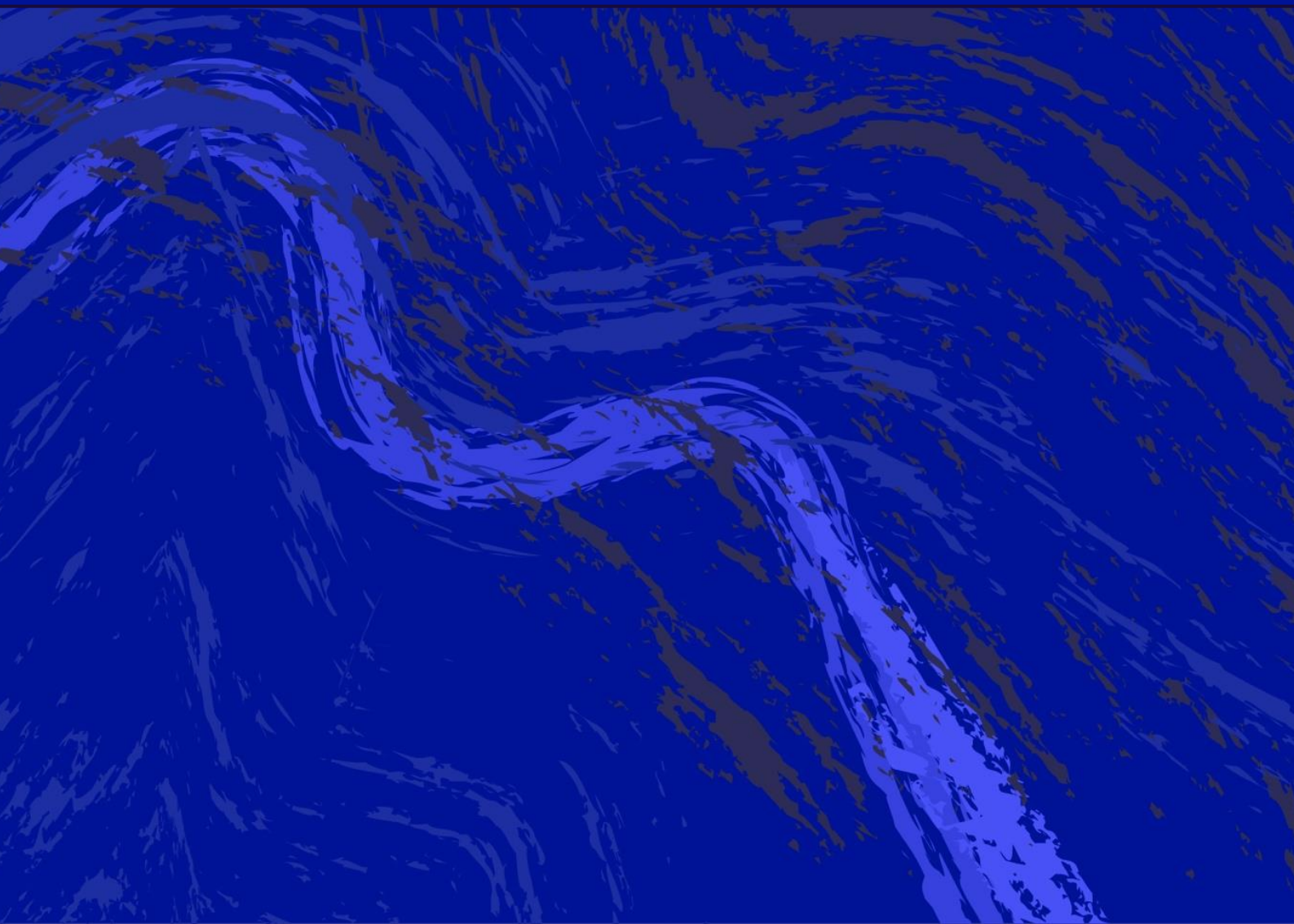


# Pricing DIV ONE



# Intro

In the following you find a description of the pricing of the DIV ONE pool. This is not the final version, there may be changes in the future.



# DIV ONE Pool

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## 1. Pricing

Diversify Ltd. does not charge any applicable fees on Crypto-Exchanges. The table provides an overview of the fees investing in the DIV ONE pool.

| Fee                                | Share in % | Explanation                                                             |
|------------------------------------|------------|-------------------------------------------------------------------------|
| Entrance Fee                       | 0%         | The costs by entering the investment                                    |
| Exit Fee                           | 0%         | The costs by exiting the investment                                     |
| Performance Fee                    | 5% - 20%   | Please read the following chapter for a detailed explanation            |
| Hurdle Rate                        | 10%        | The hurdle rate secures the first share of the profit.                  |
| Management Fee                     | 2.4% p.a.  | Please read the following chapter for a detailed explanation            |
| Subscription                       | Daily      | It is possible to invest every day of the month                         |
| Redemption                         | Daily      | It is possible to redeem every day of the month                         |
| Minimum amount of the investment   | 100 USD    | This is the smallest possible amount you can invest in the DIV ONE Pool |
| Minimum Duration of the investment | 90 Days    | The least time the investment has to be in DIV ONE Pool                 |



## 1.1. Management Fee

For the DIV ONE Pool a Management Fee of 2.4% p.a. is charged. The fee is charged monthly on the 28<sup>th</sup> of the month at 00:00 UTC+5 based on the net asset value of the invest on that given day. This means that if the invest is held the whole month 0.2% of the net asset is due.

If the entry of the invest is not made on the 28<sup>th</sup> of the month, only the share

$$\frac{\text{Days between the entry date and the next 28th of a month}}{\text{Days between the 28th of a month before the entry and after the entry}} \times 0.2\% \text{ is charged for the respective month.}$$

If the exit of the invest is not made on the 28<sup>th</sup> of the month, only the share

$$\frac{\text{Days between the exit date and the last 28th of a month}}{\text{Days between the 28th of a month before the entry and after the entry}} \times 0.2\% \text{ is charged for the respective month.}$$

### 1. 1. 1. Calculation Example

In the following we provide a calculation example only regarding the Management Fee. For the sake of simplicity, we ignore the profits and losses made by the pool and the Performance Fee.

Let us say that an investor enters his invest of 100.000 USD on 11<sup>th</sup> January 2022 and exits on 22<sup>nd</sup> May 2022.

| Date          | The share of the Management Fee in the respective month | Net asset value before the management fee is charged in USD | Net asset value after the management fee is charged in USD |
|---------------|---------------------------------------------------------|-------------------------------------------------------------|------------------------------------------------------------|
| January 2022  | $\frac{14}{31} \times 0.2\% \approx 0.09\%$             | 100 000                                                     | 99 909.68                                                  |
| February 2022 | 0.2%                                                    | 99 909.68                                                   | 99 709.87                                                  |
| March 2022    | 0.2%                                                    | 99 709.87                                                   | 99 510.46                                                  |
| April 2022    | 0.2%                                                    | 99 510.46                                                   | 99 311.44                                                  |
| May 2022      | $\frac{24}{31} \times 0.2\% \approx 0.155\%$            | 99 311.44                                                   | 99 157.67                                                  |

## 1.2. Performance Fee

For the DIV ONE Pool there is an individual Performance Fee. When entering an investment it is possible to concurrently lock up DIV tokens to reduce the Performance Fee. These need to be locked at least as long as the investment takes.

By not locking any DIV tokens the Performance Fee amounts to 20% of the total profit.

The minimum amount of tokens you need to lock to gain a fee reduction is 1 000 DIV tokens.

Then the fee amounts to 17.5%.

The maximum amount of tokens you can lock to gain a fee reduction is 100 000 DIV tokens. Then the fee amounts to 5%.



It is also possible to lock any amount of DIV tokens in between 1 000 and 100 000. The Performance Fee is then computed by  $17.5\% - 12.5\% \times \frac{DIV-1\,000}{100\,000}$ , where *DIV* is the amount of staked DIV tokens.

The Performance Fee is only charged when a hurdle rate of 10% profit after the Management Fee is reached. The fee is calculated by taking the respective share of the difference between the net asset worth of the invest on the date of entering and the net asset worth of the invest on the exit date after the Management Fee was charged.

### 1. 2. 1. Calculation Example

In the following we provide a calculation example regarding the Performance Fee.

Let us say that an investor entered his invest of 100 000 USD, locked up 60 000 DIV tokens and now wants to exit. The net asset worth of the invest on the exit date amount to 233 000 USD after Management Fee is charged.

Because he locked 60 000 DIV tokens, his individual Performance Fee amounts to 10.125% and since the hurdle rate was surpassed, the fee is computed by  $(233\,000\,USD - 100\,000\,USD) \times 10.125\% = 13\,466.25\,USD$ .

### 1.3. General Calculation Example

In the following we provide a calculation example with all the fees that arise and fictional profits and losses.

Let us say that an investor enters his invest of 100.000 USD on 11<sup>th</sup> January 2022 and exits on 22<sup>nd</sup> May 2022 and locks up 60 000 DIV tokens.

| Date          | The share of the Management Fee in the respective month | Profits made in the respective month in % | Net asset value before any fee is charged in USD | Net asset value after the Management Fee is charged in USD |
|---------------|---------------------------------------------------------|-------------------------------------------|--------------------------------------------------|------------------------------------------------------------|
| January 2022  | $\frac{14}{31} \times 0.2\% \approx 0.09\%$             | 4%                                        | 104 000                                          | 103 906.07                                                 |
| February 2022 | 0.2%                                                    | 36%                                       | 141 312.26                                       | 141 029.34                                                 |
| March 2022    | 0.2%                                                    | -8%                                       | 129 747                                          | 129 487.51                                                 |
| April 2022    | 0.2%                                                    | 52%                                       | 196 821.02                                       | 196 427.38                                                 |
| May 2022      | $\frac{24}{31} \times 0.2\% \approx 0.155\%$            | 28%                                       | 251 421.93                                       | 251 032.64                                                 |

Since he exits in May, also the Performance Fee needs to be charged and the investor now possesses

$251\,032.64\,USD - (251\,032.64\,USD - 100\,000\,USD) \times 10.125\% = 235\,740.59\,USD$ .





[www.diversify.io](http://www.diversify.io)