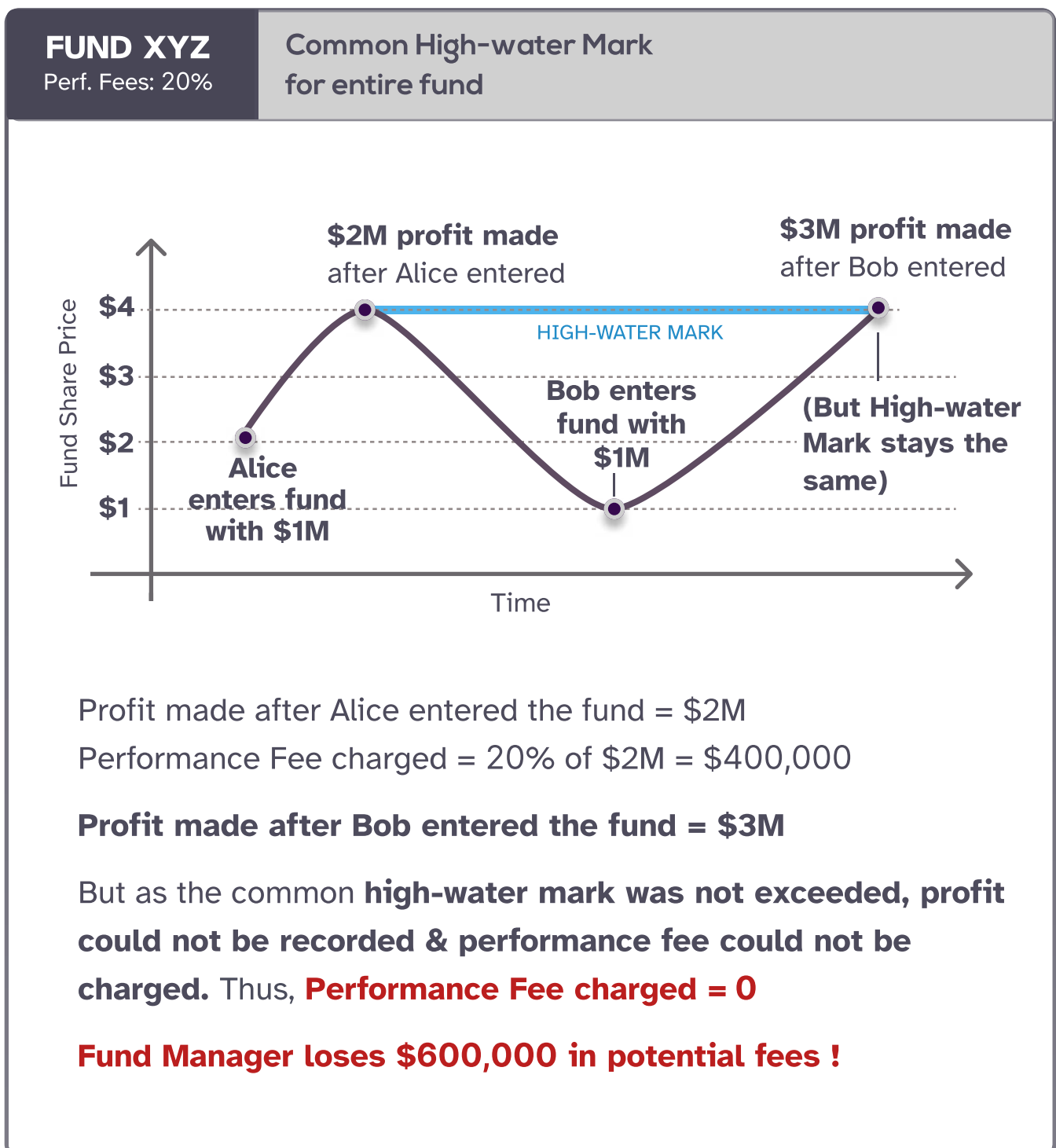
Thus, only gains above \$2 will be subject to performance fees in the future.

ii) Inefficient Fee Models in Crypto

Fee Model 1 : Common High-water Mark

In this model, the entire fund shares a common high water-mark. Thus, the Performance Fee cannot be calculated for individual investors. Fund managers pay a high price for such a system, as explained below:

EXAMPLE:



Fee Model 2 : Fees upon exit

In this model, Fund Managers can only charge performance fees when investors leave the fund.

This creates a major limitation for Fund Managers- they earn no performance fees for their successful strategies until the investors exit. This could mean no payment for years!

EXAMPLE:

FUND XYZ Perf. Fees: 20%	Performance Fees charged only when all investors exit
<p>Let us assume a point in time when Fund XYZ's Value is \$1M and the Share Price is \$1.</p> <div style="display: flex; align-items: center; justify-content: center; margin: 20px 0;"> <div style="border: 1px solid black; padding: 10px; width: 200px;"> <div style="background-color: #1a2b3c; color: white; padding: 5px;">FUND XYZ Perf. Fees: 20%</div> <div style="padding: 5px;">Value: \$1M Share Price: \$1</div> </div> <div style="margin: 0 20px; text-align: center;"> <p>After 6 months</p> <p>Fund Manager's strategies generate a profit of \$3M</p> </div> <div style="border: 1px solid black; padding: 10px; width: 200px;"> <div style="background-color: #1a2b3c; color: white; padding: 5px;">FUND XYZ Perf. Fees: 20%</div> <div style="padding: 5px;">Value: \$4M Share Price: \$4</div> </div> </div> <p>Performance Fee = 20% of \$3M = \$600,000</p> <p>However, Performance Fee charged at this point = 0</p> <p>In this model, the Fund Manager's performance fee of \$600,000 could be locked in for any number of years until investors decide to exit!</p>	

As seen above, the two Performance Fee Models in DeFi leave much to be improved upon - they do not dynamically calculate fees for individual investors, nor do they allow managers to charge fees unless the investors leave the fund. This creates an unfair situation for Fund Managers in the crypto space.



The DeFiVerse Solution

Resolving the inefficiencies of existing fee models, DeFiVerse allows fund managers to **charge performance fees individually and at any time!** This is achieved through our **proprietary Smart Fee Model.**

The first of its kind in crypto, the Smart Fee Model **ensures that the performance fee is charged fairly and accurately.** In this model, the profit & loss statements of investors are tracked individually, rather than keeping generalised data for the entire fund.

This model also gives fund managers **more access and control over their fees.** This is done by allowing the performance fee to be redeemable instantly, independent of investor movements.

In this way, the Smart Fee Model resolves all the major issues with the existing fee models in crypto. It is the **USP** that gives DeFiVerse an edge over its competitors.



Market Potential

DeFiVerse has a broad use case and thus offers benefits to a wide demographic of users in the crypto market:

1. Passive Investors

looking for superior market returns



DeFi Investor Stats

Daily active users (2021): 400k

Daily active users (2022): 2M

DeFi TVL: \$43B

2. Asset Managers

looking to monetize strategies & manage assets efficiently



Crypto Hedge Fund Stats

Number of Crypto Hedge funds: 400+

Funds started in the last 3 years: 300+

Total Crypto Hedge fund AUM: \$4B+

Hedge funds above \$20M AUM: 59%

DeFi Trading Stats (on Uniswap)

100k+ active users a month

\$1.6 B daily trading volumes

Liquidity Provision TVL : \$3.48b

DAO Stats

Total No. of active DAOs: 296

Total treasury: \$9.6B

DAOs above \$100k AUM: 55%

Data Sources:

• www.uniswap.org/blog/year-in-review

• www.defillama.com

• PWC 2022 report

• www.deepdao.io

• www.tokenterminal.com

Tokenomics

DeFiVerse will have its own native token called \$DFV.

The focus of the \$DFV token is to create an ecosystem around the various services that DeFiVerse provides.

\$DFV Token Vision



The token's demand will be strongly correlated to the total AUM on DeFiVerse. Our Community Rewards program will be focused on incentivising actions that increase AUM and revenue.



The token's demand will also be correlated to the revenue generated by fund managers on DeFiVerse. The protocol will bring in high-quality fund managers and crypto traders through its USPs and innovative token model.



DeFiVerse will rely on its comprehensive asset management features to attract DAOs. This, in turn, will bring in more AUM onto the protocol.



Tokenomics features are experimental in nature. All information provided in the Tokenomics section is subject to change in the future.

Token Utility



1. Discount on Protocol Fees

Users can avail significant discounts on Protocol fees if they pay in DFV tokens.

DeFiVerse Protocol Fee

DeFiVerse will charge a 0.5% AUM fee to all investors and a 10% cut on the performance fee from fund managers.

AUM Fee Discount:

The AUM fee will be **0.2%** for those who pay in \$DFV.

If AUM is \$10M	
AUM Fee (0.5%)	\$50,000
AUM Fee in \$DFV (0.2%)	\$20,000

Performance Fee Cut:

The Performance Fee Cut will only be **5%** for Fund Managers who pay in \$DFV.

If AUM is \$10M and profit is 40%	
Profit earned	\$4,000,000
Performance Fee charged by Fund Manager (20%)	\$800,000
Performance Fee cut (10%)	\$80,000
Performance Fee Cut in \$DFV (5%)	\$40,000



2. Governance Rights

DFV Stakers will get access to Governance Rights which gives token holders the ability to propose or vote on changes to the project's code or governance structure.

They can participate in the decision-making process that may include changing the protocol fee and influence the direction and priorities of the project.



3. Revenue sharing

DFV Stakers will be entitled to receive a portion of the Protocol's revenue.

DFV generates revenue through protocol fees, which is then distributed to stakeholders as a reward for their contribution to the protocol.



\$DFV Community Distribution



Performance Rewards

Top-performing fund managers will be rewarded every month in \$DFV.



Lock-in Rewards

Investors who lock investments into a fund for longer periods of time will be rewarded in \$DFV.



Staking Rewards

DeFiVerse will offer Staking rewards to users who lock in \$DFV tokens.



Airdrops

Early users of the protocol will be airdropped \$DFV based on their activity in the DeFiVerse ecosystem.

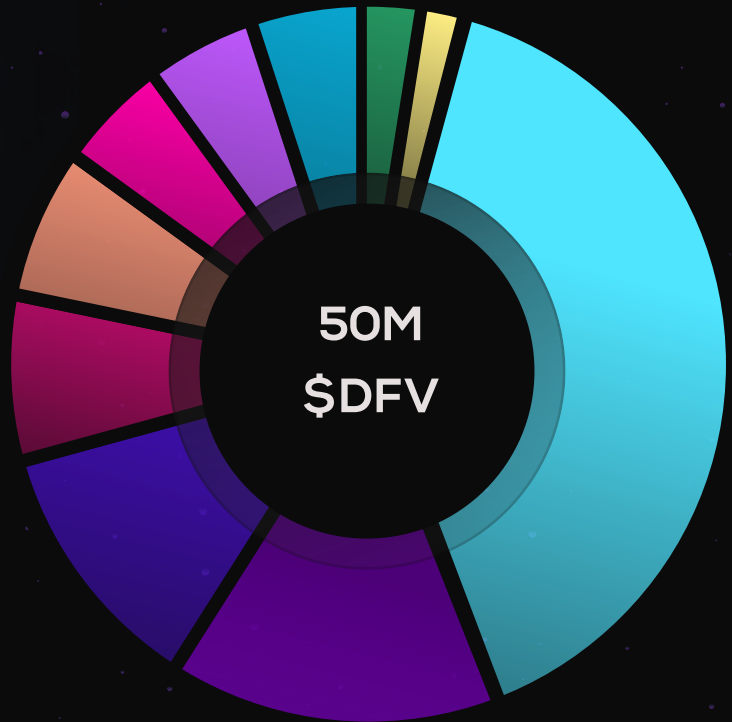





LP Rewards

DFV tokens will be used to incentivize liquidity provision.

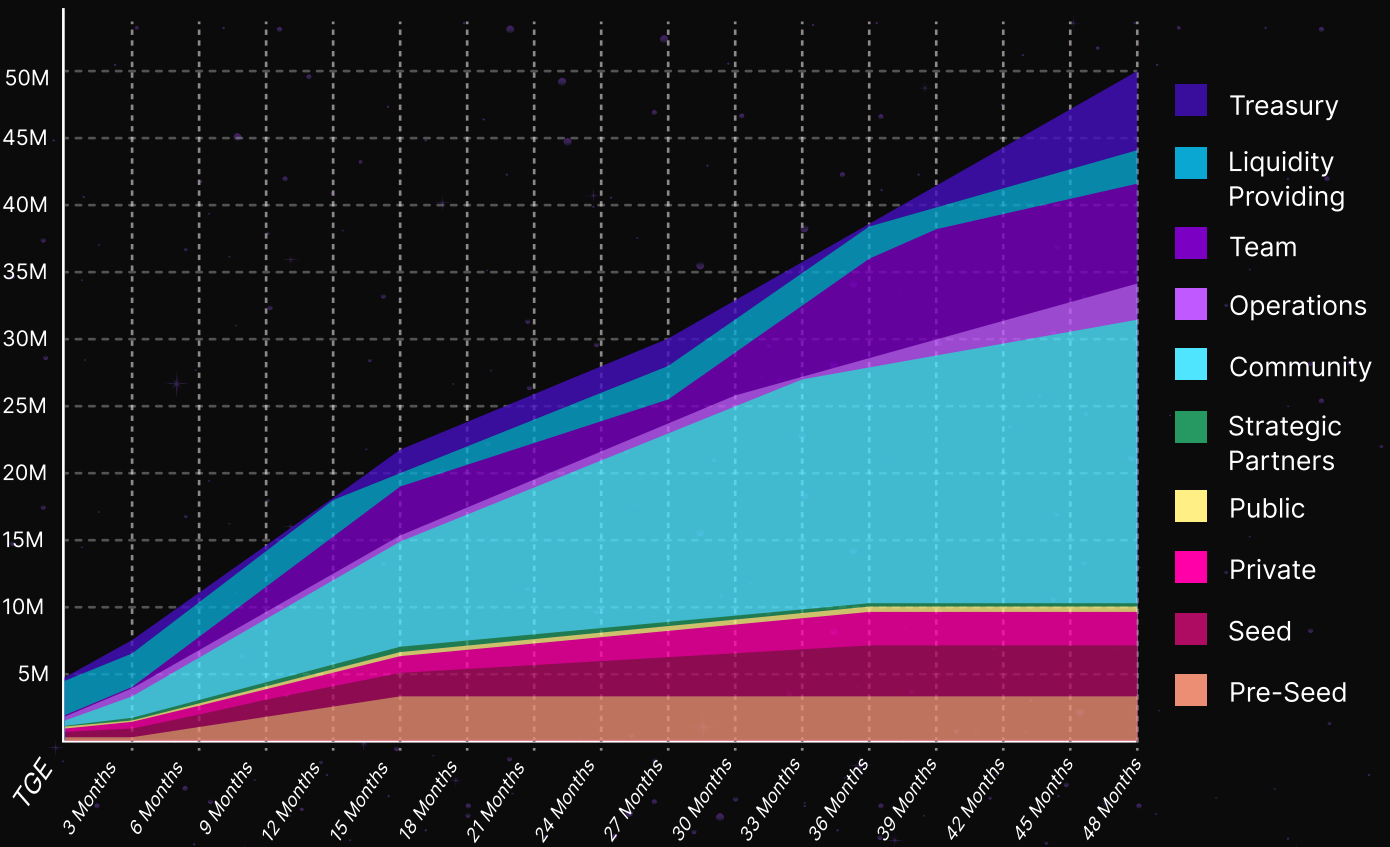
DFV Token Distribution

Max Supply:
50,000,000 \$DFV



	Community	20M	40%
	Treasury	5.87M	11.75%
	Pre-seed Sale	3.38M	6.75%
	Seed Sale	3.75M	7.5%
	Private Sale	2.5M	5%
	Public Sale	0.75M	1.5%
	Liquidity Providing	2.5M	5%
	Operations	2.5M	5%
	Strategic Partners	1.25M	2.5%
	Team	7.5M	15%

DFV Token Release Schedule



Section	TGE	Cliff	Monthly Release
Treasury, 5.87M DFV	4%	0 months	4%
Liquidity Providing, 2.5M DFV	100%	N/A	N/A
Team, 7.5M DFV	2%	24 months	7%
Operations, 2.5M DFV	10%	0 months	3%
Community, 20M DFV	2.1%	0 months	2.1%
Strategic Partners, 1.25M DFV	10%	0 months	2.5%
Public Sale, 0.75M DFV	10%	0 months	2.5%
Private Sale, 2.5M DFV	10%	0 months	2.5%
Pre-seed Sale, 3.38M DFV	10%	3 months	7.5%
Seed Sale, 3.75M DFV	10%	0 months	2.5%

TGE: Token Generation Event, **Cliff:** Period where no tokens are released

The Team



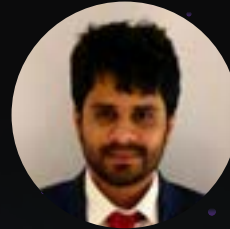
Akshay Bajaj
Chief Executive Officer



Abhishek Bajaj
Chief Financial Officer



Aravind Ujjwal
Chief Operations Officer



Chiraag ND
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