

Vanesse



W H I T E P A P E R

블록체인을 활용함으로써, 투명하고 안전하고 신뢰할 수 있는 경매 시장 생태계를 조성하고, 합리적이고 효율성 좋은 서비스 제공으로 다음 세대의 경매 플랫폼으로 거듭나는 것을 목표로 출시하였습니다.

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- ## Background of the project

Vanesse's first Asset Digital Asset project starts with real estate assets.

Real estate has historically been an immutable asset and is still the most popular stable real asset. It is a real estate with value as a very good asset, but the lack of liquidity can be selected as the most disadvantage of real estate assets.

The digitization of real estate assets, especially commercial real estate, which Vanesse pays attention to, will be the best way to solve the liquidity of real estate assets and increase investment access.

Investors' interest in real estate is growing as the real estate market has not been caught in the 24th measure of the government, and as market liquidity has surpassed 3,100 trillion won due to Covid-19, bubble concerns over real assets have grown.

A decentralized system means a system that operates by pre-promised rules without being controlled or managed by a particular central authority.

Decision making is also made by a large number of participants, and the process and results are all transparent.

Defi (Decentralized Finance) is the most representative of the decentralized systems. It's a tool for exchanging different virtual assets, where someone exchanges the required virtual assets, and someone simply deposits the virtual assets and makes a profit in return for providing liquidity. These processes work only by pre-promised rules, even without a specific central administrator.

These decentralized systems have a relatively short history and are unfamiliar to many people compared to centralized systems.

And there are many disadvantages because of their unique characteristics. For example, the structure that the majority decides cannot be faster than that of a single central agency, which can only be considered a significant inconvenience in terms of usability.

1. A truly free economic model

First, a decentralized system can build a truly complete free economic model.

As a case in point, if a government or central financial institution adjusts or sets a limit on interest on a policy basis, users in the system are forced to follow the rules unconditionally, regardless of individual intentions. However, the decentralized system can identify all of these processes, with those policies determined by the majority of the system's participants

In the end, this will be a new alternative, and users can at least have a choice.

2. Security stability

The decentralized system presupposes the foundation of blockchain technology, and blockchain technology is constructed through the participation of many nodes. This helps prevent excessive monopolization of information that is concentrated in one centralized system and is secure from a security perspective.

3. Activating Competitive Models

The decentralized system is constructed by a large number of participants who believe that the preconditioned rules are valid, so anyone can configure it at any time and replace the existing method with any response.

Of course, users will prefer systems that are even slightly more efficient, which will eventually move toward creating better systems.

4. Limitations of existing decentralized services

On the other hand, if in-kind assets can be connected to a decentralized system, they can escape the limitations of the existing decentralized system. Since Depi and other decentralized services could only leverage virtual assets, there was a risk of price instability and uncertain valuation of virtual assets. However, in-kind assets are very good for being used as a criterion because they are valued under clear criteria while maintaining a relatively stable market price.

5. Expansion of market scale

When services within a decentralized system can be linked to spot assets, it means that they can be linked to larger markets, and they can form different types of markets.

The domestic housing market capitalization exceeded 5,000 trillion won for the first time in 2019. According to the Bank of Korea's 20 2019 National Loan Checklist" released on July 21, 2020, the nominal market capitalization of housing, the sum of the domestic housing (including housing and attached land), reached a record high of KRW 5056.7924 trillion at the end of last year."

The market capitalization increased by 7.4% (347.18 trillion won) compared to the end of last year. Considering that last year's consumer price growth rate (0.4%) was the lowest since 1965, when statistics were compiled, the rise in housing prices was especially high.

Thanks to this trend, the Vanesse platform will create a blockchain auction ecosystem by revitalizing real estate transactions and strengthening accessibility as an alternative investment destination for ordinary people.

For assets used in decentralized systems to be leveraged with value preserved, linked to the blockchain

- 1) Real law is linked to tokenized assets, so the contract remains in effect,
- 2) A game rule designed to retain value on a decentralized system must be provided or meet either condition.

Vanesse has a governance structure that can give legal effect to digitized assets and has been carefully calculated. It is designed to provide rules so that digitized assets can have the value of assets in themselves.

However, in just a few years, the ICO bubble is disappearing, and the price of cryptocurrency has also failed to keep the public offering price or listed price on the cryptocurrency exchange, except for a few things called major coins, and has continued to decline.

Bithumb, Korea's largest cryptocurrency exchange, also invested in companies specializing in asset tokenization in the trend of the cryptocurrency market.

Vanesse wants to join the recent trend of the cryptocurrency market with its own platform and asset tokens.

Single-person households at the center of change in investor sentiment

In most countries around the world, including Korea, single-person households are increasing.

Accordingly, there is a big change in lifestyle, and this influence is also greatly affecting real estate. In particular, single-person households in Korea accounted for more than 30% of all households for the first time. It should be noted that these single-person households are reducing the proportion of deposits and increasing the proportion of cash and stocks after the COVID-19 pandemic. According to the "2020 Korea Single-person Household Report" released by KB Financial Group, financial assets of single-person households in 2020 saw their proportion of deposits fall compared to the previous year and their proportion of investment assets such as cash and stocks rise." Among investment assets, the proportion of stock assets has increased significantly. Last year, the composition ratio of investment assets was in the order of insurance (8.8%), stocks (8.4%), funds/trust (4.2%), and others (1.1%), but this year, stocks exceeded insurance in the order of stocks (12.3%), insurance (8.3%), funds/trust (4.9%), and others (1.8%).

Regarding changes in asset composition, the report also analyzed that the commercialization of deposits fell due to low interest rates, while the demand for cash, including living expenses, increased and stock investment and waiting funds increased after the spread of COVID-19. When predicted based on the report, interest in asset investment of single-person households, centered on the young age group, is expected to continue in the future. This young generation's enormous interest in asset investment will naturally be the basis for expanding the Vanesse ecosystem.

• Vanesse real estate platform

Vanesse tokenizes each real estate product and sells it in the form of an asset-type token. The sale of real estate will be carried out with the delegation of GT Auction Co., Ltd. to Vanesse real estate token buyers, and the sale will proceed automatically if the promised return is achieved at the time of purchase.

Rental income is paid on a monthly basis, and sales income is paid when the sale occurs.

Real estate token investors can have convertibility by reselling real estate tokens through the Vanesse platform exchange.

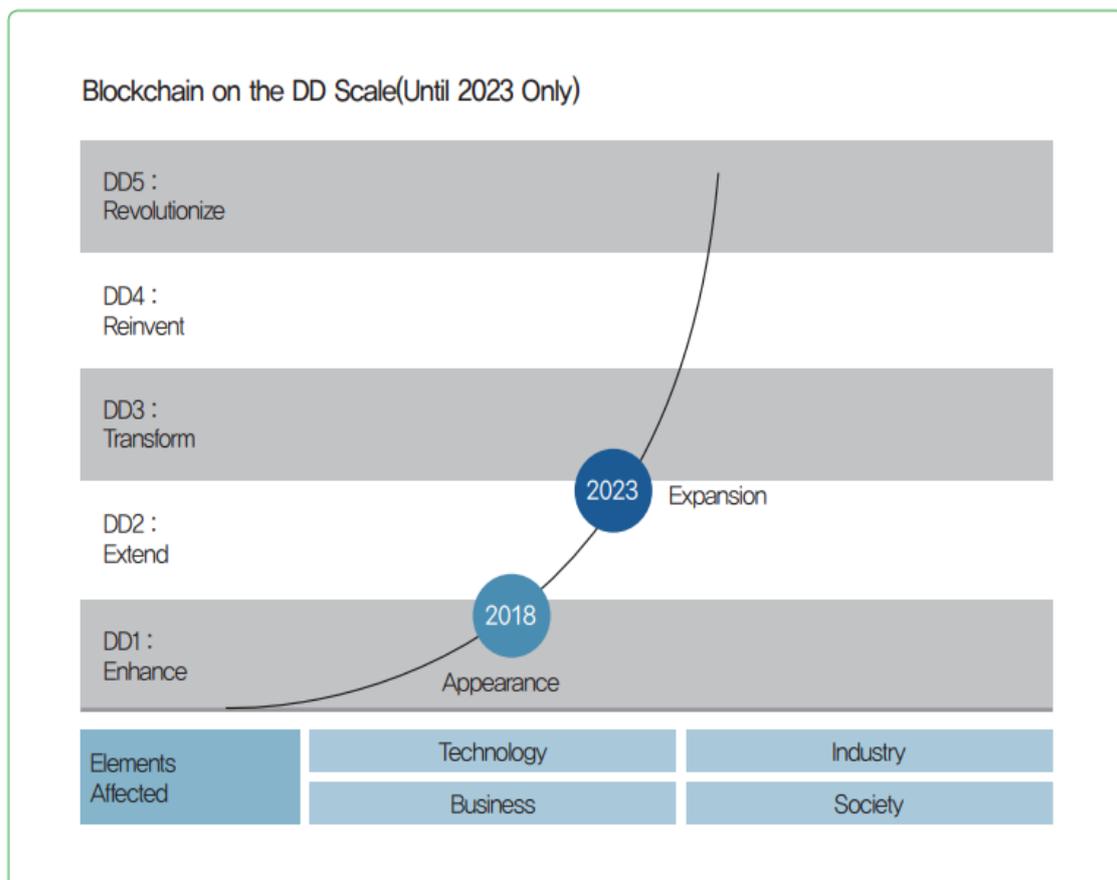


그림 1 디지털 파괴 척도에 따른 블록체인 전망

출처: Gartner (2019) Digital Disruption: Digital Disruption's Digital Disruption Scale, Digital Disruption Scale

1. Vanesse, real estate purchase type

The buy-in type automatically distributes revenue from Vanesse's own wallet based on the ratio of the purchase of the real estate with the amount invested in the real estate product and the share of the monthly rental income and the sale income.

투자금액	부동산 매입금액
임대수익	3개월 단위로 배당 형태로 제공
매각수익	매각 발생시 토큰 소각과 동시에 배당

2. Vanesse, rental income

It is a product that seeks Jeonse, a house on a deposit basis sales with the amount invested in real estate products and allocates monthly rental income generated by subleasing monthly rent

투자금액	부동산 전세금액
임대수익	3개월 단위로 배당 형태로 제공

3. Vanesse, commercial real estate lease

Vanesse will mobilize the initial Vanesse funding to promote the lease of well-located and undervalued commercial properties to revitalize commercial real estate.

Individuals or businesses who want to rent can look at information on commercial real estate on the Vanesse platform and rent it, and benefits will be given if they pay rent with Vanesse tokens.

In addition, if you register your business within the Vanese platform and enter the ecosystem, you can also receive compensation as a platform participant.

4. Vanesse, unmanned store operation

Recently, unmanned stores are pioneering new markets. From small retail stores such as convenience stores to large stores such as marts, unmanned operations are taking place. Unmanned stores are a good answer to the problem of commercial real estate (commercial shops) that have recently been increasing vacancy. All tenants who do business by renting commercial real estate through the Vanesse platform are eligible to enter the Vanesse platform, can pay with rent tokens through the platform, and opportunities such as advertising in the platform are also given.

Vanesse's Platform ecosystem

Vanesse is a decentralized, blockchain-based ecosystem where various individuals and companies related to real estate investment can freely participate at a relatively small amount.

Participants on the Vanesse platform can be rewarded within the Vanesse platform when they perform their needs and roles within the ecosystem and perform their roles normally.



Vanesse's investors can be divided into general investors and VIP investors

a. General investor

General investors are individuals who want to earn profits by investing a small amount in real estate products provided within the Vanesse ecosystem.

Investors can make diversified investments in real estate portfolio products proposed by multiple advisors

b. VIP investor

VIP investors are individuals and institutions that want to make profits by investing a large amount of money in real estate products provided within the Vanesse ecosystem. VIP investors must have a certain amount of Vanesse tokens as a registration requirement.

Real estate information can be obtained before ordinary investors (Vanesse homepage), and invest in real estate tokens on better terms in commission and profit distribution.

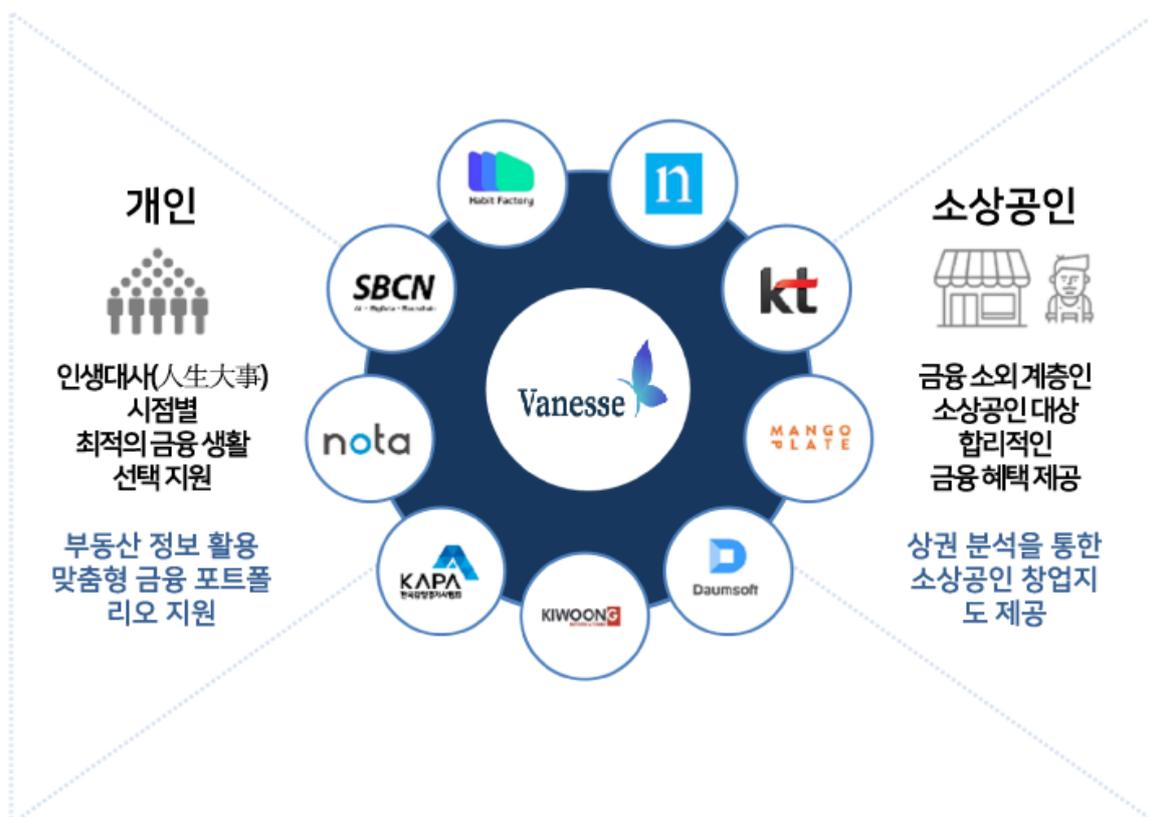
1. Vanesse, commercial real estate tenant

Vanesse commercial building landlord is a tenant of a shopping mall linked to the Vanesse platform, and is an individual and business operator who rents a commercial building through the Vanesse platform and does business.

If you rent real estate assets that come out as rental products on the Vanesse platform, you can pay rent with Vanesse tokens.

2. Vanesse, real estate sellers and Consignor

1. Data validation of offline governance and asset token issuance
2. Data validation and asset token approval by online governance (review committee)
3. Deliver asset tokens to the issuer of asset tokens
4. Always audit data from online governance (general voting rights)



The asset bond token is a token with the ability to forcibly exchange bonds based on in-kind asset collateral, and functions similar to real bonds. Asset bond tokens must be generated within the decentralized system and have legal effect.

The owner of the spot asset proceeds with loan contracts and collateral establishments with the contractor, including the collateral corporation.

(If the Dao organization is officially recognized in the future, a direct contract can be made.)

If the asset bond token generated by the owner and contractor is provided as collateral for the staking, the owner of the spot asset can directly receive the cryptocurrency loan.

The procedure of from (1) to (4) is carried out on the day of the loan request.

Here, the contractor, including the collateral corporation, is a group of users who enter into a collateral contract for the spot asset from the spot asset collateral borrower and borrow virtual currency assets from DiFi based on it.

In return for providing the role covered by the contract in this process, you will obtain a profit and brokerage fee of interest incurred in that process.

In addition, contractors, including collateral corporations, can issue asset bond tokens containing existing collateral contracts, leave them as collateral, and borrow virtual currency directly to lend funds. Through this series of processes, spot assets are digitized, allowing them to have real value on the blockchain in the form of asset bond tokens.

General Seller and Consignor

It refers to individuals and institutions that want to make profits by selling their real estate assets to Vanesse platform.

All or part of the general seller's own assets can be tokenized and sold.

Real estate developer

In the case of real estate developers, construction costs can be raised preferentially within the Vanesse ecosystem

In the case of developers, they can raise construction costs by pre-selling real estate assets through the Vanesse platform and prepare for future flexible asset sales and lease situations

Vanesse's advisor

The advisor plays a very important role on the Vanesse platform.

Advisors can form a portfolio of high-quality real estate investment products and sell them on the Vanesse platform.

Advisors can make profits by selling various portfolios, and investors can make profitable and stable investments using advisors' portfolios.

The more advisors participate, the more diverse the asset types of the Vanesse platform will be.

Vanesse will strictly review and manage the advisors' portfolio.

Vanesse's Management team and Asset Assessment Committee

The Vanesse management team is a team that manages a sound ecosystem by selecting and supervising each interference in the Vanesse ecosystem consisting of investors, sellers, and advisors.

In the early days of the Vanesse platform, it was managed by the Cross International Foundation.

This is because automated liquidation procedures are more important than anything else for digital assets linked in kind, and they must have compulsory legal effect while maintaining centrality.

In the case of asset bond tokens by asset group, the procedure allows you to complete the liquidation process for the asset while maintaining decentralization.

Vanesse's Asset Assessment Committee serves to help investors invest in superior real estate assets by selecting real estate asset products to be sold on the Vanesse platform according to strict standards.

Evaluation is conducted at the request of real estate asset sellers, and properties recommended to investors directly by the Vanesse Asset Assessment Committee can be listed on the platform.

When evaluating, monthly rent income, management costs, and loans will be carefully checked, and in the case of sales applications from real estate developers, financial information and responsibility construction will be strictly reviewed to find the best investment assets.

Vanesse's Legal Advice Team

Since the Vanesse platform is a new form of investment in real estate assets, it requires a lot of legal advice and somewhat complicated business processing is essential.

In order to smoothly perform these tasks and protect the rights and interests of participants in the Vanesse platform ecosystem, Vanesse signed a contract with Minseong, a law firm located in the Korea Building (Gwanghwamun), 91, Saemoonan-ro, Jongno-gu, Seoul.

Furthermore, a platform-specialized legal team will be established to reduce the possibility of various disputes and enable safe investment.