



CellETF : Decentralized Crypto Asset Fund

Litepaper

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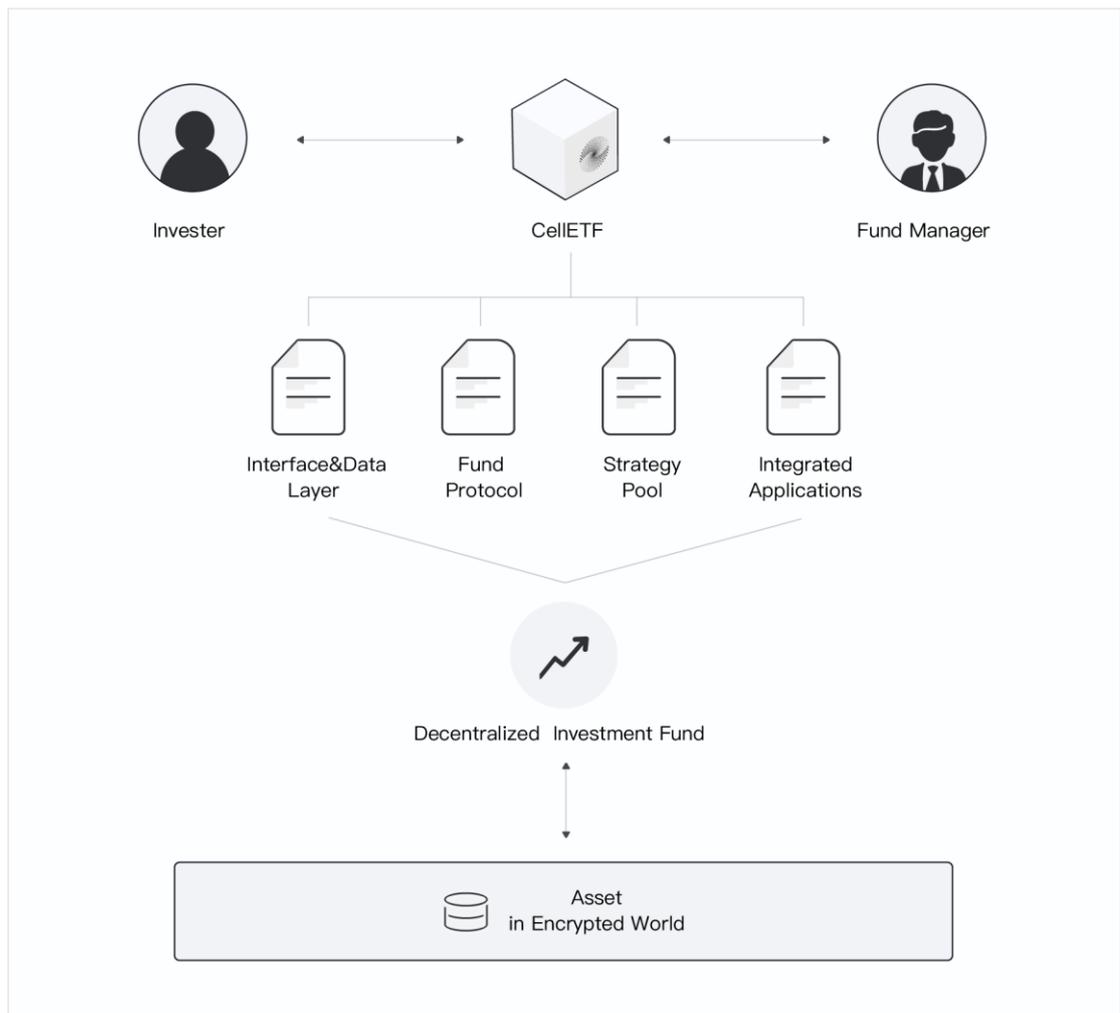
Core

Our Mission: To create a new asset management paradigm. As an Ethereum-based platform, CelETF is the connection between real world asset allocation needs and the crypto world. As a user, you can embrace the infinite possibilities of crypto assets by integrating with CelETF ecosystem.

Our Vision: To become the world's most influential decentralized crypto asset management platform, enable everyone's asset management with crypto asset portfolio.

Introduction

CellETF is a decentralized crypto asset management agency. It will build a decentralized fund agreement based on smart contracts that integrates fund issuance, subscription, investment, and redemption business processes, and is transparent based on the fund agreement. , Trust-free method for fund issuance and fund operation, is committed to allowing global users to freely choose professional investment strategies in CellETF, and easily complete the allocation of encrypted assets through different fund products.



CellETF Protocol technically solve the typical problems in traditional fund, making it possible for asset management execute on blockchain in a decentralized way.

1. **Trust Mechanism**

The entire operational cycle (including creation, fundraising, asset allocation, liquidation and exit, etc.) of a specific fund is conducted by smart contract. Fund managers can only manage assets within the scope of authorization. In traditional funds, they have to settle the trust issue through complicated contract agreements and custodians, in contrast, the open source and temper-proof feature of smart contract provides a basic trust environment for CellETF fund.

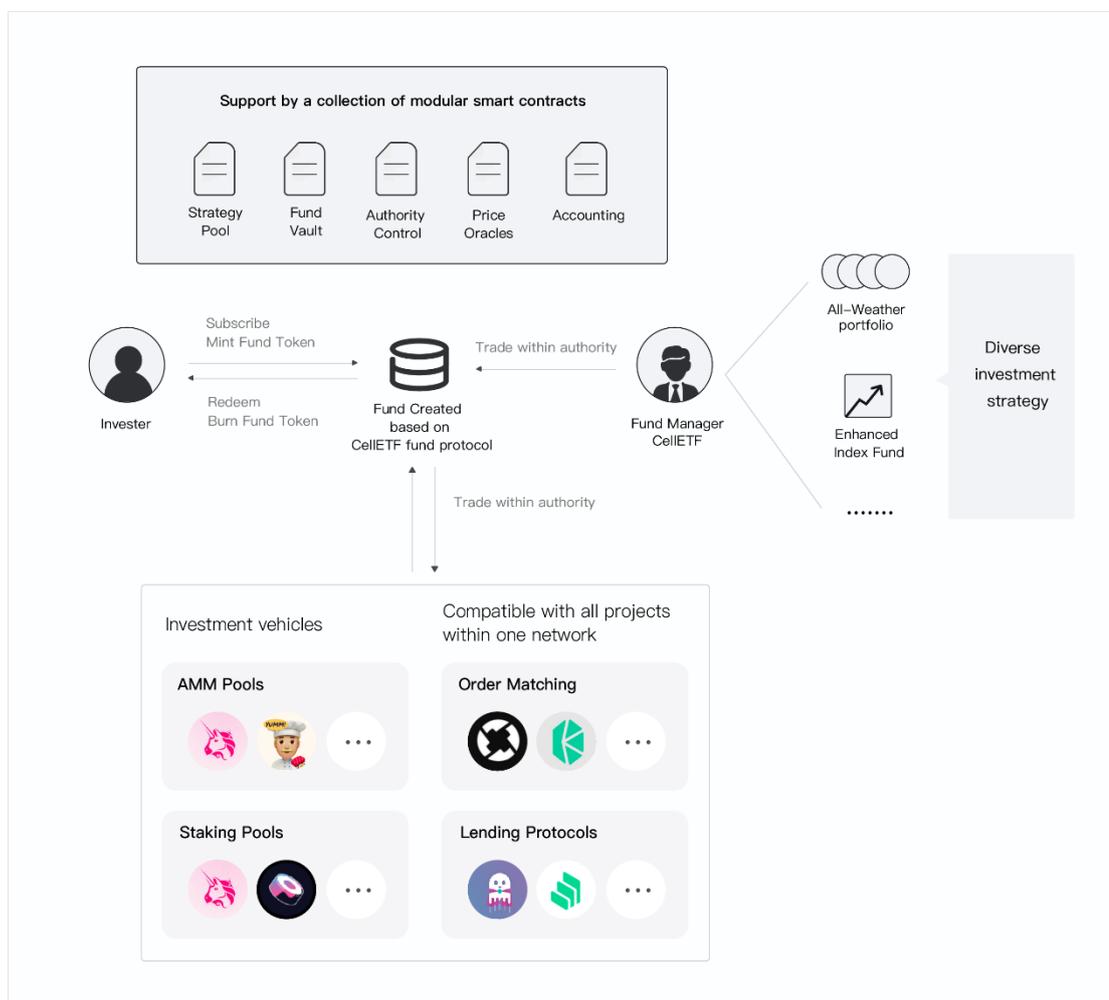
2. **Transparency**

All fund-related transactions are conducted by smart contract, and all the related data, including asset allocation, net worth accounting, strategy changes and other processes of the fund are written in blockchain for users to easily trace, which ensures that the information between investors and fund managers is transparent and symmetrical.

3. **Efficiency**

The Traditional fund management process generally involves due diligence, fund scheme and architecture design, fund filing and creation, fund account opening, etc., accompanied by contract signing and multi-party agreement, which take at least 1-3 weeks to finish all the process While in CellETF, all transactions are on the basis of blockchain mechanism, making the fund traction be quickly deployed and operated on chain.

Technology Concepts



1. Asset Custody

The assets of each fund are safely kept by a specific Vault contract.

2. Underlying Asset

Theoretically, all crypto assets can be selected as the underlying assets in CellETF, and all crypto projects can be chosen as the investment tools for CellETF. The CellETF funds will be firstly deployed in Ethereum network because Ethereum provides an extremely abundant token choice for our fund.

3. Strategy Pool

For different types of underlying assets and investment tools, we will compile

the corresponding strategies into standardized smart contracts. Multiple investment strategies constitute a fund trading authority. Any strategy changes happen to a fund will be earlier publicized to the community.

4. Fund Token

Smart contract distributes the corresponding fund token to the user who buys in CelETF, this fund token represents user's ownership to a series of tokens. To redeem one's funds back, users need to provide the fund token he has mint before.

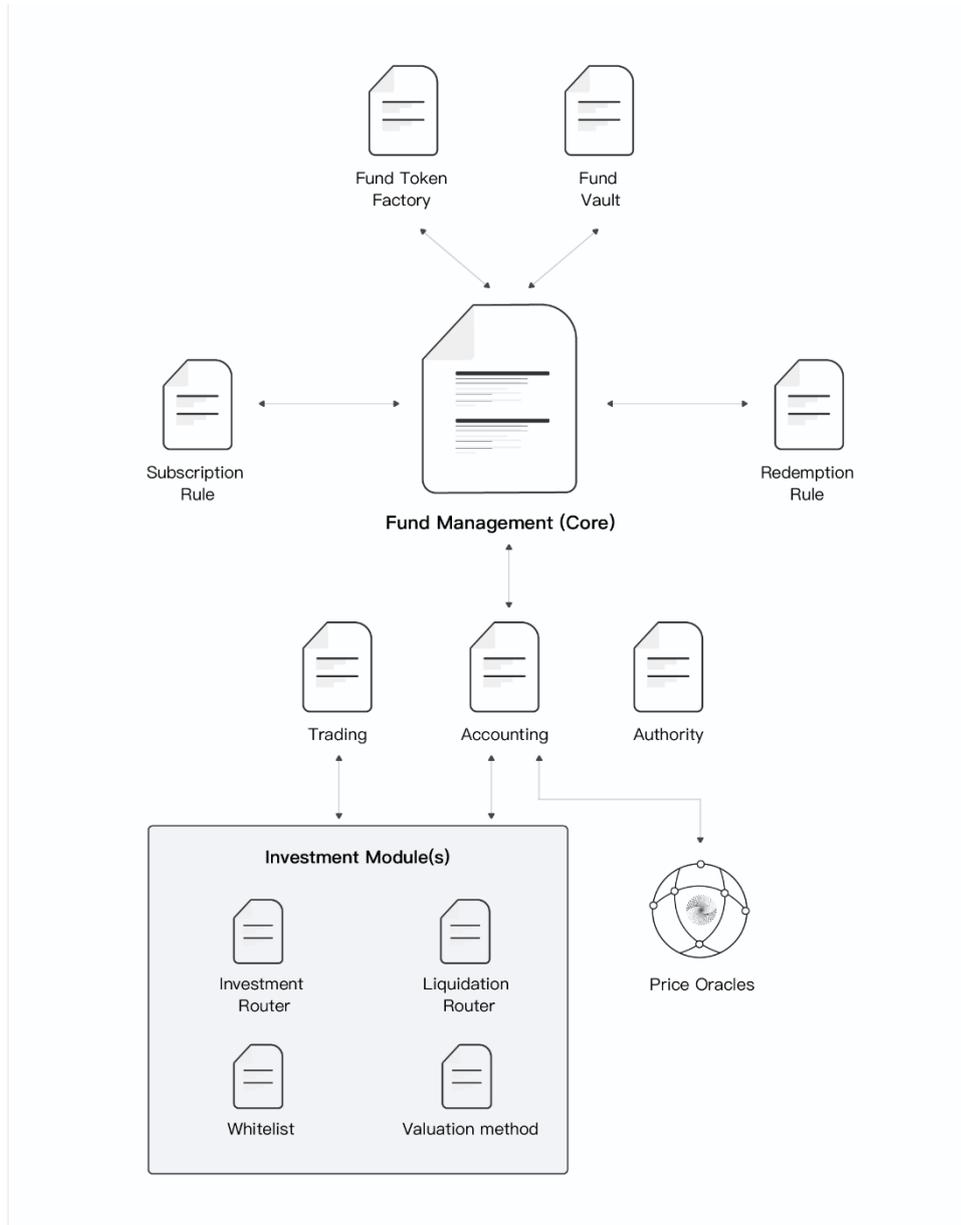
5. Fund Authorization

Asset in Vault contract can't be withdrawn without authorization, it can only be charged by fund managers on a limited investment strategy.

6. Openness and compatible architecture

CelETF will have high compatibility and scalability. First, CelETF can be deployed on different public chains that support EVM, which allows CelETF to become an asset management institution in different blockchain worlds; secondly, DeFi projects in the same network can become the underlying investment tool of CelETF funds. The CelETF fund will establish a diversified strategy pool; finally, on the other hand, under the premise of strict authority control, the Vault contract of the CelETF fund can also support the connection with various decentralized fund platforms, which will be the fund of CelETF. The business provides solid channel resources.

Smart Contract Framework



1. Fund Management Contract

As the core component in CelleTF contract framework, fund management contract includes business logic related to fund business, and plays an overall coordination role among different functional contracts

2. Asset Custody Contract

Asset Custody Contract guarantees the safety of the underlying assets, those assets only be traded within the permitted scope of authority, and no one can withdraw optionally.

3. Purchase Rules Contract

In responsible for fund purchase

4. Redemption Rules Contract

In responsible for funds redemption

5. Authority Control Contract

In responsible for controlling the authority of fund managers, who should manage the assets in vested range

6. Trading Contract

In responsible for calling the investment strategy, and executing the trading instructions initiated by fund managers

7. Accounting Contract

In responsible for fund accounting, and calculate the net value when users purchase or sell.

8. Investment Strategy Module

In Responsible for compiling the relevant crypto assets investment elements into standardized smart contract modules to form a strategy pool for fund calls.

When a new fund is created, it can be used as an investment scope by linking the existing investment strategy modules.

9. Oracle Contract

In responsible for price quoting for fund valuation and net value accounting.

Support Facilities

In addition to the core decentralized fund agreement, CellETF also integrates a series of supporting decentralized applications to enhance the user experience:

- **Fund Token staking Contract**

As an incentive to reward community members who invest fund in CellETF and hold the fund token.

- **eCell Token Staking Contract**

As an incentive to reward community members who lock eCell liquidity in staking contract to establish an adaptive eCell liquidity adjustment mechanism.

- **CellETF Governance Contract**

For the purpose of Decentralized Autonomous Organization governance.

- **DeFi auxiliary tools**

including a series of applications that enhance the user's DeFi experience, such as aggregate swap connected to mainstream DEX liquidity such as Uniswap and Sushiswap, and data pages that provide users with comprehensive asset data query functions.

Features& Superiority

1. High Scalability

The modular and low-coupling contract structure enables CelleTF smart contract with highly scalability. Every investment strategy module is a "Strategy Pool". If a new project is accepted by the DAO, it can be swiftly included to CelleTF by customizing investment strategy contract for this project.

2. High Compatibility

With the world's tokenization, many real-world assets will be tokenized on chain in the near future. With the increase of on-chain assets, the investment scope of CelleTF funds will also expand, thus, CelleTF funds will be able to meet the asset allocation needs for more users with different preferences, and the underlying data architecture of CelleTF can well adapt to regulatory requirements.

3. Portability

As a brand new decentralized asset management platform, CelleTF will also be deployed on different chains before the cross-chain technology is fully mature to provide decentralized assets management services for users on different blockchains. Currently, the CelleTF fund has deployed a testnet version on the public chains with DeFi scenarios as the core orientation, such as Huobi ECO Chain, Okex Chain, Binance Smart Chain, etc.

4. eCell Related Business Development

As the governance token in CelleTF, all fees captured by CelleTF support the

value of eCell. Besides, a part of the tokens will be burnt with the growth of CelETF ecosystem.

5. Node Reward System

Node reward system is the footstone of CelETF ecosystem, which plays the role of governance and business promotion. In the governance aspect, Node is the opinion leaders in CelETF community for better governance. In the business promotion aspect, we provide abundant incentives to reward nodes who make contribution to the development of CelETF ecosystem.

Application Scenario

Based on the diversified strategy pool, CelleTF fund will meet the needs of encryption asset allocation in various scenarios:

User A has a preliminary understanding of encrypted assets and hopes to add a part of the configuration of encrypted assets to the personal asset allocation, but there is no extra time to study each encrypted asset. At this time, she can directly apply for a certain encrypted asset through the relevant recommendation of CelleTF. The fund has completed the allocation of encrypted assets.

User B is a more professional crypto asset investor. CelleTF will provide multiple types of investment strategies, and provide B with fund products with attributes such as leveraged trading and risk hedging.

User C wants to participate in yield farming of a certain project, but the cumbersome operation process and high fuel consumption make it difficult to directly operate. The project and yield farming contract have passed the investment access of CelleTF and established. With the corresponding strategic contract, C can find fund products that are mainly invested in yield farming through CelleTF, and can participate in yield farming with the fund pool without worry by subscribing to the fund.

Project D will use X% of its project profits to repurchase project tokens. The team can choose to create a special fund in CelleTF. This fund serves as a

targeted asset management plan with only one investment strategy. The process of purchasing project tokens in the hands of the market or objects is completely open and transparent.

Main Risks and Mitigation Measures

1. Malicious attacks on fund contract infrastructure

The CelleTF team has always attached great importance to contract security issues. The decentralized applications (including swap, pledge mining, liquid mining contracts, etc. have passed security audits and long-running verification), targeting fund contracts, CelleTF will adopt a number of security measures including internal security audits, external security audits, and vulnerability rewards to eliminate potential hacker attack risks through standardized verification of the code.

In addition to the above risk control measures, CelleTF will cooperate with decentralized insurance agreements such as Nexus Mutual to ensure the safety of the entire agreement and the asset safety of fund holders.

2. Moral Hazard of Fund Managers

First of all, the fund assets are kept by the corresponding Vault contract, and no one has the right to withdraw at will. The fund manager only has the authority to operate the fund assets within the allowed investment range. This setting forms the basis for fund managers constraint.

Secondly, the investment range (underlying assets and corresponding

investment tools) of each fund issued by CelETF is visible to all users. This setting avoids investment risks caused by users ignorant of the strategy.

Third, as a fund manager, CelETF has sufficient motivation to carry out active asset management operations. The CelETF fund issuance and management system is designed to solve the important problem of the Ethereum ecology and the management of encrypted assets in the broader decentralized system. Fund management fees and over-sharing are the core value sources of the CelETF system. We believe that it will enable project parties to drive their asset management business with their own interests. The founding team of CelETF has established a prudent investment decision management framework and will gather the most professional investment Research power provides users with the best asset allocation solutions.

eCell (CellETF Token)

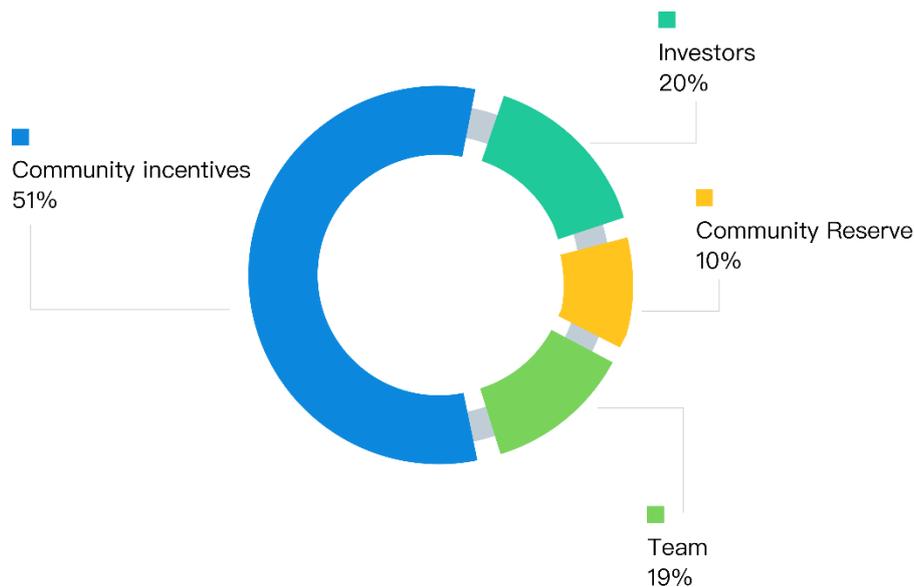
1. What is eCell?

eCell is a governance token that allows token holders to govern CellETF. The total amount of eCell issuance is 20 billion (the inflation rate of ECELL is set at 3%. It is decided that before the community incentive pool eCell is released, this part of the additional eCell will be completely destroyed. Whether additional issuance will be carried out in the later period and the use of the additional issuance will be determined by the community governance). CellETF distributes most of the eCells to CellETF community users and fund investors through "participation and mining", and will use the fund's revenue to repurchase and destroy eCells in the future.

2. eCell Rights

As a circulated encrypted digital equity certificate, Token will become a basic element of the future digital economy. As a representative of the rights and interests of the CellETF community, eCell is the cornerstone for the CellETF community to jointly govern projects in a decentralized manner.

3. eCell Distribution



Investors (20%): used for project development and operation, linearly unlocked in 4 years;

Team (19%): Tokens allocated to the core developers and team members in accordance with the capture of the project;

Community Reserve (10%): used for primary market investment, mainly focus on venture capital for high growth start-up projects.

Community Incentives (51%): Tokens reserved to community members willing to contribute to our ecosystem.

The incentive plan currently mainly includes the following aspects:

- **Investment is mining**

After purchasing ETF funds, investors will receive fund tokens. Staking the token will help the fund to more reasonably allocate the liquidity of encrypted assets and manage fund products from a long-term perspective, so it will give eCell for incentives.

- **eCell Pledge mining**

In order to establish an adaptive eCell liquidity adjustment mechanism, rewards to community users who participate in eCell pledge mining.

- **Promotion rewards for nodes**

- **Future incentive plan**

use it according to the later business development.

4. eCell Destruction Plan

Unlike traditional companies, the value captured by the CellETF belongs to the entire community, that is, the holders of eCell. In order to ensure the value of eCell, all the value captured by CellETF is used for the repurchase and destruction of eCell, which is destroyed every quarter. The current source of value captured by the project consists of the following levels:

- The subscription and redemption fees, management fees, and excess revenue sharing fees of the digital asset portfolio ETF;
- Investment income of community reserve;
- Expenses captured by other products in the future.

The current destruction plan is the initial destruction plan of the project, and the future adjustment plan will be jointly voted and decided by all eCell holders.

CellETF Governance

The holders of eCell play an important role in the governance of the CellETF. CellETF will adopt a decentralized governance mechanism, and all eCell holders will collaboratively determine the project's operation route and smart contract adjustment strategy. The CellETF has made technical considerations for the scalability of contracts and the coordination of contracts and governance mechanisms while ensuring security.



The management of the CellETF will be implemented through the effective proposals of eCell holders and the voting of proposals. The effective proposals will modify the internal management variables of the CellETF or adjust the contract framework of the CellETF. The holders of eCell can vote against Proposals are selected for approval, and the proposal with the most passed votes will become a valid proposal. In general, the governance of CellETF mainly includes three stages:

1. Community consensus stage

The community conducts informal proposal discussions based on the forum. Proposals that reach a preliminary community consensus will enter the

Snapshot space of CellETF for off-chain voting without GAS. At this stage, at least 1% of eCell holders need to pass a decision before entering the next stage.

2. On-chain proposal stage

The selected proposals in the previous stage will be edited/audited to form executable contract codes and submitted to the governance page for on-chain voting. After a 7-day voting period, the final approved proposal will enter The TIME LOCK contract is queued for execution. Consensus nodes, individuals who hold more than 1% of eCell, and the CellETF team can initiate on-chain proposals. The final vote requires the support of at least 10% of eCell holdings.

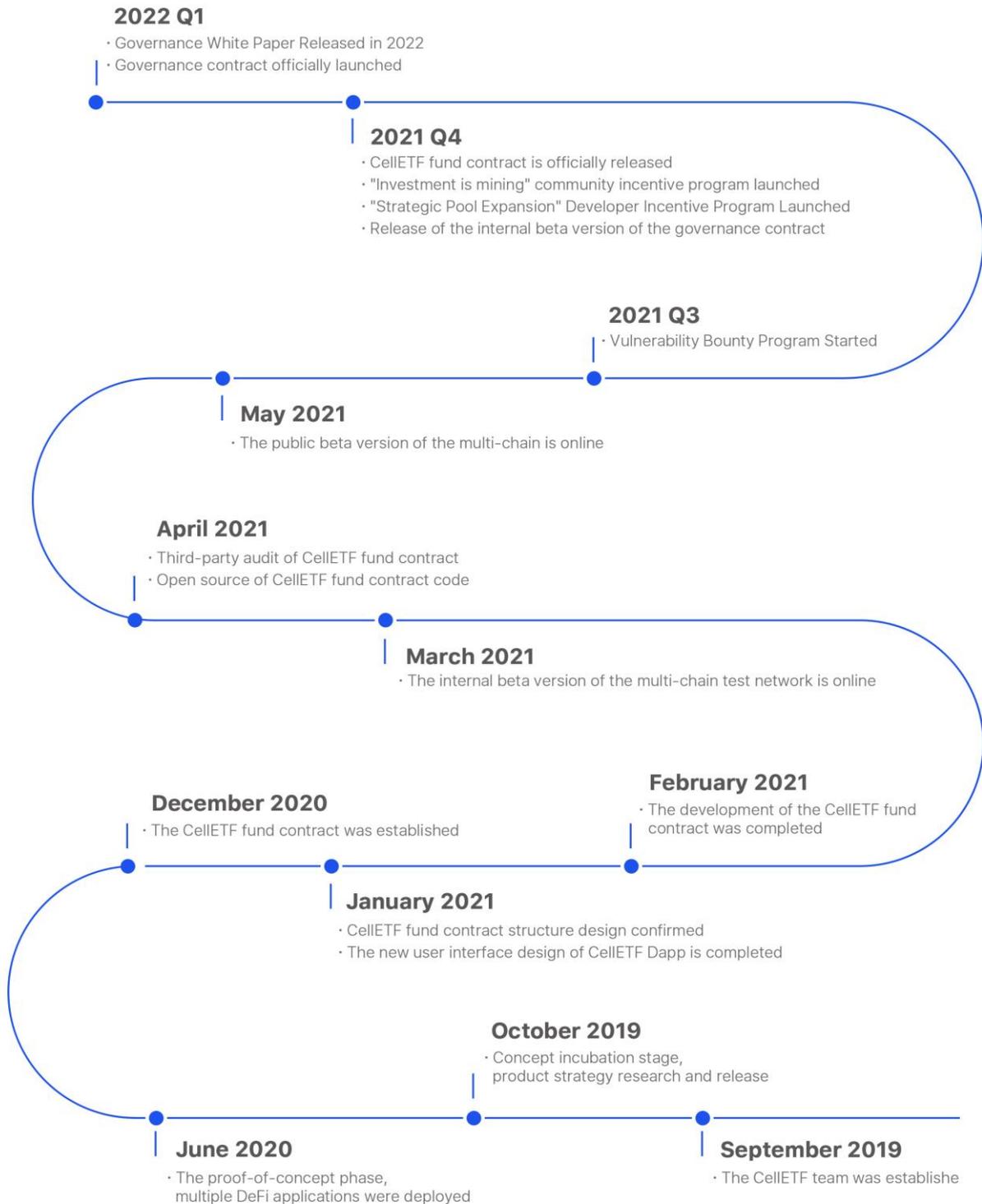
3. Contract execution stage

The finally approved proposal will wait for execution through the TIME LOCK contract. During the period, the content and impact of the proposal will be publicized to all users, and the execution will take effect after a 48-hour time lock period has passed.

CellETF's governance will include but not limited to the following:

- Create a new fund
- Designated fund manager
- Adjust the fund rate (redemption fee, fund management fee, excess income sharing ratio)
- Manage the investment strategy contract pool
- Develop mining incentive strategies for CellETF business promotion

Road Map





Decentralized Crypto Asset Fund