PROJECT SUMMARY

Eternal Trusts is the world’s first fiduciary crypto protocol for creating decentralized apps that securely administer crypto assets through collective decision-making. It replicates the traditional “purpose trust” framework with crypto technologies, making it flexible, transparent, and affordable for the end user. ET Protocol is powered by EOS.IO, one of the fastest blockchains with low transaction fees, and by Hyperledger of IBM.

The Mission

Blockchain is here to stay. The mission of Eternal Trusts, as a cutting edge organization spearheaded by experts in blockchain and finance, is to revolutionize the centuries old fiduciary industry and make it secure, autonomous, transparent, flexible and affordable by creating the world’s first fiduciary crypto protocol.

The inherent qualities of cryptocurrency-based solutions allow us to design an innovative model of a Trust Fund which absolutely outperforms and outcompetes its traditional predecessor. We make this model available for integration to all trustworthy companies that provide financial services today.

Similar to the industry of fiduciary, the global vision of Eternal Trusts lies within the autonomous execution of a wide range of people’s objectives that can go beyond their lifetimes. It reflects the human desire for self-actualization and the pursuit of well-being. We believe that the hopes and aspirations of people living today should not vanish and be forgotten: it is important to preserve present generations’ financial, intellectual, and biological heritage and make it matter in the long-term.

Disrupting the Industry of Fiduciary Services

Nowadays, one of the methods to guarantee that a person’s legacy can have a lasting influence is setting up a trust fund, a special type of legal agreement that provides a trusted third party with the right to hold and spend assets according to a specific goal set by the trust settlor. The trustee services market has not experienced any radical change with the advent of new technology and is still based on centuries-old principles. Currently, it exceeds 20 trillion dollars under management. Although unlike Wills, Trusts allow their Settlors to protect assets from third-party claims and avoid probate, their legal structure is currently incapable of securely incorporating digital assets such as apps, cryptocurrencies and tokens. Moreover, the management fees involved are not affordable for most people, and the range of potential purposes is constrained by the limited expert networks that collaborate with trustees.

The Eternal Trusts protocol combines private and public blockchain technology to make traditional trust funds a thing of the past. The decentralized apps built on ET can serve as an effective, long-lasting financial instrument that will operate autonomously according to a complex asset administration scenario with the ability to add multiple beneficiaries. ET-powered apps can store crypto capital for centuries using the expertise of so-called networks of oracles -- groups of reputable, trusted parties in control of asset administration and rewarded for making optimal decisions. These networks are tasked with managing assets and seeking the best providers
capable of performing the fiduciary purposes set by the dApp end users, be it supporting multiple generations of their offspring financially or contributing to a global charitable cause.

**Token Sale & Major Milestones**

To set the tokenomics of the protocol ecosystem in motion, we are raising funds through a token sale, starting on March 22nd. Funds from the Token Sale will be used for:

- building a protocol with an API that will support an autonomous, intelligent marketplace connecting trustees, asset managers, service providers, and potential customers that aspire to fulfill long-term purposes through decentralized applications (dApps);
- refining and auditing the smart contracts that will provide asset transfer and trust-like enforcement of purpose execution;
- creating a toolkit for deploying Hyperledger-based private nodes that store customers’ documents, data, trust purposes, and legal agreements;
- deploying experimental smart contracts for the prototype and implementing prototype-token circulation;
- finalizing, packaging and distributing the codebase for the private nodes and dApps
- assisting early adopters in the development of dApps on the Protocol
- promotion, sales, and marketing among banks and funds; further organic development of business models on the ET Protocol

**The Team**

The journey to attaining the vision of ET is spearheaded by a team of experts in many traditional and innovative fields that have come together to disrupt multiple industries at once: trust fund establishment, asset management, and hybrid intelligence technology. Eternal Trusts was conceived by Kirill Silvestrov, MBA, an investment banker with more than 15 years of experience in C-level positions and a portfolio investor in biotech companies. The executive team is also comprised of Mark Lea, a legal adviser to the governments of Singapore, Hong Kong, Malaysia, and Samoa on the establishment of trust legislation, and Benoit Vulic, with more than 10 years of asset management experience in leading global investment companies, in managing “funds of funds”, and active portfolio management.

In total, the team of Eternal Trusts boasts decades of top-level experience in their respective fields.
PROBLEM STATEMENT: THE TRUST INDUSTRY AND ITS ISSUES

The fiduciary market

A fiduciary is an individual or organization legally responsible for managing assets on behalf of someone else, usually called the beneficiary, or for executing some charitable or non-charitable purpose. The assets must be managed in the best interests of the beneficiary, not for the personal gain of the fiduciary.

The aging population is expected to drive an unprecedented transfer of wealth between generations. According to the Social Welfare Research Institute at Boston College, more than $41 trillion of assets will be transferred between generations from 1998 to 2052 in the United States only. This process of wealth transfer is highly complicated and requires collaboration with trustees, lawyers, and estate planning agents to create wills, trust deeds, amendments, to register those documents with authorities and act upon them.

Clients usually interact with a special kind of company called “family office” to avoid dealing with multiple parties and limiting their point of contact to just one:

The scheme above represents the complexity of the fiduciary industry.

The most popular jurisdictions for offshore trusts are Belize, Cook Islands, Nevis, Luxembourg, Jersey, Cayman Islands, and the British Virgin Islands, with the biggest onshore jurisdiction being USA.

Overall, just in the US the revenue of the industry is expected to grow an annualized 6.6% to $169.8 billion over the next five years.
The overall market of trusts dramatically exceeds 20 trillion dollars of asset under management, even though the exact figure can be hard to determine, since in some jurisdictions the regulation does not require the trust company to disclose how much money it holds under management. There are more than 3 mln trusts and more than 50,000 companies operating and administering those trusts. The five largest institutions regarding fiduciary trust assets are State Street Corporation, The Bank of New York Mellon Financial Corporation, Northern Trust Corporation, Wells Fargo Bank and JPMorgan Chase and Company.

Wealthier individuals who need an efficient way to transfer assets between family members and other individuals, charities and purposes typically dominate the trusts industry. Most common trust agreements include simple purposes, like passing inheritance to one’s heirs and more complex ones, like supporting a dynasty over multiple generations or financing charity organisations that can have a positive impact on humanity. There can be unusual purposes too: some of the examples are identifying each new Dalai Lama and supporting him financially, or paying for the services of cryocompanies to store clients’ brains or bodies long-term in order to bring them back to life in the future. Those kinds of goals may seem eccentric but Trustees would still be legally obligated to find extraordinary ways to fulfill them for the clients.
As the population ages and estate planning becomes more relevant, demand for instruments that secure assets grows. Also as markets improve and individual savings increase, trusts become a more attractive vehicle for growing assets to distribute later.

The complicated process of establishing a Traditional Trust

Currently, all fiduciary cases, from the simplest to the most sophisticated require a client to approach a regulated institution and to register their agreement (a will) or incorporate a complex legal infrastructure like a trust. This process consists of many complicated steps: registering a holding company to manage the assets, drafting and signing a trust deed, opening bank accounts, paying the Trustee annually for the trust administration and for bookkeeping, hiring a Trust Enforcer and/or Trust Protector.

Let’s take a closer look at how the establishment of a trust fund usually goes:

1. Clients complete the KYC procedure and pay for the drafting of a Trust deed. The trustee documents the client’s wishes in relation to the trust assets, and the client transfers the right of asset ownership to the trustee.
2. They incorporate a holding company to transfer assets to it, assign the trust protector, enforcer, pay yearly administration fees and bookkeeping fees.
3. The trust company usually takes care of the asset management and seeks to grow the wealth in accordance with a certain financial strategy and the wishes of the trust settlor.
4. When the conditions laid down in the trust deed are met, the assets are spent on achieving the trust purpose.

Despite the high growth of the industry and the substantial value it provides to the customers, it is far from being affordable to a larger audience and has certain limitations as to how it can be used. Such a structure is not only expensive to incorporate and to administer, but in most cases it also requires an unlimited amount of trust to be given to the Trustee. The Settlors most likely lose control over their assets (which however further acts as a tax shield), they can advise the Trustee as to what should be done with the assets only indirectly, the purposes that are put in the trust deed must be legal, and marketable at the moment.

Fiduciary needs of cryptocurrency holders

As any other people, holders of cryptocurrencies are afraid that their crypto assets will be lost or their potential wasted once they lose legal capacity to control them. Hence, they need a fiduciary mechanism for their crypto capital in order to:

- Avoid probate, protect it from unwarranted redistribution, such as bankruptcy etc., when they lose control over it;
- Manage it and make it grow overtime;
- Spend it to fund their long-term trust purposes, e.g., asset redistribution between generations or funding charities, without their direct participation.

DIY solutions, such as passing private keys from a wallet to a third party or storing “cold wallets” in a vault, tend not to work well because they lack necessary security.
Moreover, it is almost impossible for crypto holders and “new money” to obtain value from trustees because:

- Trustees can’t easily integrate crypto currencies into the workflow
- Trustees can’t easily manage crypto assets
- Trusts are expensive: trustees can’t serve mass market/lower income customers due to the high costs of legal compliance & business operation in traditional finance
- While the whole world becomes mobile and connected, interaction with trustees requires physical presence and a lot of paperwork. The industry still operates on the centuries-old principles

<table>
<thead>
<tr>
<th>Reasons to incorporate a traditional trust</th>
<th>Issues and challenges of the industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trusts are used to pass wealth between individuals who are retired or deceased to family members or other beneficiaries as part of a will;</td>
<td>Objectively assess new investment projects;</td>
</tr>
<tr>
<td>Trusts are also used to pass assets on to charities or to protect assets if a beneficiary is not able to take control of them;</td>
<td>Trusts are difficult to dissolve or reallocate asset-wise if conditions change;</td>
</tr>
<tr>
<td>Trusts are used to pass wealth to a specific non-charitable purpose;</td>
<td>Ability to effectively manage risks involved in investing;</td>
</tr>
<tr>
<td>Individuals and businesses use trusts to shield assets from creditors during bankruptcy filings;</td>
<td>Costs of incorporation and administration are very high. Asset management service fees range from 0.75% to 1.25%, depending on the value of assets under management and the fund manager’s level of expertise;</td>
</tr>
<tr>
<td>Trusts as a whole allow to avoid probate, provide privacy;</td>
<td>Limited range of purposes, only those that are legal, ethical and executable at the current moment;</td>
</tr>
<tr>
<td>In some jurisdictions trusts act as a tax shelter.</td>
<td>Trust industry experiences a rise in regulations which forces Trustees to flee to offshore zones.</td>
</tr>
</tbody>
</table>

Although unlike wills, trust funds allow the protection of assets from third-party claims and avoid probate, their register systems are currently incapable of securely incorporating digital assets such as cryptocurrencies and tokens, and the range of potential purposes is constrained by the limited expert networks that collaborate with Trustees.
Trusts have operated in a similar way for a very long time but as capital redistribution and the inheritance needs of people grow, and as financial technology advances at rates unprecedented in history, a growing number of individuals are now thinking well beyond their own life times when it comes to the future management of their wealth. Here’s where the decentralized trusts of ET become valuable and necessary by providing effective methods of scaling fiduciary services.

**PROPOSED SOLUTION**

**The ET Protocol**

_Eternal Trusts is an EOS-based fiduciary crypto protocol. It allows financial service providers to build secure & fast decentralized applications that can integrate collective decision-making into asset administration._

As an open source protocol, Eternal Trusts allows traditional trustees, family offices, and estate planning institutions interested in accepting cryptocurrencies or integrating blockchain into their business processes to offer a brand new model of trusted asset administration to their clients. Eternal Trusts provides a robust and more publicly accessible set of mechanisms based on smart contracts and will cause the proliferation of a new distributed ecosystem of cutting edge fiduciary services, potentially allowing a wide range of people to attain long-term fiduciary purposes that best suit their needs.

Unlike in traditional centralized trusts, the trustee powered by ET Protocol is represented by:

- The system of Smart contracts -- blockchain algorithms that work as real world paper contracts but do not require a centralized arbitrating party.
- Networks of Oracles -- groups of trusted parties selected by the dApp founders to be in control of asset administration for their clients, and rewarded for optimal decisions.
- ET Token -- a smart contract-based medium of exchange that is used by all participants of the Protocol.

The combination of these 3 components implements so-called _Purpose Execution Flow_, advanced algorithm that autonomously fulfills asset administration goals.

ET Protocol provides the following built-in mechanisms:

- A customizable dApp with an interface for onboarding clients, determining their goals, beneficiaries, trusted parties, and potential “triggers” for transactions
- A framework for recording private and public data of the clients onto the blockchain for indefinite, secure storage
- A system of smart contracts that establishes rules of interaction between participants
- A wallet for accepting, trading, and storing cryptocurrencies
- Highly configurable centralized or decentralized decision making mechanism
- Assignment of specific roles for trusted parties that can freeze or release assets through the multisignature mechanism
- A reward system for optimal actions on behalf of the client
- Vetoing transactions by clients or his/her trusted parties
- Inherent dispute resolution mechanism
- Asset management through tokenization
Anonymization of the source of funds and encryption of client’s data

Any dApp founder, be it a trustee or a bank, can attract and incentivize multiple pools of experts, organizations and AI-algorithms that can become responsible for constantly breaking down the settlors’ long-term objectives into smaller parts and seeking the most reliable providers that can complete them in the most optimal way. A dApp built on the Eternal Trusts platform is unable to avoid fulfilling the undertaken obligations written into the blockchain for autonomous execution. The flexible autonomous system, called Purpose Execution Flow, initiates the voting process on preset triggers, finds the most optimal solutions for the client with the help of Oracles, analyzes potential contractors and, if they meet the predetermined set of reliability criteria, proceeds to purchase the services that the client requires.

Roles of the protocol participants

dApp Founders & Directors

dApp founders buy ET Tokens with fiat or crypto to create dApps on the protocol and set up networks of DAO directors, oracles, service providers, and maintain server infrastructure. By purchasing tokens, dApp founders can become DAO directors and set business models/prices for their dApps. Their clients pay for their services with ET Tokens as well. Potential dApp founders consist of private crypto funds, trustee services, family offices, banks, charities, established asset administration dApps, and all those who need collective decision making to release assets and act optimally to fulfill a given purpose.

Oracles

dApp founders can put together or lease a network of Oracles -- group of reputable, trusted parties selected by the trustees or their clients to be in control of asset administration, and rewarded for making optimal decisions. You can employ already established expert networks that specialize in fields related to the client’s purpose. Potential Oracles are comprised of research organizations, prediction networks, and AI providers.

Service Providers

Service providers are employed to execute the clients’ purposes. Forming the network of service providers while earning an additional fee from customer’s assets is an appealing model for organizations working with exchanging cryptocurrency and fiat money, as well as any service providers ready to accept cryptocurrencies as a means of payment. Potential service providers are biomaterial storage facilities, trading platforms, crypto exchanges, asset managers, and legal services.

Nodes

dApp founders can deploy their own private Hyperledger-based node network with limited access to data/keys to establish private information channels between the participants. However, they can also use ET Tokens to rent already existing networks that opted in to participate in the platform and passed security audits.
An example customer journey for dApps built on ET Protocol

1. The client undergoes a remote onboarding procedure through a convenient, customizable dApp with a simple web or mobile interface and creates a record in the private blockchain, including the end goal for asset spending, the beneficiaries, and potential external events that trigger the dApp to start acting on behalf of the client.
2. With the help of the dApp founder, the client assigns roles for oracles -- a network of trusted decision makers (protectors and enforcers of the trust) that will collectively administer assets.
3. Smart contracts, which determine the rules of the trust process and the responsibilities of the participants, are deployed by the protocol. The client can transfer the assets under management of the trust.
4. The chosen asset management providers or the trustee manage the client’s assets according to traditional strategies adjusted for the crypto world. The oracles, which are responsible for acting collectively upon identified triggers, vote for the most optimal solutions for the client given the initial needs, wishes and purposes.
5. When the conditions of the client’s purpose are met, Oracles release the client’s assets through a multisignature, which requires consensus of multiple oracles. All necessary payments are made automatically. In the end all participants receive their predefined rewards for acting optimally on behalf of the client.

Value for traditional fiduciaries

Trustees & or fiduciaries that create ET-based dApps receive a full packaged and flexible solution for their clients that includes an algorithm similar to that of the trustee decision-making process.

Eternal Trusts protocol solves most of the issues that traditional trustees & fiduciaries experience in their work:

- An ET-dApp has much lower costs of incorporation and administration;
- An ET-dApp can solve an extensive range of purposes, including those that will become legal, ethical and executable in the future;
- Eternal Trusts exist solely in the crypto world as decentralized autonomous organizations, hence the clients’ assets are shielded against third party claims.
- Clients are allowed to plan a variety of scenarios to be executed, ranked by their priority, and the long-term blockchain-based stability of the protocol can increase the chances of their successful outcome.
- Assets are managed through stable tokenized strategies so that with every year there are more funds to be spent on fulfilling crypto-trust purposes.
- External experts can vote for the optimal solution for clients, taking into account their specific cases and circumstances.

Decentralized networks of oracles that can be employed may consist of experts in asset management, charity, trust management, life extension, pension plans, education, security. Those networks will be providing crowd assistance to traditional trustees in decision making and acting on behalf of the client. A Trustee that integrates the ET protocol into its business processes becomes more reliable, less biased and has more chances to take care of the client successfully.
The benefits for the Trustees powered by the ET Protocol:

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety of assets</td>
<td>Assets are protected from all legal claims and are impossible to withdraw without the whole dApp network agreeing to the solution.</td>
</tr>
<tr>
<td>Earning more on managing assets through tokenization</td>
<td>Crypto assets can be distributed among a variety of asset classes via tokenized ETFs, equities, FI, REIT, etc. to provide reasonable risk/returns ratio.</td>
</tr>
<tr>
<td>Smarter decision making</td>
<td>The ET-powered trustees can Integrate expert networks and AI to solve any fiduciary purpose of the client.</td>
</tr>
<tr>
<td>Faster operations</td>
<td>Decisions can be made remotely and are only limited by the speed of the blockchains used.</td>
</tr>
<tr>
<td>Perspective for new markets &amp; services</td>
<td>Trustees can scale their services onto new markets of crypto enthusiasts, the low/mid income and developing markets, or solve a wider range of purposes for their current target audience.</td>
</tr>
<tr>
<td>The protocol is flexible &amp; Modular</td>
<td>If needed, trustees may integrate only what their company needs, be it cryptocurrency payment gates or the full decision making process. The protocol provides varying levels of trust structure, privacy, and voting rights highly configurable by the dApp founders.</td>
</tr>
</tbody>
</table>

Value for end users

End users of decentralized trusts built on ET are benefiting from a more affordable and flexible solution that uses the long-term stability of blockchains and smart contracts to preserve their financial heritage and make it matter in the long-term. A dApp built on ET can provide crypto digital inheritance solutions, dynasty support mechanisms, or solve custom use cases of crypto administration.

The benefits for the end users of ET-dApps

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less volatility for crypto and more potential profit</td>
<td>Crypto assets are managed through tokenization of indices, stocks, and bonds, hence volatility is low and profitability of the traditional financial instruments is achievable.</td>
</tr>
<tr>
<td>Potential revocability</td>
<td>dApp founders can determine whether clients’ assets are revocable depending on the use case.</td>
</tr>
<tr>
<td>Feature</td>
<td>Description</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Potentially more affordable for mass market</td>
<td>10x less commissions and fees.</td>
</tr>
<tr>
<td>clients</td>
<td>Clients’ data are stored in private, secure nodes, allowing for anonymity and untraceability.</td>
</tr>
<tr>
<td>Anonymity</td>
<td>Clients can assign specific roles, customize their operations and veto non-optimal asset spending.</td>
</tr>
<tr>
<td>Customization of the fiduciary process</td>
<td>Assets are controlled through a multisignature, hence the risks of key loss or hacking are zero.</td>
</tr>
</tbody>
</table>
| Multisig security                            | The competitive position of an ET-dApp is a real life example of the Blue Ocean Strategy created by professors of INSEAD, one of the top business schools in the world. This strategy challenges the classical strategic method by encouraging bigger customer segments and focusing not on existing but on potential clients. It is considered the best method to accelerate growth and ensure high profitability of the company in the long term. Instead of trying to compete with multiple companies on marginally profitable markets (“red ocean”), a trustee that uses the ET Protocol aims to create a demand from the ground up in a completely new market (“blue ocean”), where there is almost no competition. Such competitive positioning allows those who build their ET dApps to protect their business models and value proposition from being copied by competitors. Thanks to the unique combination of innovative technology of decentralized data storage, oracles, and smart contracts, the ET dApp founders of Eternal Trusts will likely create a completely new market niche at the intersection of large markets.

**Competitive environment & The Blue Ocean Strategy**

As an open protocol, ET is creating an uncontested market space that will provide value for those who need an alternative to a traditional trust, for those seeking asset management in the crypto world, for those who think that technologies going forward might allow for the execution of more than simply trivial purposes, but also personal dreams, whether selfish or altruistic.
### Traditional Trusts vs. Trusts built on ET Protocol

<table>
<thead>
<tr>
<th>Point of Comparison</th>
<th>Traditional Purpose Trusts</th>
<th>ET-dApp</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets transferred to the trust fund</td>
<td>Real estate, insurance, fixed income, equity, cash, etc</td>
<td>Cryptocurrency, tokenized assets</td>
</tr>
<tr>
<td>Infrastructure ensuring execution of purposes</td>
<td>Regulatory bodies, boards of trustees</td>
<td>Hybrid intelligence &amp; smart contracts platform</td>
</tr>
<tr>
<td>Data storage</td>
<td>As required per regulation</td>
<td>Decentralized, private and secure, but also flexible</td>
</tr>
<tr>
<td>Extensive range of purposes (including those not executable at the moment)</td>
<td>Purposes that are legal, ethical and achievable</td>
<td>Basically any theoretically doable purpose</td>
</tr>
<tr>
<td>Revocability</td>
<td>Irrevocable</td>
<td>Can be both, depending on the purpose and chosen infrastructure</td>
</tr>
<tr>
<td>Incorporation and management fees</td>
<td>Up to 20k USD per year of administration fees</td>
<td>x10 times cheaper</td>
</tr>
<tr>
<td>Expertise of the trustee in the areas needed by the client</td>
<td>Questionable</td>
<td>Guaranteed by the protocol</td>
</tr>
<tr>
<td>Methods of asset management</td>
<td>Traditional only</td>
<td>Innovative</td>
</tr>
<tr>
<td>Limited length of the agreement</td>
<td>Limited</td>
<td>Unlimited</td>
</tr>
<tr>
<td>Role of the fiduciary / agent</td>
<td>Passive role</td>
<td>Active role. Any dApp will autonomously act to purchase what the client initially wanted.</td>
</tr>
</tbody>
</table>
### Smart contract templates vs ET Protocol solutions

<table>
<thead>
<tr>
<th>Point of comparison</th>
<th>Smart contract template</th>
<th>ET Protocol solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexibility</td>
<td>Not flexible, can be executing only scenarios which have templates. Customizing and validation will cost 2k USD +</td>
<td>Experts employed by the dApp founders collect data from the client as to what has to be done in a variety of scenarios</td>
</tr>
<tr>
<td>Ease of use</td>
<td>Customizing existing templates of smart contracts require deep understanding of the logic of their execution and parameters</td>
<td>dApps can be very easy to use for the customers (mobile/web apps)</td>
</tr>
<tr>
<td>Risks involved</td>
<td>Relying on smart contract templates the user takes all the risks of losing private keys, theft, human error faults in wallet designation, etc</td>
<td>The protocol is motivated on fulfilling preset purposes and is capable of solving issues requiring interaction of smart contracts with the traditional world</td>
</tr>
<tr>
<td>Decision making</td>
<td>All changes to the contract are enforced only via oracles. In case of templates - oracles are centralized and most likely represent the users themselves</td>
<td>The decision making process and acting on behalf of the client is done with the help of oracles - experts in their fields, that monetize their passive knowledge, providing solutions to each specific case</td>
</tr>
<tr>
<td>Dependency on the platform</td>
<td>Templates operate only on one platform and on one blockchain. All the risks of the platform (overload, forks, high volatility of the base currency) are fully on the customer</td>
<td>ET dApps allow multi platform independent crypto asset management, provided by cross chain gates, oracles and crypto-funds. At least two blockcians and appropriate smart-contracts - public and private - are controlling operations</td>
</tr>
</tbody>
</table>
THE ORIGINAL ET-dAPP: AN EXAMPLE

Introduction

The first dApp based on ET Protocol that other trustees can use as is, or fork, customize, and white label in collaboration with the ET development team, is currently in development.

ET dApp Screenshot

The original ET dApp will be the world’s first dApp providing trustee services for the crypto world, by fulfilling simple “Dynasty Trust” scenarios for clients and replicating the traditional fiduciary inheritance and asset redistribution schemes. This application will serve as an example of how the ET Protocol can be used by trustees to establish more convenient and faster channels of direct communication with clients and experts.

The Market for the original dApp

The team of ET believes that financial planning is crucial for every person, no matter whether they belong to the world of high finance, or the crypto community. We also believe in the extended long term growth of the crypto markets and the further tokenization of assets, which is particularly expected to become most prominent in the financial industry. Hence, before dividing the potential clients of our dApp into groups in terms of their consumer behavior, we attempt to evaluate the market by the top-down approach, analyzing the data that can be found in open sources to approximate the headcount of beneficiaries of value created by our ET dApp.
According to the Cambridge University research, there were more than 30 million crypto-wallets registered around the world by 2017\(^2\). This figure quadrupled since 2013. We use this estimate as an underlying basis for our calculations, also mentioning here that the number of wallets has obviously soared since 2016 and with a given pace of growth it may reach 1 billion by the latter period of our planning time-frame.

We know that a trust settlement and maintenance is an expensive service to purchase. IBISWorld Trusts & Estates in the US Industry Report states that there are only 3.2 million trusts and similar entities settled in the US and also that this figure is strongly correlated with the number of households with 100,000 USD or higher yearly income. We may reasonably suppose that there are at least 5 million such structures existing in the world. There is an indirect confirmation of this logic in the estimates given by the Global Rich List project\(^3\): there are only 5 million people in the world with a yearly income of 100,000 USD. Hence, traditional trusts settlement and management industry is currently most likely limited by the number of 5 million wealthy individual clients due to its costs. However, we also know that there is huge capital to be transferred between generations in the coming years, and the industry of trusts may face significant market expansion.

The first dApp built on ET Protocol offers dramatically friendlier pricing as well as more convenient client service and thus may reasonably expect a larger available market. We use the same Global Rich List functionality to evaluate the number of individuals that are worth 100,000 USD (not yearly income) and might spend 10% of their wealth to switch onto the crypto world. Our calculations returned an estimate of 367 million people globally. Our assumptions on the size of the market obtainable by 2023 for Eternal Trusts are shown in the table below:

<table>
<thead>
<tr>
<th>Available market</th>
<th>Acquisition forecast</th>
<th>Obtainable market</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>pers.</td>
<td>%</td>
</tr>
<tr>
<td>Crypto holders</td>
<td>30 000 000</td>
<td>1%</td>
</tr>
<tr>
<td>Fiat holders (when distributing a protocol)</td>
<td>367 304 362</td>
<td>0.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**The business model for the original ET dApp**

In the first ET-dApp, in accordance with the so-called Purpose Execution Flow implemented by the protocol, all clients are supposed to purchase ET Tokens and go through onboarding services with Oracles to get everything customized – this part of the business process is paid with the initial fee, to be adjusted by the dApp founders if needed. Within the lifecycle of a product or service, the client pays transactional fees that may be of a different nature. It is recommended to purchase one specific service regularly, at least once a year – that is a revision of an investment strategy for the client’s assets. There are no more compulsory fees included in our financial model in order to keep it reasonably pessimistic and simple to verify. To sum up, there are three main sources of revenue for the original dApp. They can be 100% tokenized, i.e. paid by ET tokens, or can be paid as a part of the traditional management fee as a portion of Assets Under Management (AUM) in case of long term purposes:


\(^3\) [http://www.globalrichlist.com/](http://www.globalrichlist.com/)
- **Onboarding fee** of 600 USD (Customizing a personal smart contract, breaking down the purpose into identifiable milestones, choosing a Protector, a group of dedicated oracles, arbiters, solution consultants and voters, creating a client profile, appending the broken down purpose onto the public blockchain, and uploading the private information of the client into the private blockchain)

- Yearly **investment strategy revision** of 600 USD (reshuffle of asset managers in order to keep the investment strategy up to date. At least once a year is recommended, once a month is optimal)

- **Acting on triggers**, 600 USD worth of Eternal Trusts tokens for casting a new vote and acting according to a solution that requires the transfer of assets to a new crypto wallet

Moreover, client’s crypto assets should be optimally invested in order to achieve financial targets required to purchase the purpose. As external asset management providers join the platform and the global process of assets tokenization speeds up, we expect that the role of our customized investment strategy as a part of the whole assets allocated through our ET dApp may decline. The basis of our investment strategy that we plan to use within our dApp is described in Appendix 1.

**Cost analysis (basic corporate use case)**

Let’s give an itemized estimate of the costs of integrating the protocol (costs are given in dollar equivalent of tokens):

- $1000 to build a dApp with the protocol toolkit.
- $100 per each DAO director.
- $25 per each oracle.
- $10 per each node.
- $100 -- holding amount per each provider.

A sample dApp case might consist of:

- 100 customers
- 10 DAO Directors
- 15 oracles
- 11 nodes
- 10 contractors

Which yields:

- $3500 for starting up the whole infrastructure
- $10 000 -- customization
- $5 000 per month -- maintenance and technical support

The minimal cost of all items needed to integrate the protocol into an existing business in need of the collective fiduciary management of client’s assets, is predicted to be at about $10 000 in fiat or tokens to set up the dApp and about $5 000 per month for technical support, consulting, and server maintenance.

To sum up, the cost of out-of-the-box protocol integration into corporate IT systems and business process is negligible. A company integrating the ET protocol receives a ready-made solution that
includes exclusive rights to sell their dApp, choose private nodes or networks of oracles for their specific use cases, and the full functionality of the purpose execution flow for an affordable price.

**ET dApp Long-term Purposes**

**ET dApp Dynasty Support Algorithm**

**Objective** – replicating the model of a Dynasty Trust, which provides all kinds of support for the family members of the client for an unlimited amount of time.

**Solution** – Finding asset managers that would secure returns of traditional developed liquid markets and sending generated income via smart contracts to the wallets of the given beneficiaries after the dApp receives external triggers (age of the beneficiary, educational degree, marital status, loss of legal capacity of the settlor, etc)

**Tasks for Oracles** – to properly identify preset triggers, to properly identify beneficiaries, to ensure the safe and reliable transfer of assets, and to check that payment was received

**Initial assets to be input** – cryptocurrency, not less than 10 ETH

**Expected overall number of triggers** - 100

<table>
<thead>
<tr>
<th>Points of Comparison</th>
<th>Will</th>
<th>Traditional Dynasty Trust</th>
<th>ET dApp Dynasty Support Algorithm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avoiding Probate</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Protected from all claims of 3d parties</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Complicated Scenarios of Inheritance</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Tax shield</td>
<td>No</td>
<td>Depending on the chosen jurisdiction</td>
<td>Yes</td>
</tr>
<tr>
<td>Pricing for incorporation, deployment</td>
<td>Minor, depending on the jurisdiction</td>
<td>3,000 USD+ (on average)</td>
<td>$ 600 in Eternal Trusts Tokens</td>
</tr>
<tr>
<td>Pricing for administration, acting upon triggers per year</td>
<td>No</td>
<td>7,000 USD+ (on average)</td>
<td>$ 600 in Eternal Trusts Tokens (on average)</td>
</tr>
</tbody>
</table>

**Action upon trigger will be fulfilled by:**

*Solution consultant* - 50 USD in Eternal Trusts Tokens (onboarding, selecting asset managers)

*Voters* - 10 USD in Eternal Trusts Tokens (voting for a number of proposed solutions, ranking)
Contractor approval - 15 USD in Eternal Trusts Tokens (picking most suitable contractors for fulfilling components of the purpose)

Arbiter - 30 USD in Eternal Trusts Tokens (checking if the trade was properly made)

ET dApp Retirement Planning Algorithm

Objective – replicating the model of a Pension Trust, that allows a client to achieve a certain level of financial support by the time of retirement.

Solution – Finding asset managers that would secure returns of traditional developed liquid markets and sending generated income via smart contracts to the wallets of a client at a predefined time.

Tasks for Oracles – using the oracle system of the Eternal Trusts protocol to find the most effective asset managers, to properly identify a client’s financial targets, to ensure safe and reliable transfer of assets, and to check that the payment was made.

Initial assets to be input – cryptocurrency, not less than 10 ETH

Expected number of triggers - 100

<table>
<thead>
<tr>
<th>Points of Comparison</th>
<th>Smart-contract template</th>
<th>Traditional Pension Trust</th>
<th>ET dApp Retirement Planning Algorithm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Irrevocable</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Protected from all claims of 3rd parties</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Tax shield</td>
<td>Yes</td>
<td>Depending on the jurisdiction</td>
<td>Yes</td>
</tr>
<tr>
<td>Investment management</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Pricing for incorporation, deployment</td>
<td>1,000 USD + for a customized smart contract (on Ethereum)</td>
<td>3,000 USD+ (on average)</td>
<td>$ 600 in Eternal Trusts Tokens</td>
</tr>
<tr>
<td>Pricing for administration, acting upon triggers per year</td>
<td>5 USD per transaction on ETH (roughly) spent solely on gas</td>
<td>7,000 USD + (on average)</td>
<td>$ 600 in Eternal Trusts Tokens</td>
</tr>
</tbody>
</table>

Action upon trigger will be fulfilled by:

Solution consultant - 50 USD in Eternal Trusts Tokens (onboarding, selecting asset managers)
Voters - 10 USD in Eternal Trusts Tokens (voting for a number of proposed solutions, ranking)

Contractor approval - 15 USD in Eternal Trusts Tokens (picking most suitable contractors for fulfilling components of the purpose)

Arbiter - 30 USD in Eternal Trusts Tokens (checking if the trade was properly made)

**ET dApp Charity Support Algorithm**

**Objective** – replicating the model of a Charity Trust, that allows clients to contribute to a particular charity organization or a broader charitable cause.

**Solution** – Helping the Settlor find and formulate the most personally important charitable cause to contribute to; Managing the crypto-assets and supporting the most transparent and most effective charities that attempt to solve the problem or spread awareness.

**Tasks for Oracles** – to find the most relevant and most transparent charities to contribute to, to ensure the safe and reliable transfer of assets, and to verify the payment

**Initial assets to be input** – cryptocurrency, not less than 5 ETH

**Expected number of triggers** - 25

<table>
<thead>
<tr>
<th>Points of Comparison</th>
<th>Smart-contract template</th>
<th>Traditional Charity Trust</th>
<th>ET dApp Charity Support Algorithm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Irrevocable</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Protected from all claims of 3rd parties</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Tax shield</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Abstract charity goals</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Finding the most optimal portfolio of charities for a specific cause</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Tax shield</td>
<td>Yes</td>
<td>Depending on the jurisdiction</td>
<td>Yes</td>
</tr>
<tr>
<td>Pricing for incorporation, deployment</td>
<td>1,000 USD + for a customized smart contract (on Ethereum)</td>
<td>3,000 USD+ (on average)</td>
<td>600 USD in Eternal Trusts Tokens</td>
</tr>
</tbody>
</table>
Pricing for administration, acting upon triggers per year

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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5 USD per transaction on ETH (roughly) spent solely on gas</td>
<td>7,000 USD + (on average)</td>
<td>600 USD in Eternal Trusts Tokens</td>
</tr>
</tbody>
</table>

Action upon trigger will be fulfilled by:

*Solution consultant* - 50 USD in Eternal Trusts Tokens (onboarding, selecting asset managers)

*Voters* - 10 USD in Eternal Trusts Tokens (voting for a number of proposed solutions, ranking)

*Contractor approval* - 15 USD in Eternal Trusts Tokens (picking most suitable contractors for fulfilling components of the purpose)

*Arbiter* - 30 USD in Eternal Trusts Tokens (checking if the trade was properly made)

**ET dApp Life Extension Algorithm**

**Objective** – replicating and extending the model of a Cryonic Suspension Trust, that allows clients to preserve their biomaterials (DNA, brains, and bodies) in order to attempt their reanimation in the future, when technology becomes advanced enough to achieve the required result.

**Solution** – first, providing tested in-vivo procedures and therapies of life extension. Finding biomedical service providers capable of preserving DNA, tissue samples, whole brains and data recordings of brain activity. When the required biomaterial is stored, providing regular verification of the conditions of biomaterial storage. When technologies that can reanimate a person from the stored biomaterial become ethical, legal, and available on the market, the purchase and execution of the most optimal portfolio of procedures.

**Tasks for Oracles** – to find the most scientifically rigorous providers of biomedical services, to properly identify preset triggers, to properly identify beneficiaries, to ensure the safe and reliable transfer of assets, and to check that payment was made

**Initial assets to be input** – cryptocurrency, not less than 10 ETH

**Expected number of triggers** - 200

<table>
<thead>
<tr>
<th>Points of Comparison</th>
<th>Generic Cryocompany/ Biobanking company Service</th>
<th>Cryonic Trust</th>
<th>ET dApp Life Extension Algorithm</th>
</tr>
</thead>
<tbody>
<tr>
<td>The pace of technological development</td>
<td>Uncertain, provides no real motivation for companies to reanimate cryopreserved people</td>
<td>Creating an asset-backed demand for reanimation procedures from biomaterial</td>
<td>Creating an asset-backed demand for reanimation procedures from biomaterial</td>
</tr>
<tr>
<td>Choosing biomaterial for storage</td>
<td>A limited set of biomaterials</td>
<td>A limited set of biomaterials</td>
<td>Storing many different kinds of biomaterial and data, such as DNA, tissue samples, brain tissue, brain activity recordings at multiple scales and resolutions, macroscopic validation data, such as video/audio recordings</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-------------------------------</td>
<td>-------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Reliance on providers of biomaterial preservation</td>
<td>Only one provider</td>
<td>Some verification of reliability</td>
<td>Multiple providers and regular verification of reliability</td>
</tr>
<tr>
<td>Lack of acquaintances, relatives, and friends; lack of a proper education and knowledge of the most recent rules of conduct</td>
<td>No guarantees</td>
<td>Provides a full package of services after reanimation</td>
<td>Provides a full package of services after reanimation</td>
</tr>
<tr>
<td>Tax shield</td>
<td>Yes</td>
<td>Depending on the jurisdiction</td>
<td>Yes</td>
</tr>
<tr>
<td>Pricing for incorporation, deployment</td>
<td>1,000 USD + for a customized smart contract (on Ethereum)</td>
<td>3,000 USD+ (on average)</td>
<td>$ 600 in Eternal Trusts Tokens</td>
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<td>Pricing for administration, acting upon triggers per year</td>
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**Action upon trigger will be fulfilled by:**

*Solution consultant* - 50 USD in Eternal Trusts Tokens (onboarding, selecting asset managers)

*Voters* - 10 USD in Eternal Trusts Tokens (voting for a number of proposed solutions, ranking)

*Contractor approval* - 15 USD in Eternal Trusts Tokens (picking most suitable contractors for fulfilling components of the purpose)

*Arbiter* - 30 USD in Eternal Trusts Tokens (checking if the trade was properly made)
ETERNAL TRUSTS PROTOCOL ARCHITECTURE

Eternal Trusts will be setting up all necessary infrastructure to enable fiduciary companies, multi family offices, trustees, and experts from different fields to join the ecosystem and create their own dApps, based on a powerful toolkit that will be provided for them, catered to executing important objectives of people for hundreds of years to come.

This section of the white paper will describe the implementation details of the decentralized application “EternalTrusts-dApp” as well as the protocol for creating distributed crypto trusts “EternalTrusts-Protocol”, and the differences between them.

Traditional Trust Funds

As mentioned previously, the mechanics of trust funds are quite straightforward: in the traditional financial world, trusts are usually employed by those who accumulated wealth over the course of their lifetime to transfer that wealth under control of another trusted party (a trustee) that acts for the benefit of the third party (the beneficiary), or to achieve a specific purpose, e.g. charity. Most trusts are irrevocable, which means that their terms cannot be amended or modified until their purpose has been fulfilled.

Demonstration of how a purpose irrevocable trust operates

Generally, the process of establishing a trust consists of four steps. A client (a trust’s settlor) specifies a trust purpose which will determine how, when and for what goal the assets will be spent. For instance, such purpose can include covering the costs of education for the settlors’ children when they reach a certain age, at a university selected at the discretion of the trustee. The trustee documents the client’s wishes in relation to the trust assets, and the client transfers the right of asset ownership to the trustee. The trust company usually takes care of the asset management and seeks to grow the wealth in accordance with a certain financial strategy and the wishes of the trust settlor. When the conditions laid down in the trust deed are met, the assets are spent on achieving the trust purpose.
**Decentralized Trusts of ET**

Unlike classical trusts, the trustee in Eternal Trusts is represented by a system of smart contracts and a network of oracles — a group of individuals acting anonymously in the interests of the whole platform reputation and being rewarded for the right actions. In terms of asset management, decentralized trusts can store clients’ assets at smart contract addresses, not only in the cryptocurrency form or in the form of EOS / ETH tokens, but also in the form of tokenized traditional assets and funds. Automatic trading between various tokenized assets is possible through the mechanism of cross-chain swaps and decentralized exchanges (DEXes).

![Diagram of Decentralized Trusts of ET](image)

**Demonstration of how a decentralized trust might work**

Holding assets in cryptocurrencies remains quite risky given that the crypto market has been extremely volatile. However, in recent years the trend of digitizing the traditional market assets has become more and more popular: e.g., the tokenization of national currencies, raw materials and precious metals, portfolios, stocks, and indices. At the moment, the most prominent projects that employ tokenization technology are TrueUSD, Tether, Basis.io, ColoredCoin, polymath.network, and Called Havven. Many analysts are expecting a large growth of tokenization projects in the nearest future, and the influx of big capital associated with it into the crypto world is deemed to stabilize cryptocurrencies and make the market less volatile.

**ET-dApp vs ET-Protocol**

The step towards creating the full-scale protocol has been perhaps the most crucial milestone that can increase the magnitude of the project and its impact on the whole blockchain ecosystem. On one hand, the decentralized application of Eternal Trusts (ET-dApp) will consist of an integrated and stable network of DAO directors, with an initial network of oracles and providers preselected by the founders that will be working with a single customer base.
On the other hand, the open source protocol in development (ET-Protocol) will allow for the creation of new ET-dApps on its basis using the ET token. Any company interested in integrating such mechanism of the decentralized trust into its business processes can do this by spawning a network of DAO directors and a network of oracles and contractors, setting up hosting and executive logic in private nodes and off-chain networks.
ET-Protocol Architecture

**dApp Factory Smart Contract**
- Creates an owner of a new ET-dApp

**dApp Owner Smart Contracts based on ETT:**
- dApp: Configure DKO-diretories Network - Smart Contract
- dApp: Configure Oracles Network - Smart Contract
- dApp: Configure Providers Network - Smart Contract
- dApp: Configure Private Nodes Network - Smart Contract

**dApp Operational Smart Contracts**
- dAppOps: Data Fetching & Validation Smart Contract
- dAppOps: Reward System Smart Contract
- dAppOps: Hold Requirement Smart Contract
- dAppOps: Reputation Management Smart Contract
- dAppOps: Dispute Resolution Smart Contract
- dAppOps: Oracles Resolution Smart Contract
- dAppOps: Assets Transfers Smart Contract
- dAppOps: Voting Smart Contract

**Private Blockchain network Source Code**
- Source Code: Encryption Keys Distribution HL-Chain-Code
- Source Code: Key Holders Resolution HL-Chain-Code
- Source Code: Private Channels Management HL-Chain-Code
- Source Code: Corrupted Nodes Resolution HL-Chain-Code

**Off-chain workers & services network**
- Source Code: Cross-Chain Updates Service Monitor
- Source Code: Encryption / Decryption Service
- Source Code: Transport Layer Security
- Source Code: Event Emitter & Message Broker
- Source Code: Cache & Database Operator
- Source Code: API Handler

**Deployment & Distribution Tools**
- Deploy: Docker Image & Containers
- Deploy: Kubernetes Config
- Deploy: Config, Scripts & Configs

**Client-Side Source Code**
- Source Code: UI-Components
- Source Code: API-Calls
- Source Code: Assets

**Open Source & Free Distributed Components of the Protocol**
- Hyperledger Fabric is the core of the private network

**ET-Protocol Architecture on EOS**
- Publicly deployed Smart Contracts on EOS
- *It's operating with ETT utility token*
How is the ET Protocol used

The Eternal Trusts multi-DAO protocol is the first blockchain-based mechanism of establishing crypto trusts — organizations that have fiduciary duties to manage and spend assets on behalf of the clients. These organizations are essentially private/anonymous co-ops comprised of multiple participants with different roles and aimed at spending assets for specific purposes in a transparent and autonomous way.

In order to integrate our protocol for safe and secure distribution of crypto assets and start using it immediately to achieve clients’ purposes, a business owner, trustee, or a family office should establish a decentralized autonomous organization with a network of DAO directors and set up the initial set of DAO rules through voting. These rules, including all fees and parameters, can be modified later through similar voting procedures.

After the initial steps, the DAO directors should gather and choose other participants of the protocol and assign roles. They need to form their own network of oracles (experts, arbiters, and assistants) or choose an already established one with a good track record, set up servers to store and process private data (sidechain nodes) and start attracting clients that want to fulfill their own fiduciary objectives.

Potential clients interested in executing their long-term purposes can begin their communication via the Eternal Trusts application or directly via the front office of the DAO, and formulate objectives to be autonomously fulfilled later.

After formulating the purpose that needs to be fulfilled, the client should choose the most suitable solution among all the proposals and assign a Protector from a close trustworthy person (e.g., a family member). The Protector is able to withdraw funds to the initial wallet of the client in a critical situation. When the clients arrive on the platform, they have to transfer their crypto assets onto a smart contract, initially with an ability to return those assets if needed through a special type of transaction. However, in the end the clients must revoke their rights to the assets and entrust them to the DAO in order for it to begin managing their assets and fulfilling their purposes. If the service is not good enough, the client or the Protector can initiate the process of removing the DAO and replacing it with a more suitable one.

Once a predefined trigger is set off, a series of voting by oracles begins that determines what must be done optimally in the best interests of the client. When the optimal solution is formulated and voted on, the necessary amount of crypto assets is made available using the multisignature protocol by some of the DAO participants and sent to the wallet of the service provider, or a mediator that can receive crypto and send fiat to the provider. The payment is finally confirmed by an Oracle-Arbiter, assigned by the DAO or the client.

This intricate, but easy-to-use system can give fiduciary companies, multi family offices, trustees, and other businesses in need of the fiduciary process an unprecedented flexibility, optimization, and security.
Scenarios of possible protocol usage

Main potential ways of integrating the protocol are described on the schemes below. Here’s what the abbreviations mean:

- **CLT** — Client
- **dAPP** — Multi Family Office Application
- **PR** — Service Provider
- **DNET** — Network of DAO Directors
- **NNET** — Private Blockchain Nodes
- **ONET** — Network of Oracles
- **PT** — Trust Protector
- **O** — Main Oracle
- **D** — Sole DAO Director

**EOS-ETT** — Smart Contract System “ET-Protocol” in the EOS network

The widespread adoption of ET Protocol will result in a large fiduciary ecosystem with multiple actors competing for the right to manage the clients’ assets and achieve their long-term objectives.
**A regular scenario**

The default method of integrating ET-Protocol is presented below, where all the details of the system’s function, including the participants and the technical infrastructure, are predetermined, customized and set up by the DAO directors. In this case, a business owner, trustee, or a family office creates a decentralized autonomous organization with its own network of DAO directors and sets up the initial set of DAO rules.

After the initial steps, the DAO directors should select all participants of the protocol and assign their roles. They need to form their own network of oracles (experts, arbiters, and assistants), set up servers to store and process private data and start attracting clients that need to fulfill their fiduciary objectives.

In this case, a service provider has to purchase tokens to create and initiate smart contracts and distribute the required token amount to the participants. There is no need for the client to buy tokens because the assets are automatically converted after their transfer onto the smart contract of the ET-dApp. Some participants of the system must hold tokens to continue participating in the process further.
Renting private nodes

Besides the custom use case with all participants determined and all infrastructure set up by the ET-dApp DAO directors, the ET-Protocol provides several ways to optimize the structure and hierarchy of the fiduciary system, depending on its end goal and available resources. One of the ways to make the whole process less complicated is renting private node networks instead of setting them up from scratch.

In essence, the creators of an ET-dApp would not need to deploy their own private node Hyperledger-based network with limited access to data/keys and to private information channels between the participants. Instead, they can use ETT Tokens to rent already existing networks that passed security audits.

We think that creating and renting public NNETs for ET-dApps can become a very lucrative business model for providers of computational resources with a good reputation and track record.
Using existing networks of oracles

It is not necessary for the creators of ET-dApps to gather their own networks of oracle experts. They can employ already established expert networks that specialize in fields related to the client’s purpose.

For institutions, companies, and other groups of experts with a good track record, this is a familiar and attractive way to monetize their knowledge and expertise.
Using existing networks of providers

Similarly, it is not necessary for the creators of ET-dApps to establish their own networks of service providers.

Forming the network of service providers while earning an additional fee from customer’s assets is an appealing model for organizations working with exchanging cryptocurrency and fiat money, as well as any service providers ready to accept cryptocurrencies as a means of payment.
Customized case

To sum up, when creating and configuring ET-dApps, the protocol can provide advanced customization, sometimes at the expense of decentralization, and a narrow specialization of the service being created.

For example, an ET-dApp creator can assign special roles to some participants of the oracle network, such as the role of a Protector (PT) who will have the authority to veto decisions and withdraw assets from the smart contract according to strictly defined rules, and will serve to protect the client’s assets from unwarranted spending and to oversee the purpose execution flow.

Also, an ET-dApp creator will be able to specify another type of third parties — oracles-beneficiaries (O), in case of providing trustee services that require asset redistribution. In particular, the Trustee itself can simultaneously be a service provider (PR), the sole director of DAO (D) and the principal beneficiary oracle (O), as shown in the scheme below.
An example of such use case is that of a traditional trust fund but with the goal of reducing the human factor, providing standardization and automation of business processes. This also leads to the reduction in the service costs and the minimization of risks when working with cryptocurrencies, in comparison with the traditional scheme of handing over keys or cryptowallets from their owners to the trusted party.

**ET Tokenomics and Revenue models**

The Eternal Trusts Token is a service token needed to execute the Purpose Execution Flow for the dApps built on the ET Protocol. The revenue model for the ET Protocol is based on the expectation of the increase in the ET token demand. The strict rules for token holding specified by the protocol architecture and dApp founders are necessary to ensure there is always a scarcity limiting the supply of tokens in circulation. The expansion of the participant pools and the growth of the number of dApps made with the protocol are also primary factors that influence the growth of the token.

Holding of the token is ensured by several mechanisms:

- The ET Token is a reward token for participants on the platform. Those who are rewarded have to hold a predetermined share of their tokens from each reward to retain their voting/participation rights within the ET ecosystem and participate in the dApp's purpose execution flows.
- The token is used as an intermediate currency for internal payments (from and to EOS). This can guarantee a token holding lag of few hours to several days.
- The token is needed to initiate redistribution of stake and hold (hold demand is determined by the smart contract) for allowing the token holders to remain active on the platform or receive services, namely:
  - The token is necessary to create dApps with the protocol and set up networks of DAO directors, oracles, service providers, and maintain server infrastructure.
  - The token is used by clients of dApps to pay for the services of oracles and for the maintenance of private nodes. The token can either be automatically converted from the client’s assets by the smart contract/gained as a gift from an existing token holder, or purchased on exchanges/during the ET token sale.

Another important model that can provide revenue within the protocol ecosystem is technical support, consulting, and deployment of infrastructure for specific clients.

Potential revenue that a fiduciary (or other) business can receive using the protocol is highly dependent on the business model chosen and the market strategy. Although it is not practical to predict potential revenues for the ET protocol users considering a wide variety of business models and commission structures they might use, it is uncomplicated to estimate costs of protocol integration in a basic case.
THE TOKEN SALE

The Eternal Trusts tokens have been available for potential platform users since March 22, 2018.

Eternal Trust Token is currently based on the Ethereum-based ERC-20 protocol, which is deemed the industry standard. However, we are gradually shifting to EOS.IO smart contract protocol, which provides a more improved set of features for such a hybrid, autonomous, and multi-chain system as Eternal Trusts.

The Eternal Trusts Token is a service token that underlies all business processes of the dApps built on the ET Protocol. The uniqueness of our token is not limited to its internal payments functionality for our platform, neither its smart-contracted ability to pre-program future deals, nor its power to unlock innovations and service development value.

- dApp founders and their clients buy ET tokens with fiat or crypto, or receive them as gifts from other platform participants
- dApp founders become DAO directors, set business model and prices for their services (not less than a minimum specified by the protocol)
- Clients purchase access to the dApp services with ET Tokens
- DAO Directors, Service providers, oracles, and private blockchain node providers all have to hold a predefined amount of tokens to be able to participate in the platform

The information about Eternal Trusts Tokens

Storing clients’ long-term purposes on the blockchain, their autonomous execution using smart-contracts and Hybrid Intelligence, and the automatic search of optimal service providers to service the goals of the client.

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<thead>
<tr>
<th>Symbol</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Starting Price</td>
<td>0.010 USD</td>
</tr>
<tr>
<td>Total Amount</td>
<td>3,000,000,000 Eternal Trusts Tokens</td>
</tr>
<tr>
<td>Distributed At The Token Sale</td>
<td>1,950,000,000 Eternal Trusts Tokens</td>
</tr>
<tr>
<td>All Unsold Tokens Will Be Burnt</td>
<td></td>
</tr>
<tr>
<td>Accepted Currencies</td>
<td>BTC, ETH, BCH, LTC, DASH</td>
</tr>
</tbody>
</table>
Presale

The presale starts at 22 March 2018 and ends at 30 May 2018

<table>
<thead>
<tr>
<th>Minimum purchase volume</th>
<th>10 000 Eternal Trusts Tokens</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional bonus</td>
<td>+ 5% when purchasing more than 10 ETH</td>
</tr>
<tr>
<td>Targeted presale cap</td>
<td>1,000,000 USD</td>
</tr>
<tr>
<td>Token price</td>
<td>0.010 USD</td>
</tr>
</tbody>
</table>

STAGE COMPLETED, 1 MLN USD SUCCESSFULLY RAISED.

Token Sale

The Token Sale starts at 1 June 2018 and ends at 1 October 2018

<table>
<thead>
<tr>
<th>Minimum purchase volume</th>
<th>10 000 Eternal Trusts Tokens</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eternal Trusts tokens for sale</td>
<td>1,950,000,000 Eternal Trusts Tokens</td>
</tr>
<tr>
<td>Soft Cap</td>
<td>7,000,000 USD</td>
</tr>
<tr>
<td>Hard cap</td>
<td>27,000,000 USD</td>
</tr>
<tr>
<td>Token price</td>
<td>250,000,000 ETT – 0.014 USD</td>
</tr>
<tr>
<td></td>
<td>500,000,000 ETT – 0.018 USD</td>
</tr>
<tr>
<td></td>
<td>1,000,000,000 ETT – 0.021 USD</td>
</tr>
</tbody>
</table>
The team members' tokens are locked-up for 1 year after the tokens distribution.
KIRILL SILVESTROV
CEO
LinkedIn
Investment banker with more than 15 years of experience on C-level positions. Portfolio investor in biotech companies. MBA from INSEAD business school.

MARK LEA
Head of Legal
LinkedIn
Mark is an ex-adviser to the Government of Singapore on the establishment of trust legislation and the Trustees Act of Singapore. Under his leadership, changes and additions were made to the Hong Kong Trust Law. He is an adviser to the Malaysian government on the development of the Labuan legislation, including the Trust Law, the Associations Act, the Foundations Act, and to the Government of Samoa on the Trusts Foundations Law & Trustee Companies Bill.

ARTEM ANANYAN
Chief Financial Officer
LinkedIn
Economic analysis and financial modelling professional with 15 years experience. Majors in capital markets for over 10 years. Has extensive skills in tailoring investment projects and deals in fields of stock market, mutual investments and securitisations.

ILYA SAPRANIDI
Chief Marketing Officer
LinkedIn
Researcher at Carboncopies on Neurotechnology. 8 years of R&D experience in Neurocomputing, 4 years in Innovation Management and Technology Entrepreneurship. Student of MIT Global Startup Labs 2017.

ALEXANDER GORSHENEV
Lead Full-Stack Developer, PM
LinkedIn
Full stack developer with 10 years of experience. Specializes in automation software, web solutions, ERPs, CRM. More than 2 years of experience developing blockchain applications and smart contracts.

BENOIT VULIC, CFA
Chief Investment Officer, Asset Management
LinkedIn
More than 10 years of asset management experience in leading global investment companies. Experience in managing "funds of funds" and active portfolio management. Developer of the Eternal Trusts investment strategy.
ALMIR SALIMOV
LinkedIn
Investor Relations, Interaction with investors

VADIM PEREDOLSKY
LinkedIn
Art Director, marketing
Creative marketing campaigns for international brands, author of various publications on marketing and branding.

ELENA ABRAMOVA
LinkedIn
Artist, designer
Brand creation, corporate identity, commercial campaigns.

EVGENY BATYUKOV
LinkedIn
Chief Technology Officer
Senior web engineer with six years of experience developing commercial systems in the B2B segment. Founder of Batyukov Studio LLC. The main area of expertise: architecture design for web applications and e-commerce software development.
ADVISORY BOARD

RANDAL A. KOENE
Biomedicine
LinkedIn
Randal A. Koene, neuroscientist and neuroengineer, co-founder of carboncopies.org, the outreach and roadmapping organization for advancing Substrate-Independent Minds. Former Professor at the Center for Memory and Former of Boston University, co-founder of the Neural Engineering Corporation of Massachusetts.

ROBIN HANSON
Finance
LinkedIn
Robin Hanson is associate professor of economics at George Mason University, and research associate at the Future of Humanity Institute of Oxford University. He has a doctorate in social science from California Institute of Technology, master's degrees in physics and philosophy from the University of Chicago, and nine years experience as a research programmer, at Lockheed and NASA.

JILLIAN GODSIL
PR
LinkedIn
Jillian has held senior positions with global PR companies in Sydney, Singapore, London and Dublin. She was PRO of Iona Technologies (Ireland’s first company to float on NASDAQ). She is a freelance journalist with CryptoCoin.News, The Irish Independent and The Irish Times. She has her own radio show on DublinCityFM. She is advisor to a number of ICOs, has been named a Crypto Queen by In Zero Conferences as well as listed in the 50 most influential women in blockchain rollcall.

SERGEY KISELEV
Strategy
LinkedIn
Former partner of the consulting group Mckinsey in the CIS with more than ten years of experience in determining company development strategies and working with the regulation of various industries. He is engaged in the development of business in Europe in the innovative transport sector, including cloud and blockchain technologies.

IGOR KARAVAEV
Investor Relations
LinkedIn
Serial Advisor for Investor Relations projects, top-expert at ICOBench. Executive Director of Skolkovo Foundation, a leading high-tech incubator. Head of Strategy, Business Development, Investments of the largest multinational companies.

ALEKSEY PUPYSHEV
Smart Contracts System & Product Architecture
LinkedIn
<table>
<thead>
<tr>
<th>Year</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>Completed R&amp;D of the Ethereum ecosystem usability and picking the most optimal blockchain for creating decentralized “trusts”</td>
</tr>
<tr>
<td></td>
<td>Conducted experiments with oracle networks and reputation scoring (together with the developers of Forseti)</td>
</tr>
<tr>
<td>Spring 2018</td>
<td>Research and experiments on NEO blockchain and Trinity token swaps to be integrated instead of Ethereum</td>
</tr>
<tr>
<td></td>
<td>Developed the “Purpose Execution Flow” as a framework replicating Discretionary Irrevocable Purpose Trusts</td>
</tr>
<tr>
<td></td>
<td>After a series of architecture reviews from top technical teams and multiple experiments, updated the concept towards building a hybrid blockchain with Hyperledger and EOS</td>
</tr>
<tr>
<td></td>
<td>Implemented the decentralized gate between private and public blockchains</td>
</tr>
<tr>
<td></td>
<td>Developed our positioning into a fiduciary protocol for dApps for trustees &amp; multi family offices</td>
</tr>
<tr>
<td>July 2018</td>
<td>Completed the smart contracts architecture design of the Protocol and for the dApps built on top of it</td>
</tr>
<tr>
<td></td>
<td>Received first UI/UX of the clients dashboard and the oracle personal cabinets</td>
</tr>
<tr>
<td></td>
<td>Engaged open source community with a series of open technical competitions</td>
</tr>
<tr>
<td>August 2018</td>
<td>First Dynasty Support algorithm (initially without the token)</td>
</tr>
<tr>
<td>September 2018</td>
<td>Integrating private Hyperledger nodes</td>
</tr>
<tr>
<td></td>
<td>Deploying experimental smart contracts for the prototype and prototype-token circulation</td>
</tr>
<tr>
<td>October 2018</td>
<td>Listing of the token prototype on a decentralized exchange and testing tokenomics</td>
</tr>
<tr>
<td>December 2018</td>
<td>Finalizing, packaging and distributing the codebase for the private nodes and clients’ dApps</td>
</tr>
<tr>
<td>February 2019</td>
<td>Assisting early adopters in the development of dApps on the Protocol</td>
</tr>
<tr>
<td>April 2019</td>
<td>Promotion, sales, and marketing among banks and funds. Further organic development of business models on the ET Protocol</td>
</tr>
</tbody>
</table>
APPENDIX 1. INVESTMENT STRATEGY FOR ET-dAPP

The investment strategy of Eternal Trusts is designed specifically for effective long-term capital management. It fits perfectly with our trust fund model but is also suitable for the assets of outside investors who are looking for active management with a unique approach based on time-proven sources of profitability and market anomalies.

The investment strategy of Eternal Trusts is a rules-based, mechanical active global allocation strategy, and seeks to balance risk and return by allocating investment capital to different asset classes. The strategy will hold long positions in a variety of markets, including developed market equity, emerging markets equity, fixed income, and commodities; the strategy will access these positions using derivatives and Exchange Traded Funds.

The Eternal Trusts strategy is built on two blocks: the first is aimed at capturing a diversified beta, with "Length of money" as our competitive advantage, while the second is derived from our nontraditional approach to risk factor investing and aimed at generating alpha, reducing volatility and therefore risk, ultimately improving investor returns.

- Our first algorithm is in a constant search trying to assess the current asset allocation universe in order to identify new asset classes to add to our model. Current asset classes or 'betas', included in the model are as follows: Equities, Rates (Government bonds), Credit (Corporate bonds), Commodities, and Currencies. For Equities and Bonds, it is common to introduce geographic designations such as Developed Markets (North America, Europe and Asia), Emerging Markets and Frontier Markets. Commodities can further be classified by type (e.g. Precious metals, Industrial Metals, Energy, Agricultural commodities, etc.). Currency pairs can involve G10 countries, Developed, Emerging market currencies or any cross-regional pair. The algorithm is selecting the ones providing any correlation, volatility, or performance benefits to the Eternal Trusts strategy while respecting some instrument availability, liquidity, and regulation constraints. The risk premia is then captured as an asset yield and/or long-term price appreciation. The aim here is to benefit from the principle of compound interest ("the greatest mathematical discovery of all time" A. Einstein) using the longer investment timeframe of the strategy as a certain edge.

- The core algorithm aims at generating alpha and is built around concepts from the Fractal theory, with the main conclusion that markets in all places and ages work alike: price changes are not only exogenous. The strategy creates systematic trading strategies by applying specific trading rules that can access new sources of alpha while exhibiting low and stable correlations. The model is therefore able to capture the endogenous dynamic of the market prices. Mostly, our model is built on the recognition that there are specific behavioral biases, which are endemic in human decision making under uncertainty. Our premia is then related to the market behavioral effects such as market overreactions to changes in fundamentals and herding behavior that causes price momentum and market under-reaction or biases leading to Value opportunities. Additionally, to the theories already introduced, a fruitful framework for our model is to use evolutionary models inspired from biology.

- Important to notice that while risk factors individually may deliver good Sharpe ratios, the power of our model comes at the portfolio level, where low correlation between alternative risk factors significantly reduces portfolio volatility and tail risk. For example, a ‘Momentum, risk factor in EM Currencies is expected to have low correlation to a ‘Value,
risk factor in equities, unlike EM Currencies and Equities that often have high correlation despite belonging to ‘different, traditional asset classes.

ETERNAL TRUSTS INVESTMENT STRATEGY WILL NOT ONLY BE ABLE TO NAVIGATE AND OUTPERFORM IN THE NEXT DECADES, IT IS DESIGNED TO SUCCESSFULLY EVOLVE AND FACE THE CHALLENGES OF THE COMING CENTURIES.

### Historical performance – Model Backtesting

Key statistics over selected periods:

<table>
<thead>
<tr>
<th>Period (calendar years)</th>
<th>Total return</th>
<th>Annualized volatility</th>
<th>Max Drawdown</th>
<th>Sharpe ratio</th>
<th>Beta to benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Long History</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1929-2018 ET Model</td>
<td>432141%</td>
<td>11%</td>
<td>-38%</td>
<td>0.91</td>
<td>0.38</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>241158%</td>
<td>19%</td>
<td>-62%</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td><strong>Modern Financial World</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1991-2018 ET Model</td>
<td>123113%</td>
<td>8%</td>
<td>-13%</td>
<td>1.25</td>
<td>0.2</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>131113%</td>
<td>14%</td>
<td>-51%</td>
<td>0.73</td>
<td></td>
</tr>
<tr>
<td><strong>Four worst episodes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1929-31: Wall Street Crash</td>
<td>ET Model</td>
<td>-17%</td>
<td>18%</td>
<td>-34%</td>
<td>-0.34</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>-68%</td>
<td>34%</td>
<td>-74%</td>
<td>-0.94</td>
<td></td>
</tr>
<tr>
<td>1973-74: Oil shock/recession</td>
<td>ET Model</td>
<td>-5%</td>
<td>6%</td>
<td>-12%</td>
<td>-0.39</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>-36%</td>
<td>20%</td>
<td>-42%</td>
<td>-1.04</td>
<td></td>
</tr>
<tr>
<td>2000-02: Internet &quot;bust&quot;</td>
<td>ET Model</td>
<td>35%</td>
<td>9%</td>
<td>-5%</td>
<td>1.25</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>-34%</td>
<td>19%</td>
<td>-45%</td>
<td>-0.69</td>
<td></td>
</tr>
<tr>
<td>2008: Credit/banking crash</td>
<td>ET Model</td>
<td>21%</td>
<td>17%</td>
<td>-13%</td>
<td>1.23</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>-33%</td>
<td>21%</td>
<td>-35%</td>
<td>-1.57</td>
<td></td>
</tr>
<tr>
<td><strong>Three best episodes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1949-59: Post WWII recovery</td>
<td>ET Model</td>
<td>468%</td>
<td>11%</td>
<td>-12%</td>
<td>1.49</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>623%</td>
<td>12%</td>
<td>-15%</td>
<td>1.6</td>
<td>0.88</td>
</tr>
<tr>
<td>1980-89: Expansionary 80s</td>
<td>ET Model</td>
<td>435%</td>
<td>13%</td>
<td>-12%</td>
<td>1.45</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>374%</td>
<td>16%</td>
<td>-30%</td>
<td>1.03</td>
<td>0.69</td>
</tr>
<tr>
<td>1990-99: Nineties/tech boom</td>
<td>ET Model</td>
<td>215%</td>
<td>8%</td>
<td>-6%</td>
<td>1.57</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>469%</td>
<td>13%</td>
<td>-15%</td>
<td>1.41</td>
<td>0.48</td>
</tr>
</tbody>
</table>
LEGAL NOTICE

The purpose of this white paper is to provide information about Eternal Trusts to potential holders of the ET Tokens. The information given herein is not exhaustive and it does not imply any contractual obligations and may be considered only as the marketing information about the project. Nothing herein may be interpreted as an investment quotation of any kind. This quotation of ET Tokens is not an offer to sell or buy securities in any jurisdiction. This document does not offer purchasing ET tokens to individuals and companies that do not possess sufficient legal capability for participating in token sales.

If you are not confident about your participation in the ET token sale, you need to reach out to a professional legal, financial, tax or other consultant.

Participation in the token sale is entirely voluntary. One shall review carefully and accept the terms of the token sale agreement on the Eternal Trusts website. If you disagree with the terms partly or fully, you must not participate in token sale. In case of your participation with further disagreement, Eternal Trusts will have to decline your participation in the token sale.