StarVecto

White Paper 2025

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Chapter 1 Executive Summary

1.1 A New Paradigm at the Intersection of AI and Web3

Global capital markets are undergoing a structural transformation driven jointly by artificial intelligence and blockchain-based finance. On one side, advances in models and computing power are reshaping how trading decisions are made; on the other, the maturation of decentralized finance is gradually unbundling issuance, settlement, and custody from traditional intermediaries. Against this backdrop, StarVecto positions itself as a foundational layer for AI-enabled asset management in Web3, designed to systematically combine these two technological forces.

StarVecto is not intended to be another conventional investment platform. Its core ambition is to redesign the production relationships of asset management in a decentralized environment. Through smart contracts and cryptoeconomic incentives, StarVecto seeks to break the historical concentration of high-quality quantitative strategies in the hands of a small number of institutions and to enable algorithmic capabilities to be accessed and utilized under transparent and rule-based conditions.

1.2 From “Black-Box Trust” to Verifiable Computation

Traditional centralized quantitative funds and wealth management platforms rely heavily on brand and personal reputation as the foundation of trust. Investors cannot directly verify whether strategies are executed as promised and have limited visibility into how their capital is deployed. This exposes them to the risk of discretionary behavior, misappropriation of funds, and, in extreme cases, structural fraud.

StarVecto addresses this by shifting the trust model from people to code and cryptography. The protocol does not take custody of user assets. Instead, it uses non-custodial smart contracts to implement a system in which capital remains under user control, strategy logic is constrained by verifiable computation, and returns are settled automatically on-chain. What used to be an opaque “trust box” is decomposed into auditable computational steps.

1.3 zkML: Balancing Transparency and Confidentiality

Quantitative strategies have an inherent “algorithmic asset” nature. Full disclosure makes them easy to copy and accelerates alpha decay, while complete opacity leaves investors with little basis for evaluation. Zero-knowledge machine learning (zkML) provides a principled way to reconcile these competing requirements.

Within StarVecto, strategists run their AI models off-chain and submit zero-knowledge proofs of computation on-chain. These proofs mathematically attest that, for a given set of input data, the strategy output was indeed generated by the pre-registered model, without revealing the model architecture or parameters.

For strategy providers, this preserves the confidentiality of their intellectual property and significantly reduces the risk of model expropriation. For investors, the foundation of trust shifts from subjective assessments of integrity to objectively verifiable cryptographic claims, substantially constraining the scope for ad-hoc discretion or misrepresentation of “AI-driven” strategies.

1.4 Redesigning Incentives in a Two-Sided Market

StarVecto is structured as a decentralized marketplace connecting the supply of quantitative strategies with the demand for deployable capital.

On the demand side, retail investors, DAOs, and institutional allocators can discover, evaluate, and subscribe to AI strategies through a unified interface, with performance metrics derived directly from on-chain records. They gain access to institutional-grade quantitative capabilities without building their own infrastructure or meeting traditional minimum ticket sizes.

On the supply side, quantitative teams, data scientists, and independent developers can commercialize their models as a service. They no longer need to raise capital, build distribution networks, or manage complex operational workflows. Instead, they plug into the protocol, provide signals under clear rules, and are compensated via performance and subscription fees as encoded in smart contracts.

This architecture aligns incentives: high-quality strategies can surface through open competition on verifiable results, while underperforming approaches are naturally sidelined over time.

1.5 SVX as the Value and Governance Anchor

The SVX token is the core utility and governance asset of the StarVecto ecosystem. It coordinates the interests of key participants—strategy providers, users, node operators, and governors—and links protocol usage to long-term value capture.

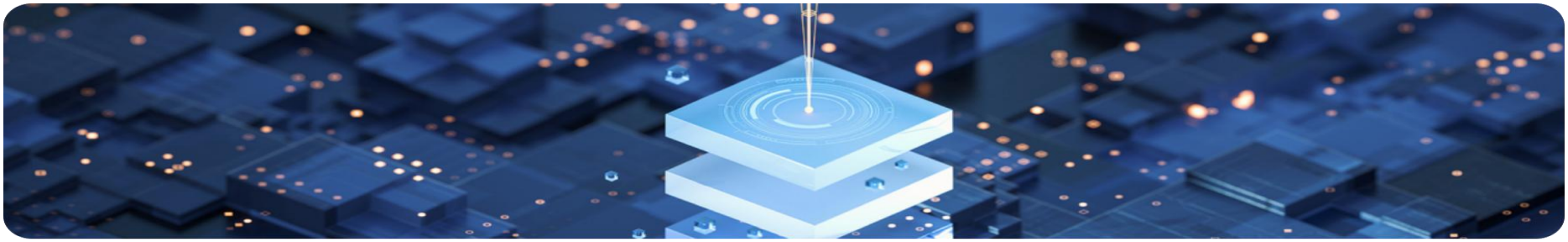
Functionally, SVX can be used to pay for advanced services, obtain fee discounts, and participate in revenue sharing. Strategists are required to stake SVX as a reputation bond, which serves as an economic deterrent against fraudulent behavior. From a governance perspective, token holders can participate in the StarVecto DAO, voting on parameters such as fee structures, risk thresholds, and treasury allocation, thereby influencing the protocol's evolution.

As strategy adoption and network activity grow, a portion of protocol revenues is directed to buyback and other value-accrual mechanisms. Over time, this creates structural support for SVX by linking its scarcity and demand to real usage of the system.

1.6 Vision: Algorithms in the Service of Everyone

Taken together, StarVecto aims to rebuild the trust foundation of asset management along both technical and institutional dimensions. AI and zkML are used to make strategy capabilities verifiable, while decentralized infrastructure and token economics are used to make those capabilities broadly accessible rather than confined to a closed institutional circle.

The long-term vision is to help shift asset management from a regime dominated by opaque, personality-driven decision-making to one grounded in code, mathematics, and transparent incentives. In such an environment, algorithms and capital can interact on more equal and efficient terms, and professional capabilities can genuinely serve all participants who understand the risks and are willing to engage under clear rules.



Chapter 2 Industry Background and Pain Points

2.1 The “Quantitative Divide” in Crypto: A Deeply Asymmetric Game

In recent years, as the aggregate market capitalization of crypto assets has surged past the USD 3 trillion mark amid high volatility, the crypto finance ecosystem has undergone a structural transition. The market has effectively moved beyond the early, rough phase in which simple “buy and hold” (HODL) behavior could capture broad beta, and has entered a regime dominated by algorithms, computing power, and data. Price movements are increasingly the outcome of infrastructure competition rather than pure sentiment or narrative swings.

Within this new regime, a pronounced “quantitative divide” has opened up between institutions and retail participants. Institutional investors and professional market makers, particularly those with a Wall Street background, now operate with a full technological stack: FPGA-based hardware acceleration for nanosecond-level high-frequency trading (HFT), natural language processing (NLP) systems to monitor global news and on-chain anomalies in real time, and deep reinforcement learning (Deep RL) models to approximate microstructure dynamics. This infrastructure allows them to extract fleeting arbitrage opportunities and, by modeling order flow toxicity, to systematically internalize and monetize market liquidity.

Most retail investors, by contrast, still rely on candlestick charts, conventional technical indicators such as MACD and RSI, or even social-media-driven signals to make decisions. They typically lack access to high-quality tick-level data, do not have robust backtesting and simulation environments, and seldom possess automated execution pipelines capable of insulating them from fear and greed.

This multi-dimensional asymmetry in data access, infrastructure maturity, and execution automation results in retail participants frequently becoming de facto liquidity providers during periods of stress, rather than capturing sustainable alpha. In essence, the “quantitative divide” describes how persistent technological and informational advantages are crystallized into a structural return gap over time.

2.2 Structural Limitations of Traditional Quant and Centralized Wealth Management

Superficially, the market already offers a broad range of centralized quantitative funds and wealth-management products (CeFi) branded as “quant strategies” or “AI-driven portfolios.” Yet, when examined through the lens of architecture and incentives, these products struggle to deliver on key objectives such as inclusiveness, transparency, and robust trust foundations. As a result, they are ill-suited to serve as long-term solutions for participants in the crypto market.

2.2.1 The Trust Black Box and Moral Hazard

The most fundamental weakness of centralized asset management lies in its opaque trust structure. Under traditional delegated-investment or pooled-fund arrangements, capital flows and actual strategy execution are largely hidden from external scrutiny. Investors cannot easily verify whether the advertised “AI strategies” are genuinely implemented, nor can they assess whether day-to-day trading is aligned with predefined risk parameters.

Recent history has demonstrated how this opacity can translate into systemic risk. In the absence of on-chain transparency, even well-known institutions have been implicated in unauthorized use of client assets, risk misalignment, and high-leverage speculative behavior. Events such as FTX, Celsius, and 3AC revealed cases where investors believed they were participating in low-risk arbitrage while their funds were, in reality, deployed into aggressive and opaque strategies.

When losses materialized, some platforms resorted to manipulating performance records or attributing shortfalls to alleged “hacks,” effectively socializing the downside to end investors.

In such a setting, trust is anchored primarily in brand and personal reputation. Within a highly volatile, leveraged asset class like crypto, this single-point trust model is structurally fragile.

2.2.2 High Barriers to Access

Even if moral hazard is set aside, traditional quantitative products are often misaligned with the goals of financial inclusion. Access to high-quality quantitative strategies is typically concentrated within a narrow institutional circle. Leading hedge funds commonly impose minimum subscription sizes in the millions of dollars and enforce multi-year lock-up periods, effectively excluding the vast majority of individual investors.

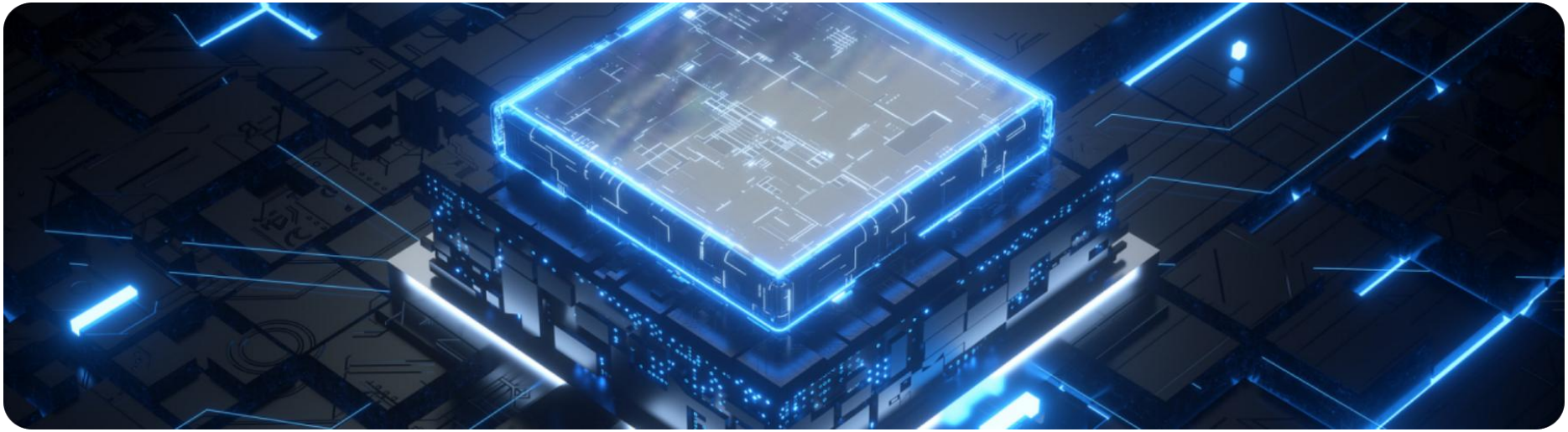
In parallel, complex and fragmented regulatory regimes create additional friction for cross-border allocation. Lengthy KYC/AML processes and jurisdiction-specific restrictions on crypto assets and cross-border investment vehicles impede the free flow of capital toward the most appropriate strategies, exacerbating the mismatch between strategy supply and capital demand at a global scale.

2.2.3 Strategy Homogenization and Wasted Long-Tail Talent

On the supply side, the quantitative landscape exhibits a pattern of “crowded head and neglected tail.” Large institutions often converge on similar factor models and risk frameworks, leading to crowded exposures in popular themes such as term-structure arbitrage and funding-rate arbitrage; as a result, expected returns in these segments are progressively diluted.

At the same time, a substantial pool of independent data scientists, AI engineers, and mathematicians worldwide possesses the capability to design alpha-generating strategies. However, many of them are constrained by limited proprietary capital, exchange API restrictions, or an absence of viable commercialization channels. Their models rarely transition from research prototypes into production strategies, and the corresponding “long-tail alpha” remains underutilized, despite often exhibiting attractive low or negative correlation with mainstream approaches.

StarVecto is conceived in response to these structural pain points. By combining decentralized infrastructure with AI and verifiable computation, it seeks to realign strategy supply, capital demand, and trust, and to provide a new foundational layer for asset management in an increasingly asymmetric crypto market.



Chapter 3 Overview of the StarVecto Protocol

3.1 Vision

The central vision of StarVecto is to create a transparent, efficient and inclusive decentralized marketplace for AI-driven quantitative strategies, in which algorithms can circulate and be priced fairly without requiring prior trust in any specific counterparty.

The protocol is designed to dismantle the long-standing concentration of high-quality strategies within a closed institutional circle. Historically, top-tier quantitative capabilities have been accessible almost exclusively to hedge funds and elite investors, while the broader market has remained largely excluded. StarVecto leverages blockchain infrastructure to reshape this production relationship: globally distributed data scientists, quantitative researchers and AI developers are able to monetize their models directly as recurring cash flows, while individual investors gain access to near-institutional-grade strategies without surrendering control of their assets.

Within this framework, the foundation of trust in asset management is deliberately shifted from reliance on personal or institutional reputation to reliance on code and mathematical proof. Investors are no longer required to extend blind trust to a manager; instead, they can evaluate risk and return based on verifiable on-chain records, zero-knowledge proofs and transparent protocol rules. This bottom-up, evidence-based trust model is the institutional cornerstone of StarVecto's vision.

3.2 Core Positioning

At the level of core positioning, StarVecto is explicitly not designed as a centralized asset management company, nor as a traditional delegated investment platform or pooled vehicle. Instead, it constitutes a suite of decentralized smart contracts deployed on Ethereum Layer 2 networks, prioritizing solutions such as Arbitrum or Optimism to balance gas efficiency and throughput. It operates as a permissionless infrastructure layer that exposes composable "algorithm matching and settlement" capabilities to the market.

On the supply side, StarVecto targets independent quantitative traders, data scientists, research institutions and, prospectively, autonomous AI agents. These providers train and run models in their own environments, register model fingerprints with the protocol, and publish zkML-verified trading signals or allocation recommendations. Over time, this process produces an on-chain record of performance and a persistent reputation profile associated with each strategy.

On the demand side, the protocol serves retail investors, DAO treasuries, and institutional allocators seeking diversification. These users discover and filter strategies through a unified interface, subscribe according to their risk-return preferences, and then implement automated copy-trading or rebalancing via non-custodial smart vaults or their own exchange accounts. Under this architecture, assets remain under user control at all times. StarVecto does not custody, pool, or rehypothecate client funds.

In this sense, StarVecto functions as an infrastructure and rule set for algorithmic collaboration rather than as a monolithic operating entity. Its value lies not in displacing existing participants but in providing a standardized, verifiable, and scalable environment in which strategy supply and capital demand can interact more efficiently.

3.3.1 zkML: Verifiable Strategy Execution with Preserved Privacy

In quantitative investing, source code and model parameters constitute the core intellectual property of strategists. Once disclosed, they are easily replicated and subject to rapid alpha decay, which is why fully open-source DeFi frameworks have historically struggled to attract top-tier teams.

StarVecto addresses this by incorporating zero-knowledge machine learning (zkML) to balance transparency with IP protection. Strategists run their models off-chain, generating trading signals for specified inputs while simultaneously producing a corresponding zero-knowledge proof. This proof is verified by on-chain smart contracts and mathematically attests that the signal was produced by a pre-registered model using a defined data set, without revealing the model's architecture or parameters.

Under this design, strategy providers keep their algorithms effectively "inside a vault," materially reducing the risk of copying or frontrunning, while investors can ground their trust not in subjective claims but in objectively verifiable cryptographic evidence. This zkML-based trust layer is one of the key differentiators between StarVecto and conventional quantitative platforms.

3.3.2 Non-Custodial Architecture and Security Boundaries

StarVecto adheres to a strictly non-custodial design. The protocol neither pools nor directly controls user funds; its responsibilities are confined to managing access rights to signals, verifying zero-knowledge proofs and orchestrating value flows via smart contracts. Execution occurs within users' own wallets or exchange accounts, with the StarVecto interface acting solely as a transaction constructor and signer. This substantially reduces the likelihood that the platform itself becomes a source of systemic risk and mitigates concentrated exposure to events such as pool exploits or mismanaged

private keys.

The non-custodial architecture also eases the regulatory burden. Because the protocol does not take possession of client assets, it is less likely to be classified as a traditional custodian or asset manager in many jurisdictions and instead resembles a technology and information-matching provider. This positioning creates additional flexibility for future integrations with institutional capital and compliant service providers.

3.3.3 On-Chain Reputation and Performance Records

StarVecto records strategy performance fully on-chain, establishing an immutable reputation framework. All relevant metrics—including historical signals, drawdown paths and Sharpe ratios—are computed and stored based on actual on-chain records. Unlike certain centralized platforms that selectively remove underperforming track records and highlight only profitable cases, StarVecto structurally eliminates survivor bias: from the moment a strategy is created, every signal and outcome over its lifecycle is permanently preserved and cannot be altered or erased by any party.

This reputation system enables investors to assess strategy robustness and risk characteristics using comprehensive, verifiable data rather than marketing narratives or curated snapshots. At the same time, it gives consistently strong and well-managed strategies a transparent basis on which to build brand equity and pricing power, thereby reinforcing positive incentives within an open, competitive marketplace.

Chapter 4 Technical Architecture

StarVecto's technical architecture is organized around a single guiding principle: **"Verify computation, don't custody assets."** The protocol is built as a transparent, trust-minimized and strictly non-custodial marketplace for AI strategies. A layered design cleanly separates data ingestion, model inference and on-chain execution, enabling the system to balance security, scalability and regulatory considerations. At a high level, the architecture comprises three tiers: the data layer, which collects, cleans and standardizes inputs; the logic layer, which performs off-chain AI inference and generates zero-knowledge proofs; and the execution layer, which verifies proofs on-chain, distributes signals, and manages access and value flows.

4.1 Data Layer: Decentralized Data Lake and Oracles

High-quality and auditable data are foundational to AI strategies. StarVecto deliberately avoids reliance on any single centralized feed and instead constructs a decentralized data lake that merges both on-chain and off-chain sources. On-chain data are obtained via indexing protocols such as The Graph, capturing liquidity depth, trading volume, holder distribution and other microstructural indicators from major DEXs in real time, thereby providing a fine-grained view of on-chain market dynamics. Off-chain data are introduced via oracle networks such as Chainlink and include centralized exchange prices, macroeconomic indicators such as CPI and interest rates, and structured sentiment or news indices, enabling models to operate in a more comprehensive informational environment.

Before being consumed by models, raw data are systematically cleaned and normalized to reconcile differences in frequency, format and quality across sources. The processed data sets are then stored on decentralized storage networks such as IPFS or Arweave, each identified by a unique content-addressable hash (Content ID). This arrangement guarantees that the inputs used for both training and inference are tamper-resistant and fully traceable, and it provides zkML

verification with a cryptographically anchored reference to the underlying data, strengthening the overall integrity of the computational pipeline.

4.2 Logic Layer: Off-Chain zkML Inference and Proof Generation

Given the computational and cost limitations of current public blockchains, complex AI models cannot be executed directly on-chain. StarVecto therefore adopts an “off-chain computation, on-chain verification” paradigm, with zero-knowledge machine learning (zkML) as the cornerstone of the logic layer. Strategists train models locally or in controlled environments using mainstream frameworks such as Python/PyTorch. Upon completion, the model architecture and weights are hashed, and the resulting fingerprint is registered in StarVecto’s smart contracts, establishing a unique on-chain identifier for each strategy.

When new market data arrive, the StarVecto node network invokes the registered models off-chain, runs inference on the designated data sets and produces concrete trading signals or allocation recommendations. In parallel, the system generates a zero-knowledge proof, using zk-SNARKs or similar schemes, that mathematically certifies the signal was produced by the registered model on the specified inputs without any tampering. This proof is submitted to an on-chain verifier contract; once validated, the signal and its proof become part of the immutable performance record for that strategy.

From a privacy and intellectual property standpoint, the logic layer ensures that strategists do not need to disclose model parameters, architectures or weight files in order to prove correct execution. zkML keeps the computation itself inside a “black box,” while exposing outputs and correctness proofs in a “white box” environment that can be inspected by contracts and third parties alike. This design materially reduces the risk of copying or frontrunning and provides investors with a trust foundation grounded in cryptography

4.3 Execution Layer: On-Chain Signal Distribution and Non-Custodial Execution

At the execution layer, StarVecto transforms the signals and proofs produced by the logic layer into consumable services for end users, while maintaining full separation from client assets. Smart contracts are responsible solely for verifying zero-knowledge proofs, persisting validated signals, managing access rights and orchestrating fee flows. At no point does the protocol take custody of user funds, which remain in users' own wallets or exchange accounts; StarVecto merely constructs and signs transactions that users ultimately authorize.

Zero-knowledge proofs generated off-chain are first submitted to an on-chain verifier. Once validated, the associated signals are flagged as valid and recorded on-chain, forming an immutable performance history for each strategy and eliminating the possibility of retroactive edits or selective disclosure of results.

Access to these signals is controlled via on-chain gating. Valid signals are stored in encrypted form, and only subscribers holding the appropriate access rights—typically represented by access tokens or NFTs tied to a specific strategy—can obtain the decryption keys. Decrypted content is then delivered via decentralized messaging protocols or application front ends, giving users near-institutional execution workflows without compromising asset self-custody.

Crucially, decision-making authority remains with the user at all times. Each signal may include parameters such as direction, target size, stop-loss and take-profit levels; users review these details and choose whether to act. If they opt in, the interface invokes their Web3 wallet to build and broadcast the transaction to an external venue such as a DEX or centralized exchange. Throughout the entire process, funds never leave the user's control, structurally insulating them from counterparty default or pool-level security incidents.

4.4 Architectural Advantages

Collectively, the three-layer architecture aligns the interests of strategists, investors and the broader ecosystem. For strategy providers, zkML and off-chain inference enable monetization of proprietary models without disclosure, with revenues anchored in verifiable on-chain performance and reputation. For investors, the non-custodial design and end-to-end verifiability of signals materially reduce platform and information risks, allowing them to retain full control over their assets while evaluating strategies on transparent, data-driven grounds. For the ecosystem as a whole, StarVecto's architecture supports the emergence of a marketplace governed by mathematics and open rules rather than by centralized custody and opaque reputational hierarchies.

Chapter 5 Core Product Features

StarVecto's product design is centered around two foundational principles. The first is to enable efficient matching between the supply of trading strategies and the demand for capital. The second is to minimize discretionary human intervention in this process by shifting the locus of trust from centralized decision-making to protocol logic and cryptographic verification. Guided by these goals, the protocol integrates four tightly coordinated functional components: a strategy marketplace that facilitates discovery and access; a signal subscription and execution assistant that streamlines implementation; a reputation-based credit rating and circuit breaker system to manage risk and integrity; and a zkML toolkit tailored for developers to register, verify, and deploy models in a secure and scalable manner.

5.1 Strategy Marketplace

The Strategy Marketplace is StarVecto's primary user-facing interface and functions as a structured, decentralized quant app store. Strategy providers list standardized products such as "BTC Trend-Following AI" or "ETH Volatility Arbitrage," while the system derives all performance information directly from on-chain records of historical signals and their realized outcomes, rather than relying on self-reported data.

Key performance indicators, including maximum drawdown, Sharpe ratio, and win rate, are computed in real time from immutable on-chain signal histories. This design eliminates common sources of bias such as backtest manipulation and selective disclosure of profitable accounts. Investors evaluate strategies based on a consistent set of quantitative metrics and full performance paths rather than curated snapshots, enabling more grounded and comparable assessments.

The marketplace further supports multi-dimensional filtering by asset class (spot versus derivatives), trading frequency (high frequency versus swing), risk level, and other attributes, allowing users with different risk appetites and

time constraints to efficiently identify strategies that align with their objectives.

5.2 Signal Subscription and Execution Assistant

On the execution side, StarVecto deliberately avoids a pooled-funds model and instead structures its offering around a flexible signal service, ensuring that user assets remain under self-custody at all times. Users pay in stablecoins to acquire subscription rights to specific strategies. These rights are tokenized as NFTs or similar access credentials, which grant holders the ability to decrypt and view real-time signals from the corresponding strategy.

When an AI model issues a new instruction, such as opening a long position or adjusting position size, the system pushes the signal to subscribers with minimal latency via the front-end, messaging bots, or email. Investors retain full discretion over whether to act on any recommendation; the protocol does not execute trades unilaterally.

If a user chooses to proceed, the interface invokes their Web3 wallet, constructs the appropriate transaction, and broadcasts it to external venues such as DEXs or centralized exchanges. Throughout this workflow, assets never leave the user's own addresses or third-party custodial accounts. This architecture structurally mitigates counterparty, misappropriation, and platform-failure risks commonly associated with traditional pooled products.

5.3 Strategy Credit Rating and Circuit Breaker

Because StarVecto operates on a non-custodial basis, it does not directly manage user positions and cannot enforce liquidations. To safeguard market integrity under this constraint, the protocol introduces a strategy-level credit rating and circuit breaker framework that governs the supply of signals rather than user portfolios.

Smart contracts continuously monitor each strategy's performance and compute short-term drawdowns using simulated net asset values. If losses exceed predefined thresholds over a specified horizon, for example, a 15% simulated drawdown over seven days, the system automatically activates a circuit breaker. Once triggered, the strategy is temporarily suspended from accepting new subscriptions, and existing subscribers receive high-risk alerts informing them of abnormal volatility and recommending that they reassess or discontinue following the signals.

Over longer horizons, StarVecto maintains a reputation scoring system that evaluates strategies based on stability, drawdown control and style consistency. Strategies with strong and steady performance earn higher reputation scores, receive preferential visibility in the marketplace and may justify higher subscription pricing. Conversely, strategies with repeated circuit-breaker events or pronounced instability see their visibility and commercial prospects reduced, embedding incentive alignment and quality control directly into the market structure.

5.4 zkML Developer SDK

To attract and support professional data scientists and quantitative developers globally, StarVecto offers a standardized Python-based developer toolkit that lowers the barrier for bringing existing AI models onto the protocol. The SDK is compatible with mainstream machine learning frameworks such as PyTorch and TensorFlow, enabling developers to integrate their existing strategies into the StarVecto network with minimal code changes rather than rewriting core algorithms.

The toolkit includes a built-in proof generator that automatically produces zk-SNARKs proofs during local inference, packages them and submits them to the on-chain verifier contracts. This allows developers to generate cryptographic attestations of correct computation for each model invocation without needing deep expertise in cryptography, thereby smoothing the transition from traditional quantitative environments to a decentralized, proof-based protocol.

From an intellectual property perspective, the SDK ensures that only mathematical fingerprints and computation proofs are sent on-chain, while raw model weights remain securely stored in the developer's own environment. This design lets strategy authors commercialize their models as services without exposing proprietary details, effectively turning "algorithms into revenue" while preserving confidentiality and encouraging sustained participation by high-caliber teams.

Chapter 6 SVX Tokenomics

6.1 Token Supply and Allocation

SVX has a **fixed total supply of 500,000,000 tokens**, with no mechanism for additional issuance. This hard cap establishes a clear supply ceiling and provides a stable basis for value-accrual and deflationary mechanisms over the long term.

In terms of allocation, StarVecto adopts a structurally long-term–oriented design, dividing SVX into five primary tranches by function:

35% is allocated to ecosystem incentives and community growth, including trade-to-earn rebates, strategy-contribution rewards, subsidies for developers and data providers, and incentives for nodes and strategic partners. These tokens are released progressively according to predefined rules and are tied to actual usage, supporting both protocol bootstrapping and sustained activity.

20% is allocated to the StarVecto DAO treasury, to be managed collectively via on-chain governance. These reserves are earmarked for brand and ecosystem development, market expansion, strategic partnerships, compliance-related expenditures and emergency risk buffers. All major deployments of treasury funds are subject to formal proposals and token-holder voting.

15% is reserved for early investors, compensating them for the capital and risk assumed in the project's formative stage. This tranche is subject to a minimum lock-up of 12 months, followed by linear vesting over 24–36 months, mitigating short-term selling pressure and aligning investor returns with protocol maturation.

15% is allocated to the core team and advisors, as long-term incentive for continued contribution and R&D. These tokens are likewise locked and vested linearly over a multi-year horizon, binding team upside to the protocol's medium- and long-term performance.

15% is designated for public distribution and liquidity provisioning, including IDO/IEO events, initial market-making and CEX/DEX liquidity pools. This tranche underpins early price discovery, improves market depth and creates accessible entry points for a broad base of participants.

Together, these five components account for **100% of SVX's initial supply**. By assigning a meaningful share to ecosystem incentives and the DAO treasury while imposing clear lock-up and vesting schedules on team and early-investor allocations, StarVecto seeks to balance early operational efficiency with progressive decentralization of control, reducing the risk of undue concentration and laying an institutional foundation for sustainable, long-term ecosystem growth.

6.2 Multi-Scenario Utility and Core Rights

SVX is not a single-purpose payment token. It is deeply embedded across StarVecto's native business flows and is further extended into adjacent financial and payment scenarios, thereby combining **investment value** with **practical utility**.

Within quantitative trading, SVX underpins a set of core usage rights. Users may opt to pay strategy subscription and trading-related fees in SVX and, in doing so, receive tiered fee discounts determined by their holding and staking levels. Addresses in approximately the top 20% by SVX holdings gain early-access rights to newly listed strategies, typically 7–15 days before public release, and may participate in closed testing and feedback rounds, capturing early performance and liquidity benefits. A defined share of StarVecto's aggregate net profits from quantitative activities is distributed to SVX

holders on a pro rata basis, with monthly snapshots and automatic on-chain settlement, allowing long-term holders to participate directly in the ecosystem's economic upside. Institutional users whose holdings exceed designated thresholds may access customized strategy development and optimization services without additional technical service fees, directly linking token ownership to high-touch service entitlements.

At the ecosystem-service layer, SVX functions as a participation and contribution vehicle. Users who provide liquidity in pairs such as SVX–USDT on partner DEXs receive SVX-denominated liquidity mining rewards and share a portion of trading fees under pre-defined rules. Once integrated with external lending protocols, SVX can also be used as eligible collateral to borrow USDT or major cryptoassets, with loan-to-value ratios of up to roughly 60%, supporting short-term funding needs and portfolio overlay strategies. Holders of SVX above certain thresholds obtain full governance participation rights, including proposal submission and voting, with voting power positively correlated with holdings and staking amounts. Third-party developers who build strategies or tools on top of the open StarVecto platform and pass technical and compliance review may receive SVX subsidies and a share of the fees generated by their strategies, thereby encouraging continued external innovation.

In the domain of global payments and settlement, SVX is intended to extend beyond the native protocol context. By integrating with cross-border payment providers—such as SWIFT-connected institutions and regional payment gateways—SVX can technically function as an intermediate settlement asset enabling real-time exchange between fiat currencies and cryptoassets, with significantly lower fees and faster settlement than traditional cross-border transfers. Over time, StarVecto plans to connect a network of compliant offline merchants, allowing users to spend SVX directly at point-of-sale while partnered fiat settlement institutions handle instant "SVX–fiat" clearing, effectively linking investment, payment and consumption into a continuous loop. Parallel to this, StarVecto will work with regulated exchanges and fiat OTC providers to establish compliant on- and off-ramps between SVX and major fiat currencies (including USD, EUR and CNY) across key regions such as Asia, Europe and Southeast Asia, ensuring adequate liquidity and accessibility.

6.3 Ecosystem Incentives and AI-Driven Dynamic Allocation

To maintain the effectiveness and precision of incentives, StarVecto employs a data- and AI-driven dynamic incentive framework. Incentive parameters are periodically adjusted in light of ecosystem maturity, market conditions, liquidity depth, and user activity, so that reward distribution remains aligned with actual developmental needs.

On the strategy-supply side, StarVecto implements “strategy contribution incentives.” Users who contribute self-developed quantitative strategies that pass protocol review receive SVX rewards linked to the fees generated by other users’ subscriptions and usage of those strategies. This simultaneously compensates algorithmic contribution and incentivizes the continuous provision of high-quality alpha.

For user growth and community expansion, a referral-based incentive scheme is introduced. Existing users who invite new participants to register and actively trade via StarVecto receive a share of the invitees’ trading fees in SVX, thereby encouraging organic, community-driven promotion and lowering acquisition costs.

Under extreme market conditions, StarVecto provides additional incentives to users who maintain disciplined use of protocol strategies. When the crypto market experiences sharp single-day moves beyond predefined thresholds, users who continue to execute strategies through StarVecto and adhere to their systematic plans may receive extra SVX rewards, partially compensating for elevated volatility risk and reinforcing long-term, rule-based behavior during stress periods.

For external ecosystem partners, including exchanges, data providers, and payment institutions, StarVecto settles part of cooperation fees in SVX and may grant additional SVX subsidies, depending on partnership depth and contribution. This approach encourages more infrastructure and service providers to integrate with StarVecto and expands the overall network footprint. The associated incentive parameters are jointly calibrated by the protocol’s AI analytics modules and

governance mechanisms, seeking an appropriate balance among user participation, liquidity, and strategy quality.

6.4 Value Capture and Deflationary Design

To ensure that SVX's value is structurally linked to protocol usage, StarVecto adopts a deflationary model centered on periodic buyback and burn operations. A fixed proportion of protocol revenue, primarily derived from strategy subscriptions and value-added services, is used to repurchase SVX in the secondary market. The acquired tokens are then burned on-chain, permanently removing them from circulation.

As the number and quality of strategies increase, and as the user base and usage intensity grow, aggregate protocol revenues are expected to expand accordingly. Given a stable buyback ratio, higher revenues imply larger buyback volumes and, consequently, more SVX being destroyed within any given period. This progressively reinforces token scarcity. In this way, SVX's long-term value is shaped both by demand-side adoption of StarVecto's services and by ongoing supply-side contraction.

This mechanism operates in conjunction with staking rewards, fee discounts, and bonding requirements. A portion of SVX is locked via staking for governance and security purposes, while another portion is removed from circulation through buyback and burn. Together, these dynamics raise the opportunity cost of short-term selling and improve the asymmetry in favor of long-term holders who support and participate in the ecosystem.

6.5 Long-Term Value Extension and Strategic Role

Looking beyond the immediate StarVecto context, SVX's long-term ambition is to evolve into a bridge asset connecting the crypto and fiat domains on a global scale. To that end, StarVecto intends to pursue three primary

directions.

First, on the regulatory front, the project plans to apply for virtual asset payment and settlement licenses in key, regulation-friendly jurisdictions and to establish compliant partnerships with local banks and payment institutions. This approach will enable SVX-based payment and settlement activities to operate clearly within legal frameworks, reduce regulatory uncertainty, and enhance adoption by institutions and enterprises.

Second, in terms of cross-ecosystem compatibility, SVX will progressively integrate with major DeFi protocols, NFT marketplaces, and broader Web3 applications. Within these environments, SVX may serve as a means of payment, a collateral asset, or a governance token, thereby extending its utility beyond a single platform and into a multi-protocol, multi-chain landscape.

Third, at the product and technology level, StarVecto plans to combine its AI-quant capabilities with SVX to develop "SVX Smart Wealth Pools." In this model, users stake SVX and are automatically allocated into curated, dynamically managed baskets of quantitative strategies aligned with their risk profiles. This enables users to earn passive returns through an automated, SVX-centered allocation framework.

Taken together, SVX's integrated design, encompassing governance, incentives, circulation, and deflation, aims to create a self-reinforcing value loop supported by StarVecto's AI-driven quantitative ecosystem. As the ecosystem expands, application scenarios deepen, and regulatory pathways mature, SVX is expected to serve not only as an entitlement token for quantitative services but also as a core component of a broader digital-finance infrastructure that connects traditional finance and crypto markets. In the long run, SVX aspires to support efficient, secure, and low-cost value transfer and wealth creation for a potentially large global user base.

Chapter 7 Governance and Compliance

StarVecto was conceived with decentralized governance and real-world compliance as two equally important pillars. On one side, control over the protocol is progressively transferred to the community via a DAO framework; on the other, the technical and operational architecture is designed to minimize custody and regulatory risk while providing the necessary interfaces for institutional users. The overarching objective is to strike a sustainable balance between technical neutrality and legal constraints so that StarVecto can operate robustly across multiple jurisdictions.

7.1 DAO Governance

StarVecto follows a roadmap of progressive decentralization. In the early stages, the core team is responsible for deploying and iterating the protocol. As the product matures and the community grows, critical control, parameter adjustment, and treasury authority are gradually transferred to the StarVecto DAO, where token holders and ecosystem participants jointly govern outcomes.

From a procedural standpoint, any material change to the protocol's core logic, such as fee rates, staking and slashing rules, or key risk thresholds, must pass through a standardized on-chain governance pipeline: proposal, open discussion, formal vote, and, upon approval, automatic execution by smart contracts. This structure limits discretionary interference and reduces the risk of unilateral decisions.

To safeguard strategy quality and user protection, the DAO elects a Strategy Review and Arbitration Committee composed of experienced traders, quantitative experts, and community representatives. Operating under standards mandated by the DAO, the committee defines listing criteria, disclosure requirements, and risk labels for new strategies, and issues findings and recommendations in cases of alleged misconduct. Final decisions are subject to DAO voting,

preserving both expert input and community oversight.

With respect to the treasury, on-chain voting determines the allocation of funds to activities such as grants for open-source tooling and research, support for ecosystem partners, SVX buyback programs, and marketing or community initiatives. Each spending proposal must specify objectives, budget, and expected outcomes, and is subsequently subject to transparent reporting and evaluation, aligning token-holder interests with the protocol's long-term trajectory.

7.2 Compliance and Security Framework

StarVecto's architecture embeds compliance and security considerations from the outset. By adhering to a strictly non-custodial, light-balance-sheet model, the protocol defines itself as an information and signal layer rather than a custody or centralized trading venue, thereby materially reducing licensing requirements and systemic exposure while providing clear liability boundaries for institutional integration.

7.2.1 Non-Custodial Advantage

StarVecto neither touches nor controls user funds. Assets remain in users' own centralized exchange accounts or decentralized wallets at all times, while the protocol confines itself to signal construction and delivery, proof verification and coordination of access and fee flows. This non-custodial posture helps StarVecto avoid many of the licensing obligations associated with traditional custodians or banks and materially reduces the risk of pool-level exploits, runs or misappropriation.

7.2.2 Token Characterization as a Utility

SVX is explicitly characterized as a utility token for the StarVecto protocol. It grants access to advanced features such as strategy subscriptions, premium tooling and governance, and serves as a bonding asset for reputation and slashing, with value grounded in actual usage of the ecosystem rather than any contractual promise of profits or passive dividends. As such, SVX is not designed or presented as a security or regulated financial instrument.

7.2.3 Tiered Identity Verification & KYC/AML

With respect to identity and compliance checks, StarVecto applies a tiered, risk-based KYC/AML framework to balance privacy with regulatory expectations:

Retail subscribers can access services by simply connecting a wallet, without mandatory KYC, so long as they do not require fiat on/off-ramping or regulated reporting, thereby preserving anonymity and ease of use for typical decentralized participation.

Strategy publishers are required to undergo basic identity verification or on-chain reputation checks before listing paid strategies, in order to deter abusive behavior and support a high-trust marketplace.

Institutional clients with formal compliance obligations can opt into enhanced screening via integrated third-party providers, including address risk scoring and AML/sanctions checks, enabling them to meet internal and external regulatory standards when interacting with the protocol.

7.2.4 Security Audits and Bug Bounty

StarVecto treats security as a prerequisite for operation rather than an optional enhancement. Core smart contracts, including those responsible for subscription and fee routing, staking and slashing and DAO governance, must undergo comprehensive reviews by at least two leading blockchain security firms prior to mainnet deployment, with a focus on logical correctness, privilege boundaries and economic-attack resistance.

Post-launch, StarVecto will maintain a standing bug bounty program via established disclosure platforms, offering SVX- or stablecoin-denominated rewards to white-hat researchers who responsibly identify and report vulnerabilities. This continuous external scrutiny is intended to complement internal testing and audits, creating a multi-layered security assurance process.

Taken together, StarVecto's governance and compliance architecture is designed to reconcile innovation with regulatory reality: decentralization and non-custodial design at the protocol layer, transparent community decision-making at the governance layer and risk-based identity and security measures at the compliance layer.

Chapter 8 Risk Disclosure and Disclaimers

This chapter provides an overview of the principal risks associated with using the StarVecto protocol and holding SVX. It is intended as an informational summary rather than investment, legal, tax or other professional advice. Participants should make their own decisions in light of their circumstances and, where appropriate, obtain independent professional counsel.

8.1 General Considerations

Engaging with StarVecto and SVX is voluntary and involves risk. The main sources of risk are the inherent volatility of crypto markets, the evolving nature of the underlying technologies and the diversity and changeability of regulatory regimes.

It is important to recognize that:

Past or simulated performance of any strategy does not guarantee future results.

Descriptions in this whitepaper reflect design intentions and objectives, not commitments to specific returns.

Crypto assets are a high-volatility asset class and are generally more suitable for participants with a higher risk tolerance and an active approach to risk management.

8.2 Market and Price Volatility

Price movements in crypto markets can be substantial over short timeframes. Macro conditions, liquidity, sentiment and project-specific events may all influence prices.

Under such circumstances:

Strategies may experience drawdowns, and there is no guarantee that long-term performance will meet expectations.

SVX, as a traded token, may appreciate or depreciate in line with market demand and supply.

Liquidity may vary over time, occasionally amplifying the impact of larger trades.

Such volatility is a characteristic of the asset class and does not, by itself, imply systemic failure; however, participants should be prepared for both upward and downward price movements.

8.3 Technology and System Risks

StarVecto relies on a combination of technologies, including blockchains, smart contracts, oracle networks, decentralized storage and zkML. While these components enable new functionality, they also carry certain risks.

Even with careful design and testing, the following cannot be entirely ruled out:

Smart contracts may contain undiscovered bugs or edge cases.

Base chains or Layer-2 networks may occasionally experience congestion or maintenance events that affect transaction finality or availability.

External data feeds may be subject to temporary delays or minor inaccuracies.

Cryptographic schemes such as zkML may require upgrades or adjustments as the field evolves.

The protocol intends to mitigate these risks through audits, monitoring and ongoing improvements, but it cannot eliminate them completely. Users should assume that no technical system is flawless.

8.4 Strategy, Execution and Governance Risks

StarVecto functions as an infrastructure layer for accessing, verifying and distributing quantitative strategies rather than as an asset manager that guarantees the performance of any particular model or portfolio. At the strategy level, all models are built on specific historical data sets and assumptions. As market structure evolves—for example, through changes in liquidity patterns, participant composition or macro conditions—those assumptions may need to be revisited and models re-calibrated, and short-term performance may diverge from historical behavior. At the execution level, users' realized results are influenced by actual fill prices, slippage, timing and position-sizing decisions, all of which can deviate from the assumptions used in simulations or backtests and must therefore be managed by users themselves. In addition, StarVecto relies on DAO governance, meaning that parameters such as fee structures and incentive schemes are adjusted over time through token-holder voting. Participants naturally differ in risk preferences, investment horizons and priorities, so governance outcomes may not always align with every individual's expectations. These considerations do not imply a failure of the protocol; rather, they highlight that model risk, execution variance and governance outcomes should all be factored into a user's overall assessment when engaging with StarVecto.

8.5 Legal and Tax Environment

The legal and regulatory environment for crypto assets and decentralized protocols varies substantially across jurisdictions, with differences in how assets are classified, which investors are eligible to participate, what disclosure standards apply and how transactions are taxed. The same activity may be regarded as routine financial or technological innovation in one jurisdiction while being subject to additional restrictions, reporting requirements or licensing obligations in another. Similarly, tax authorities take different approaches to whether and how to tax crypto holdings and transactions, including what constitutes a taxable event and which tax regimes and rates apply. StarVecto and its related parties cannot provide binding legal or tax advice for any specific jurisdiction and cannot assume responsibility for users' compliance with local rules. Each participant should therefore review the legal and tax framework applicable in their country or region before interacting with the protocol or holding SVX, and, where appropriate, seek advice from qualified legal and tax professionals to ensure that their activities remain compliant.

8.6 Specific Notes on SVX

SVX is designed as a utility token within the StarVecto ecosystem, with primary functions that include enabling governance participation, optimizing fee structures, distributing ecosystem incentives and serving as a staking asset for strategy reputation and bonding. By design, SVX does not represent equity, debt or ownership in any company, fund or other legal entity, nor does it constitute a contractual promise of fixed income, dividends or capital protection. Its market price is determined entirely by supply and demand in secondary markets and may fluctuate in response to broader market conditions, protocol usage and participant expectations, potentially trading above or below historical levels at different times. As the StarVecto protocol evolves, the specific use cases, discount schemes and governance rights associated with SVX may be expanded or adjusted through the DAO, with the definitive terms determined by actual protocol operation and formally adopted governance proposals. In light of these characteristics, any decision to acquire, hold or trade SVX should

be based on a clear understanding of its utility nature, its potential price volatility and the fact that its rules and use cases may evolve over time.

8.7 No Offer and No Guarantee

This whitepaper is intended to describe the design and intended use of the StarVecto protocol and SVX. It does not constitute an offer to sell, or a solicitation of an offer to buy, securities or other regulated financial products in any jurisdiction, nor does it constitute investment advice targeted at any specific party.

Any forward-looking statements regarding future development or plans should be understood as indicative targets based on current information, not guarantees of outcome. Actual developments may differ due to market, technical, governance or regulatory factors.

On this basis, any decision to continue using StarVecto or holding SVX implies that the participant has read, understood and accepted the risk disclosures and limitations outlined in this chapter.