



TrustFi Network Litepaper



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Version 1.2

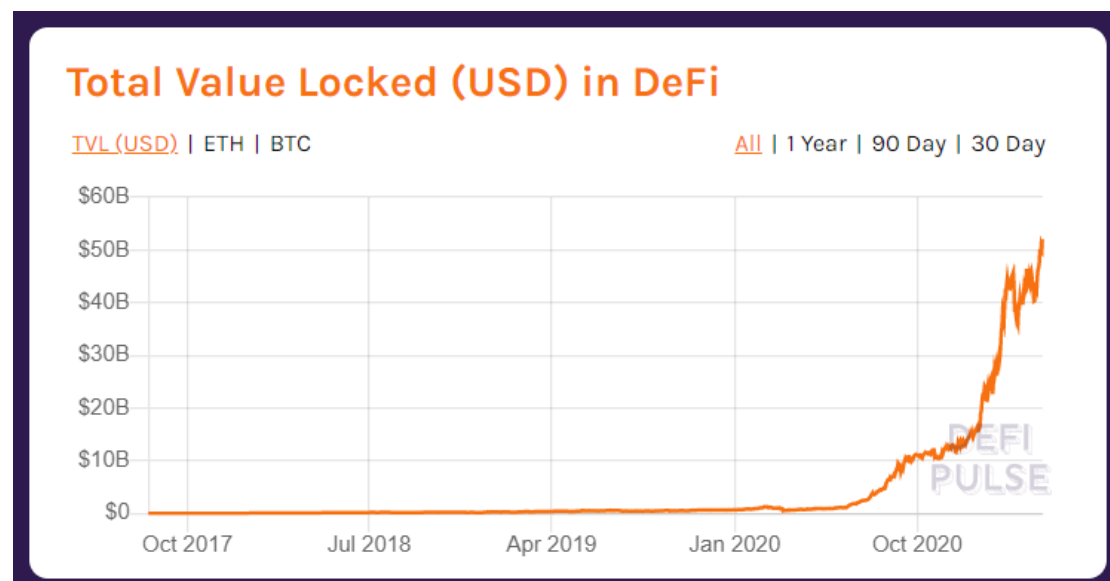


Abstract

As blockchain-cryptocurrency innovators are looking for decentralized, censorship-resistant ways of fundraising, there has been an emergence of Initial DeFi Offering (IDO) and Initial Liquidity Offering (ILO). Furthermore, given the rise of Automated Market Makers (AMMs), a token's liquidity has become a crucial determinant of its market price.

Although the market is becoming more competitive and value-oriented, early-stage innovators are facing unprecedented challenges due to these fast-paced changes. Prior to listing, they now have to seek liquidity investments for their tokens. In turn, however, the scenario presents new opportunities for early-stage investors, facilitating higher and more secure returns through liquidity mining.

At the same time, the growth of the decentralized finance (DeFi) ecosystem in 2020 has been explosive, despite DeFi being an almost unknown concept in 2019. According to data from DeFi Pulse, while it took over two years for DeFi deposits to reach USD1 billion in Total Locked Value (TVL) as of Q1 2020, it took just a year for DeFi TVL to spike from ~USD1 billion to almost USD52 billion (~52x increase).



DefiPulse snapshot as of 7 April 2021

The continued launches of innovative products with attractive returns in the DeFi ecosystem are expected to sustain DeFi's exponential rise, with more and more market players observing with increasing clarity that the DeFi market, dubbed as the "Internet of Money", is poised at the brink of an unprecedented bull run. This is considered to be the tip of the iceberg of Web3.0.

Innovative fundraising methods such as IDO also promoted the prosperity of the early blockchain-cryptocurrency issuance market. However, with the decline of market enthusiasm, newly issued crypto assets will inevitably face the gradual decline of liquidity, and the vitality

of token value will be difficult to sustain. At the same time, how to complete the initial establishment and effective incentive of DAO is also a challenge for blockchain-cryptocurrency startups.

TrustFi Network is a decentralized BaaS solution for DeFi market based on multichain environment (Binance Smart Chain, Ethereum, and Polkadot etc.), focusing on early crypto assets issuance, liquidity management, community activities and DAO governance. TrustFi Designs decentralized DeFi market liquidity promotion and DAO incentive solution, including IDO General Protocol, Decentralized Staking Contract and Providing Liquidity Mining Model ("PLM"), which will provide complete support for blockchain-cryptocurrency startups and unlock the vitality of DeFi. Activity on TrustFi Network is governed by TFI, the network's native token.

1. Trusted DeFi Market BaaS Solutions Built on Web 3.0.

Decentralized Finance (DeFi) has been consistently gaining popularity within the last year, and presently, we are witnessing the much-awaited adoption boom. Driven by the rise of decentralized exchanges like Uniswap, as well as several promising DApp solutions, the market has grown by over 5000% since 2019. At the time of writing, the total DeFi market capitalization is over \$52 Billion.

1.1 The Problem

Innovative fundraising methods such as IDO promote the prosperity of the early blockchain-cryptocurrency issuance market. Despite the popularity, however, the adoption drive is still facing some obstacles. Blockchain-cryptocurrency startups need to bootstrap liquidity, in order to ensure profitable trading prices on DEXs and other AMM-based platforms. In this context, there is a rising demand for decentralized, integrated, cross-chain ecosystems that enable Project Owners to easily and securely conduct pre-listing liquidity auctions.

At the same time, with the decline of market enthusiasm, newly issued crypto assets will inevitably face the gradual decline of liquidity, and the vitality of token value will be difficult to sustain after listing. There is a lack of simple and easy-to-use liquidity management tools to help startups lock and release liquidity, and unlock the potential of on-chain DAO to build an equal DeFi ecosystem.

1.2 The TrustFi Solution

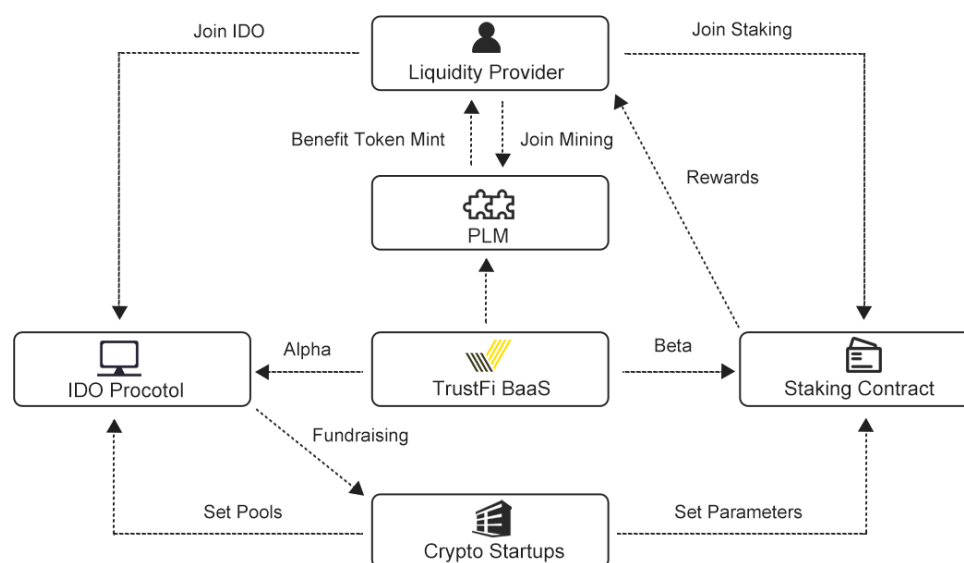
TrustFi Network is a decentralized BaaS solution for full market of DeFi. It supports multichain crypto assets and cross-chain liquidity management, and will help blockchain-cryptocurrency startups complete early tokens auction and staking management plan, and provides incentive model for the establishment of DAO and market liquidity promotion.

A complete portfolio of products developed by TrustFi, including IDO General Protocol, Decentralized Staking Contract supporting multichain environment, and PLM liquidity incentive model, which will effectively help early blockchain-cryptocurrency capture the value,

which is an important supplement to DeFi infrastructures based on Web 3.0.

TrustFi Network is committed to establishing a decentralized platform, centering on the liquidity of on-chain assets, and based on PLM Model, effectively linking DeFi community governors, on-chain liquidity suppliers and investors, application developers, and infrastructure operators, to unlock the potential of DeFi market liquidity.

TrustFi Network will provide liquidity supplement for crypto assets on Binance Smart Chain, Ethereum, Polkadot and other blockchains. By unlocking the potential of on-chain DAO, TrustFi Network will stimulate the vitality of on-chain transactions, which aims to build an equal DeFi ecosystem.



TrustFi BaaS Ecosystem

2. Implementation

In TrustFi BaaS Ecosystem, the front-end product based on IDO General Protocol is named TrustFi Alpha, and the front-end product based on Decentralized Staking Contract is named TrustFi Beta. PLM Model is an original system, effectively linking DeFi community governors, on-chain liquidity suppliers and investors, application developers, and infrastructure operators. PLM Model is forming a closed loop of TrustFi BaaS Ecosystem with TrustFi Alpha and TrustFi Beta.

2.1 IDO General Protocol

The front-end product based on IDO General Protocol is named TrustFi Alpha, and there are two categories of TrustFi Alpha users. One involves the Project Owners or Pool Creators, while Investors or Liquidity Providers (LP) comprise the other.

In the design of auction pools, TrustFi Alpha will use the model of IDO platform from *Poolz Finance* for reference, and add social invitation rules. In this section, we discuss available pool types and pool status.

2.1.1 Types of Pools

There will be two types of pools on the platform—Direct Sale Pools (DSP) and Time-Locked Pools (TLP).

Direct Sale Pools (DSP): These are pools without any lock-in period, where investors get the token immediately after the swap.

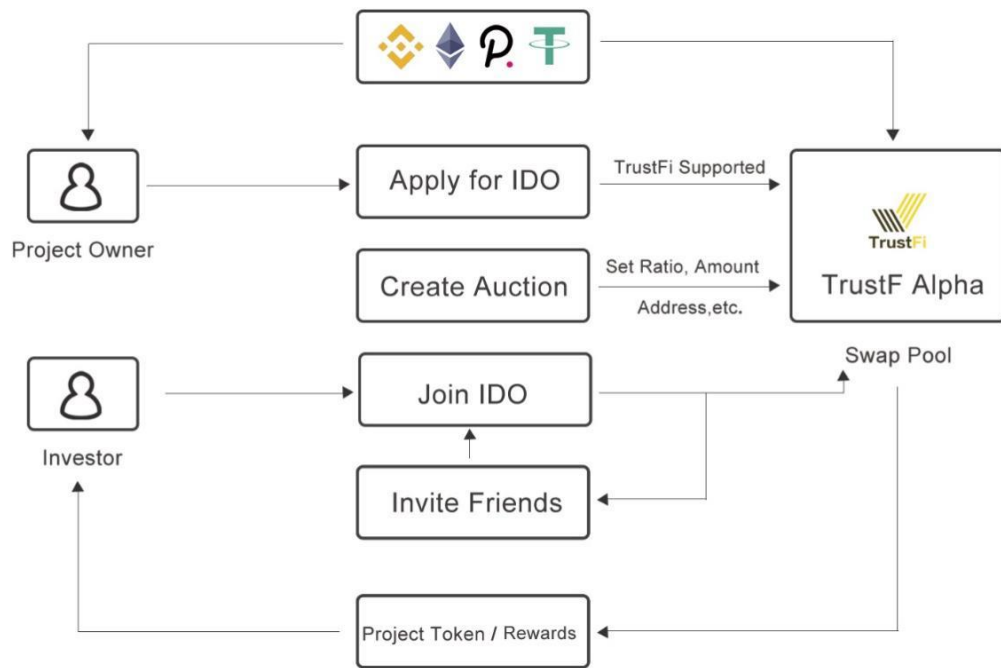
Time-Locked Pools (TLP): These pools have a predefined lock-in period and investors receive their swapped tokens only after the completion of this duration. TrustFi Alpha's smart contract will also enable pool creators to define custom lock-in periods, thus releasing the swapped assets incrementally. For example, disburse 20% of the swapped tokens immediately and, after 1 month, the remaining 80% in 8-equal monthly vesting.

The current DEMO version of TrustFi Alpha is the Direct Sale Pool type. The Project Owner can set deadline, and the investors can get the token immediately after the swap. At the same time, the social invitation rules are added in this version. For example, when the investor participates in IDO on TrustFi Alpha and donate more than \$100, then the investor will obtain an invitation link. If you invite friends to participate in IDO, he will get 1% of their investment as a reward.

2.1.2 Pool Status

Any pool on TrustFi Alpha IDO platform will have either of the following states at any given time. Based on the pool's status (and, also type) the smart contract will transfer the liquidity and auctioning tokens to their recipients' wallets.

- **Created:** the pool is exclusively available for TFI token holders / Benefit token holders.
- **Open:** the pool is available for all TrustFi users.
- **Out of Stock:** the predefined supply of auctioning tokens has been sold-out, but the pool's duration has not ended. In the case of TLP, tokens will be locked for the remaining duration.
- **Finished:** the pool has reached the end of its stipulated duration. Both for DSP and TLP, the leftover tokens are returned to the Project Owner's wallet at this point. Investors, on the other hand, get their tokens purchased (swapped) through TLP.
- **Closed:** the pool is complete and tokens have been duly disbursed.



TrustFi Alpha Flowchart

2.2 Decentralized Staking Contract

The front-end product based on Decentralized Staking Contract is named TrustFi Beta. The same as TrustFi Alpha, there are two categories of TrustFi Beta users, including Project Owners and participants who are going to stake their tokens.

2.2.1 TrustFi Beta Design Principle

The available entire global market cap for Proof-of-Stake (PoS) staking as of 7 April 2021 is over USD 589 billion (*data source: StakingRewards.com*), almost 10 times larger than the entire DeFi TVL. The market potential of staking is huge.

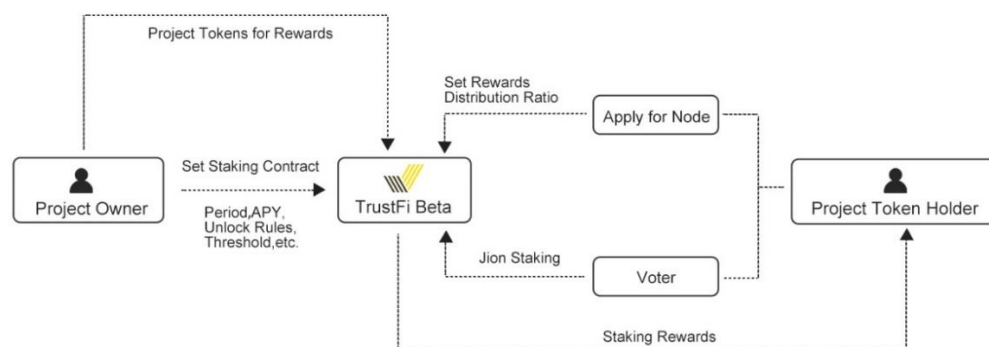
TrustFi separates the part of consensus in Proof-of-Stake (PoS), without considering the ability of maintaining the security and stability of public chain network, and refines the economic model related to revenue distribution. TrustFi simplifies the complex process of the whole staking, and designs it as a decentralized staking smart contract product that allows everyone to participate equally, which is named TrustFi Beta.

Therefore, the core component of TrustFi Beta, Decentralized Staking Contract, is different from Proof-of-Stake (PoS) staking, which is a Half Community Governance model that enables crypto startups to build early communities.

Project Owner can easily call the Staking Contract through the UI of TrustFi Beta to design a staking scheme of the Project Token. The main processes are as follows:

- (I) Create a Staking Pool and customize it to set period, Annual percentage yields, unlock rules, threshold, etc.;
- (II) Deposit Project Tokens for staking rewards into Stacking Contract;
- (III) The project staking page is created, and the exclusive promotion link is generated.

The token holder of the project can easily participate in the staking after Project Owner has created the Staking Pool. According to the different amount of token staked by the threshold, the token holder of the project could choose to apply for Node or vote directly to participate in the staking. The advantage of being a node is that you can customize the distribution ratio of Node rewards and Voter rewards.



TrustFi Beta Flowchart

2.2.2 Staking Contract Security

The asset security of Staking Contract is guaranteed in many ways. First, the asset neutrality, staking assets will be locked to the Staking Pool, and their allocation details will be recorded in the Staking Contract. The Staking Contracts developed by initial developers will be audited and open sourced for third parties, which can create their own Staking Contracts to achieve the decentralization of Staking assets. The Staking Contract is not subject to any single third party control. The value of the assets is directly proportional under PLM Model (mentioned below). When a variety of conditions are combined, the TrustFi system can effectively punish certain risk factors. Under the assumption that most people are honest, the assets of the Staking Contract can guarantee certain security. Anyway, any Staking Contract deployed in multichain environment will be audited by a third-party audit agency before the release.

2.3 PLM Model

PLM Model is designed to build a decentralized financial ecosystem, which is committed to unlocking liquidity from staked assets and helping achieve higher capital efficiency.

In the PLM ecosystem, users with staked assets will be rewarded the second incentive of the TFI token with the support of DAO, and freely choose to cast synthetic assets. Therefore, PLM provides users steady asset yields, and help them retain capital gain potential and access a new source of liquidity to invest in new opportunities at the same time.

On the other hand, the LP token that provides liquidity for the project pool on the DEX with AMM as the main mechanism, such as UniSwap and SushiSwap, will also be able to obtain additional benefits and rewards in the PLM ecosystem.

2.3.1 Working Principle of PLM Model

After completing IDO and fundraising in TrustFi Alpha, crypto startups will, on the one hand, list the Project Token on the DEX such as UniSwap or SushiSwap, so that the token can obtain more liquidity in the secondary market. On the other hand, in order to better combine the early community governance and incentive, Project Owner will call the staking function of TrustFi Beta and launch the staking product of Project Token. We will discuss these two cases below.

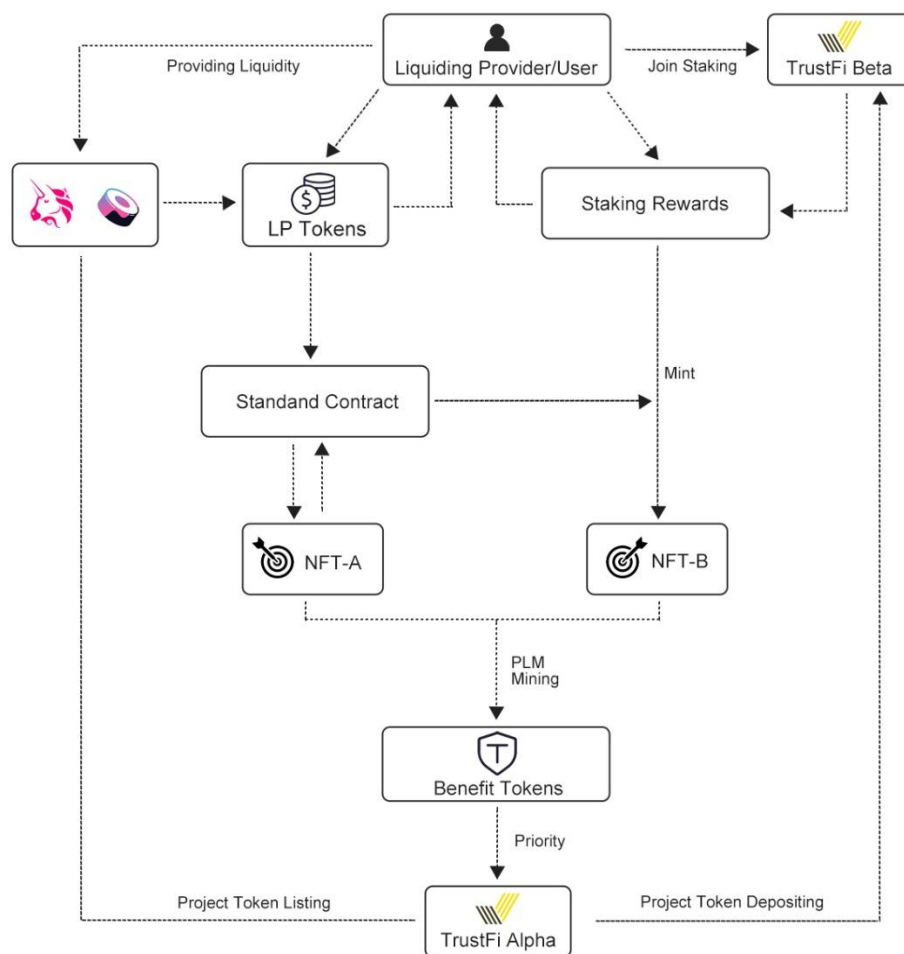
- **Listing on DEX:**

Listing on DEX will increase the liquidity of Project Token to a certain extent. However, with the decline of market entry, newly issued crypto assets listed on DEX will inevitably face the gradual decline of liquidity. In DEX with AMM mechanism, users who provide liquidity into Project Pool are called liquidity Provider ("LP"). When they provide liquidity, they will get LP Token as a certificate. LP Token has become the key to the liquidity of Project Token, so PLM Model has added incentives for this.

In PLM Model, the Non-Fungible Token ("NFT") synthetic asset contract developed by TrustFi can convert LP Token into NFT asset according to the liquidity authority corresponding to LP Token, which is named Standard Contract. When LP authorizes Standard Contract to mortgage LP token, Standard Contract will forge NFT-A for LP. Of course, NFT-A can also be converted back to LP Token through Standard Contract. NFT-A is a valid token to participate in PLM mining.

- **Staking for Rewards:**

Staking locks the liquidity of Project Token to a certain extent and stimulates the vitality of early community governance. However, in the later stage of staking, a large number of Project Tokens will be released, which will have a certain impact on the value of Project Token. Therefore, in the PLM Model, the staking rewards held by the user can be locked with the support of Standard Contract to complete the casting into NFT-B and return to the user. This process will be irreversible. NFT-B is also a valid token to participate in PLM mining.



Working Principle of PLM Model

NFT-A and NFT-B play the role of the middle layer in PLM Model. The specific mining parameters will be determined after the final design of PLM. However, this can be altered by governance in the future. They can participate in PLM mining to farm Benefit Token, which stand for authorities and rights in TrustFi ecosystem. They can provide users with stable return on assets to invest in new opportunities and obtain more benefits.

The benefits for a Benefit Token holder are multi-fold:

- (i) trading or investment opportunities without needing to inject more capital;
- (ii) Investment priority in TrustFi Alpha and share dividends;
- (iii) Retain the potential for capital appreciation of their collateralized portfolio;
- (iv) Farming of TFI token by committing digital assets as collateral.

2.3.2 Economic Design and Core Design Principles

TrustFi builds upon some of the core design principles of DeFi projects, while at the same, introduces several new and improved mechanisms to drive platform growth. In particular, PLM Model focuses on the development of virtuous economic cycles that:

- (i) Accumulate increasing value within the ecosystem over time;
- (ii) Net deflationary tokenomics to reduce token supply;
- (iii) Attract the inflow of value by incentivizing value participation;
- (iv) Grow value distribution proportionately with value inflows;
- (v) Slow down the circulation speed of Project Token;
- (vi) Scale up exponentially with the addition of new staking ecosystems.

The core design principle of PLM Model takes into account the effective link with TrustFi Alpha and TrustFi Beta, which makes TrustFi BaaS Ecosystem a real community driven incubator. Under the premise of simple and easy use, it really stimulates the vitality of DAO and unlocks the potential of DeFi, and becomes an important supplement to Web3.0 infrastructure.

2.3.3 Community Governance

The effective operation of TrustFi BaaS Ecosystem is based on community governance and will depend on TFI tokens. TFI token holders are the decision makers for TrustFi ecosystem. The community can raise change proposals and shape the direction of TrustFi as the project progresses. The governance model envisioned is similar to corporate governance structure, where TrustFi Team act as the operating directors to execute the business roadmap, and the community provide directives on the company's vision through raising change proposals.

2.4 Integration with Other DeFi

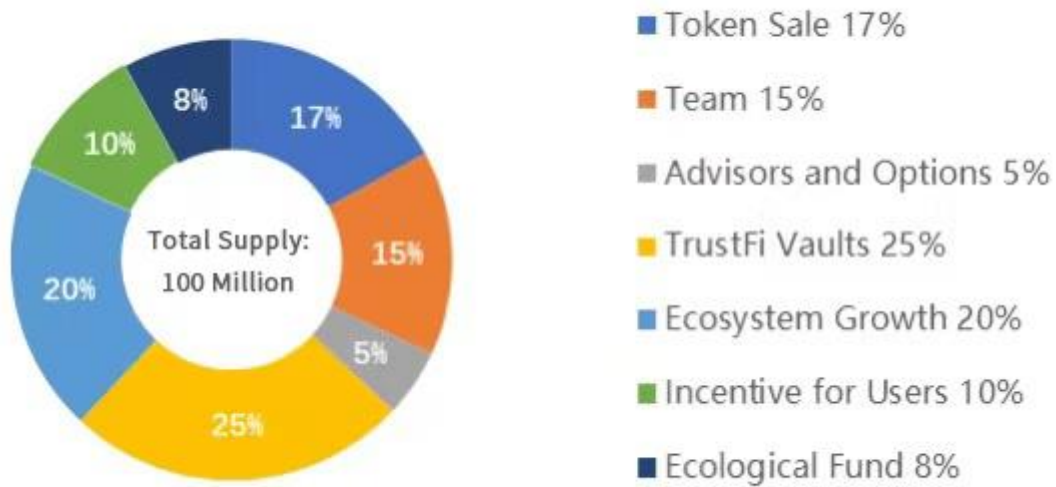
Integration with other existing DeFi mainly lies on asset and application level. The current DeFi projects are mainly on Ethereum, and the assets are mostly Erc20 tokens. In addition, the DeFi ecology of BSC and fire HECO Chain is rising and developing rapidly. But many tokens are relatively poor in liquidity, which can be activated through PLM Model designed by TrustFi, as well as used for DeFi for more liquidity and asset portfolios. Integration with other existing DeFi will greatly enrich and perfect TrustFi BaaS Ecosystem.

3. Tokenomics

TFI is the native utility token of TrustFi Network and used as the following functions:

- (1) Governance: TFI token holders can stake to participate in community governance.
- (2) Reward: The revenue from TrustFi Alpha and TrustFi Beta will be used for repurchase and destruction, as well as reward to users staking TFI.
- (3) Farming: The TFI token can be deployed into PLM Model and DeFi yield protocols for additional returns to increase the yield of token farming in the incentive programs.
- (4) Auction Share: The TFI token can be staked to obtain the priority auction right of selected high-quality assets on TrustFi Alpha.
- (5) Providing Liquidity Mining: TFI is the basic token and gas of PLM System and can be used to cast synthetic assets. Users earn TFI token rewards by providing liquidity.
- (6) Insurance: TFI holders own insurance rights and interests against loss of income / market risk.

3.1 Token Allocation



3.2 Sale Details

At the time of writing, TrustFi has closed the seed round for presale.

Token Sale Details			
Asset	TFI		
Total Supply	100,000,000		
Key Series	Seed Round	Private Token Sale	IDO
Lockup and Release	10% will be released one month after TFI listing on DEX or CEX, and 30% will be released every six months thereafter	20% will be released when TFI listing on DEX or CEX, and 20% will be released every quarter thereafter	Freely trading after IDO
% of Total Supply	2%	14%	1%
Num of Tokens	2,000,000	14,000,000	1,000,000
Price per Token	\$0.035	\$0.055	\$0.080
Hard Cap	\$70,000	\$770,000	\$80,000
Token Valuation Cap	\$3500,000	\$5500,000	\$8000,000
Eligible Participants	Excludes certain jurisdictions		White List

Except for token sale, the release rules of other token distribution are as follows:

- Team: Locked for 12 months, then release 12.5% every quarter.
- Advisors and Options: Locked for 12 months, then release 12.5% every quarter.
- TrustFi Vaults: Release 10% after 12 month lockup period, then release 11.25% every 6 month. The TrustFi Ecosystem Council, composed of investment institutions, important partners, community leaders and technical representatives, initiates proposals and the community votes to determine how to use vaults.
- Ecosystem Growth: Locked for 6 months, then release 10% every 6 month.
- Incentive for Users: Locked for 6 months, and then unlock according to the development of the community.
- Ecological Fund: Locked for 6 months, then release 12.5% every 6 month. The TrustFi Ecosystem Council will determine how to use Ecological Fund for strategic investment, accepting the supervision of the community.

4. Roadmap

Q4.2020

Market research of DeFi ecosystem completed

Solution design for multichain liquidity market completed

Tokenomics and Litepaper V1.0 completed

Q1.2021

Reward of HackerLink BSC Grant

Launch of TrustFi Alpha

TrustFi Auction Protocol pre-release on Binance Smart Chain

Q2.2021

Design of Staking Contract and PLM

Launch of private and public token sales

Launch of TrustFi Beta based on PLM

Solution for multichain liquidity bridges pre-release on BSC

Launch of TrustFi Spark and liquidity mining programs

Q3.2021

Deployment on multichain ecosystem e.g. Solana, Near, Nervos

Improvement of multichain interaction environment

Eco Marathon Developer Activities

Bug Bounty Program

Improvement of investment council model and TrustFi Vaults

TrustFi DAO Support: Community Governance

Q4.2021

On-board new blockchain ecosystems

New DeFi protocol integrations

Launch of 2022 TrustFi Master Plan

5. Summary

TrustFi Network is a decentralized BaaS solution for DeFi market based on multichain environment (Ethereum, BSC, Polkadot, etc.), focusing on early crypto assets issuance, liquidity management, community activities and DAO governance to unlock the potential of DeFi.

A complete set of product portfolios developed by TrustFi, including IDO General Protocol (TrustFi Alpha), Decentralized Staking Contract (TrustFi Beta) and Providing Liquidity Mining Model ("PLM"), which is an important supplement to the DeFi infrastructure built on Web 3.0. TrustFi Network is committed to establishing a decentralized platform, centering on the liquidity of on-chain assets, and based on PLM Model, effectively linking DeFi community governors, on-chain liquidity suppliers and investors, crypto startups, and infrastructure operators, to unlock the potential of DeFi market liquidity. By unlocking the potential of on-chain DAO, TrustFi Network will stimulate the vitality of on-chain transactions, which aims to build an equal DeFi ecosystem. Activity on TrustFi Network is governed by TFI, the network's native token.

The Features of TrustFi are as follows:

Original BaaS Ecosystem and PLM Model:

PLM Model is an original system, effectively linking DeFi community governors, on-chain liquidity suppliers and investors, application developers, and infrastructure operators. PLM Model is forming a closed loop of TrustFi BaaS Ecosystem with TrustFi Alpha and TrustFi Beta.

Support for Multichain Ecosystem:

As general basic components for DeFi, TrustFi BaaS Ecosystem will be integrated into Ethereum, BSC, Polkadot, Near, Solana and other blockchains and support the assets on them. TrustFi provides a decentralized modular liquidity management tool based on Multichain Ecosystem.

Community Driven Incubator:

A complete set of product portfolios developed by TrustFi, including IDO General Protocol, Decentralized Staking Contract and PLM Model, will help crypto start-ups unlock the potential and vitality of crypto assets liquidity and community building.

Supplement to DeFi Infrastructures:

TrustFi Network is a decentralized BaaS solution for DeFi market based on multichain environment, focusing on early crypto assets issuance, liquidity management, community activities and DAO governance, which is an important supplement to the DeFi infrastructures built on Web 3.0.

Disclaimer

This Litepaper ("Litepaper") is prepared by TrustFi Co. (the "Company") may be amended from time to time without notice. This Whitepaper is intended to provide general information and is not meant to be exhaustive, comprehensive or authoritative. Structures and programs may undergo changes without notice to adapt to market conditions.

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Risks Disclosures

The risks described below, and or other additional risks presently regarded to be immaterial actually materialise, the commercial viability of TrustFi and its features and services may be materially and adversely affected and could result in the destruction of TrustFi tokens and/or the termination of the development or operation of the TrustFi and its features and services.

1. TrustFi and its associated ecosystem solutions are under development and may undergo significant changes before they are released or implemented. While the Company intends for TrustFi and its associated ecosystem solutions to function as described in this Whitepaper, the Company may have to make changes to various features or specifications of TrustFi or its associated ecosystem solutions. During the course of development, the Company may also run into difficulties including financial, resourcing or technical difficulties. This may create the risk that TrustFi or its associated ecosystem solutions may not meet the expectations users may have and this may adversely impact TrustFi, its associated ecosystem solutions and the potential utility of TrustFi.

2. While TrustFi has a vision of making the TrustFi solution fully autonomous with community decision making using transparent and fair governance processes, in order to increase development speed and react faster to environmental challenges, many initial decisions will be made in a centralized manner. This includes decisions about token listings, protocol variable adjustments, use of funds, use of tokens and industry partnerships.

3. The products and services that are offered by third parties through TrustFi may be subject to applicable laws and regulation in the relevant jurisdictions and may create the risk of infringing such laws and regulations. This may negatively impact TrustFi, its associated ecosystem solutions and the potential utility of TrustFi.

4. The sale and creation of TrustFi and the development of its associated ecosystem solutions may fail, be abandoned or be delayed for a number of reasons, including lack of interest from the public, lack of funding, or lack of commercial success or prospects (e.g. caused by competing projects).

5. TrustFi, the sale of TrustFi tokens and/or its associated ecosystem solutions are based on blockchain technology which is still in a relatively early development stage. Any malfunction, flaws, breakdown or abandonment of the underlying blockchain technologies used by TrustFi may have a material adverse effect on TrustFi, the sale of TrustFi tokens and/or its associated ecosystem solutions. The functionality of TrustFi is complex, will require enhancements and product support over time, and full functionality may take longer than expected. The full functionality of TrustFi is not yet complete and no assurance can be provided of such completion.

6. It is possible that certain jurisdictions will apply existing regulations on, or introduce new regulations addressing, blockchain technology, which may be contrary to TrustFi and/or its associated ecosystem solutions and which may, inter alia, result in substantial modifications of the overall ecosystem strategy relating to TrustFi and/or its associated ecosystem solutions, including termination and the loss of TrustFi.

7. The tax treatment and accounting of TrustFi is uncertain and may vary amongst jurisdictions. You must seek independent tax advice in connection with purchasing TrustFi Tokens, which has the possibility of resulting in adverse tax consequences.

8. The value of tokens or cryptocurrencies may fluctuate significantly over a short period of time as a result of various factors including market dynamics, regulatory changes, technical advancements, and economic and political factors. Due to such volatility, the Company may not be able to fund development of TrustFi and/or its associated ecosystem solutions, or may not be able to maintain TrustFi in the manner that it intended.

9. It is possible, due to any number of reasons including, but not limited to, an unfavourable fluctuation in the broad cryptographic token market, decrease in TrustFi utility, the failure of commercial relationships, or intellectual property ownership challenges, that the TrustFi may no longer be viable to operate and the Company may dissolve or be wound up or face an uncertain or changing regulatory regime.

10. Cryptographic tokens such as TrustFi tokens are a new and relatively untested technology. In addition to the risks noted above, there are other risks associated with your purchase, holding and use of the TrustFi that the Company cannot anticipate.