Aquo

PITCH DECK

Mission statement:
To integrate the world's financial systems into one protocol using decentralization.

The Problem

The core problem is how DeFi can meet market demand in 2023 and beyond. In TradFi a wide range of complex products are offered and there is considerable integration across financial services, eg lending, derivatives, and loan protections. But this is not mirrored in DeFi which leads to considerably limited DeFi services, which in turn limits growth and adoption.

Problem 1

The first main problem to solve is related to liquidity itself for RWAs.

Once RWAs are tokenized they have limited liquidity which limits the entire point of tokenization.

Problem 2

The next main problem is the absence of derivatives in mainstream DeFi and emerging DeFi.

DeFi has focused on DEXs and PLFs but in TradFi market terms, derivatives provide great flexibility and enormous market activity.

Problem 3

The third main problem is one of complex integration of financial products, and risk management.

TradFi routinely integrates products which leads to considerable market activity, eg lending, derivatives, and loan protections.

The Solution

Aquo is using concepts which are emerging called DeFi composition. This is where a single account transaction uses multiple DeFi protocols. This is a “money lego” approach in which building blocks are used to build financial ecosystems.

Composability as a outcome exists and is widely used in TradFi but the implementation is different.

Defi could provide far greater flexibility and scope to improve access to finance, increased financial engineering, greater liquidity, and more growth, compared to TradFi.

Aquo is a non-custody solution.

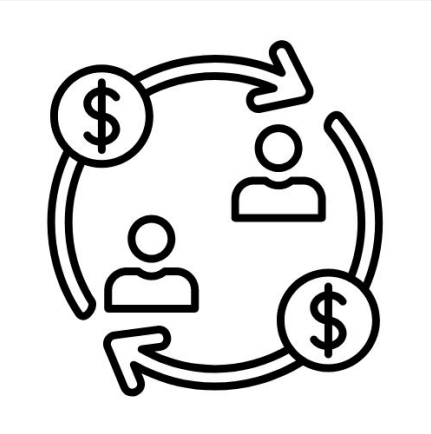
Features

- Liquidity pool integrations, using decentralized oracles, DAOs, integrations into LPs.
- Derivatives constructed via smart contracts and integrated across DeFi protocols.
- Complex financial products constructed and offered.
- Risk management provisions.

Benefits

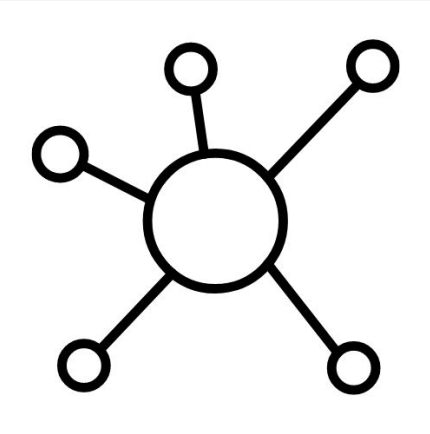
- Liquidity is essential in all financial ecosystems, and this would allow stable market prices and would meet user demand.
- Derivatives would allow considerable growth in markets and they can be used to hedge and speculate allowing user demand to be met.
- Complex financial products are a key feature in TradFi and they allow considerable market activity, eg options, forward forward (future debt), loan protections.
- Risk and counterparty risk are key factors in all financial ecosystems. Aquo would offer transparency with trusted building blocks to limit risk.

How it Works



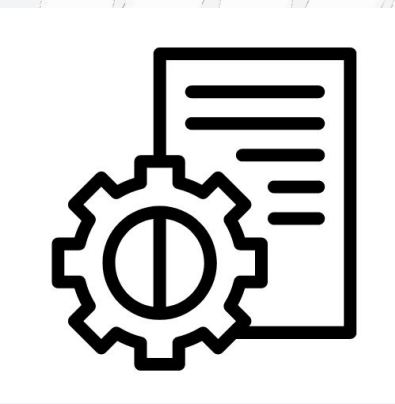
Step 1

User initiates a request, eg an option on an asset with a future debt and the lender wants protection against a debt default. This is an option (eg call), a forward forward for the debt, and a future CDS,



Step 2

Aquo's standards, extending ERC20, are used to compose the transaction into multiple protocols. There is an options protocol, lender, CDS providers, LP. These are mostly innovated financial engineered products and instruments.



Step 3

The transaction is executed and the outcome given to the account holder; the derivative premium is paid.

There is transparency, audit, and protection,

Step 4

Options are exercised, and forward contracts are also executed with appropriate collateralization and counterparty risk reduced.

Achievements

Aquo has evolved as an idea. The achievements to-date have focused on market research, feasibility, and some simple demos showing the concepts.

Achievement 1
Research into published papers referencing DeFi composition to formulate what could work in the emerging market. This includes a new DeFi protocol, risk management, and a new taxonomy.

Several documents produced outlining these findings.

Achievement 2
Aquo's DeFi original concepts were discussed with a number of DeFi professionals and the feedback has been positive. A number of VCs have said Aquo could be a significant trading force if the underlying ideas had traction. Recent enhancements have extended the original DeFi ideas.

Achievement 3
Several demos produced showing WalletConnect working with ReactJS, and API service, IPFS, smart contracts (solidity), and Ethereum integrations.

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Market Adoption Prediction

The initial adoption is foreseen as simple tokenization of RWAs already widely practiced. We predict further adoption will happen with liquidity on these tokenizations, and then leading into DeFi integrations and composability.

Tokenization of Real Estate

The simplest starting point is asset tokenization of real-world assets. This is done widely already but with limited liquidity.

The first adoption would be RWAs and liquidity via Aquo integrations.

If no platforms existed for this, we would have to build the platforms too.

Creating Derivatives

The simplest derivatives will just be synthetic assets which track the RWA price via a decentralized oracle, and we expect that is would be first adoption allowing liquidity.

Following that we expect options as derivatives, eg an option to buy a RWA.

DeFi Protocol Integration

We expect that a new standard extending ERC20 will emerge led by us, to enable full integrations.

These solutions will solve risk management problems, and start to offer complex financial products to users. This will extend financial engineering.

We call this DeFi 2.0.

Market

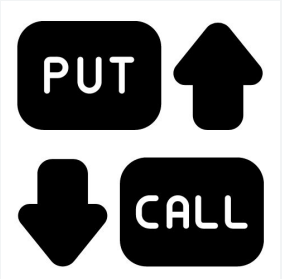
DeFi markets are still emerging. We are pitching into what we call a DeFi 2.0 market and that involves integration of DeFi protocols.

We expect services offered via TradFi will be offered in DeFi but via a different means.

Hence we expect derivatives (now for example consisting of 600 trillion dollars in the OTC market) will start to be evident in DeFi and via Aquo.

Tokenization and RWAs

RWAs have been developed by several startups and this market is predicted to bring 16 trillion dollars in revenues by 2030. The large size of real assets (real estate alone is 300 trillion) means the market demand is likely to be high.



Derivatives

The TradFi derivatives is very large (many times larger than the real world economy) and DeFi derivatives markets are likely to grow to high values. Derivatives in TradFi have a notional value of a quadrillion dollars.

Composability

TradFi composability already exists by integrating financial services into complex products. DeFi is likely to follow this same market curve and the market size is very large (as with derivatives it is hundreds of trillions of dollars in TradFi).

Competition

DeFi composition is an emerging sector and competition is limited.

Large banks are moving into these sectors but they are slow and very bureaucratic taking years to make decisions.

Competitor startups have focused on DEXs and PLFs (protocols of loanable funds). Synthetix is the closest competitor for Aquo which is a liquidity provider implemented as a backend tool.

Aquo is a more complete solution than what is offered today.

	Price	Feature/experience
Aquo	TBC	Aquo focuses financial engineering innovation and full implementation of composition transactions especially for derivatives. This seeks to replicate user TradFi experiences by integrating options, debt, risk management into a single transaction.
dYdX	50M (coin) - was 800M	This is a DEX offering margin, perpetual and features normally associated with an exchange. The look a feel is similar to coinbase and other exchanges,
Synthetix	800M (coin) - was 2.8B	Synthetic is all about liquidity. Assets are collateralized and synthetic tokens (synths) are minted. This pool of synths creates liquidity. This is not a UX model but is a backend provisioning tool for DeFi apps.
Compound	450M (coin) - was 4B	Compound is a DeFi protocol for lending against cryptoassets. It is decentralized with a connect wallet button.

Revenue Model

It is likely transaction fees will dominate much of the revenue for Aquo.

Unlike simple tokenization models, derivatives and complex product transactions generate large transaction volumes.

At this point, Aquo is profiting similarly to how a DEX would profit.

Other revenues would be via listing financial products and investment offerings. This is similar to paying a CEX to get listed. There would also be service related fees (eg investment monitoring)

Transaction Fees

As users initiate transactions, there would be a fee structure. We envisage derivatives and complex products and hence fees would be built into these transactions.

Listing Fees

Products and investments would be listed and subject to a fee.

Service Fees

Users would likely need a lot of monitoring and investment services (but Aquo will not advise, manage, or recommend)

Our Team

Trevor Lee Oakley
Founder

Experienced in blockchains from when ETH traded at under 10 dollars, from a heavy systems background with a extensive financial systems experience.

Marketing DIrector (TBA)

A marketing specialist with a strong branding and financial service background to build investor (user) confidence.

Financial Director (TBA)

Financial specialist with a strong background in financial products, including derivatives, real assets, lending, loan protections, liquidity, markets.

Technology Director (TBA)

Web3 Specialist very skilled in smart contracts, ERC standards, EVM chains especially Ethereum, DeFi, Wallet integrations, oracles, and synthetic assets.

Deal Summary

Due to the nature of DeFi and the possible returns, the valuation shown is given.

Early investors could negotiate options to reduce their risks with rights to buy equity.

This is a pre-seed round.

Raising

$100k

Valuation

$1M

$5,000

Minimum investment amount

Offering standard investor protections:

Drag along, tag along and pre-emption rights

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DeFi 2.0 is coming, be part of the vision.

https://aquo.world
Trevor Lee Oakley

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