Divercefi White Paper 2.1

Preface

This updated short White Paper aims to provide an update to Divercefi's (Ex-Cryptoeasy) original whitepaper issued about 2 years ago. The past 2 years have been full of learnings and challenges in the current DEFI market and have enabled the team to pivot from the initial strategy and shift the scope of our value proposition. Also, the approach will be different as a detailed roadmap and features will not be outlined in this document better aligned with Agile and lean startup principles.

Abstract

Retail investment has skyrocketed in past years and expanded to further asset classes (e.g., Equities, Secondaries, Cryptocurrencies, Commodities, and Derivatives), partly enabled by the emergence of accessible online banks, brokers, and other investment platforms. On the other hand, accessible and independent investment management tools are still missing for investors to educate themselves, plan, set up, and manage their investments over time. Divercefi is building the ultimate investment management solution for retail investors to discover new investment opportunities, build diversified portfolios, and keep track of all their investments. The ambition of Divercefi is to build an open financial ecosystem leveraging Web3 technology enabling users to follow best investment strategies and connect with any TradFi, CeFi or DeFi solution. In terms of approach, Divercefi will be user-centred, independent and non-custodial.

Introduction

Financial inclusion is at the heart of our purpose and motivation to provide financial education, investment management tools and solutions accessible to everyone. Thus, the mission of Divercefi is to make intelligent investing easy and accessible for everyone to enable the "internet of value" for digital assets.

The vision of Divercefi is to become a leading open financial ecosystem leveraging Web3 technologies to empower investors to start and manage their end-to-end investor journey centred on their diversified asset portfolios with assets spanning across all asset classes

Our vision is comparable to the emergence of other ecosystems in other industries:

- **Music with Spotify:** Social music experience platform not owned by record companies, combining users and artists
- **Networking with Linkedin:** Social networking experience platform not owned by companies, combining users, companies, and communities
- **Investing with Divercefi:** Social investment experience interface not owned by banks and brokers, combining investors and regulated financial service providers

The commonality also resides in social usage and sharing of these activities: they are high in (emotional) engagement as investors are very involved in their investments and exchange with their surroundings about opportunities.

Problem

Over the last years, Millions of new retail investors have started exploring alternative asset classes, especially Cryptocurrencies. This has been facilitated by the emergence of hundreds of investor platforms offering easy access to investments. On the other hand, _intelligent_ investing still remains a challenge for the vast majority of people. Intelligent investing revolves around following a personalised portfolio strategy with a consistent approach and implementation. Furthermore, it involves keeping an overview and actively or passively managing a portfolio by rebalancing positions, seizing new opportunities, or reducing risk exposure. Finally, it also means managing asset leverage, custody, servicing, transaction costs, and interest rates to put assets "to work" by lending capital or providing liquidity.

What are the key reasons that still make intelligent investing not accessible to everyone:
- **Difficult asset and portfolio selection** (Retail demand side): Investors face difficult selection, set up and management of financial portfolios across asset classes. Identifying trending and performing assets as well as assembling them in diversified and personalised portfolios remains the key entry challenge.
- **Fragmented portfolio management** (Missing link between demand and supply): Implementing and managing portfolios requires technical know-how and implies high transaction costs across multiple platforms and exchanges. The diversity of technologies (e.g., protocols, platforms, languages) and the resulting thousands of asset types lead to significant complexity to build, share, and manage desired portfolios. Furthermore, investors struggle to keep a clear overview when exploring, investing in, and storing their digital assets. On the other hand, from the financial services intermediaries' perspective, accessing or offering those portfolios is often hindered by further practical or regulatory constraints.
- **Complex and incomplete solutions** (Existing supply solution side): Current DeFi solutions add complexity and are mainly technology-centred as opposed to being not personalised/portfolio-based, nor empowering users through open communities. During strong market cycles, these centralised platforms end up overexposed and limit their customers to withdraw their funds.

In terms of impact, the lack of solutions facilitating intelligent investing as a whole has led to first and foremost millions of potential investors not going into liquid investments but locking

hundreds of billions in savings accounts or illiquid overpriced real estate leading to no wealth creation. Secondly, for actual investors, poor investment management and overview combined with increased emotional cycles, lack of transparency within emerging financial markets, sizable liquidity crunches has led to hundreds of billions into wealth destruction.

Value proposition

Addressing these concerns is the mission of Divercefi to facilitate for everyone the (financial) access to digital assets, irrespective of their specific applications, platforms, and ecosystems. This includes users with low technological or financial expertise.
As a result, investors should be able to discover new asset portfolios, connect to existing portfolios, or build personalised investment portfolios and manage them with our interface. Based on their portfolios, investors should also be able to leverage investment opportunities and DeFi products. Fundamentally, Divercefi will allow users to navigate along their investor journey by themselves.

To achieve this outcome we are building the ultimate investment management ecosystem:

1. **Portfolio building:** Enable investors to get financially educated by discovering assets from several asset classes, plan their investment strategies, and build their portfolios. Going forward, Investor profiling and AI chat interface will support investors in a personal way**.**
2. **Portfolio Tracking:** Enable investors to track and backtest continuously any portfolio. The Portfolio discovery feature lets them connect their Banks, Broker, CeFii and DeFi solutions (e.g. wallets) to keep an overview of all their positions across platforms. Going forward, advanced metrics, risk scoring and dashboards will facilitate rebalancing and risk management.
3. **Investment implementation:** Enable investors to connect to any broker and exchange to buy and manage all their portfolios positions from a single trusted interface. Going further, leveraging Open banking and DeFi, investors will be able to intelligently allocate their investments and service their assets for yield, interest rate, and return optimization.
4. **Social investing:** Enable investors to follow and copy the best strategies and successful investors leveraging public portfolio sharing. Building an ecosystem, investors will be able to access regulated managed portfolios or get in touch with independent financial advisors. Gamification will also be introduced to let best investors compete, earn virtual tokens (see below) and get recognized within the community.

Technology wise, we plan to leverage Web3 technology (DeFi, NFTs, Data Oracles, DAO tokens) in 2 ways. First, as we cover all asset classes, including Cryptocurrencies, we intend to provide seamless multi-chain wallet and DEX integration to let investors track digital assets on their various wallets, implement portfolio investments on multiple DEXs/CEXs all at once, and select best DeFi liquidity rewards. Second, at a later stage in the future we plan to potentially base social investing on Token rewards introducing the concept of Portfolio Staking. Investors staking tokens on portfolios and earning/ losing tokens based on relative

portfolio performance. The mechanism behind is defined as Proof-of-Return and utilises Oracle smart contracts (for further reference please check the original Whitepaper V1.4).

Approach and key success factors

As opposed to "CeFi in the front, DeFi in the back" approach, followed by many CeFi players targeted at mainstream investors regarding Web3, our ambition is to be multichain, non-custodial, investor/community-centred and let users choose and connect their preferred payment, wallet, and exchange solutions. By building an open ecosystem we want to facilitate investors to access and coordinate financial platforms, service providers or technology in a trusted and regulated way.

We believe that the key success factors and differentiators for Divercefi rely in:
- **Most convenient portfolio building and tracking** browser experience on the market, for beginner to advanced investors. This also involves having one of the most powerful portfolio management engines on the market in terms of return and risk tracking and computation.
- **Largest coverage of all possible asset types and classes**, potentially tens of thousands, to open the door to optimal portfolio diversification, hence our name ;)
- **True Social, gamified and community-based** investing to enable a more inclusive and fun investment experience focused on quality instead of fees and middlemen

Product and Go-to-market Roadmap (Indicative as of 16.04.2024)

Product version	Solutions and Features	Launch date
Divercefi 1.0 (<u>Soft </u>Launch)	2 Asset Classes - Portfolio Building - Simple Portfolio Tracking	November 2023
Divercefi 1.1 (<u>Public </u>Launch)	- Aggregated Portfolio View - Feedback Chat Interface - Cede Labs automated CeFi tracking	December 2023
Divercefi 2.0	- Updated graph functionality - UI/UX improvements - Cede labs fixed	March 2024
Divercefi 2.1	1-2k digital assets added to the interface	April 2024
Divercefi 2.2	New accounts page for automated DeFi wallet tracking	April 2024
Divercefi 2.3	- New portfolio return formula including the portfolio historic changes - Adding and withdrawing cash position separated from invested capital	May 2024
Divercefi 2.4	Risk score for assets and portfolios	May 2024
Divercefi 2.5	- Forex added as asset class - Change base currency on top	May 2024

| Divercefi 3.0 | ● Social Portfolios
● Payment terminal | Q3 2024 |

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For any inquiries please reach out to our team hello@divercefi.com