



Venture Name: Mira Finance

Product/Service: Crypto Index Funds, Asset Management, and Crypto On-Ramp

Website: mirafinance.io

Twitter: Mira_Finance

Building the next generation of crypto investing.

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Executive Summary

With over 20 thousand cryptocurrencies to choose from, one of the most common questions asked by new entrants is what they should invest in. Mira aims to solve this with index and ETF-style investments so investors get broad exposure to crypto assets without having to pick individual winners. Passive investments that track the S&P 500, Nasdaq, and Dow Jones are the strategy of choice for millions of investors looking for steady market returns. We believe there need to be similar options for crypto investors.

Mira is built on Aptos & Sui; two new blockchain networks that run on the secure Move programming language originally developed at Meta. With speeds faster than Visa and Mastercard, we're building scalable and secure smart contracts on networks equipped to support the next 1 billion users.

Industry Overview

With the global cryptocurrency market reaching a peak of \$2.8 trillion in November 2021; digital assets are quickly establishing themselves as an alternative asset class. While this figure has dwindled to around 1 trillion dollars a year later, PWC and other firms predict the industry will see double-digit annual growth this decade as blockchain technology disrupts sectors in traditional finance, payment processors, supply chains, real estate, and more.

Growth of the Blockchain Industry:

New research expects the blockchain industry to see significant growth this decade:

- [A report from ResearchAndMarkets reported that the global cryptocurrency market is expected to reach \\$32 trillion by 2027](#)
 - Compound annual growth rate (CAGR) of 58.4% during 2023-2027
- [Allied Market Research projects a CAGR of 12.8% from 2021 to 2030.](#)
- [PWC predicts blockchain technology can enhance over 40 million jobs by 2023](#)

Digital assets and blockchain innovation have the potential to be a multi-trillion-dollar industry despite current market conditions. Once meaningful regulation is passed, we expect crypto assets to outperform traditional stocks and other mature assets.

Institutional Interest in Digital Assets:

Before the pandemic, many institutions were outspoken about their skepticism about digital assets; now they're on the verge of fully embracing it.

- [Fidelity Digital Assets shows that 58% of institutional investors surveyed invested in digital assets in the first half of 2022 and 74% plan to invest in the future.](#)
- [Kevin O'Leary says crypto will be the 12th S&P 500 sector](#)
- Nine in 10 [institutional investors surveyed \(88%\) find characteristics of digital assets appealing.](#)
- [More than a third of traditional hedge funds now invest in digital assets, nearly double a year ago: \(Appendix 1\)](#)
- [More than 81% of institutional investors surveyed believe that digital assets should be a part of an investment portfolio.](#)

There's no debate that crypto is here to stay and institutions will allocate at least a small percentage of their portfolios to digital assets in the coming years. Passive investment vehicles will go hand in hand with Institutional adoption as crypto goes mainstream.

Current Index Market in Traditional Finance:

The past couple of decades have seen a significant shift from active to passive investment strategies. Today:

- [Passive funds accounted for 16% of US stock market capitalization at the end of 2021, exceeding 14% for active funds](#)
 - Worth around 11 trillion in the U.S. alone
- [Research at NYU Stern and Harvard business estimates that passive ownership of U.S. stocks is actually over double 15%, at 37.8%, or \\$16 trillion](#)

Index funds/ETF investments that cover digital assets have the potential to see extensive adoption and growth by both institutions and retail investors. Mira Finance wants to support this adoption with compliant broad exposure assets.

Retail adoption Digital assets in the U.S. and world

Since 2020, interest and ownership of cryptocurrency has skyrocketed:

- [56% of American adults say they own or have previously owned cryptocurrency.](#)
 - [74% percent of that group invested in crypto for the first time in the last two years.](#)
- [24% of American adults who don't own crypto haven't bought it because they think it's a bad investment, up from 9% in 2021](#)
- [52% of American adults would consider investing in cryptocurrency in their retirement accounts](#)
- [Southeast Asia Leads the World in Crypto Adoption](#)

The volatility of cryptocurrency and prevalence of scams has diminished some trust in digital assets. The research confirms that retail adoption is still fairly new, so if the industry wants to win over new entrants, consumers need support figuring out what to invest in.

Industry Overview Conclusion:

The adoption of digital assets is inevitable and it could be argued that it's already here. Industry growth will continue and mainstream adoption may take off this decade once global inflation and turmoil cool. Based on how large the current index fund market is, we believe Mira

Finance has an opportunity to onboard new entrants and institutional investors with our products.

Problem Statement

Besides the current macroeconomic environment, people interested in crypto are held back from investing because they don't know where to start. There are tens of thousands of digital assets to choose from and just like in traditional finance, it's hard to beat the market by picking individual winners.

The current crypto index fund market is small; with less than \$100 million AUM. The major reason is due to a lack of variability. Current index funds only contain assets in Ethereum's ecosystem, so investors miss out on exposure to innovations happening on other blockchain networks like Solana, Aptos, and Cosmos that have their own assets. There are also no index funds that give exposure to the top 10-20 cryptocurrencies by marketcap! We see an opportunity to offer diversified index funds that cover multiple blockchain networks.

The Product: Crypto Index Funds for Institutions and Retail

Mira Index Funds (Appendix 2)

Users will be able to select total market and thematic exposure index funds (appendix #2) that represent fully collateralized baskets of assets including Bitcoin, Ethereum, Solana, Aptos, stablecoins, and other cryptocurrencies in the form of a digital token (APT, SPL, ERC-20). Mira Index funds automatically rebalance to make executing any portfolio strategy simple by holding a single asset. Our index funds remove the need to manually manage multiple assets and rebalance a portfolio.

Cross-chain interoperability

Mira Finance is partnered with LayerZero, Axelar, and Wormhole; Three premier cross-chain networks that will allow assets on multiple blockchain networks to be added to our index funds. This will give investors broad access to the entire crypto market whether that be on Ethereum, Solana, Avalanche, Polkadot, Cosmos, Aptos, and more.

Composable Index UI (Appendix 3)

To grow community engagement, aspiring traders, fund managers, and influencers can make their own index funds through our composable index UI. User index funds can be made public and promoted for others to invest in or privately managed through a whitelist and KYC. The top best-performing indices will be ranked on our leaderboard and incentivized to produce the best portfolio with token airdrops and prizes.

On-ramps to Decentralized Finance (DeFi)

To provide a seamless user experience, Mira Finance is partnered with popular and audited DeFi protocols so users have access to swaps, staking, liquidity farming, lend/borrow, launchpads, an explore page, and more. Many of these use cases will be cross-chain, so users have access to their favorite blockchain networks without having to leave our website.

Who holds custody of the Index Funds?

Underlying Collateral Tokens in Vault Smart Contract

The underlying collateral tokens that back each Mira Fund are held inside a Mira Protocol vault. Only users will have access to their funds in the Mira Protocol through their crypto wallet and the Mira team does not have access to these funds when it is inside of the vault contract.

Institutional Custody

Mira Finance will contain a custodial layer through proper KYC/AML compliance with a custodian like Protego Trust Bank to securely offer our assets to institutions. Protego Trust Bank is an OCC-approved bank providing digital asset custody, trading, lending, and issuance for institutions.

Revenue Model:

- Management and performance fees on in-house and community index funds ranging from 0.5%-2%
- Outgoing Transfer Fees
- Creation Fees
- High market-cap cryptos like Layer-1 blockchains and stablecoins within the Mira vault will be staked to earn low-risk yield and grow the strategic treasury

- Index funds purchased with our governance token \$MIRA will have reduced fees
- Some form of a Dividend for users to add \$MIRA to their index funds

Market Size

- [Crypto.com Estimates that crypto adoption rose to 295 million users in December 2021.](#)
- Coinbase has 103+million verified Users, Crypto.com has 70 million verified users, and Binance (non U.S.) has 28 million active monthly users
- 56% of American adults (145 million people) say they own or have previously owned cryptocurrency.
- Forty-one percent of Americans who have never owned crypto, about 46.5 million Americans, say they are likely to buy crypto in the next year.
- 74% of institutional investors plan to invest in the future.
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TAM: 300 million+ users interested in crypto products in the U.S. and around the world when taking growth into account.

SAM: 70-100 million users when you remove U.S. consumers due to the current regulatory restrictions in the U.S.

Target: 100-200 thousand users from interested active, potentially active, and institutional investors who have access to DeFi or a Centralized exchange

- The most popular Defi Protocols like Uniswap and Curve have 2 million customers

Segment: Shooting to onboard 20 thousand new entrants, institutions, and users who want broad exposure to crypto.

Market Size	Number of (Potential) Customers	Revenue/Sales (\$)
Total Addressable Market (TAM) (Late Majority/Laggards)	300 million	
Service Addressable Market (SAM) (Early Majority)	70-100 million	
Target (Early Adopters)	100 thousand	

Segment (Pilot) (Innovators)	20 thousand	
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Competition

The total addressable market is large, but the crypto index fund sector is small. The largest index provider, the Index CO-OP had \$360 million AUM at the peak of the market in November 2021 and they now currently hold around \$70 AUM as of November 2022. The Index CO-OP and Arch Finance are also not built on their own technology. They utilize Token-Sets, an Ethereum Protocol that allows firms or individuals to tokenize baskets of assets; making these firms more asset managers over crypto protocols. Our other competitors are similar but are more similar to liquidity pools over tokenized assets.

Competitor	Blockchain	Cross-chain index	Custom Index	DeFi On-ramp	TX Cost
Mira Finance	Aptos & Sui	✓	✓	✓	Low
INDEX CO-OP (DeFi Pulse)	ETH	✗	✗	✗	High
Arch Finance	ETH	✗	✗	✗	High
Hord Finance	ETH	✗	✓	✗	High
Dhedge	ETH	✗	✓	✗	High

Go-To-Market Strategy: Social Media Growth and Competitions

Organic Social Media Branding and Growth

Many popular crypto protocols are able to grow a following and users naturally through community engagement, AMA's with partners to get exposure to various communities, shoutouts of our assets on partner social media platforms, and announce partnerships. With the right marketing approach from our team, this is a free way to acquire customers.

Best Performing Index competition

To keep people engaged with the platform and create their own indices, we plan to launch an 100-thousand-dollar prize pool to the top three best-performing user index funds. We will tap into our network and pay crypto social media influencers on TikTok, Twitter, Reddit, etc to promote their own index funds as "participants" and get people to make their own index funds so they have a chance to win. Users will hopefully feel inclined to actively manage their portfolios and test out strategies in order to rise on the leaderboard.

Venture Team/Corporate Structure (Appendix 4)

The team at Mira Finance is full of young and ambitious recent or soon to be graduates from great universities (American University, University of Maryland, and Middlebury College) with prior experience in public policy, finance, and software development. Mira's advisors have experience in Congress, and the FCC, and/or run their crypto firms.

Team:

Nirel Gershwind (Co-founder & CTO) - Computer Science and Finance Graduate from the University of Maryland

Responsibilities: Software development/management, business development, operations

Previous Experience:

- Experience in Blockchain Research

- Built a novel research solution to recording interactions on a DAG-based blockchain with improved throughput for Mobile Wireless Sensor Networks.
- Experience in Fund Management
 - Oversaw equity analysis and complex quantitative models on consumer sector holdings within a \$1.2 million fund
- Experience in Software Engineering
 - Worked on a Scrum in Agile to implement solutions for national security/industry customers, built an interface in React to simulate conflict scenarios and dynamically store/display data, and created endpoints to relay simulation information.

Andrew Capasso (Co-founder & CEO) - International Relations & Political Science at American University (2023 graduate)

Responsibilities: Operations, Business Development, Gov. Relations, Risk Management, and product oversight

- Director of Internal Development at the American Blockchain Initiative
 - Lobbying non-profit promoting and educating blockchain innovation to U.S. Policymakers for government use cases
 - Experience in producing Blockchain Research (whitepapers, briefs, memos)
 - Experience with lobbying and gov. Relations
- Communications and Fundraising associate at the Val Demings Campaign for Senate
 - Helped raise 20 million dollars in campaign funds for a U.S. Midterms Senate Campaign
 - Experience in producing policy drafts, press releases, and general communications support

Alex Allaire (Government & Compliance Officer)- Political Science Degree from American University

Responsibilities: Compliance, government relations, and lobbying

Previous Experience:

- Former Industry Affairs Associate at the Blockchain Association

- The U.S.'s leading lobbying firm with over 100 members in the crypto space ranging from Circle to Binance.US
- Former Fin-tech Fellow at the U.S House of Representatives
- Co-founder and CEO of the American Blockchain Initiative
 - Lobbying non-profit promoting and educating blockchain innovation to U.S. Policymakers for gov. Use cases

Florian Knollman (Head of business development) - Computer Science from Middlebury College

Part-time team:

- **3 part-time engineers**

Advisory Board Members:

- **Sam Thapaliya:** Founder of Zebec Protocol
 - Continuous settlement protocol eliminating bi-weekly pay valued at 1 billion
- **Bill Kennard:** Former Chairman of FCC, Ambassador to EU, and Director of Carlyle Group

Future team needs for year 1-3 operations:

- Head of marketing/marketing team
- Chief Compliance Officer
- Chief Financial Officer
- Portfolio Analysts
- Full-time social media manager

Traction To-Date

Mira Finance is on track to launch internationally via an offshore entity and incorporate proper due diligence in the business model for compliance and risk management through TRM Labs. The next steps are to complete our audit and map out the first batch of assets that will be launched on the platform. Once this is complete we can launch our first index funds in Asia, Africa, South America, and the Middle East.

What has been completed so far:

- Incorporated as a Delaware C-Corp software company in July
- Raised 130 thousand dollars from VC and grants
- MVP with a completed smart contract and V1 user interface
- Made partnerships with key firms in the industry (LayerZero,

- Axelar, Zebec, Pontem Network, Notifi, Dialect, Ditto)
- Xhack winner put on by Jump Capital and Wormhole

Milestones to Achieve

The biggest goal is to incorporate KYC/AML compliance into the business model, create concrete criteria that outline how Mira index funds will be weighted and composed, and get an entity set up in the British Virgin Islands so we can offer our assets internationally while providing the proper disclaimers for U.S. and other banned markets.

Milestone 1: Get to 25 thousand Twitter followers by Q1 2023

- We need to continue growing our name recognition and garner a community that believes in our product so users buy our indices and use our services. We will continue to grow our social media presence through live AMAs, partnership announcements, and other community engagement activities

Milestone 2: Complete our pre-seed round

We must raise our first million so we can extend our runway and ramp up the development of our V2, conduct a second/third audit on our code, increase marketing, and expand the core team. Finishing our round will hopefully help us raise more capital down the line

Milestone 3: Find a market fit so we can absorb the cost of U.S. compliance and offer our assets to U.S. consumers (Q4 2023)

- The largest market for our index products is the United States. The moment regulatory policy emerges from Capitol Hill by the end of 2023 or early 2024, the floodgates will open to institutional investors around the world and many will be looking to get broad exposure to digital assets through an index. Once we have the capital and due diligence set up we can register work to register our funds as securities and work with our lawyers to meet the criteria needed to operate in the United States.

Milestone 4: Developing a marketing strategy that **anyone** can understand

- The point of Mira Finance is to make crypto investing simple for users who have no idea what to invest in but are interested in the asset class and want to learn more. It's of utmost importance that our website and app are easy to use and understand for people with and without technical experience in crypto investments. We can achieve this by collecting survey data on app usability and onboarding an excellent marketing team through our connections.

Milestone 5: Get Mira Index Funds listed on Centralized Exchanges (CEXs)

- Centralized exchanges like Coinbase, Binance, and Huobi see billions in trading volume per day. Using them is also overwhelming for new users as they are flooded with

hundreds to thousands of different assets. We want to get our index funds listed on CEXs so users can purchase our product and get broad exposure to the market.

Risk Factors: Regulatory Constraints/Costs, Liquidity, and Hacks

Risk Factor 1: Regulatory cost for U.S. Compliance

The cost to offer our services to the U.S. may cost millions of dollars and they may not even be suitable to regulators; which could result in us getting denied. We will work with our lawyers and make adjustments to the business model so we can meet all the criteria set for us.

Risk Factor 2: Performance risk

When you buy into a Mira index fund, you are buying a tokenized trading strategy that comes with its own set of performance risks. No trading strategy is guaranteed to make money and users should be aware of that when deciding if they want to buy and hold an Index. All of the performance metrics for each fund will be displayed on Mira Finance's website and are also able to be derived on the Aptos blockchain as every rebalance is completed on-chain.

Risk Factor 3: Security Break on a Cross-Chain Bridge Partner

No Cross-chain messaging platform is fully secure from hacks. Hundreds of millions have been stolen in the past year and could result in a compromised vault. We are looking into insurance measures, implementing bug bounty programs, and plan to use custodians like Protego Trust Bank to make sure our user funds are safe on the platform.

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