**Confidential**

**February 2018**

**Wealthman. Private placement.**

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| **Industry** | Wealth Management |
| **Name** | WEALTHMAN  Trademark belongs to Mera Capital Wealth Management Ltd., Russia |
| **Proposal** | The company is planning to raise **$600 000** during the private placement of AWM tokens. The funds will be used for the development of the beta version of the platform, and advertising of the public placement of tokens.  With this amount of investment, the platform will be finished in 3 months; its services will be ready for serving clients; the project will get fully ready for pre-ICO. |
| **Project description** | WEALTHMAN was founded by Mera Capital Group. The members of the team are experienced in capital management for UHNWI and HNWI, in IPO and ICO (crypto-asset placement); the team also includes world-class developers.  **The purpose of WEALTHMAN** is to create a decentralized platform that investors will use to entrust their capitals to professional wealth managers; investors will be given the ability to control the security and efficiency of management.  With the help of the platform, wealth managers will be given an opportunity to quickly launch a management business with little costs, find clients and have labor compensation guaranteed.  **The platform provides the following features for wealth managers:**   * A white-label interfaces of their clients, * Promotion of services of wealth managers to their client, * An environment for software development, and a decentralized environment for execution of asset-management services. * A marketplace of various data sources, * Reports.   **Types of services that a wealth manager can provide via the platform:**  - Advisory asset management,  - Discretionary asset management,  - Robo-advisors.  **The platform provides the following features for investors:**   * A user-friendly interface with multiple-criteria selection of wealth managers or robo-advisors, * A unique ranking system based on efficiency of a manager or a robo-advisor, * A decentralized environment for execution of transactions, * A guarantee of uninterrupted and accurate data (in robo-advisor mode), * Reports.   **The platform provides the following features for other interested parties:**   * A marketplace of various data sources and insurance of data sources, * A decentralized stock for crypto-assets.   **Platform’s unique selling points:**   * A much faster launching of crypto-asset management services, especially Robo-advisory; * A protection of investors’ assets from malicious or careless actions of wealth managers. Guaranteed labor compensation for wealth managers; * Ultimate quality of individual wealth management based on blockchain-proven results and management goals.   Wealthman platform will be especially valuable in situations that suggest lack of trust in: competence and honesty of managers; infrastructure security; when low costs and fast launch of crypto-asset management business are crucial.  ***An example:*** *Wealthman allows a bare-bone version of the Betterment.com be programmed in only 90 lines of code; a simple Advisory asset management service can be launched in 15 minutes.* |
| **Business model** | Wealthman combines the PaaS by the Blockchain 2.0 technology (development and execution environment), White label SaaS (in the reports mode of the investor interface), and transactional commission model that allows selling additional services.  Such business model allows covering various segments of wealth managers.  **Investors will not pay subscribing fees to the platform.**  However, investors will cover the following: blockchain commissions, IPFS storage costs, etc.  The target audience of robo-advisors (investors-users) contains of people of the 25-35 age group; those in possession of liquid capital of $22 000 on average; those who reside in the USA, Western Europe and South-East Asia.  The cost of attraction of 1 investor varies from $300 to $1000[[1]](#footnote-1).  **Wealth managers will be charged 20% of their commission obtained from provision of services in the platform’s ecosystem**. The level of fee is at the lower position compared to the market rates: on average, it varies from 20 to 70 percent.  Targeted wealth managers: private financial advisers and individual asset managers that work at multi-family offices.  The cost of attraction of 1 wealth manager is 1400$[[2]](#footnote-2).  Other interested parties pay 20% of their commissions to the platform for provision of data or from selling insurances[[3]](#footnote-3). |
| **Investment feasibility** | **The deflation model of the token**  AWM tokens are intended for payments within the Wealthman platform. Therefore, their market price will fluctuate around the minimum necessary value that ensures the functioning of the platform. Such value can be calculated using the formula for estimating net working capital:  where CFi stands for cash flow in tokens from the i-th platform service per year;  DAYSi for the number of days that a token should be in the hands of a buyer/seller of the i-th service (token reserve rate in days);  n for the number of platform services. They are described in detail below;  N for the number of tokens in circulation.  Every month 61.6858% of Wealthman’s profit will be spent on burning AWM tokens. Even with no increase in operational results the value of tokens will increase due to reduction of their quantity.  The use of the tokens in Wealthman services are multiple:  -A a payment for services of the platform; token storage time on the account of Wealthman equals to 15 days,  -For transactions between platform participants when paying for data supply,  -As a depositary tool in securing the uninterrupted and accurate delivery of data. Data provider’s tokens are frozen by a 60-day contract + the time of data delivery,  -For services of the following development stages: sales of analysis, asset inheritance contracts, etc.  **50% bonus to the ICO round**  As a part of the Private placement round, the placement price assumes a 50% bonus to the ICO round price:  Private Placement Round: 1 ETH = 2250 AWM |
| ICO Round: 1 ETH = 1500 AWM  **The growth potential of assets under management equals up to 1 bln. by the year 2020** due to the following factors:  -Clients and the business network of Mera Capital have the potential of transferring capitals of approximately $200 mln. via Wealthman;  -A massive marketing campaign of up to $10 million aimed at attracting professional asset managers in possession of the base of investors, and investors from the market;  -The solution for software protection of the investor's assets; the alternative to centralized robo-advisors;  -The growth of the capitalization of the crypto market due to the deflation of basic cryptocurrencies, and the global switch from centralized registers to blockchain. |
| **General market characteristics** | -Classic human asset management still dominates the market with over 120 trillion in assets[[4]](#footnote-4). However, the computer welfare management (Robo-advisors) are intensively increasing the market share. This happens due to new small-scale clients who are interested in the technology because it cheapens the investment process; this allows reducing of the investment threshold.d2.jpg   * Wealthman’s closest competitor is called Enigma Catalyst[[5]](#footnote-5). This service is in the development process at the moment. |
| **Key shareholders and executives** | **Major shareholders:** Mera Capital Wealth Management, LTD.  Key executives:  Andrey Huseu, CEO  Managing Partner of the invest-banking Group "Mera Capital" (AUM ~$100 million), Master in Finance.  Olga Pershina, CFO  Managing Partner of the invest-banking Group "Mera Capital". More than 10 years of experience in invest-banking  business, "MNTO INSET", "KIT Finance", "SMART Securities".  Alexander Bayov, Director of Strategy  15 years in invest-banking business and asset management, including Ernst & Young, Belgravia Wealth management, Castle Family Office, Russian-Cuban Investment Fund (RCIF).  Evgeny Matyushkin, Head of Legal Department  Encyclopedia man, the winner of many erudition contests; career in Ministry of Law and legal company called Maltsev and Partners.  Dmitriy Khan, Head of Software Development  10 years in the development of enterprise-level software systems,  Managing partner and deputy director of the Center for Science and Technology of ITMO University.  Kirill Razgulyaev, Member of Department of Software Development  Managing partner of the Science and Technology Centre at ITMO University, Neotech, and the Institute of Regional Innovation Systems.  Denis Kus, software engineer  More than 7 years of experience in project management and software development; AFC system and Tranzas, Azimut. |

1. Estimations are based on the cost of attraction of clients to Betterment.com, Wealthfront.com, Charles Schwab Intelligent portfolio and other centralized robo-advisors. [↑](#footnote-ref-1)
2. The estimation contains the expert calculation of costs of direct headhunting for asset managers and includes his/her tuition fees, adaptation process and the potential refusal to continue working with the platform before the adaptation period is up. The first 10 to 15 wealth managers that enter the platform’s ecosystem will get the bonus of $20000 that Wealthman will use for the promotion of their services to clients. [↑](#footnote-ref-2)
3. Wealthman will be an oracle of the major part of insurances; on the first stage, Wealthman will be the only source of data for the platform. [↑](#footnote-ref-3)
4. 2016 Credit Suisse Global Wealth Report [↑](#footnote-ref-4)
5. https://enigmampc.github.io/catalyst/ [↑](#footnote-ref-5)